

IDFC Bond Fund - Medium Term Plan

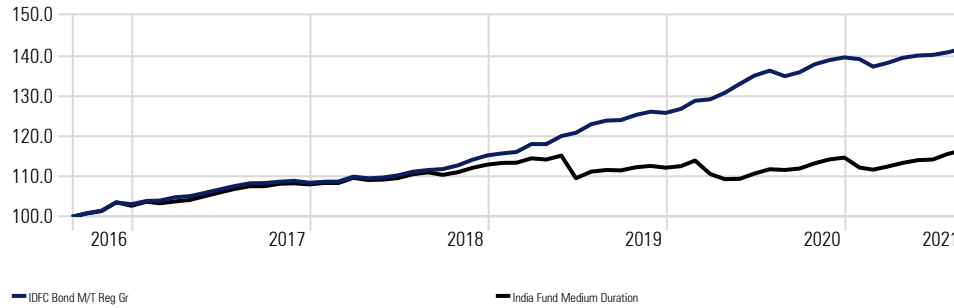


Key Information

Morningstar Category	India Fund Medium Duration
Fund Size (INR bn)	38.1
Inception Date	7/8/2003
Annual Report Net Expense Ratio	1.44
Morningstar Rating Overall	★★★★
Manager Name	Suyash Choudhary
Minimum Investment	5,000
Morningstar Analyst Rating	Neutral

Investment Growth

Time Period: 9/1/2016 to 8/31/2021



Investment Strategy

Suyash Choudhary returned to helm this fund in September 2015, having previously run it from December 2011 to July 2013. Choudhary is an accomplished and a seasoned manager. His strength lies in his in-depth understanding of the macroeconomic environment, as well as his ability to anticipate interest-rate movements and identify attractive investment opportunities across market segments. Over the years he has established his versatility in managing varied strategies involving different investment styles.

Safety, liquidity, and fundamental research are the hallmarks of the strategy plied here. The strategy is structured in a way to ensure that investors are not exposed to unwarranted risks. The fund is a part of the medium-duration category, where the investment mandate is to maintain the fund's Macaulay duration between three and four years. Additionally, investments are made only in AAA rated and highly liquid corporate bonds or government securities. Hence, neither the credit nor active duration bets are part of the investment approach. For investments in corporate bonds, the team lays lot of emphasis on the promoter group, its track record, and corporate governance standards. Suyash Choudhary will not lend to a company facing corporate governance issues. Additionally, he looks at a company's competitive standing vis-à-vis peers, its practices, cash flows, liquidity profile, business, and financial risks among others. The strategy of not taking credit risk differentiates it within the category, where several peers adopt a credit-oriented investment approach. In effect, this strategy is apt for investors who don't have an appetite for credit risk. In the short term it may underperform peers which take credit bets when doing so is beneficial, but it will safeguard investors' interests better when taking credit bets is out of favour.

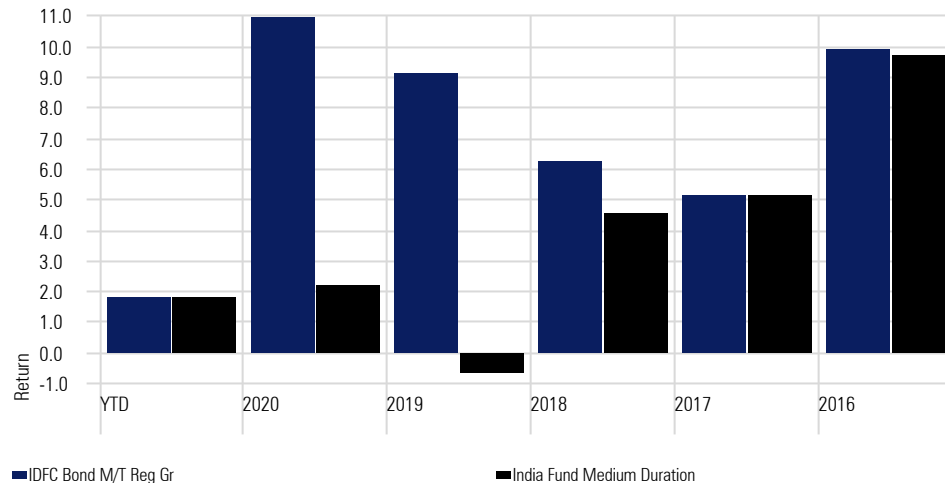
Suyash constructs the portfolio with a fluid investment style by investing in a mix of high-quality corporate bonds, money market instruments, and government securities. The allocation between them is decided after studying the bond spreads, liquidity, and relative valuations.

Trailing Returns

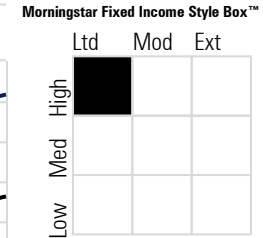
Data Point: Return

	YTD	1 Year	3 Years	5 Years	10 Years
IDFC Bond M/T Reg Gr	1.82	4.90	8.39	7.20	8.03
India Fund Medium Duration	1.81	4.24	1.77	3.07	5.72

Returns



Morningstar Style Box - IDFC Bond M/T Reg Gr



Fixed-Income Stats

Average Eff Duration	-
Average Eff Maturity	3.7
Average Coupon	6.1
Average Price	101.1

Top Holdings - IDFC Bond M/T Reg Gr

Portfolio Date: 8/31/2021

	Position Market Value (bn)	Portfolio Weighting %
5.63% Govt Stock 2026	26.7	70.24
Reliance Industries Limited	2.1	5.48
6.97% Govt Stock 2026	1.7	4.38
Power Finance Corporation Limited	1.4	3.80
Housing Development Finance Corporation Limited	0.5	1.37
Housing Development Finance Corporation Limited	0.5	1.32
Rural Electrification Corporation Limited	0.4	1.07
Reliance Industries Limited	0.3	0.81
REC Limited	0.3	0.80
REC Limited	0.3	0.68