

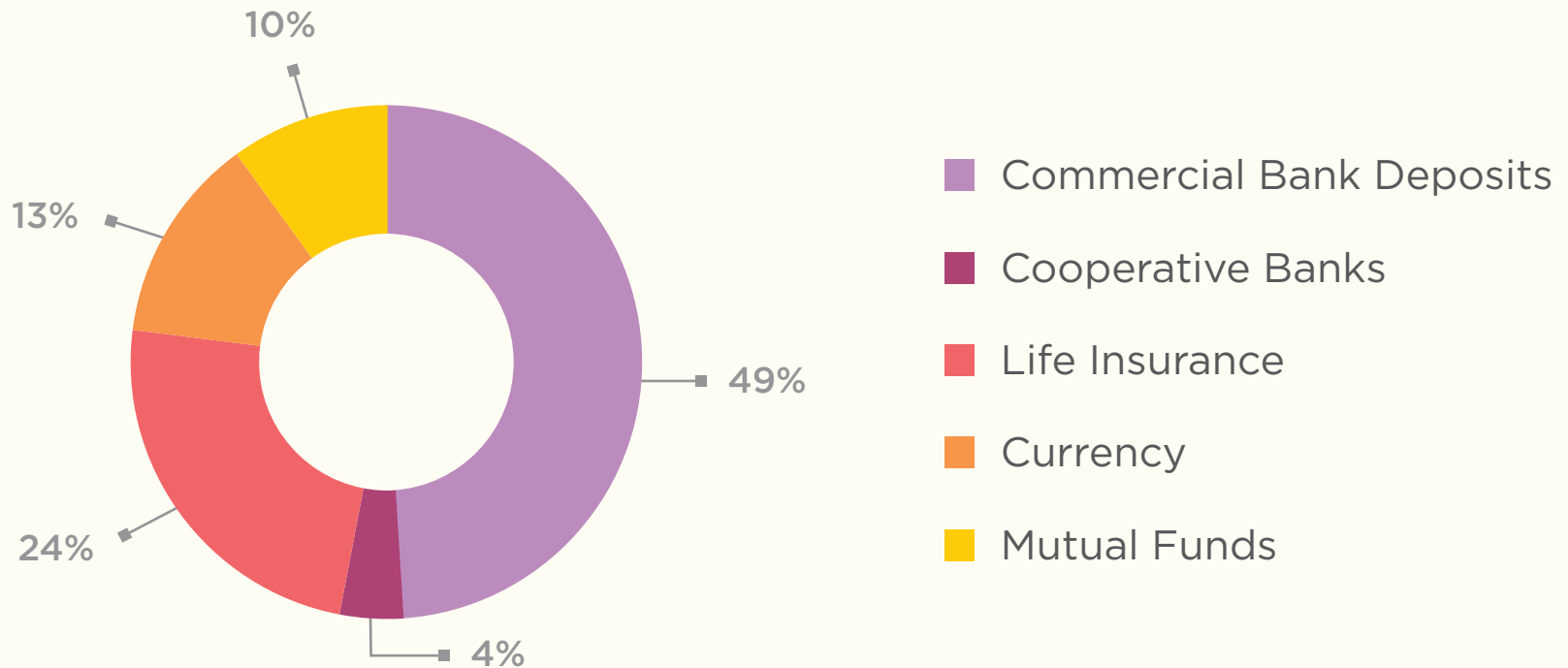
# IDFC CASH FUND

NURTURE THE HABIT OF **INVESTING**, NOT JUST **SAVING**!



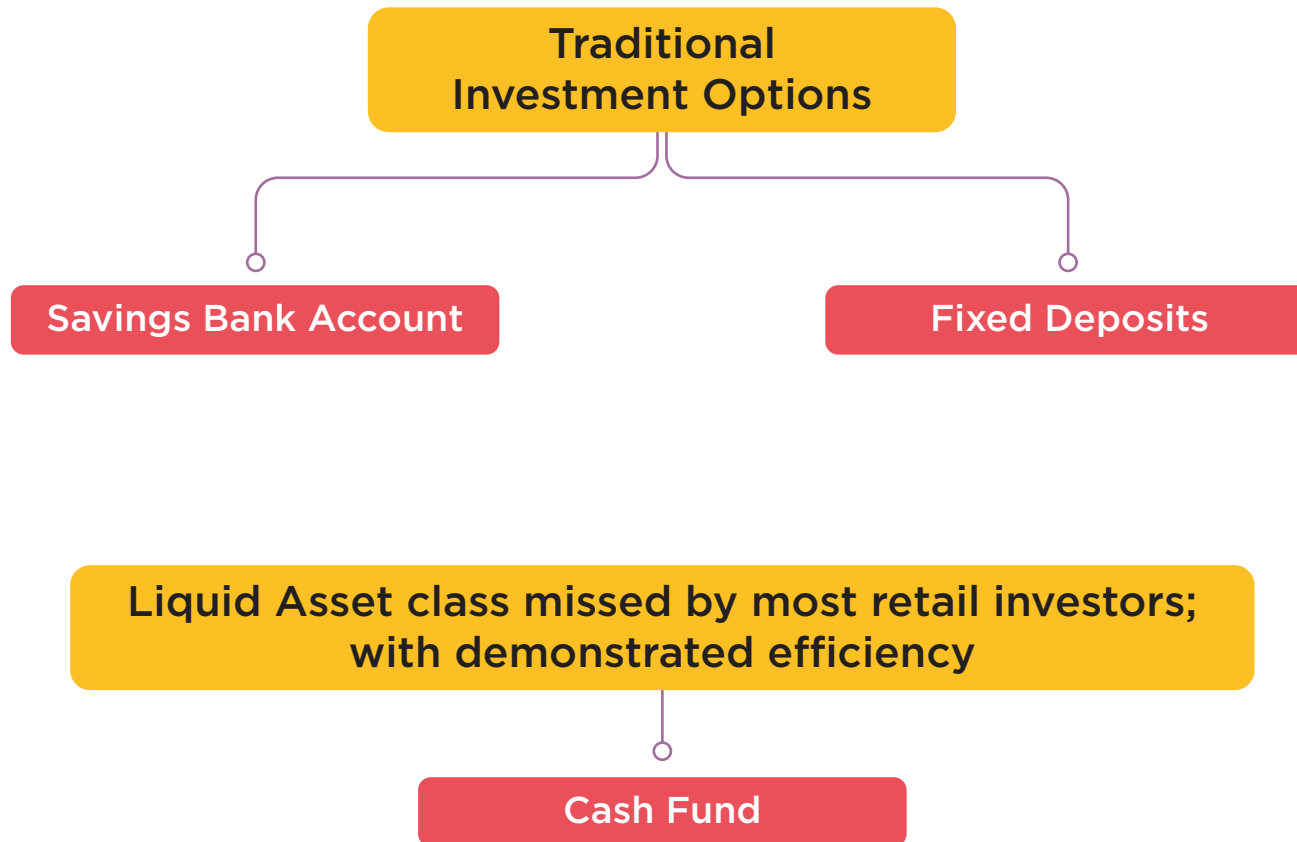
# Fixed Deposits dominate household savings, cash (currency) accounts for 13%

