IIFL INVESTMENT MANAGERS

ASSET MANAGEMENT

MONTHLY FACTSHEET

MARCH 2018

IIFL INVESTMENT MANAGERS ASSET MANAGEMENT

Macro Economy & Event Update

- Speculations over U.S. Federal Reserve (Fed) hiking interest rate in its upcoming policy meeting in Mar 2018 overshadowed the performance of all the major global markets in the month of Feb 2018. U.S. investors remained on their toes over what stance Fed would take in the meeting. The new Fed chair's comment further triggered anxiety over the matter.

- Europe and Asia came in the line of fire, too – chances of U.S. Fed increasing interest rates led to foreign fund outflow concerns, especially in the emerging markets. Political developments in Germany added to the European region's woes.

- Domestic equity markets lost a lot of ground after Union Budget 2018-19 as investors closely followed developments on the implementation of budget proposals. The raising of fiscal deficit target for FY19 further dented sentiment. A big state-owned bank's scam emerged as a major setback, which came on top of worries over fund outflows if the Fed raised interest rates moving forward.

- Bond yields surged for the seventh consecutive month after the government widened its fiscal deficit target for FY19. Losses were trimmed as the Monetary Policy Committee's (MPC) meeting was less hawkish than feared by investors.

- With Fed rate-hike on the cards in Mar 2018, the magnitude of foreign fund outflows will keep investors wary. While on the domestic front, MPC in its sixth bi-monthly policy review kept key policy repo rates unchanged, rising inflation level has raised the probability of rate hike at MPC's upcoming policy meeting. Elevated crude oil price could also be a spoilsport and impact the policy stance of MPC.

- Market participants will also track the outcome of monetary policies of major central banks across the globe. Major global central banks have hinted at an exit from their respective ultra-easy monetary policies and any change in stance will have a significant bearing on the foreign fund inflows into the Indian economy. Political developments in Germany and Italy will also remain in sharp focus. All these aspects may give way to some volatility in global equity markets that may subsequently impact the domestic markets.

- Back home, outcome of the second-half of Parliament's Budget session, movement of the rupee against the greenback and stance adopted by foreign portfolio investors will likely have an impact on the risk-taking appetite of market participants.

Key Economic Indicators

Indicators	Current	Previous
WPI (Jan-18)	2.84%	3.58%
IIP (Dec-17)	7.10%	8.80%
CPI (Jan-18)	5.07%	5.21%

Source: Thomson Reuters Eikon

India's GDP growth rises to 7.2% in the quarter ended Dec 2017

- India's Gross Domestic Product (GDP) grew 7.2% YoY in the third quarter of FY18, better than upwardly revised growth of 6.5% (6.3% originally reported) in the previous quarter driven by pick up in manufacturing and spending. On Gross Value Added (GVA) basis, the economy rose 6.7%, better than the upwardly revised growth of 6.2% (6.1% originally reported) rise in the quarter ended Sep 2017.

- Manufacturing output at GVA basic prices rose 8.1% in the Dec quarter, up from downwardly revised growth of 6.9% (7.0% originally reported) in Sep quarter. On the other hand, agriculture, forestry & fishing output at GVA prices increased 4.1%, faster than the upwardly revised 2.7% (2.3% originally reported) expansion in the previous quarter.

MPC keeps interest rates on hold in its sixth bi-monthly monetary policy review

- The MPC in its sixth bi-monthly policy review kept key policy repo rate unchanged at 6.00% and retained its "neutral" stance. Consequently, the reverse repo rate stood unaltered at 5.75%, and the marginal standing facility (MSF) rate and bank rate each remained at 6.25%. Five policymakers were in favour of the monetary policy decision and one advocated for a policy rate increase of 25 bps.

India's fiscal deficit for Apr to Jan 2018 at 113.7% of the budgeted target for FY18

- India's fiscal deficit during Apr to Jan 2018 stood at Rs. 6.77 lakh crore or 113.7% of the budgeted target for FY18. During the corresponding period last year, fiscal deficit was at 105.6% of the Budget Estimate. Total receipts were Rs. 11.63 lakh crore or 71.7% of the Budget Estimate, while revenue expenditure amounted to Rs. 15.76 lakh crore or 81.0% of the financial year estimate.

Index of Industrial Production grew 7.1% in Dec 2017

- India's Index of Industrial Production (IIP) grew 7.1% in Dec 2017 as against upwardly revised growth of 8.8% in Nov 2017 (8.4% originally reported) and 2.4% in the same period of the previous year. The manufacturing sector also surged 8.4% in Dec 2017 from 0.6% in the same period of the previous year. However, IIP growth for Apr to Dec 2017 slowed to 3.7% from 5.1% in the same period of the previous fiscal.

