IDFC GOVERNMENT SECURITIES FUND - CONSTANT MATURITY PLAN

(Previously known as IDFC Government Securities Fund Short Term Plan)
An open ended debt scheme investing in government securities having a constant maturity of 10 years

The fund is a mix of government bonds, state development loans (SDLs), treasury bills and/or cash management bills. The fund will predominantly have an average maturity of around 10 years.

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.

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

Category: Gilt Fund with 10 year constant duration

Monthly Avg AUM: ₹301.23 Crores

Inception Date: 9th March 2002

Fund Manager: Mr. Harshal Joshi (w.e.f. 15th May 2017)

Standard Deviation (Annualized): 2.97%

Modified duration: 8.11 years

Average Maturity: 12.41 years

Macaulay Duration: 8.36 years

Yield to Maturity: 6.31%

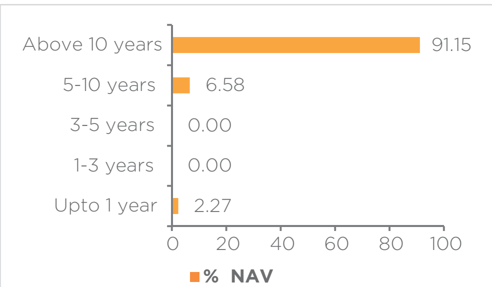
Benchmark: CRISIL 10 year Gilt Index (w.e.f. 28th May 2018)

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

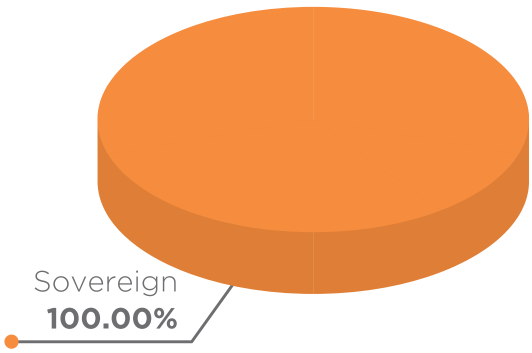
Exit Load: Nil

Options Available: Growth & Dividend Option - Quarterly, Half yearly, Annual, Regular and Periodic (each with payout, reinvestment and sweep facility).

Maturity Bucket:

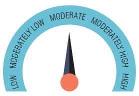


ASSET QUALITY



PORTFOLIO (31 July 2020)

Name	Rating	Total (%)
Government Bond		**97.73%**
7.57% - 2033 G-Sec	SOV	91.15%
6.45% - 2029 G-Sec	SOV	4.89%
7.26% - 2029 G-Sec	SOV	0.68%
6.79% - 2027 G-Sec	SOV	0.67%
7.17% - 2028 G-Sec	SOV	0.34%
Net Cash and Cash Equivalent		**2.27%**
Grand Total		**100.00%**



Investors understand that their principal will be at Moderate risk

This product is suitable for investors who are seeking*:
- To generate optimal returns over long term
- Investments in Government Securities such that the average maturity of the portfolio is around 10 years

*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.