## Composition of Household Financial Assets - Outstanding

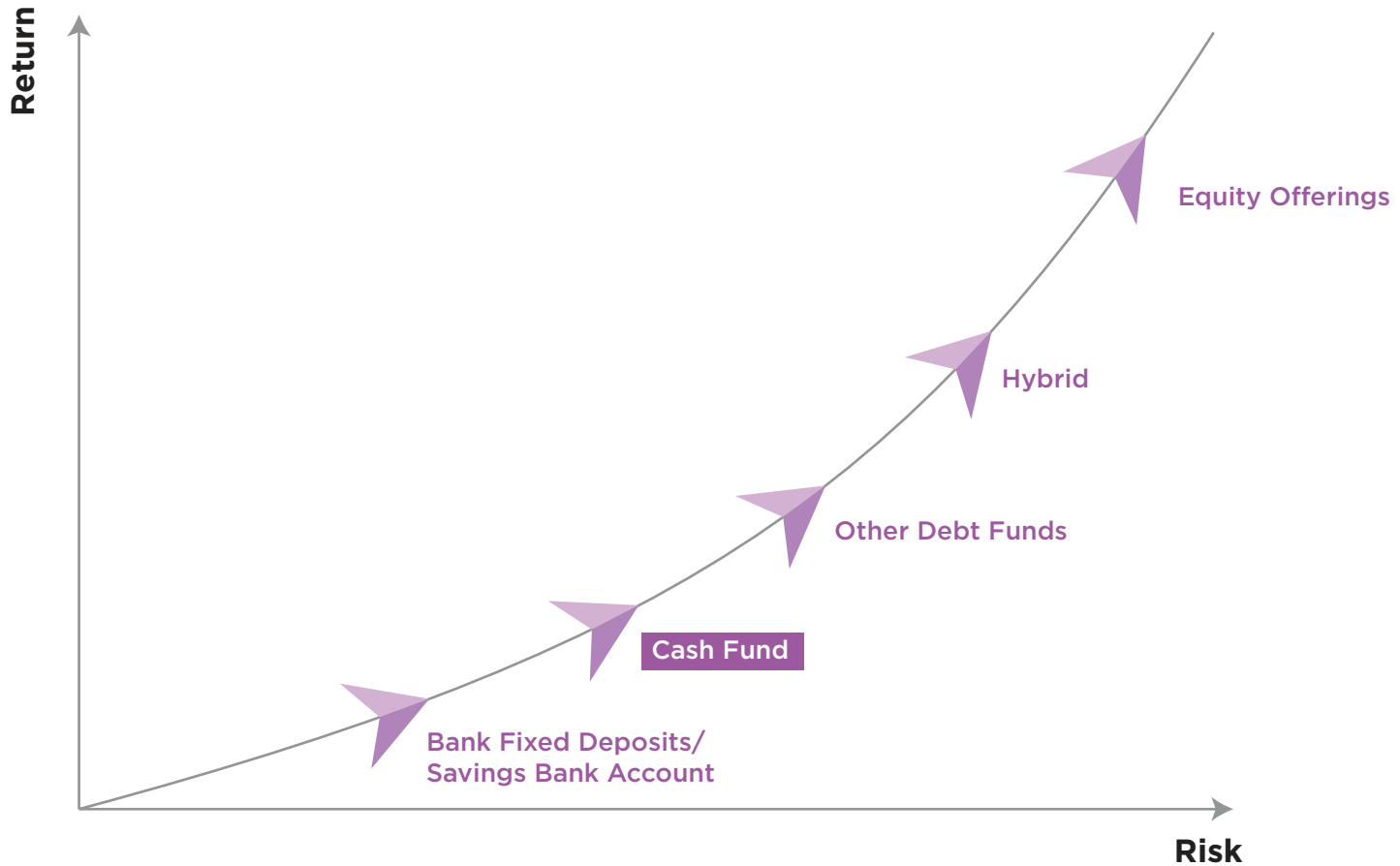


Source: RBI Bulletin, Outstanding Data as on September 2021

# Cash Fund – A Mutual Fund for meeting Liquidity needs

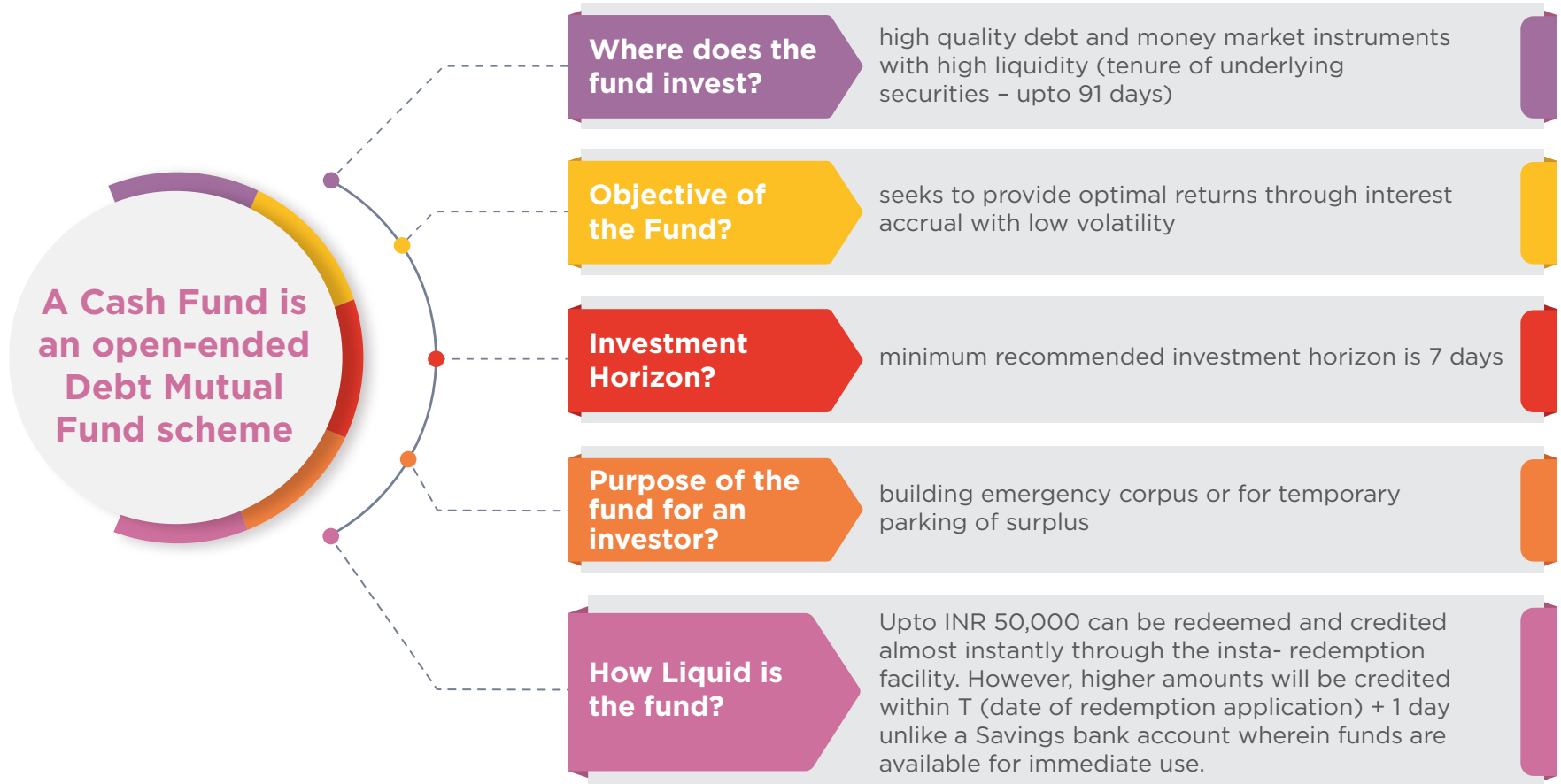


# Positioning of Cash Fund

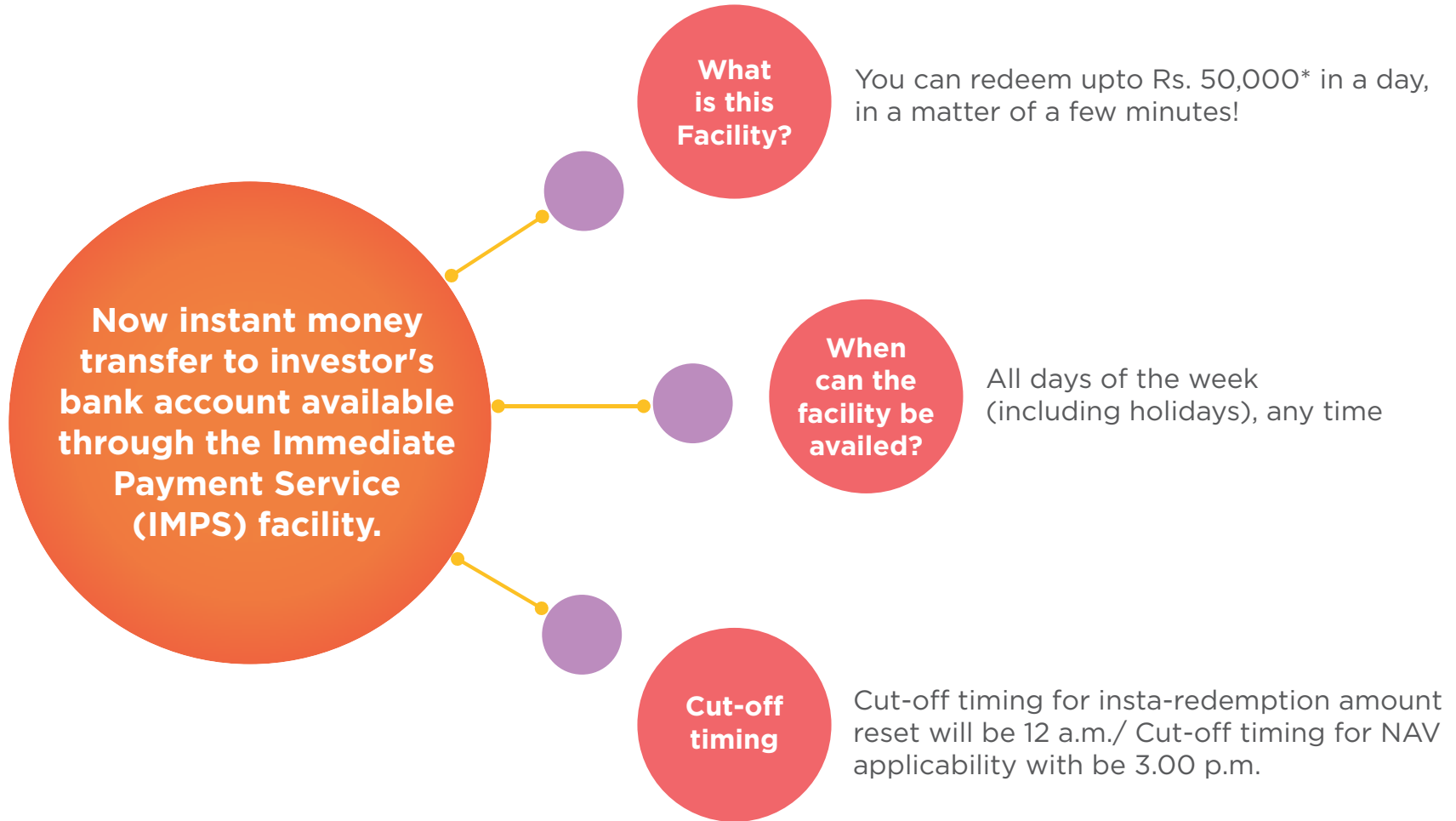


Note: This is just for illustration purpose

# Features of Cash Fund



# Insta Redemption Facility



\*or 90% of the clear balance in the folio, whichever is lesser.

# Liquid Funds YTM movement

YTM of Cash funds tend to reflect change in repo rates

Date	Repo Rate	YTM of IDFC Cash Fund	SBI Savings Bank account rate	SBI Term deposit rate - 7 to 45 days
31 March 2022	4.00%	3.88%	2.70%	2.90%
30 April 2022	4.00%	4.00%	2.70%	2.90%
31 May 2022	4.40%	4.69%	2.70%	2.90%
24 Jun 2022	4.90%	5.02%	2.70%	2.90%

