



IDFC DYNAMIC BOND FUND

An open ended dynamic debt scheme investing across duration

The fund is positioned in the dynamic bond fund category to take exposure across the curve depending upon the fund manager's underlying interest rate view where we employ the majority of the portfolio. It is a wide structure and conceptually can go anywhere on the curve.

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: Dynamic Bond

Monthly Avg AUM: ₹2,696.19 Crores

Inception Date: 25th June 2002

Fund Manager: Mr. Suyash Choudhary (Since 15th October 2010)

Standard Deviation (Annualized): 4.08%

Modified Duration: 5.38 years

Average Maturity: 6.94 years

Macaulay Duration: 5.54 years

Yield to Maturity: 6.09%

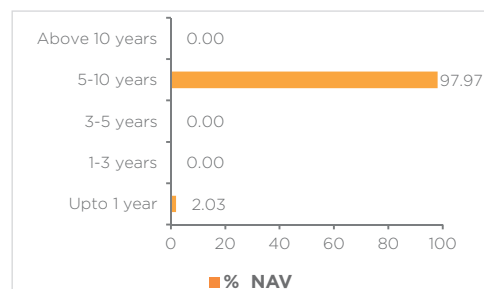
Benchmark: CRISIL Composite Bond Fund Index

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

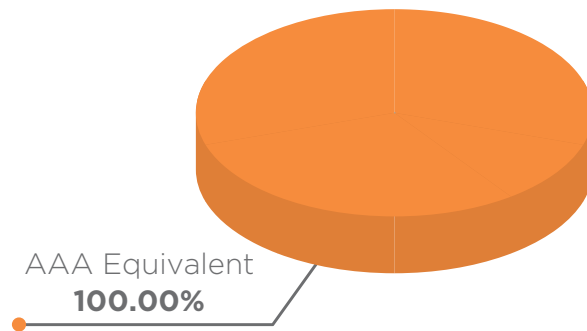
Exit Load: Nil (w.e.f. 17th October 2016)

Options Available: Growth, Dividend - Periodic, Quarterly, Half Yearly, Annual and Regular frequency (each with Reinvestment, Payout and Sweep facility)

Maturity Bucket:



ASSET QUALITY



PORTFOLIO (30 September 2020)

Name	Rating	Total (%)
Government Bond		97.97%
6.79% - 2027 G-Sec	SOV	66.22%
7.26% - 2029 G-Sec	SOV	23.11%
6.97% - 2026 G-Sec	SOV	8.63%
8.20% - 2025 G-Sec	SOV	0.004%
7.17% - 2028 G-Sec	SOV	0.004%
Net Cash and Cash Equivalent		2.03%
Grand Total		100.00%



This product is suitable for investors who are seeking*:

- To generate long term optimal returns by active management
- Investments in money market & debt instruments including G-Sec across duration

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