FUND SPOTLIGHT

IDFC MUTUAL FUND

IDFC BOND FUND - Medium Term Plan

(Previously known as IDFC Super Saver Income Fund – Medium Term Plan)
An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 years and 4 years

The fund is positioned in the medium term fund category and invests in a mix of high quality debt and money market instruments, including G Secs.

Fund Features: (Data as on 31st July'20)

Category: Medium Duration

Monthly Avg AUM: ₹3,187.91 Crores

Inception Date: 8th July 2003

Fund Manager: Mr. Suyash Choudhary (w.e.f. 15/09/2015)

Standard Deviation (Annualized): 2.10%

Modified Duration: 3.76 years

Average Maturity: 4.65 years

Macaulay Duration: 3.88 years

Yield to Maturity: 5.33%

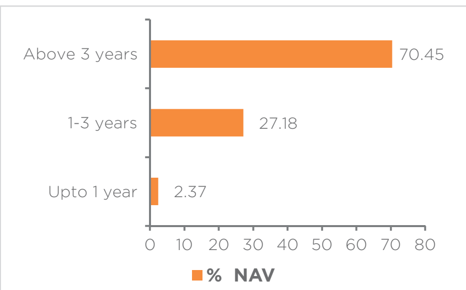
Benchmark: NIFTY AAA Medium Duration Bond Index (w.e.f 11/11/2019)

Minimum Investment Amount: ₹5,000/- and any amount thereafter

Exit Load: NIL (w.e.f. 15th January 2019)

Options Available: Growth, Dividend - Daily (Reinvestment only) and Fortnightly, Monthly, Bi-monthly, Quarterly and Periodic frequency (each with payout, reinvestment and sweep facility).

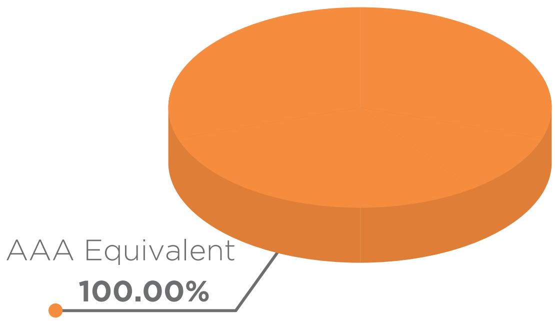
Maturity Bucket:



OUTLOOK

This is the second phase of global financial repression and is likely to be pronounced and sustained for developed markets. For countries like India, where long term financing needs are substantial, the saver will have to come into focus at some juncture. Meanwhile, investors are living with very low absolute yields on quality bonds with lower duration risk. Steep yield curves and wider credit risk premia are tempting avenues to increase returns. However, both these phenomena are logical pricing of the risks embedded in the system. Importantly, the magnitude of shock underway is unprecedented and the information available to assess its impact is thin. Therefore, it is very critical that investors follow a logical framework for allocation and not get pushed into taking risks that are outside their realm of appetite and / or aren't well thought out. Outside of agriculture, the macro narrative hasn't changed discerningly for the better for the rest of the economy. Hence, this isn't time to move into diluted credits despite the collapse in quality rates & it is critical to wait for an improvement in the underlying environment. In the meanwhile, one has to live with this period in the least damaging way possible. In our view this is accepting lower returns for now rather than unnaturally expanding risk appetite.

ASSET QUALITY



Gsec/SDL yields have been annualized wherever applicable
Standard Deviation calculated on the basis of 1 year history of monthly data

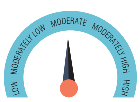
MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

IDFC MUTUAL FUND

PORTFOLIO (31 July 2020)

Name	Rating	Total (%)
Government Bond		**63.35%**
6.79% - 2027 G-Sec	SOV	26.12%
7.35% - 2024 G-Sec	SOV	20.50%
7.59% - 2026 G-Sec	SOV	10.49%
6.45% - 2029 G-Sec	SOV	5.01%
6.19% - 2034 G-Sec	SOV	1.23%
Corporate Bond		**32.14%**
Power Finance Corporation	AAA	9.87%
Reliance Industries	AAA	9.13%
LIC Housing Finance	AAA	7.31%
REC	AAA	3.05%
HDFC	AAA	1.91%
Indian Railway Finance Corporation	AAA	0.83%
NABARD	AAA	0.03%
PTC		**1.24%**
First Business Receivables Trust^	AAA(SO)	1.24%
State Government Bond		**1.15%**
8.2% Gujarat SDL - 2025	SOV	0.54%
8.25% Maharastra SDL - 2025	SOV	0.54%
8.37% Tamil Nadu SDL - 2028	SOV	0.07%
8.25% Andhra Pradesh SDL - 2023	SOV	0.001%
8.68% Gujarat SDL - 2023	SOV	0.0001%
Net Cash and Cash Equivalent		**2.12%**
Grand Total		**100.00%**

First Business Receivables Trust^ - wt. avg. mat: 2.44years



Investors understand that their principal will be at Moderate risk

This product is suitable for investors who are seeking*:

- To generate optimal returns over medium term
- Investments in Debt & Money Market securities such that the Macaulay duration of the portfolio is between 3 years and 4 years

*Investors should consult their financial advisers ifin doubt about whether the product is suitable for them.

Contact your Financial Advisor | Call toll free 1800-2-6666-88 | Invest online at www.idfcmf.com | www.facebook.com/idfcamc | @IDFCMF