

IDFC Government Securities Fund- Investment Plan

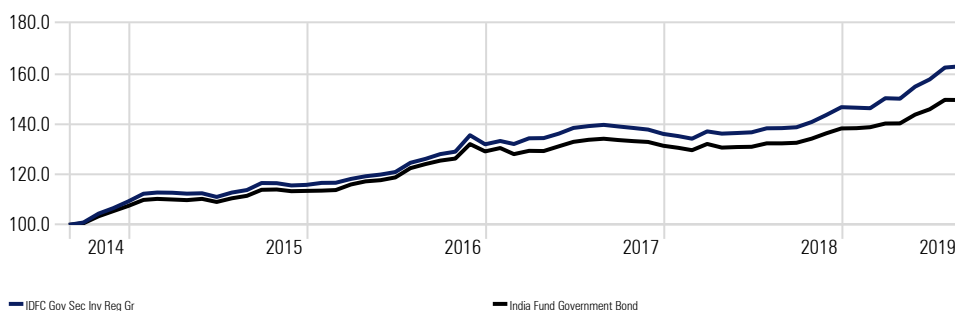


Key Information

Morningstar Category	India Fund Government Bond
Fund Size (INR bn)	4.4
Inception Date	12/3/2008
Annual Report Net Expense Ratio	1.37
Morningstar Rating Overall	★★★★★
Manager Name	Suyash Choudhary
Minimum Investment	5,000
Morningstar Analyst Rating	Silver

Investment Growth

Time Period: 9/1/2014 to 8/31/2019



Investment Strategy

Suyash Choudhary is a competent manager and boasts an overall work experience of over 16 years in portfolio management. He joined IDFC Mutual Fund in October 2010. Choudhary's strength lies in his in-depth understanding of the macroeconomic environment, ability to anticipate interest-rate movements, and ability to identify attractive investment opportunities across market segments. The fund's investment strategy is rather straightforward, which is to scout for opportunities in the government-bond segment. While the fund stays clear of credit risk--and to a large extent liquidity risk; what differentiates it from similar offerings is the duration play, which is a mainstay of the strategy.

Choudhary plies a free-flowing investment approach, which allows him to invest across the yield curve. Fundamental research therefore forms the crux of the strategy. He is also willing to take big bets against the norm if he believes the risk/reward is favourable. Given that duration is an integral part of the strategy, studying the macroeconomic scenario for taking an interest-rate directional view forms the broader framework of the process. The interest-rate direction is determined by conducting a detailed analysis of various influencing factors such as growth versus inflation, fiscal and current account deficit, private sector and government borrowings, fiscal and monetary policy view, money supply, currency market movement, and global interest-rate scenario, among others. This is complemented by an overlay of technical factors where the team examines the demand supply dynamics to get clarity on valuations and direction of yield curve.

While constructing the portfolio, he does not mind holding some illiquidity if he is early in his view and would like to maintain the position for a relatively longer time frame. However, if he believes that he is closer to the end of his view cycle, he ensures that the portfolio is flexible and liquid.

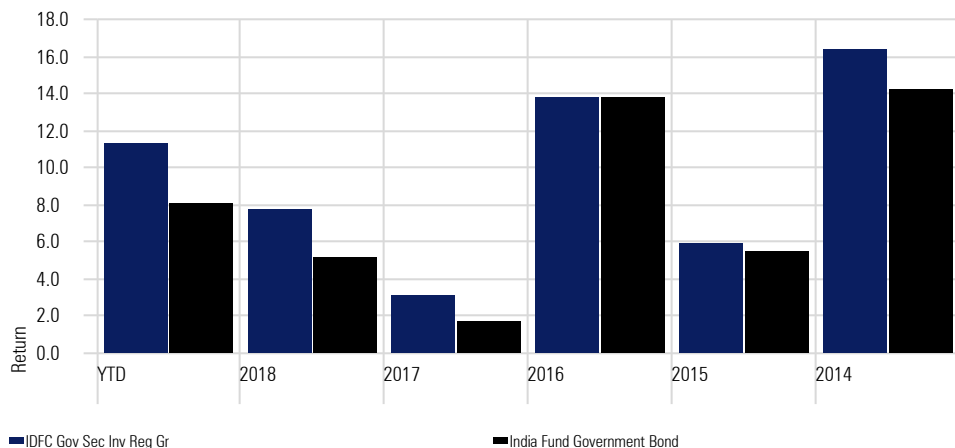
Trailing Returns

Data Point: Return Calculation Benchmark: None

	YTD	1 Year	3 Years	5 Years	10 Years
IDFC Gov Sec Inv Reg Gr	11.34	18.58	8.80	10.05	9.08
India Fund Government Bond	8.14	13.27	6.27	8.16	7.04

Returns

Calculation Benchmark: None



Morningstar Style Box - IDFC Gov Sec Inv Reg Gr

Morningstar Fixed Income Style Box™			Fixed-Income Stats	
Ltd	Mod	Ext	Average Eff Duration	-
			Average Eff Maturity	9.3
			Average Coupon	6.9
			Average Price	100.7

IDFC Gov Sec Inv Reg Gr - Top Holdings

Portfolio Date: 8/31/2019

	Position Market Value (bn)	Portfolio Weighting %
7.17% Govt Stock 2028	2.3	53.08
6.79% Govt Stock 2029	0.5	12.02
7.59% Govt Stock 2026	0.4	9.30
7.61% Govt Stock 2030	0.3	7.18
7.59% Govt Stock 2029	0.3	5.97
GOVT STOCK	0.2	5.44
8.24% Govt Stock 2027	0.1	2.71
6.68% Govt Stock 2031	0.1	2.24
Net Current Assets	0.1	1.34
Triparty Repo	0.0	0.54