Note: Yield to maturity (YTM) is the total return anticipated on a bond if the bond is held until it matures. Yield to maturity is considered a long-term bond yield but is expressed as an annual rate. In other words, it is the internal rate of return (IRR) of an investment in a bond if the investor holds the bond until maturity, with all payments made as scheduled and reinvested at the same rate.

Repo rate is the rate at which the central bank of a country (Reserve Bank of India in case of India) lends money to commercial banks in the event of any shortfall of funds.

Source: Investopedia; SBI website; FD rates source: bankbazaar.com; YTM source: ICRA MFI Explorer and IDFC Internal

# Cash Funds provide Competitive returns

## Returns of Cash Fund – % times the fund returned greater than 3% / 3.5%/ 4% returns

% Annualised	Investment period				
	7 days	15 days	30 days	60 days	90 days
More than 0%	99.60%	99.90%	100%	100%	100%
More than 3%	87%	89%	90%	91%	91%
More than 3.5%	77%	76%	75%	75%	76%
More than 4%	72%	71%	71%	72%	72%

## Illustrative Portfolio Value after 90 days:

Investment Amount (Rs.)	IDFC Cash Fund	SBI Savings Bank Account	Current Account
YTM/ deposit rate	5.02%*	2.70%	0.00%
10,00,000	10,12,550	10,06,750	10,00,000
50,00,000	50,62,750	50,33,750	50,00,000
1,00,00,000	1,01,25,500	1,00,67,500	1,00,00,000

Past performance is not an indicator of future performance.

IDFC Cash Fund – direct growth plan returns have been provided from Jan 2013 onwards i.e., since inception of the plan

\*YTM is not equivalent to return. The return to be earned may vary from YTM and will be after deducting expenses.



