



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

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: Short Duration

Monthly Avg AUM: ₹12,304.28 Crores

Inception Date: 14th December 2000

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

Standard Deviation (Annualized):
1.80%

Modified Duration: 1.78 years

Average Maturity: 2.07 years

Yield to Maturity: 6.42%

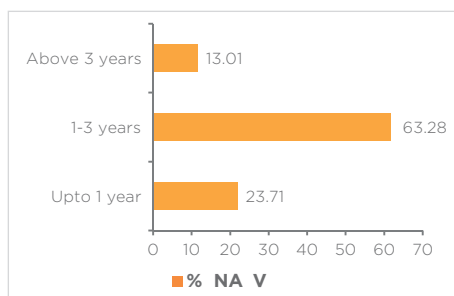
Benchmark: NIFTY AAA Short
Duration Bond Index (w.e.f 11/11/2019)

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

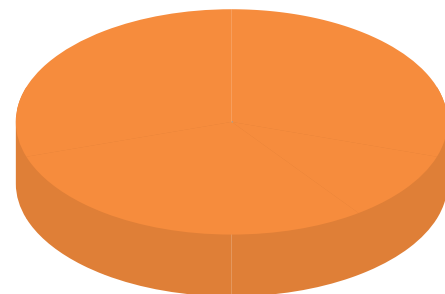
Exit Load: Nil (w.e.f. 23rd May 2016)

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 (28 February 2020)

Name	Rating	Total (%)
Corporate Bond		89.62%
Reliance Industries	AAA	11.46%
NABARD	AAA	10.29%
HDFC	AAA	9.98%
LIC Housing Finance	AAA	9.24%
Power Finance Corporation	AAA	8.09%
National Highways Auth of Ind	AAA	6.59%
REC	AAA	6.12%
Small Industries Dev Bank of India	AAA	4.37%
Indian Railway Finance Corporation	AAA	4.19%
Bajaj Finance	AAA	3.93%
Power Grid Corporation of India	AAA	3.59%
NTPC	AAA	3.35%
National Housing Bank	AAA	2.92%
HDB Financial Services	AAA	1.83%
Larsen & Toubro	AAA	1.76%
Kotak Mahindra Prime	AAA	1.12%
Sundaram Finance	AAA	0.62%
M&M Financial Services	AAA	0.12%
Export Import Bank of India	AAA	0.04%
Certificate of Deposit		4.13%
Axis Bank	A1+	3.52%
ICICI Bank	A1+	0.41%
NABARD	A1+	0.20%
PTC		0.70%
First Business Receivables Trust [^]	AAA(SO)	0.70%
Net Cash and Cash Equivalent		5.55%
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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