



## IDFC GOVERNMENT SECURITIES FUND - CONSTANT MATURITY 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 around 10 years.

### OUTLOOK

1. Intermediate duration points (4 – 6 years) seem well positioned to benefit from carry plus roll down even in an environment of gently rising bond yields.
2. Spreads on corporate bonds (including lower rated bonds) generally speaking for tenors beyond 3 - 4 years seem too shallow and such tenors are better played with sovereign assets.
3. While some amount of 'bar-belling' may be prudent, the cost of holding cash is large and only makes sense if one wants to hedge against tail risks that may entail sharp and short period rises in yields. In particular, a 'business as usual' gentle rise in yields is not enough grounds to sit on large amounts of cash given the extraordinary steepness even at intermediate duration points.

**Fund Features:** (Data as on 31st July'21)

**Category:** Gilt Fund with 10 year constant duration

**Monthly Avg AUM:** ₹296.72 Crores

**Inception Date:** 9th March 2002

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

**Standard Deviation (Annualized):** 4.43%

**Modified duration:** 6.25 years

**Average Maturity:** 8.60 years

**Macaulay Duration:** 6.46 years

**Yield to Maturity:** 6.56%

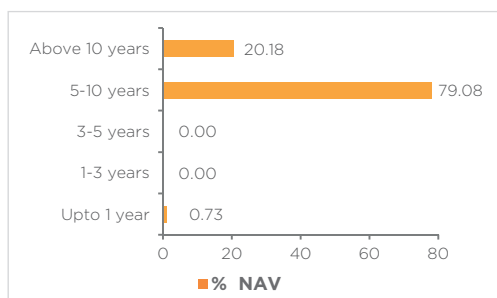
**Benchmark:** CRISIL 10 year Gilt Index (w.e.f. 28th May 2018)

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

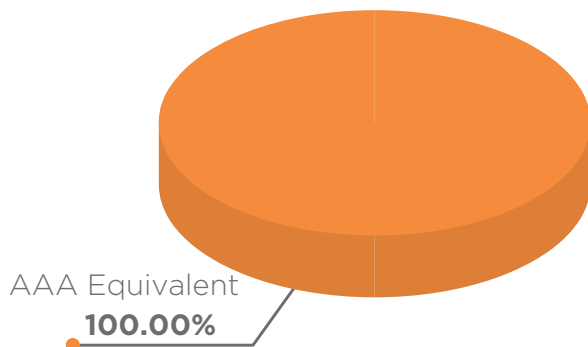
**Exit Load:** Nil

**Options Available:** Growth & IDCW® Option - Quarterly, Half yearly, Annual, Regular and Periodic (each with payout, reinvestment and sweep facility).

**Maturity Bucket:**



### ASSET QUALITY



@Income Distribution cum capital withdrawal

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** (31 July 2021)

| Name                                | Rating | Total (%)      |
|-------------------------------------|--------|----------------|
| <b>Government Bond</b>              |        | <b>99.27%</b>  |
| 7.26% - 2029 G-Sec                  | SOV    | 69.15%         |
| 6.64% - 2035 G-Sec                  | SOV    | 18.56%         |
| 7.17% - 2028 G-Sec                  | SOV    | 5.47%          |
| 8.24% - 2027 G-Sec                  | SOV    | 2.01%          |
| 6.19% - 2034 G-Sec                  | SOV    | 1.62%          |
| 6.79% - 2027 G-Sec                  | SOV    | 1.28%          |
| 8.28% - 2027 G-Sec                  | SOV    | 1.18%          |
| <b>Net Cash and Cash Equivalent</b> |        | <b>0.73%</b>   |
| <b>Grand Total</b>                  |        | <b>100.00%</b> |



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.