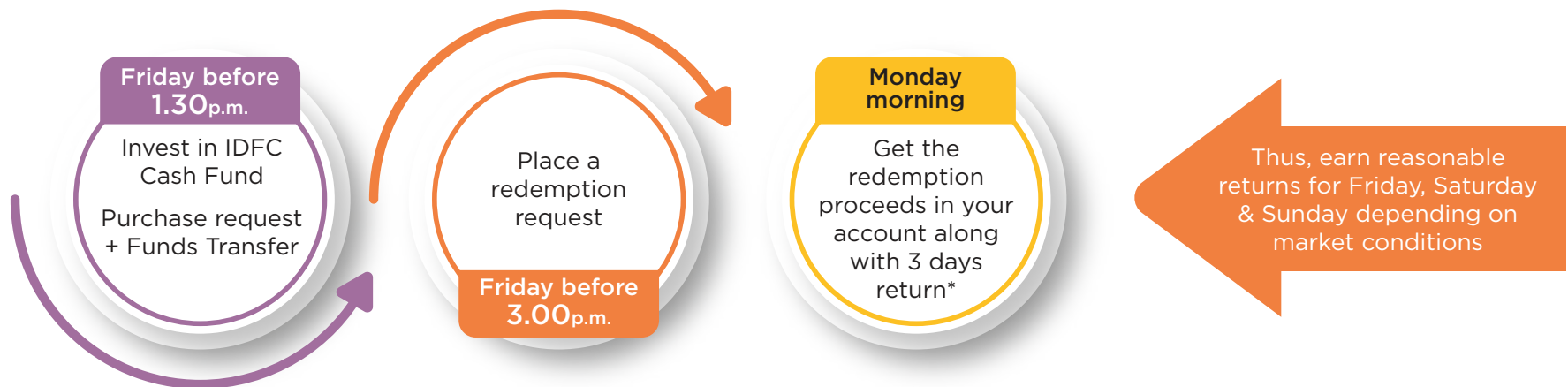
# The Smart Solution for Corporates

## Returns\*

Average 7 day return for the month of May 2022 has been about 3.9%^

## Additional returns

Avenue for weekend parking!



- There is no assurance or guarantee of returns
- ^Regular Growth plan

# ABOUT IDFC CASH FUND

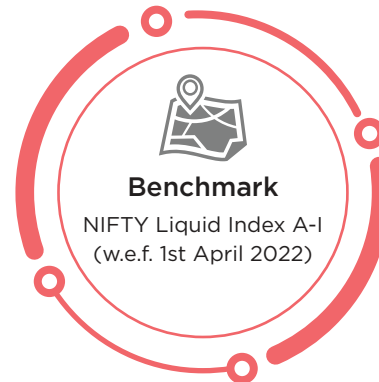
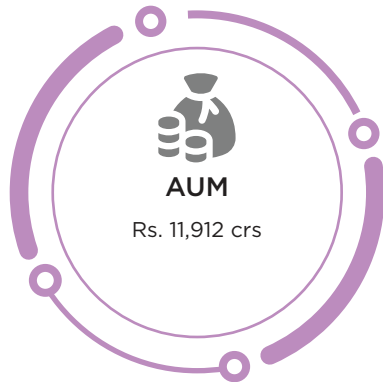


# IDFC Cash Fund

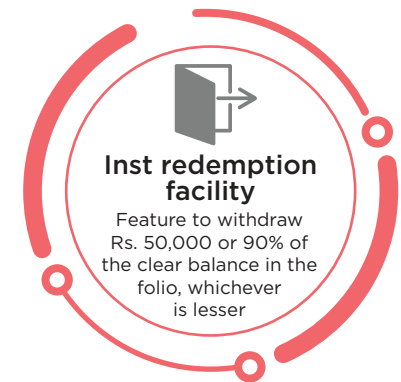
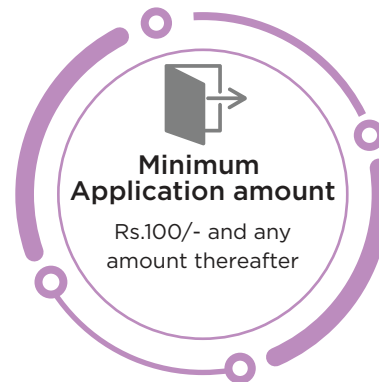
(An open ended liquid scheme with relatively Low Interest Rate Risk & Relatively Low Credit Risk)

**Minimum Recommended Investment horizon:** 7 days

**Who should invest:** Suitable for investors who want to invest in high quality debt and money market instruments with high liquidity and seeks to generate accrual income. Ideal for investors who have a Low risk appetite.

