



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

Our view remains one of gentle bear flattening, with the bulk of the heavy lifting being done by the very front-end rates as RBI's normalization schedule commences. This will continue to allow for positioning at various points on the yield curve where the carry obtained adjusted for price erosion due to yield rise will still make sense.

The corresponding strategy for investors may involve some amount of "bar-belling" where, alongside traditional core investments like quality roll down products, some combination of very short end (overnight funds, near term deposits) and intermediate duration strategies (focused on maturities largely in the 6 - 7-year area) may be deployed to optimize on the RBI's gradual normalization in context of an already very steep yield curve.

It is important that investors remember to weigh intermediate duration strategies with very short maturity instruments as well so that average maturity of their investment portfolios does not rise. It is also relevant to note that these strategies account for a rise in yields over the period ahead, provided these aren't disruptive over the time frame. This risk can also partly be mitigated by having sufficiently long investment horizons.

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

Category: Dynamic Bond

Monthly Avg AUM: ₹3,172.07 Crores

Inception Date: 25th June 2002

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

Standard Deviation (Annualized):
4.33%

Modified Duration: 5.09 years

Average Maturity: 6.46 years

Macaulay Duration: 5.24 years

Yield to Maturity: 5.83%

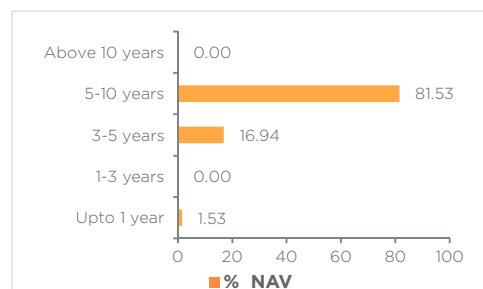
Benchmark: CRISIL Composite Bond Fund Index

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

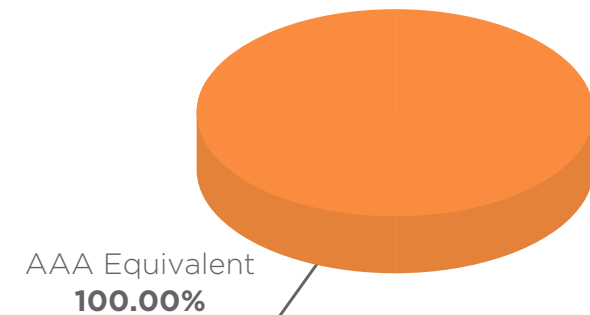
Exit Load: Nil (w.e.f. 17th October 2016)

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

Maturity Bucket:



ASSET QUALITY



PORTFOLIO (31 January 2021)

Name	Rating	Total (%)
Government Bond		98.47%
7.26% - 2029 G-Sec	SOV	31.66%
6.79% - 2027 G-Sec	SOV	23.27%
8.24% - 2027 G-Sec	SOV	17.87%
5.15% - 2025 G-Sec	SOV	16.93%
8.15% - 2026 G-Sec	SOV	4.55%
6.97% - 2026 G-Sec	SOV	4.18%
8.20% - 2025 G-Sec	SOV	0.004%
7.17% - 2028 G-Sec	SOV	0.004%
Net Cash and Cash Equivalent		1.53%
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.