



IDFC BOND FUND - Medium Term Plan

(Previously known as IDFC Super Saver Income Fund – Medium Term Plan)
An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 years and 4 years

The fund is positioned in the medium term fund category and invests in a mix of high quality debt and money market instruments, including G Secs.

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 Duration

Monthly Avg AUM: ₹4,175.16 Crores

Inception Date: 8th July 2003

Fund Manager: Mr. Suyash Choudhary (w.e.f. 15/09/2015)

Standard Deviation (Annualized): 2.60%

Modified Duration: 3.52 years

Average Maturity: 4.34 years

Macaulay Duration: 3.63 years

Yield to Maturity: 4.97%

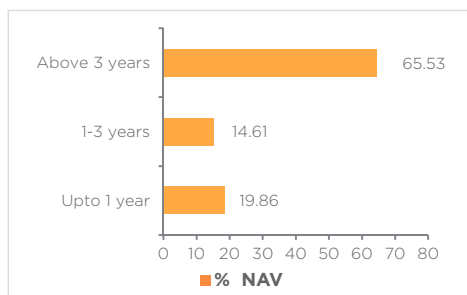
Benchmark: NIFTY AAA Medium Duration Bond Index (w.e.f 11/11/2019)

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

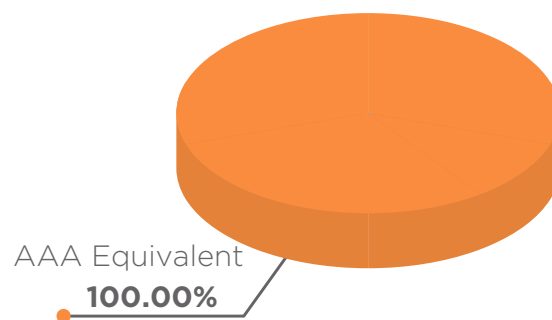
Exit Load: NIL (w.e.f. 15th January 2019)

Options Available: Growth, Dividend - Daily (Reinvestment only) and Fortnightly, Monthly, Bi-monthly, Quarterly and Periodic frequency (each with payout, reinvestment and sweep facility).

Maturity Bucket:



ASSET QUALITY



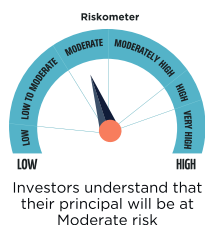
Gsec/SDL yields have been annualized wherever applicable
Standard Deviation calculated on the basis of 1 year history of monthly data

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

PORTFOLIO (31 December 2020)

Name	Rating	Total (%)
Government Bond		60.36%
6.79% - 2027 G-Sec	SOV	30.58%
5.22% - 2025 G-Sec	SOV	9.88%
7.17% - 2028 G-Sec	SOV	9.34%
6.97% - 2026 G-Sec	SOV	4.33%
7.26% - 2029 G-Sec	SOV	4.00%
8.24% - 2027 G-Sec	SOV	1.34%
8.33% - 2026 G-Sec	SOV	0.89%
Corporate Bond		22.82%
Power Finance Corporation	AAA	7.25%
Reliance Industries	AAA	6.72%
LIC Housing Finance	AAA	3.62%
HDFC	AAA	2.35%
REC	AAA	2.23%
Indian Railway Finance Corporation	AAA	0.61%
NABARD	AAA	0.03%
Treasury Bill		13.51%
182 Days Tbill - 2021	SOV	9.87%
364 Days Tbill - 2021	SOV	3.64%
PTC		0.89%
First Business Receivables Trust [^]	AAA(SO)	0.89%
State Government Bond		0.84%
8.2% Gujarat SDL - 2025	SOV	0.39%
8.25% Maharashtra SDL - 2025	SOV	0.39%
8.37% Tamil Nadu SDL - 2028	SOV	0.05%
8.25% Andhra PradeshSDL - 2023	SOV	0.001%
8.68% Gujarat SDL - 2023	SOV	0.001%
Net Cash and Cash Equivalent		1.57%
Grand Total		100.00%

[^]First Business Receivables Trust- wt. avg. mat: 2.15 years
(PTC originated by Reliance Industries Limited)



This product is suitable for investors who are seeking*:

- To generate optimal returns over medium term
- Investments in Debt & Money Market securities such that the Macaulay duration of the portfolio is between 3 years and 4 years

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