



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

- 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: Gilt Fund with 10 year constant duration

Monthly Avg AUM: ₹335.94 Crores

Inception Date: 9th March 2002

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

Standard Deviation (Annualized): 4.14%

Modified duration: 6.49 years

Average Maturity: 8.84 years

Macaulay Duration: 6.69 years

Yield to Maturity: 6.01%

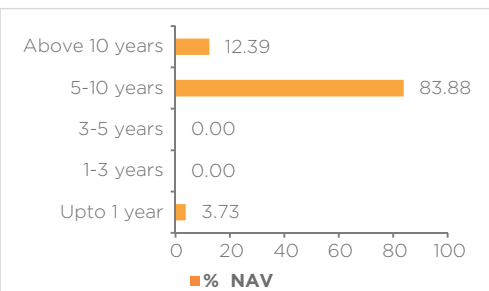
Benchmark: CRISIL 10 year Gilt Index (w.e.f. 28th May 2018)

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

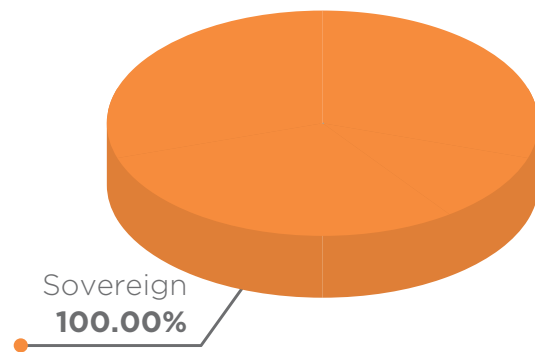
Exit Load: Nil

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

Maturity Bucket:



ASSET QUALITY



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

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

PORTFOLIO		(27 November 2020)
Name	Rating	Total (%)
Government Bond		96.27%
6.45% - 2029 G-Sec	SOV	42.05%
7.26% - 2029 G-Sec	SOV	32.13%
6.68% - 2031 G-Sec	SOV	9.10%
5.77% - 2030 G-Sec	SOV	7.19%
7.73% - 2034 G-Sec	SOV	3.29%
7.17% - 2028 G-Sec	SOV	1.88%
6.79% - 2027 G-Sec	SOV	0.62%
Net Cash and Cash Equivalent		3.73%
Grand Total		100.00%



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.