Retail inflation grew 5.07% in Jan 2018

- The Consumer Price Index (CPI)-based inflation or retail inflation grew 5.07% in Jan 2018, down from 5.21% in the previous month and up from 3.17% in the same month of the previous year. Retail inflation growth thus surpassed Reserve Bank of India's medium-term target of 4% for the third consecutive month.

- The Consumer Food Price Index grew 4.70% in Jan 2018, down from 4.96% in the previous month and up from 0.61% in the same month of the previous year.

Equity Market

- The Union Budget 2018-19 played a pivot role during the month under review and domestic equity markets witnessed major fall as investors closely followed developments on the implementation of budget proposals. The finance minister raising the fiscal deficit target for FY19 and levying 10% long-term capital gains tax on gains above Rs. 1 lakh from equity had a detrimental effect on investor sentiment. Worries over probable rate hike by the MPC and a major state-owned bank's fraudulent and unauthorised transactions also set the markets back. Additionally, concerns that the Fed might raise interest rates in its Mar 2018 meeting dented market sentiment.
- U.S. markets witnessed initial selling pressure amid concerns over imminent rate hike by the Fed. Mixed economic data could not provide much support. However, the downturn was restricted as worries over political deadlock eased to some extent after the U.S. President signed a stopgap funding measure. Markets took a hit towards month-end after the new Fed chief's comment raised speculation that the central bank may raise rates more than the three times currently being anticipated in 2018, although he stressed on not prejudging the new set of projections.
- Weakness in Wall Street amid uncertainty over Fed's future rate hike stance weighed on European markets. Political developments in Germany had a bearing on the buying interest of investors. The second phase of Brexit talks too impacted market sentiment. Investors took positive cues from the GDP data from Germany and the eurozone for the fourth quarter of 2018, which came in line with market expectations. Gains were short lived with U.K. markets witnessed selling pressure as official data showed that the nation's economy grew lower than estimated in the fourth quarter of 2018.
- Asian markets were no different from the weak global peers. Speculation over imminent rate hike by the Fed in Mar 2018 raised concerns over foreign fund outflow from emerging markets. Better than expected growth in China's exports in Jan 2018 hardly improved sentiment. Things improved after Japanese industrial production in Dec 2017 came higher than expected and merchandise trade deficit in Jan improved 13.6% from the year-ago period. Gains were enhanced on expectations that easing monetary policy will be continued after the head of Bank of Japan was nominated for the second five-year term. However, markets gave up gains towards month-end amid renewed concerns over a faster pace of interest rate increases by the Fed.
- Post Union Budget 2018-19, market will now move its attention towards Fed's Mar 2018 policy review. With rate hike on the cards, the magnitude of foreign fund outflows will keep investors wary. Alongside, on the domestic front, rising inflation level has raised the probability of rate hike at MPC's upcoming policy meeting. Elevated crude oil prices could also be a spoilsport and impact the policy stance of MPC. Fiscal slippage and domestic fiscal developments are also expected to adversely impact the confidence of investors. Fraudulent and unauthorised transactions in one of the major PSU banks will have a long-term impact on banking and allied sectors. Nevertheless, the focus of the Union Budget 2018-19 on the rural and infrastructure sectors is expected to support rural incomes and investment, which may in turn might help to raise the aggregate demand and economic activity in the longer period.

Domestic Indices Performance

Indicators	28-Feb-18	31-Jan-18	Chg %	YTD%
S&P BSE Sensex	34,184	35,965	-4.95	1.10
Nifty 50	10,493	11,028	-4.85	0.55
S&P BSE 200	4,592	4,812	-4.59	-1.32
Nifty Free Float Midcap 100	19,665	20,785	-5.39	-6.84
Nifty Dividend Opportunities 50	2,634	2,731	-3.56	0.58
S&P BSE Smallcap	18,128	18,717	-3.15	-5.98

