



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 be ordinarily anchored around 2 years.

OUTLOOK

The government has been prudent so far in rationing its stimulus response, focusing first on sustenance and keeping a growth stimulus for later. Despite the government's prudence so far, however, the load on the fiscal is heavy. A necessary condition for financing this is a well-functioning bond market. The measures announced in August should now restore normal functioning and allow the substantial borrowing requirement to start going through without undoing the transmission channel.

Having said that, it is also true that more than 50% of an INR 20 lakh crore plus (center and states combined) borrowing program is still ahead of us. One shouldn't expect a very large sustainable rally in bonds basis just the current set of triggers, although one should reasonably expect most of the recent aggressive sell-off to get unwound. However re-instatement of orderly functioning now allows participants to start deploying risk capital with more confidence to take advantage of what are quite attractive valuations given the underlying backdrop of an unprecedented growth drawdown and a collapse in credit growth.

The external account is our one significant macro strength today 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. In our opinion, focus has to be on best quality AAA and sovereign / quasi sovereign. There is no macro logic whatsoever for pursuing high yield strategies.

Fund Features: (Data as on 31st August'20)

Category: Short Duration

Monthly Avg AUM: ₹13,126.84 Crores

Inception Date: 14th December 2000

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

Standard Deviation (Annualized):
2.09%

Modified Duration: 1.80 years

Average Maturity: 2.05 years

Macaulay Duration: 1.89 years

Yield to Maturity: 4.81%

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

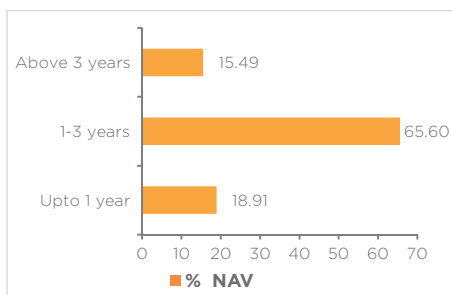
Minimum Investment Amount:

₹5,000/- and any amount thereafter

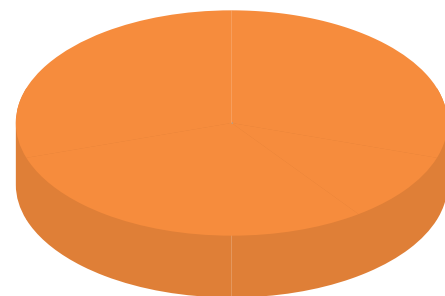
Exit Load: Nil (w.e.f. 23rd May 2016)

Options Available: Growth, Dividend - Fortnightly (Payout, Reinvestment & Sweep), Monthly, Quarterly, Annual & Periodic

Maturity Bucket:



ASSET QUALITY



AAA Equivalent
100.00%

PORTFOLIO (31 August 2020)

Name	Rating	Total (%)
Corporate Bond		94.40%
NABARD	AAA	11.88%
Reliance Industries	AAA	11.66%
LIC Housing Finance	AAA	9.25%
HDFC	AAA	9.24%
Power Finance Corporation	AAA	8.88%
Indian Railway Finance Corporation	AAA	8.67%
REC	AAA	7.02%
National Housing Bank	AAA	6.63%
Small Industries Dev Bank of India	AAA	5.24%
National Highways Auth of Ind	AAA	3.74%
NTPC	AAA	3.21%
Power Grid Corporation of India	AAA	2.45%
Larsen & Toubro	AAA	2.29%
Bajaj Finance	AAA	1.81%
HDB Financial Services	AAA	1.40%
Sundaram Finance	AAA	0.58%
Indian Oil Corporation	AAA	0.40%
Export Import Bank of India	AAA	0.04%
Certificate of Deposit		1.32%
Axis Bank	A1+	0.95%
Export Import Bank of India	A1+	0.38%
PTC		0.64%
First Business Receivables Trust [^]	AAA(SO)	0.64%
Treasury Bill		0.38%
182 Days Tbill - 2020	SOV	0.38%
Net Cash and Cash Equivalent		3.26%
Grand Total		100.00%

[^]First Business Receivables Trust- wt. avg. mat: 2.26 years
(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.