



## IDFC BOND FUND - Income Plan

(The fund has been repositioned to Medium to Long Term category w.e.f. July 12, 2018)

(previously known as IDFC Super Saver Income Fund – Investment Plan)  
An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 4 years and 7 years

An actively managed bond fund which seeks to invest in highly rated money market and debt instruments (including government securities) and aims to generate stable long term returns through mix of accrual income and capital appreciation.

### OUTLOOK

It is reasonably obvious that a more widespread global easing should be forthcoming. In India too, the RBI's revealed preference will get a further leg up and conventional easing may start supporting unconventional tools already in deployment. It is likely that fiscal policy finds itself getting more restive despite the obvious constraints on the revenue side.

Given the current context, there is a greater likelihood of more steepening pressure on the yield curve. However, this statement needs some qualifications: the very front end of the government bond curve (up to 3 – 4 years) has clearly outperformed massively since the announcement of the long term repo operations from the RBI. There may be limited relative gains to be made here incrementally for real money, given the lower duration as well. However, the spread between 4 year to 7 – 8 year government bonds has, at the time of writing, widened to almost 80 bps. Subsequent spreads (longer bonds spread over 7 – 8 year bonds) are still relatively low. In our view, this makes the 7 – 8 year government bonds the “sweet-spot”, with a strong likelihood that the very wide spreads on offer versus shorter end bonds will likely compress over the coming months. The longer end may struggle once the current momentum fades, also in part due to the significantly higher state loan supply expected over the year ahead. The same anticipated state loan supply makes the 10 year point on the AAA corporate curve less attractive.

#### Fund Features:

**Category:** Medium to Long Duration

**Monthly Avg AUM:** ₹680.71 Crores

**Inception Date:** 14th July 2000

**Fund Manager:** Mr. Suyash Choudhary (w.e.f. 15/10/2010)

**Standard Deviation (Annualized):** 4.33%

**Modified Duration:** 5.86 years

**Average Maturity:** 7.77 years

**Yield to Maturity:** 6.64%

**Benchmark:** CRISIL Composite Bond Fund Index

**Minimum Investment Amount:**

₹5,000/- and any amount thereafter.

**Exit Load:** If redeemed/switched out within 365 days from the date of allotment:

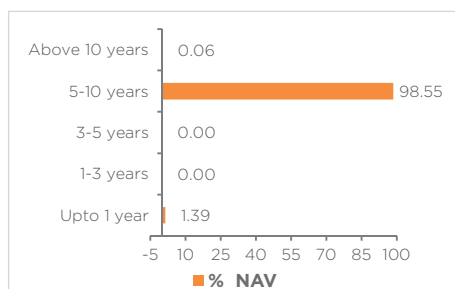
For 10% of investment: Nil

For remaining investment: 1%

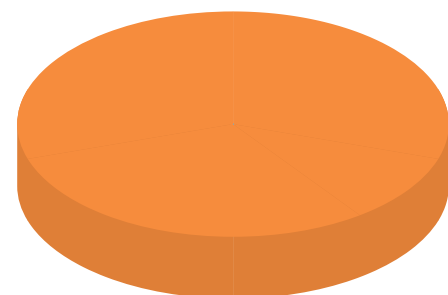
If redeemed/switched out after 365 days from the date of allotment: Nil

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

**Maturity Bucket:**



### ASSET QUALITY



AAA Equivalent

100.00%

Gsec/SDL yields have been annualized wherever applicable  
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** (28 February 2020)

Name	Rating	Total (%)
<b>Government Bond</b>		<b>97.81%</b>
7.17% - 2028 G-Sec	SOV	86.58%
6.79% - 2027 G-Sec	SOV	11.17%
7.73% - 2034 G-Sec	SOV	0.06%
<b>Corporate Bond</b>		<b>0.80%</b>
REC	AAA	0.80%
<b>Net Cash and Cash Equivalent</b>		<b>1.39%</b>
<b>Grand Total</b>		<b>100.00%</b>



This product is suitable for investors who are seeking\*:

- To generate optimal returns over long term
- Investments in Debt & Money Market securities such that the Macaulay duration of the portfolio is between 4 years and 7 years

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

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