



IDFC GOVERNMENT SECURITIES FUND-INVESTMENT PLAN

(Government Securities Fund PF will be merged into Government Securities Fund IP w.e.f. May 7, 2018)

An open ended debt scheme investing in government securities across maturities

A dedicated gilt fund with an objective to generate optimal returns with high liquidity by investing in Government Securities.

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

Monthly Avg AUM: ₹2,067.28 Crores

Inception Date: 9th March 2002

Fund Manager: Mr. Suyash Choudhary (Since 15th October 2010)

Standard Deviation (Annualized): 4.29%

Modified duration: 6.32 years

Average Maturity: 8.43 years

Macaulay Duration: 6.51 years

Yield to Maturity: 6.02%

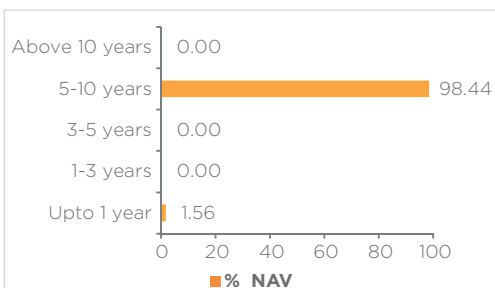
Benchmark: CRISIL Dynamic Gilt Index (w.e.f 01st February, 2019)

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

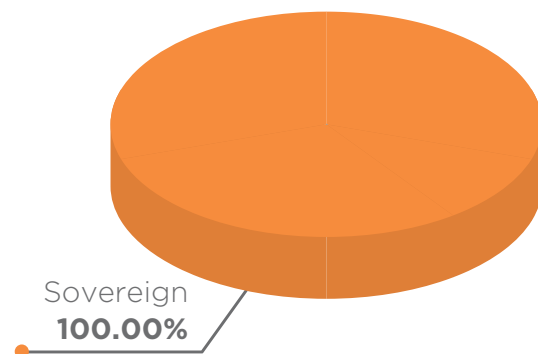
Exit Load: Nil (w.e.f. 15th July 2011)

Options Available: Growth, Dividend - Quarterly, Half Yearly, Annual, Regular & Periodic

Maturity Bucket:



ASSET QUALITY



PORTFOLIO (27 November 2020)

Name	Rating	Total (%)
Government Bond		98.44%
6.45% - 2029 G-Sec	SOV	62.10%
7.26% - 2029 G-Sec	SOV	26.81%
8.24% - 2027 G-Sec	SOV	5.31%
7.17% - 2028 G-Sec	SOV	4.22%
Net Cash and Cash Equivalent		1.56%
Grand Total		100.00%



This product is suitable for investors who are seeking*:

- To generate long term optimal returns.
- Investments in Government Securities across maturities.

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