



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

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: Gilt Fund with 10 year constant duration

Monthly Avg AUM: ₹150.45 Crores

Inception Date: 9th March 2002

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

Standard Deviation (Annualized):
4.57%

Modified duration: 6.76 years

Average Maturity: 9.81 years

Yield to Maturity: 6.69%

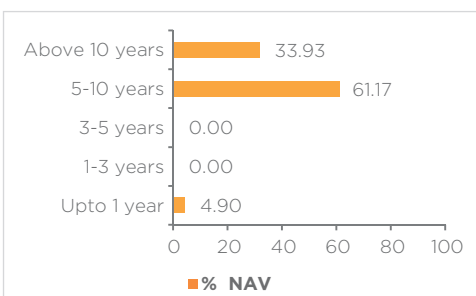
Benchmark: CRISIL 10 year Gilt Index
(w.e.f. 28th May 2018)

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

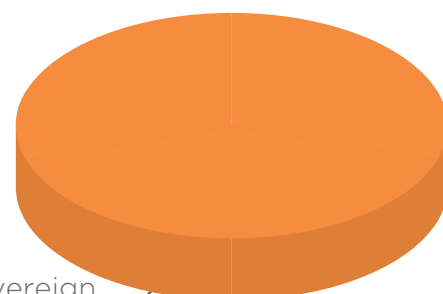
Exit Load: Nil

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 (28 February 2020)

Name	Rating	Total (%)
Government Bond		95.10%
7.26% - 2029 G-Sec	SOV	49.19%
7.57% - 2033 G-Sec	SOV	23.65%
7.88% - 2030 G-Sec	SOV	10.28%
7.59% - 2029 G-Sec	SOV	10.02%
7.17% - 2028 G-Sec	SOV	1.96%
Net Cash and Cash Equivalent		4.90%
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.

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