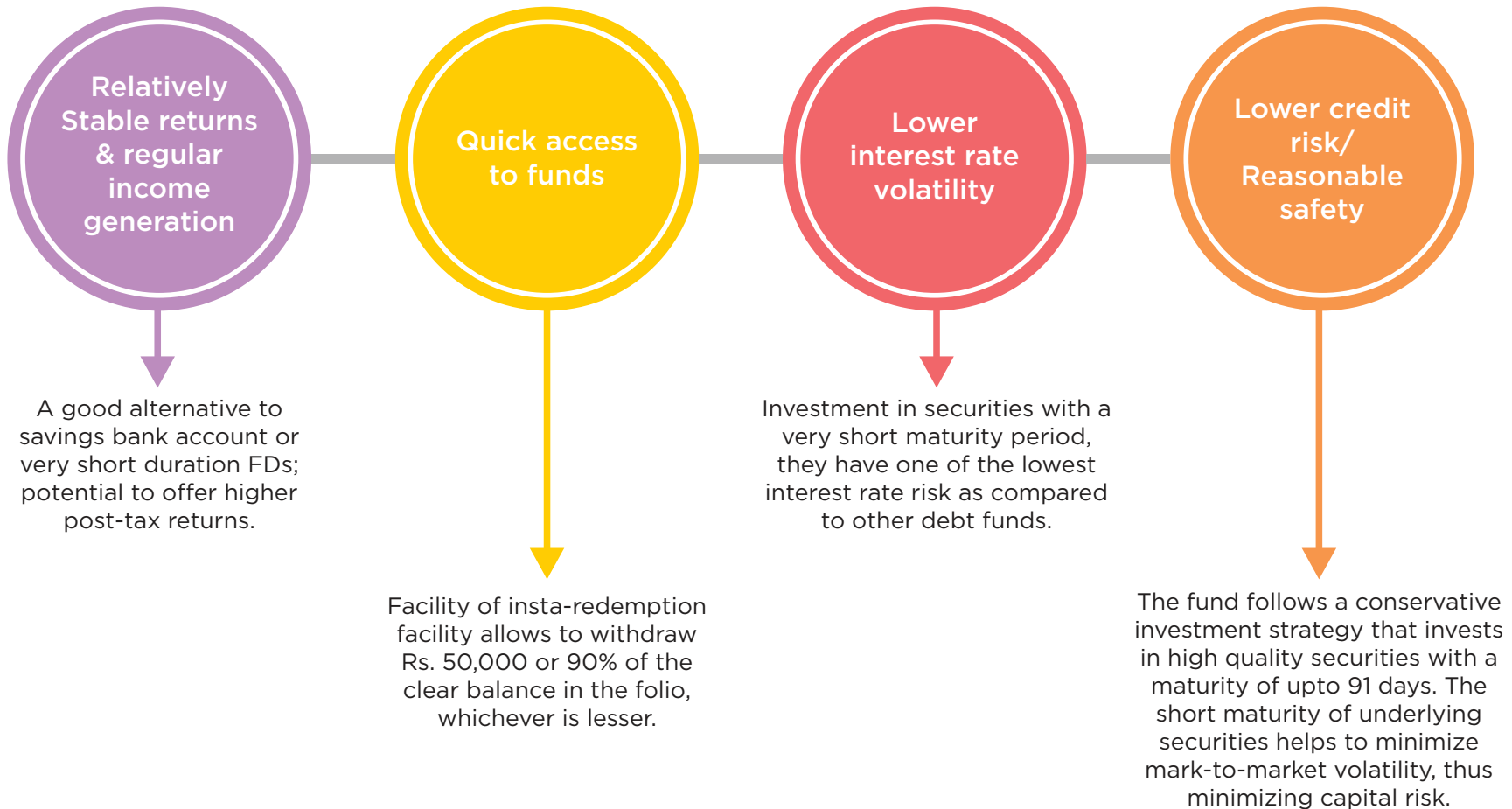


Exit Load	
Exit Load Structure	
Investor exit upon subscription	Exit load as a % of redemption proceeds
Day 1	0.0070%
Day 2	0.0065%
Day 3	0.0060%
Day 4	0.0055%
Day 5	0.0050%
Day 6	0.0045%
Day 7 onwards	0.0000%



Data as on 30th June 2022

# Key Benefits of the Fund



# Instances when Individuals can park their money in a **Cash Fund**

## Liquidity Need

- Anticipated need for **funds in the near future**
- **Emergency corpus** for unforeseen urgent needs (typically 3-6 months of expenses)

## Retirement Phase

- Individuals in the **retirement phase** can park some funds (depending on the total investment corpus) in the cash fund to enable them meet urgent needs while earning returns with lower volatility.

## Systematic Transfer

- Investors can park their corpus temporarily and then initiate transfer into another scheme (e.g. **Systematic Transfer Plan (STPs)**)

## Margin For Trades

- An active trader in equity securities can consider investing in a Cash Fund and can benefit from the dual advantage of **gaining margin for trades** and earning additional relatively stable returns.

# Systematic Transfer Plan with **Cash Fund** in an uncertain Equity market environment

Illustration:

