



IDFC BOND FUND - Medium Term Plan

(Previously known as IDFC Super Saver Income Fund – Medium Term Plan)
An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 years and 4 years

The fund is positioned in the medium term fund category and invests in a mix of high quality debt and money market instruments, including G Secs.

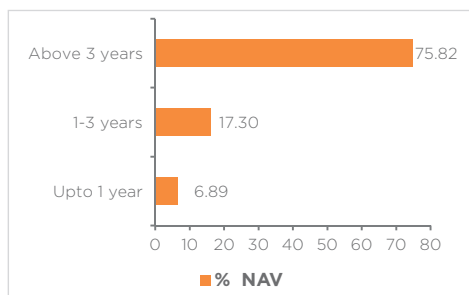
OUTLOOK

From a bond market perspective, the RBI is expected to make good on its stated commitment to ensure smooth execution of the borrowing program.

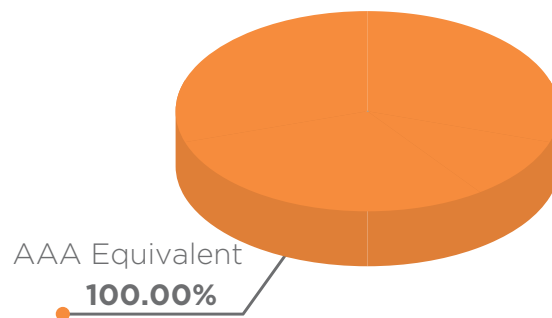
The extra-ordinary steepness in the bond curve throws up all sorts of interesting portfolio constructs. There are points on the curve (for instance in the 6 – 9 year segment on government bonds) where the carry versus duration trade-off looks very attractive. This is because most of the steepness in the curve is between the overnight rate and this segment which provides significant protection for this segment of bonds and can help withstand some rise in yields over a period of time and still return close to money market rates. As always, the construct can change basis evolving views.

The external account is our one significant macro strength and provides adequate cushion to RBI to persist with a dovish policy for the time-being. For all these reasons, our view remains that the important current pillars of policy will sustain for the foreseeable future. The spike in inflation presents an interpretation problem for now and it remains our base case that it will not shift the narrative away from growth for monetary policy, despite throwing up higher average CPI prints for the year.

Fund Features: (Data as on 30th September'20)
Category: Medium Duration
Monthly Avg AUM: ₹3,717.38 Crores
Inception Date: 8th July 2003
Fund Manager: Mr. Suyash Choudhary (w.e.f. 15/09/2015)
Standard Deviation (Annualized): 2.74%
Modified Duration: 3.54 years
Average Maturity: 4.48 years
Macaulay Duration: 3.77 years
Yield to Maturity: 5.56%
Benchmark: NIFTY AAA Medium Duration Bond Index (w.e.f 11/11/2019)
Minimum Investment Amount: ₹5,000/- and any amount thereafter
Exit Load: NIL (w.e.f. 15th January 2019)
Options Available: Growth, Dividend - Daily (Reinvestment only) and Fortnightly, Monthly, Bi-monthly, Quarterly and Periodic frequency (each with payout, reinvestment and sweep facility).
Maturity Bucket:



ASSET QUALITY



PORTFOLIO (30 September 2020)

Name	Rating	Total (%)
Government Bond		70.11%
6.79% - 2027 G-Sec	SOV	31.67%
7.35% - 2024 G-Sec	SOV	16.80%
6.18% - 2024 G-Sec	SOV	15.41%
6.97% - 2026 G-Sec	SOV	4.76%
7.26% - 2029 G-Sec	SOV	1.47%
Corporate Bond		25.33%
Power Finance Corporation	AAA	7.99%
Reliance Industries	AAA	7.46%
LIC Housing Finance	AAA	4.06%
HDFC	AAA	2.63%
REC	AAA	2.48%
Indian Railway Finance Corporation	AAA	0.68%
NABARD	AAA	0.03%
PTC		1.02%
First Business Receivables Trust [^]	AAA(SO)	1.02%
State Government Bond		0.92%
8.25% Maharastra SDL - 2025	SOV	0.43%
8.2% Gujarat SDL - 2025	SOV	0.43%
8.37% Tamil Nadu SDL - 2028	SOV	0.06%
8.25% Andhra PradeshSDL - 2023	SOV	0.001%
8.68% Gujarat SDL - 2023	SOV	0.000%
Net Cash and Cash Equivalent		2.62%
Grand Total		100.00%

[^]First Business Receivables Trust- wt. avg. mat: 2.27 years
(PTC originated by Reliance Industries Limited)



This product is suitable for investors who are seeking*:

- To generate optimal returns over medium term
- Investments in Debt & Money Market securities such that the Macaulay duration of the portfolio is between 3 years and 4 years

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