



IDFC BOND FUND - Income Plan

(The fund has been repositioned to Medium to Long Term category w.e.f. July 12, 2018)

(previously known as IDFC Super Saver Income Fund – Investment Plan)

An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 4 years and 7 years

An actively managed bond fund (with Macaulay duration between 4 to 7 years) which seeks to invest in highly rated money market and debt instruments (including government securities) and aims to generate stable long term returns through mix of accrual income and capital appreciation.

OUTLOOK

- If the factors supporting India's cyclical rebound come to fruition, a lot of macro-economic headaches feared at the beginning of the year will ease. Thus some of the fiscal inflexibilities and associated risks of sovereign rating downgrades will abate, the external account will build even further buffers as capital flows remain strong, and hopefully India's appeal will percolate to global fixed income investors as well.
- Monetary policy will gradually move from the level of emergency level accommodation today to one of still high accommodation. This will likely be a slow process and will involve more discretionary adjustments to the price of liquidity rather than the quantity of it.
- Yield curves will gradually bear flatten. It is very likely that the bulk of this adjustment will be made by the very front end rates. This is not to say that long end rates won't have to adjust. Rather, the quantum of adjustment there may be of a relatively smaller magnitude when compared with rates at the very front end.
- The starting point today is one of a very steep yield curve. Thus unlike in normal times when the yield curve is quite flat, the decision on duration isn't a binary one any more. Rather, one has to examine the steepness of the curve and position at points where the carry adjusted for duration seems to be the most optimal.
- Credit spreads, including on lower rated assets, have compressed meaningfully. These reflect the chase for 'carry' in an environment of abundant liquidity and funds flow, as well as the relatively muted supply of paper as companies have belt tightened and focused on cash generation. As activity resumes over the year ahead, issuances will likely increase thereby pressuring spreads to rise.

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

Category: Medium to Long Duration

Monthly Avg AUM: ₹701.75 Crores

Inception Date: 14th July 2000

Fund Manager: Mr. Suyash Choudhary (w.e.f. 15/10/2010)

Standard Deviation (Annualized): 3.92%

Modified Duration: 5.24 years

Average Maturity: 6.76 years

Macaulay Duration: 5.39 years

Yield to Maturity: 5.73%

Benchmark: CRISIL Composite Bond Fund Index

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

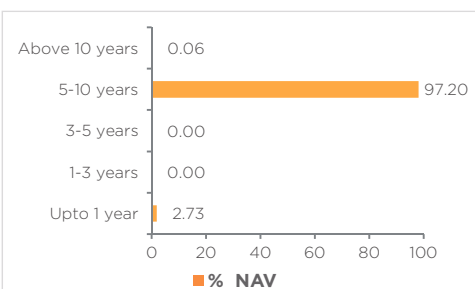
Exit Load: If redeemed/switched out within 365 days from the date of allotment: For 10% of investment: Nil

For remaining investment: 1%

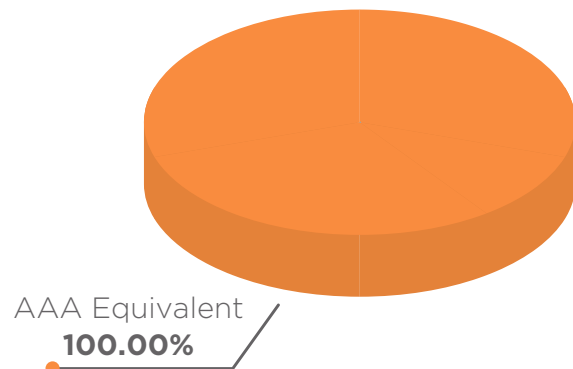
If redeemed/switched out after 365 days from the date of allotment: Nil

Options Available: Growth, Dividend - Quarterly, Half Yearly, Annual & Periodic (each with payout, reinvestment and sweep facility)

Maturity Bucket:



ASSET QUALITY

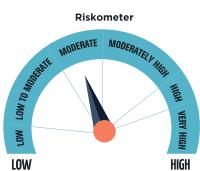


Gsec/SDL yields have been annualized wherever applicable
Standard Deviation calculated on the basis of 1 year history of monthly data

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

PORTFOLIO (31 December 2020)

Name	Rating	Total (%)
Government Bond		96.46%
6.79% - 2027 G-Sec	SOV	36.42%
7.17% - 2028 G-Sec	SOV	28.69%
8.24% - 2027 G-Sec	SOV	16.10%
7.26% - 2029 G-Sec	SOV	14.59%
6.45% - 2029 G-Sec	SOV	0.59%
7.73% - 2034 G-Sec	SOV	0.06%
Corporate Bond		0.81%
REC	AAA	0.81%
Net Cash and Cash Equivalent		2.73%
Grand Total		100.00%



Investors understand that their principal will be at Moderate risk

This product is suitable for investors who are seeking*:

- To generate optimal returns over long term
- Investments in Debt & Money Market securities such that the Macaulay duration of the portfolio is between 4 years and 7 years

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