



IDFC GOVERNMENT SECURITIES FUND-INVESTMENT PLAN

(Government Securities Fund PF will be merged into Government Securities Fund IP w.e.f. May 7, 2018)

An open ended debt scheme investing in government securities across maturities

A dedicated gilt fund with an objective to generate optimal returns with high liquidity by investing in Government Securities.

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: Gilt

Monthly Avg AUM: ₹1,808.55 Crores

Inception Date: 9th March 2002

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

Standard Deviation (Annualized): 4.37%

Modified duration: 5.66 years

Average Maturity: 7.39 years

Macaulay Duration: 6.02 years

Yield to Maturity: 6.30%

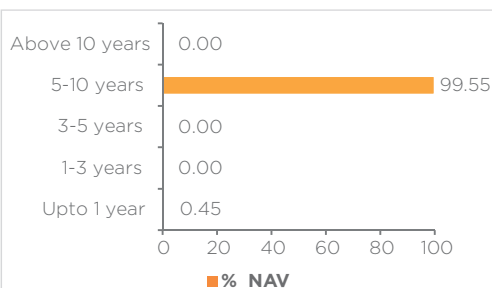
Benchmark: CRISIL Dynamic Gilt Index (w.e.f 01st February, 2019)

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

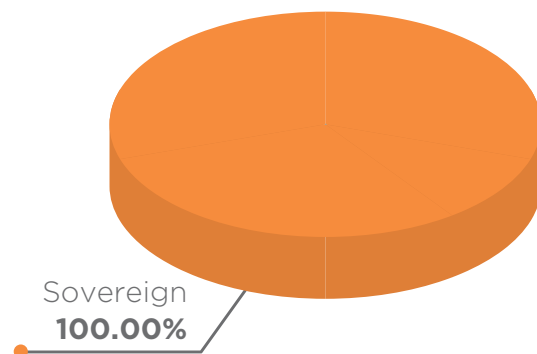
Exit Load: Nil (w.e.f. 15th July 2011)

Options Available: Growth, Dividend - Quarterly, Half Yearly, Annual, Regular & Periodic

Maturity Bucket:



ASSET QUALITY



PORTFOLIO (31 August 2020)

Name	Rating	Total (%)
Government Bond		99.55%
6.79% - 2027 G-Sec	SOV	48.42%
7.26% - 2029 G-Sec	SOV	34.56%
7.17% - 2028 G-Sec	SOV	16.58%
Net Cash and Cash Equivalent		0.45%
Grand Total		100.00%



This product is suitable for investors who are seeking*:

- To generate long term optimal returns.
- Investments in Government Securities across maturities.

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