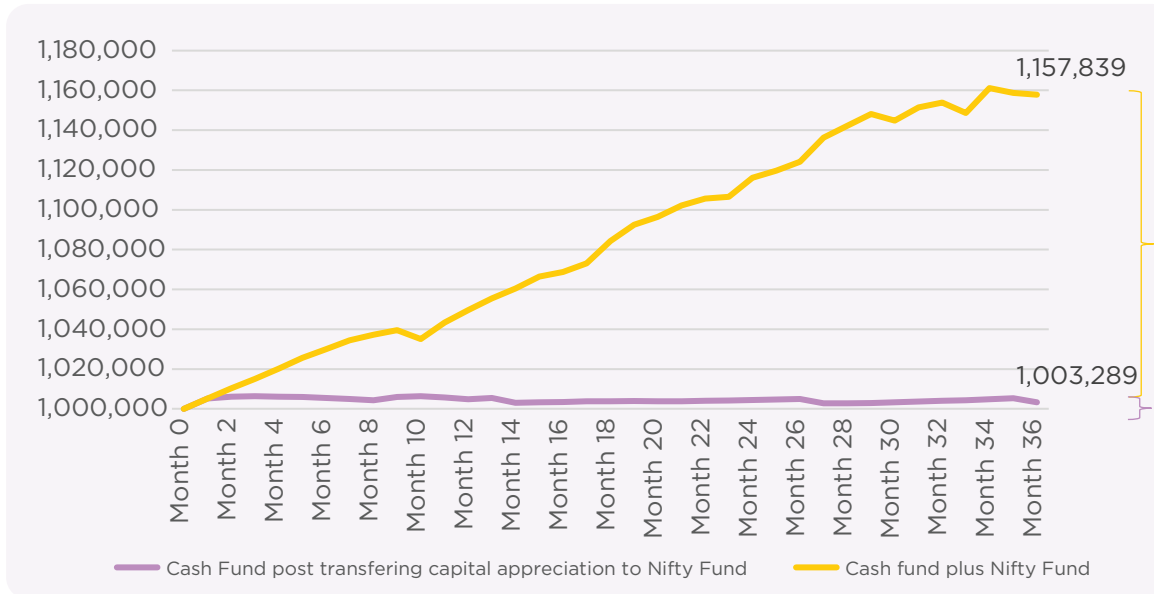
Capital protection

+

Upside of Nifty

Assumed starting investment amount of Rs. 10 Lakhs in Cash Fund and transferring capital appreciation on a monthly basis to Nifty Index Fund for 3 years

**Total portfolio return of 5.01% vs Cash fund NAV movement of 4.04%. Therefore, ~25% additional return earned by investing the capital appreciated in Nifty Index Fund**



**@+12% 3 year  
CAGR for Nifty  
~INR 158,000  
earned due to  
appreciation**

**Capital  
protected in  
Cash Fund**

The above is only an illustration and not a guarantee of returns  
Tax on returns has not been considered above.

# Where does a **Cash Fund** predominantly invest?

Treasury bills or T-bills which are money market instruments, are short term debt instruments issued by the Government of India and are presently issued in three tenors, namely, 91 day, 182 day and 364 day\*.

CPs - Commercial Paper (CP) is an unsecured money market instrument issued in the form of a promissory note. CP can be issued for maturities between a minimum of 15 days and a maximum upto one year from the date of issue

CDs - Certificate of Deposit (CD) is a negotiable, unsecured money market instrument issued by a bank as a Usance Promissory Note against funds deposited at the bank for a specified time period.

Source: RBI, Investopedia

\*even though a security issued can have original maturity of 182 or 364 days, cash fund will invest only in those securities that have residual maturity upto 91 days.

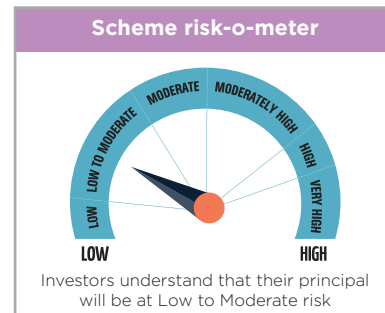
# Points that can be considered while picking a Cash Fund

## Quality

Quality of the underlying securities/ issuers i.e. credit rating

## Safety

**Risk-o-meter:** Basis the credit risk, interest rate risk and liquidity risk, each fund is categorized into one of the categories listed in the adjoining image.



**Potential Risk Class (PRC) Matrix:** While the Risk-o-Meter stipulated by SEBI reflects the current risk of the scheme at a given point in time, there is also a need for disclosure of the maximum risk the fund manager can take in the scheme. The same is reflected through a PRC.

Potential Risk Class Matrix			
Credit Risk of the scheme →	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Interest Rate Risk of the scheme ↓			
Relatively Low (Class I)	A-1		
Moderate (Class II)			
Relatively High (Class III)			
A Scheme with Relatively Low Interest Rate Risk and Relatively Low Credit Risk			



# Schemes managed by other FMs

Period	Managing Since	Benchmark Index	1 Year		3 Year		5 Year		10 Year	
			Scheme Return (%)	Benchmark Return (%)	Scheme Return (%)	Benchmark Return (%)	Scheme Return (%)	Benchmark Return (%)	Scheme Return (%)	Benchmark Return (%)
<b>Fund Manager Name: Mr. Harshal Joshi</b>										
IDFC Arbitrage Fund	15-07-2016	Nifty 50 Arbitrage Index	3.38%	3.61%	3.97%	3.81%	4.85%	4.38%	6.24%	5.91%
IDFC All Seasons Bond Fund	15-07-2016	Tier 1: NIFTY Medium Duration Debt Index A-III	2.40%	0.94%	6.48%	7.06%	6.52%	6.47%	7.63%	8.02%
		Tier 2: NIFTY Short Duration Debt Index	2.40%	2.80%	6.48%	6.44%	6.52%	6.64%	7.63%	7.84%
IDFC Government Securities Fund - Constant Maturity Plan	15-05-2017	CRISIL 10 year Gilt Index	-1.40%	-3.64%	5.54%	3.70%	7.77%	5.71%	9.01%	7.11%
IDFC Cash Fund	15-09-2015	NIFTY Liquid Index A-I	3.57%	3.68%	3.99%	4.10%	5.21%	5.24%	6.80%	6.84%
IDFC Ultra Short Term Fund	18-07-2018	NIFTY Ultra Short Duration Debt Index A-I	3.30%	3.71%	4.77%	4.86%	NA	NA	NA	NA
IDFC Low Duration Fund	28-07-2021	NIFTY Low Duration Debt Index A-I	3.02%	3.09%	5.24%	5.05%	6.04%	5.89%	7.50%	7.30%
IDFC Regular Savings Fund	28-07-2021	CRISIL Hybrid 85+15 Conservative Index	0.30%	1.13%	4.99%	7.62%	4.85%	7.39%	8.00%	9.00%
IDFC Hybrid Equity Fund	28-07-2021	CRISIL Hybrid 35+65 Aggressive Index	-0.89%	1.30%	10.12%	11.28%	7.18%	10.42%	NA	NA
IDFC Equity Savings Fund	20-10-2016	CRISIL Equity Savings Index	2.39%	3.60%	6.14%	9.09%	5.68%	8.62%	6.55%	8.44%
IDFC CRISIL Gilt 2027 Index Fund	28-07-2021	CRISIL Gilt 2027 Index	1.42%	1.77%	NA	NA	NA	NA	NA	NA
IDFC CRISIL Gilt 2028 Index Fund	28-07-2021	CRISIL Gilt 2028 Index	1.37%	1.70%	NA	NA	NA	NA	NA	NA
IDFC Fixed Term Plan - Series 179	28-07-2021	CRISIL Composite Bond Fund Index	1.58%	1.01%	6.44%	6.23%	NA	NA	NA	NA
Mr. Harshal Joshi manages 14 schemes of IDFC Mutual Fund.										

