



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 10 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: Gilt Fund with 10 year constant duration

Monthly Avg AUM: ₹139.68 Crores

Inception Date: 9th March 2002

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

Standard Deviation (Annualized): 4.57%

Modified duration: 7.30 years

Average Maturity: 11.17 years

Yield to Maturity: 7.06%

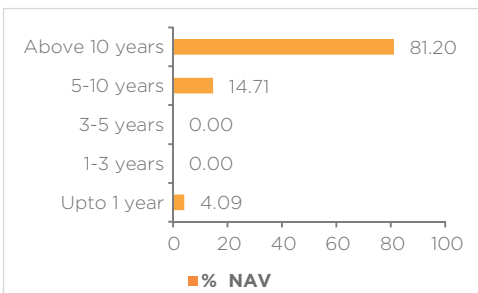
Benchmark: CRISIL 10 year Gilt Index (w.e.f. 28th May 2018)

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

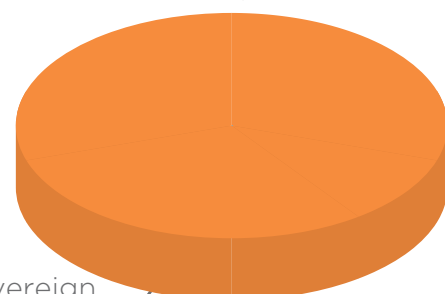
Exit Load: Nil

Options Available: Growth, Dividend - Weekly, Monthly, Quarterly & Periodic

Maturity Bucket:



ASSET QUALITY



Sovereign
100.00%

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		(31 January 2020)
Name	Rating	Total (%)
Government Bond		95.91%
7.88% - 2030 G-Sec	SOV	41.29%
7.57% - 2033 G-Sec	SOV	33.15%
7.59% - 2029 G-Sec	SOV	14.71%
6.57% - 2033 G-Sec	SOV	6.76%
Net Cash and Cash Equivalent		4.09%
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.

Distributed by: