



IDFC BOND FUND - Short Term Plan

(Previously known as IDFC Super Saver Income Fund - Short Term Plan)

An open ended short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 year and 3 years.

A Short Term Income Fund, the portfolio is mostly a mix of short duration debt and money market instruments. The average portfolio maturity will not ordinarily exceed around 2 years.

OUTLOOK

Our continued assessment over the past few months has been that there possibly has been a general under-appreciation of the gravity of our current slowdown. We have therefore had great sympathy for continued counter-cyclical responses even as the need for more urgency on structural reforms cannot be underplayed. Our only point has been that there needs to be adequate appreciation of where the maximum depth available is for countercyclical response. We have also been cognizant of the moral hazard issue when exploring the avenues for non-traditional responses. For that reason, while we have been happy to support a twist or outright open market purchases of bonds, we have balked at endorsing a 'bail-out' package for stressed balance-sheets. The February policy has been quite consistent with the underlying macro-environment. This is especially also given the new threat to global growth in the form of the Coronavirus as well as the obvious limits to fiscal policy that have been clearly evident in the just announced Union Budget.

In our actively managed bond and gilt funds, we have been heavily overweight 'high beta' 13 year government bonds till after the budget, basis our view that the market was perhaps over-fearing the event. Since the budget we have shifted these portfolios more in favor of 8 - 10 year government bonds on the higher absolute value offered in this segment and since the "momentum" trade generated post budget may have soon dissipated. We find this positioning conducive to the monetary policy announcements. Government bonds up to 5 years or so may find even greater support in context of the long term repo operations. For 'real money' that wants somewhat higher duration given an otherwise conducive rate environment, the 5 - 10 year part of the curve may thus offer reasonable value. As always, this strategy represents our current thoughts and is subject to change at short notice in light of market dynamics and our own evolving assessment.

Fund Features:

Category: Short Duration

Monthly Avg AUM: ₹11,867.57 Crores

Inception Date: 14th December 2000

Fund Manager: Mr. Suyash Choudhary
(Since 11th March 2011)

Standard Deviation (Annualized):

1.81%

Modified Duration: 1.89 years

Average Maturity: 2.21 years

Yield to Maturity: 6.62%

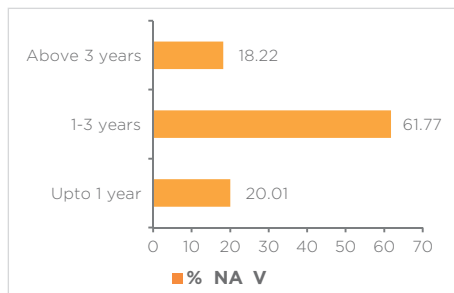
Benchmark: NIFTY AAA Short Duration Bond Index (w.e.f 11/11/2019)

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

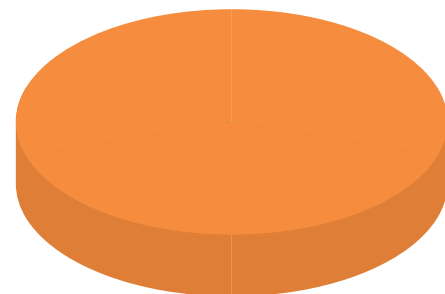
Exit Load: Nil (w.e.f. 23rd May 2016)

Options Available: Growth, Dividend - Fortnightly (Payout, Reinvestment & Sweep), Monthly & Periodic

Maturity Bucket:



ASSET QUALITY



AAA Equivalent
100.00%

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 (31 January 2020)

Name	Rating	Total (%)
Corporate Bond		92.57%
Reliance Industries	AAA	11.56%
NABARD	AAA	11.23%
HDFC	AAA	10.99%
LIC Housing Finance	AAA	8.32%
Power Finance Corporation	AAA	8.23%
National Highways Auth of Ind	AAA	6.73%
REC	AAA	6.26%
Small Industries Dev Bank of India	AAA	4.47%
Indian Railway Finance Corporation	AAA	4.25%
Bajaj Finance	AAA	4.03%
National Housing Bank	AAA	3.80%
Power Grid Corporation of India	AAA	3.66%
NTPC	AAA	3.42%
HDB Financial Services	AAA	1.87%
Larsen & Toubro	AAA	1.80%
Kotak Mahindra Prime	AAA	1.15%
Sundaram Finance	AAA	0.64%
M&M Financial Services	AAA	0.13%
Export Import Bank of India	AAA	0.04%
Certificate of Deposit		3.74%
Axis Bank	A1+	2.97%
ICICI Bank	A1+	0.77%
PTC		0.71%
First Business Receivables Trust^	AAA(SO)	0.71%
Net Cash and Cash Equivalent		2.98%
Grand Total		100.00%

^PTC originated by Reliance Industries Limited



This product is suitable for investors who are seeking*:

- To generate optimal returns over short to medium term
- Investments in Debt & Money Market securities such that the Macaulay duration of the portfolio is between 1 year and 3 years

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

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