Performance based on NAV as on 30/06/2022 Past Performance may or may not be sustained in future

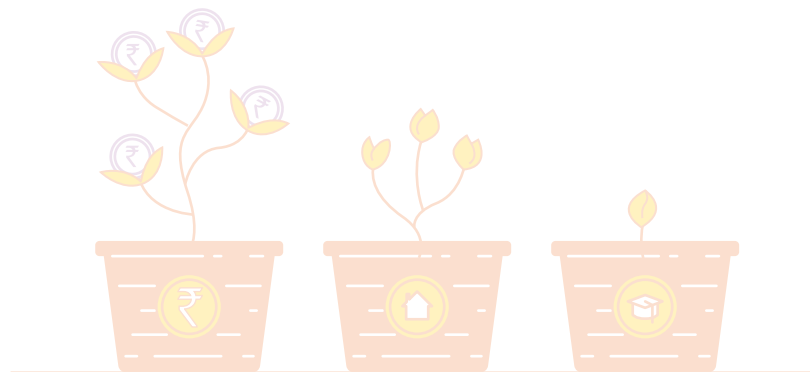
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# Schemes managed by other FMs

Period	Managing Since	Benchmark Index	1 Year		3 Year		5 Year		10 Year	
			Scheme Return (%)	Benchmark Return (%)	Scheme Return (%)	Benchmark Return (%)	Scheme Return (%)	Benchmark Return (%)	Scheme Return (%)	Benchmark Return (%)
<b>Fund Manager Name: Mr. Brijesh Shah</b>										
IDFC Overnight Fund	01-02-2019	NIFTY 1D Rate Index	3.38%	3.57%	3.55%	3.74%	NA	NA	NA	NA
IDFC Money Manager Fund	12-07-2021	NIFTY Money Market Index A-I	2.96%	3.47%	4.16%	4.37%	4.99%	5.47%	6.57%	7.03%
IDFC Cash Fund	01-12-2021	NIFTY Liquid Index A-I	3.57%	3.68%	3.99%	4.10%	5.21%	5.24%	6.80%	6.84%
Mr. Brijesh Shah manages 3 schemes of IDFC Mutual Fund. (IDFC Money Manager Fund was being managed by Harshal Joshi upto November 30, 2021.)										

Performance based on NAV as on 30/06/2022 Past Performance may or may not be sustained in future

The performance details provided herein are of regular plan growth option. Regular and Direct Plans have different expense structure. Direct Plan shall have a lower expense ratio excluding distribution expenses, commission expenses etc. 8The fund is repositioned w.e.f. May 28, 2018. βCurrent Index performance adjusted for the period from since inception to May 28, 2018 with the performance of I-Sec Si Bex (Benchmark). 3The fund has been repositioned from an arbitrage fund to an equity savings fund w.e.f. April 30, 2018. ¥Current Index performance adjusted for the period from since inception to April 30, 2018 with the performance of CRISIL Liquid Fund Index (Benchmark). IDFC US Equity Fund of Fund is managed by Mr. Harshal Joshi ( w.e.f. 20 August 2021). The scheme has been in existence for less than 1 year, hence performance has not been disclosed.



# Important Points

## IDFC Cash Fund

An open ended liquid scheme. A Scheme with Relatively Low Interest Rate Risk and Relatively Low Credit Risk.

### Taxation:

#### Dividend\* for resident investor

Tax on Dividend	As per respective slab rate or corporate tax rate applicable to the investor
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#### Capital gains\* for resident investor

Long Term (holding period more than 36 months)	20% with indexation
Short Term (holding period up to 36 months) applicable to the investor	As per respective slab rate or corporate tax rate

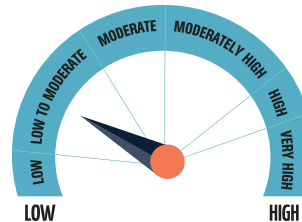
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Relatively Low (Class I)	A-1		
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Relatively High (Class III)			
A Scheme with Relatively Low Interest Rate Risk and Relatively Low Credit Risk			

### This product is suitable for investors who are seeking\*:

- ▶ To generate short term optimal returns with stability and high liquidity.
- ▶ Investments in money market and debt instruments, with maturity up to 91 days.

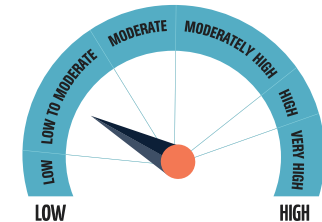
\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

### Scheme risk-o-meter



Investors understand that their principal will be at Low to Moderate risk

### Benchmark risk-o-meter



NIFTY Liquid Index A-1

**Disclaimer:**

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

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**Thank You**