



## 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

- 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:** Gilt

**Monthly Avg AUM:** ₹2,014.24 Crores

**Inception Date:** 9th March 2002

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

**Standard Deviation (Annualized):** 4.29%

**Modified duration:** 5.35 years

**Average Maturity:** 7.01 years

**Macaulay Duration:** 5.50 years

**Yield to Maturity:** 5.78%

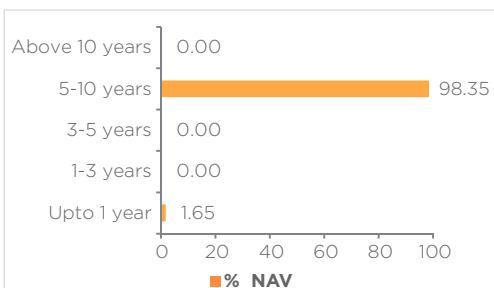
**Benchmark:** CRISIL Dynamic Gilt Index (w.e.f 01<sup>st</sup> February, 2019)

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

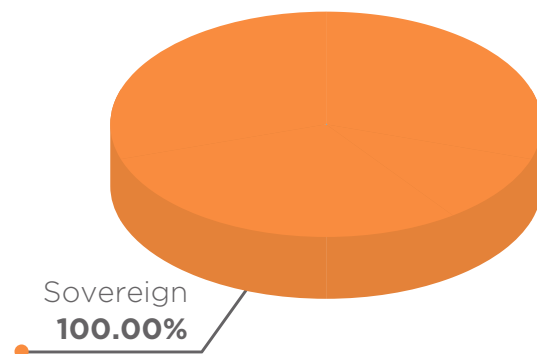
**Exit Load:** Nil (w.e.f. 15th July 2011)

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

**Maturity Bucket:**



### ASSET QUALITY

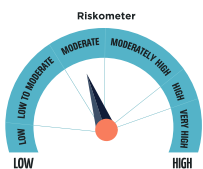


Gsec/SDL yields have been annualized wherever applicable  
Standard Deviation calculated on the basis of 1 year history of monthly data

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

**PORTFOLIO** (31 December 2020)

Name	Rating	Total (%)
<b>Government Bond</b>		<b>98.35%</b>
7.26% - 2029 G-Sec	SOV	33.45%
8.24% - 2027 G-Sec	SOV	23.38%
7.17% - 2028 G-Sec	SOV	20.57%
6.79% - 2027 G-Sec	SOV	18.24%
6.45% - 2029 G-Sec	SOV	2.71%
<b>Net Cash and Cash Equivalent</b>		<b>1.65%</b>
<b>Grand Total</b>		<b>100.00%</b>



Investors understand that their principal will be at Moderate risk

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.