



## IDFC BOND FUND - MTP

(Previously known as IDFC SSIF-MT)

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

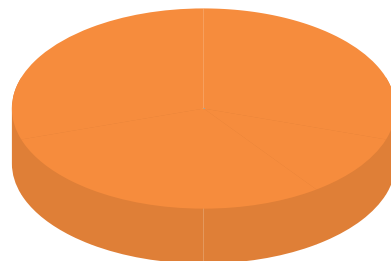
The fund is positioned in the short term fund category and invests in a mix of debt and money market instruments. The overall average maturity of the fund will ordinarily not exceed around 4 years. MT is best suited for investors who want moderate participation.

The around 4 year average maturity cap makes the fund well suited to offer lower volatility yet benefit from potential fall in interest rates.

### OUTLOOK

All told and taking into account recent events, it is prudent, for now, to stay with the theme of slower growth and higher market volatilities. In such a scenario, some significant adjustments need to be made to fixed income allocations away from credit and into quality fixed income. Most asset allocation has leaned heavily towards credit over the past few years. This has been consistent with one phase of a cycle and needs to change if the cycle turns. Thus slowing growth and rising volatility is almost always associated with rising credit spreads. This is already happening elsewhere in the world but has barely started in India. Also, as in the case of A and below, in some cases spreads have unjustifiably compressed in India only reflecting lack of liquidity. Thus there is significant price distortion in the lower rated part of the market which first needs to correct to earlier equilibrium and then rise further to reflect the new realities in credit markets.

### ASSET QUALITY



AAA Equivalent

100.00%

#### Fund Features:

**Category:** Medium Duration

**Monthly Avg AUM:** ₹1,950.35 Crores

**Inception Date:** 8th July 2003

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

**Standard Deviation (Annualized):** 1.71%

**Modified Duration:** 2.69 years

**Average Maturity:** 3.72 years

**Yield to Maturity:** 8.35%

**Benchmark:** CRISIL Short Term Bond Fund Index

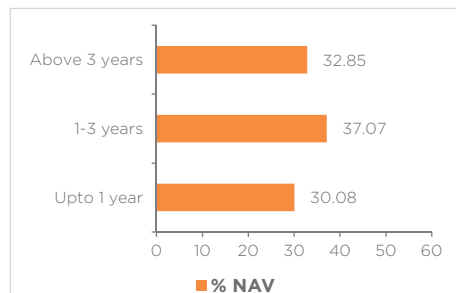
#### Minimum Investment Amount:

₹5,000/- and any amount thereafter

**Exit Load:** 0.50% if redeemed/ switched-out within 6 (six) months from the date of allotment (w.e.f. 11th May 2017)

**Options Available:** Growth, Dividend - Daily, Fortnightly (Payout & Reinvestment), Monthly, Bi - Monthly (once in two months), Quarterly & Periodic

#### Maturity Bucket:



**PORTFOLIO (31 December 2018)**

Name	Rating	Total (%)
<b>Corporate Bond</b>		<b>72.39%</b>
REC	AAA	11.99%
NABARD	AAA	11.45%
Power Finance Corporation	AAA	11.29%
Reliance Industries	AAA	10.74%
LIC Housing Finance	AAA	9.30%
Bajaj Finance	AAA	6.61%
HDFC	AAA	4.38%
HDB Financial Services	AAA	3.79%
Indian Railway Finance Corporation	AAA	2.85%
<b>Government Bond</b>		<b>9.28%</b>
7.17% - 2028 G-Sec	SOV	4.95%
7.59% - 2029 G-Sec	SOV	3.13%
6.68% - 2031 G-Sec	SOV	1.20%
<b>Commercial Paper</b>		<b>7.21%</b>
HDFC	A1+	7.21%
<b>State Government Bond</b>		<b>6.91%</b>
8.5% Gujarat SDL - 2028	SOV	1.86%
8.17% Gujarat SDL - 2028	SOV	1.82%
8.36% Tamil Nadu SDL - 2028	SOV	1.20%
8.53% Gujarat SDL - 2028	SOV	0.80%
8.23% Gujarat SDL - 2028	SOV	0.52%
8.53% Tamilnadu SDL - 2028	SOV	0.27%
8.47% Gujarat SDL - 2028	SOV	0.26%
8.37% Tamil Nadu SDL - 2028	SOV	0.10%
8.39% Rajasthan UDAY BOND - 2019	SOV	0.08%
8.68% Gujarat SDL - 2023	SOV	0.00%
<b>Zero Coupon Bond</b>		<b>1.22%</b>
Bajaj Finance	AAA	1.22%
<b>Net Cash and Cash Equivalent</b>		<b>2.98%</b>
<b>Grand Total</b>		<b>100.00%</b>



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.

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