IDFC DYNAMIC BOND FUND

An open ended dynamic debt scheme investing across duration

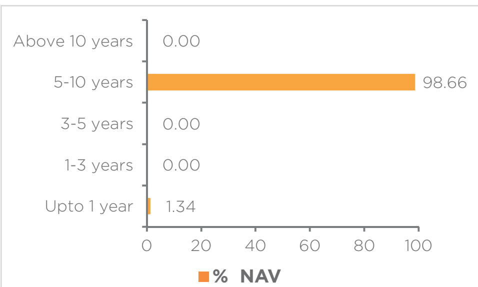
The fund is positioned in the dynamic bond fund category to take exposure across the curve depending upon the fund manager's underlying interest rate view where we employ the majority of the portfolio. It is a wide structure and conceptually can go anywhere on the curve.

OUTLOOK

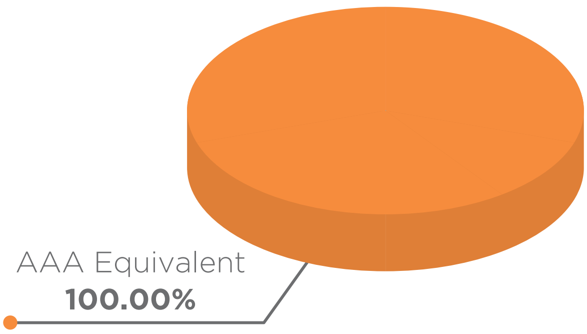
- With the market's mind relieved for now on the overnight anchor, interest with respect to front end rates should get re-established. A more fruitful approach probably is to envisage that some gentle (and hopefully non disruptive) reversals to the level of overnight rates is to be expected over the 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: Dynamic Bond
Monthly Avg AUM: ₹2,902.63 Crores
Inception Date: 25th June 2002
Fund Manager: Mr. Suyash Choudhary (Since 15th October 2010)
Standard Deviation (Annualized): 4.17%
Modified Duration: 6.08 years
Average Maturity: 8.06 years
Macaulay Duration: 6.25 years
Yield to Maturity: 5.97%
Benchmark: CRISIL Composite Bond Fund Index
Minimum Investment Amount: ₹5,000/- and any amount thereafter
Exit Load: Nil (w.e.f. 17th October 2016)
Options Available: Growth, Dividend - Periodic, Quarterly, Half Yearly, Annual and Regular frequency (each with Reinvestment, Payout and Sweep facility)

Maturity Bucket:



ASSET QUALITY

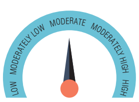


Gsec/SDL yields have been annualized wherever applicable
Standard Deviation calculated on the basis of 1 year history of monthly data

IDFC MUTUAL FUND

PORTFOLIO (27 November 2020)

Name	Rating	Total (%)
Government Bond		**98.66%**
6.45% - 2029 G-Sec	SOV	45.77%
7.26% - 2029 G-Sec	SOV	28.56%
6.79% - 2027 G-Sec	SOV	9.15%
7.17% - 2028 G-Sec	SOV	8.24%
8.24% - 2027 G-Sec	SOV	6.93%
8.20% - 2025 G-Sec	SOV	0.004%
Net Cash and Cash Equivalent		**1.34%**
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 long term optimal returns by active management
- Investments in money market & debt instruments including G-Sec across duration

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