



## 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.

### OUTLOOK

- With the market's mind relieved for now on the overnight anchor, interest with respect to front end rates should get re-established. A more fruitful approach probably is to envisage that some gentle (and hopefully non disruptive) reversals to the level of overnight rates is to be expected over the next year or so, even as the process hasn't started with the December policy. This should be viewed as a transition of monetary policy from emergency support levels currently to a more sustainable level where it is still relatively accommodative in light of the weaker trajectory of growth in the 'new normal' that may lie ahead.
- Put in the bond market's perspective, the current difference between 10 year bond yield to overnight rate is roughly around 300 bps. This will likely fall over the year ahead, although it may still be higher than the last few years' average given higher continued fiscal stress as well as likelihood of relatively accommodative monetary policy.
- Given the overnight rate is operating below the reverse repo rate, the bulk of this adjustment could be made by the very front end. While Long end rates might also normalize, the magnitude might not be similar as the front end.
- In our opinion, focus has to be on best quality AAA and sovereign / quasi sovereign. There is no macro logic whatsoever for pursuing high yield strategies.

**Fund Features:** (Data as on 27th November'20)

**Category:** Medium Duration

**Monthly Avg AUM:** ₹4,056.33 Crores

**Inception Date:** 8th July 2003

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

**Standard Deviation (Annualized):** 2.81%

**Modified Duration:** 3.72 years

**Average Maturity:** 4.58 years

**Macaulay Duration:** 3.83 years

**Yield to Maturity:** 5.04%

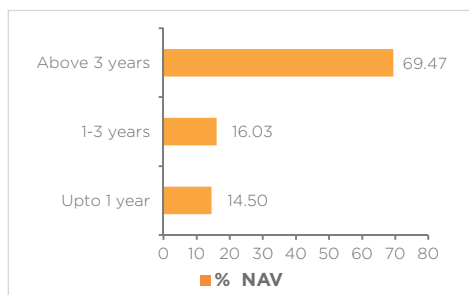
**Benchmark:** NIFTY AAA Medium Duration Bond Index (w.e.f 11/11/2019)

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

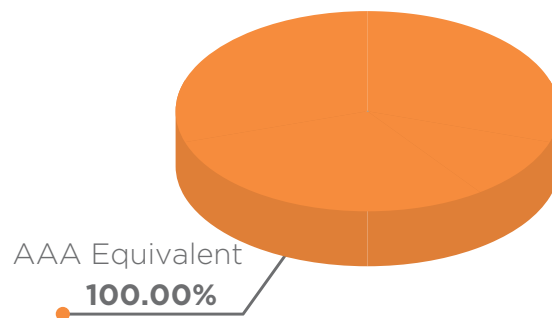
**Exit Load:** NIL (w.e.f. 15th January 2019)

**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:**



### 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.

**PORTFOLIO** (27 November 2020)

Name	Rating	Total (%)
<b>Government Bond</b>		<b>64.14%</b>
6.79% - 2027 G-Sec	SOV	27.28%
5.22% - 2025 G-Sec	SOV	10.12%
6.45% - 2029 G-Sec	SOV	8.75%
7.35% - 2024 G-Sec	SOV	7.38%
6.97% - 2026 G-Sec	SOV	4.43%
7.26% - 2029 G-Sec	SOV	3.63%
8.24% - 2027 G-Sec	SOV	1.37%
7.17% - 2028 G-Sec	SOV	1.18%
<b>Corporate Bond</b>		<b>23.49%</b>
Power Finance Corporation	AAA	7.47%
Reliance Industries	AAA	6.92%
LIC Housing Finance	AAA	3.72%
HDFC	AAA	2.42%
REC	AAA	2.30%
Indian Railway Finance Corporation	AAA	0.63%
NABARD	AAA	0.03%
<b>Treasury Bill</b>		<b>6.85%</b>
182 Days Tbill - 2021	SOV	5.05%
364 Days Tbill - 2021	SOV	1.80%
<b>PTC</b>		<b>0.91%</b>
First Business Receivables Trust <sup>^</sup>	AAA(SO)	0.91%
<b>State Government Bond</b>		<b>0.87%</b>
8.2% Gujarat SDL - 2025	SOV	0.41%
8.25% Maharashtra SDL - 2025	SOV	0.41%
8.37% Tamil Nadu SDL - 2028	SOV	0.05%
8.25% Andhra Pradesh SDL - 2023	SOV	0.001%
8.68% Gujarat SDL - 2023	SOV	0.0001%
<b>Net Cash and Cash Equivalent</b>		<b>3.74%</b>
<b>Grand Total</b>		<b>100.00%</b>

<sup>^</sup>First Business Receivables Trust- wt. avg. mat: 2.25 years  
(PTC originated by Reliance Industries Limited)



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 if in doubt about whether the product is suitable for them.