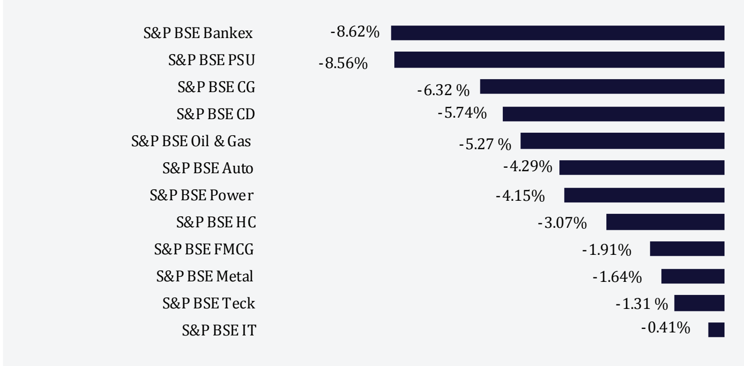
Source: Thomson Reuters Eikon

Global Indices Performance

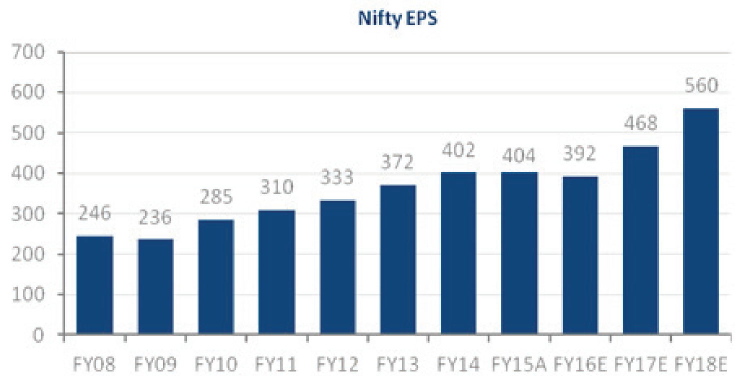
Global Indices	28-Feb-18	31-Jan-18	Chg %	YTD%
Dow Jones	25,029	26,149	-4.28	0.83
FTSE	7,232	7,534	-4.00	-5.44
CAC	5,320	5,482	-2.94	0.60
Hang Seng	30,845	32,887	-6.21	1.08
SSE Composite Index	3,259	3,481	-6.36	-2.66

Source: Thomson Reuters Eikon

Sectoral Performance (Monthly Returns %)



Source: Thomson Reuters Eikon



Institutional Flows (Equity) As on February 28, 2018

(₹ Cr)	Purchases	Sales	Net	YTD
FII Flows	107,282	118,319	-11,037	2,744
MF Flows	56,378	43,117	13,261	22,284
DII Flows	82,217	64,404	17,813	18,212

Source: NSDL,NSE & SEBI

Debt Market

- Bond yields rose initially after the government in the Union Budget widened its fiscal deficit aim to 3.3% for FY19 compared with the previous target of 3%. Losses were extended after minutes of the latest MPC meeting showed that members were concerned about rising inflation, thereby increasing the possibility of rate-hike in the near term. However, further losses were restricted to some extent due to value buying. Lower than scheduled debt sale in FY18 amid high yields and fall in international crude oil prices also boosted sentiment.

- Yield on gilt securities surged across maturities in the range of 4 to 36 bps. Highest rise was seen on 10-year paper while lowest increase was on 1- and 2-year papers. Yield on corporate bonds also jumped across maturities in the range of 19 to 40 bps. Highest rise was seen on 15-year paper while lowest increase was on 4-year paper. Difference in spread between AAA corporate bond and gilt expanded across segments in the range of 3 to 21 bps. Spread rose the most on 2-year paper and the least on 10-year paper.

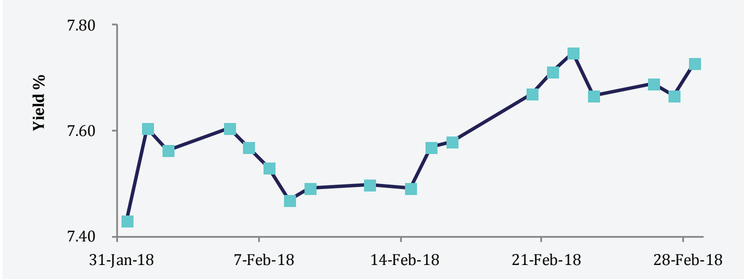
- Bond yields are likely to remain elevated in Mar 2018 due to advance tax outflows. The trend of Inflation will also be watched carefully by market participants. This is likely to be one of the major factors to decide the interest rate movement going forward. Further, international crude oil prices and U.S. Treasury yields will be tracked simultaneously, which can also be factored in by MPC in the near term. This apart, investors will wait for evidence of fiscal improvement in the form of pick up in GST revenue.

Currency and Commodity Market

- The rupee initially fell against the greenback following losses in the domestic equity market after the government widened its fiscal deficit aim to 3.3% for FY19 from the previous target of 3.0%. Indication of a rate hike by the Fed in the near term also weighed on the market sentiment. Losses were extended after minutes of the Fed's monetary policy review in Jan showed inclination towards faster rate hikes this year amid hopes of stronger U.S. economic growth.

- Brent crude prices remained weak amid persisting worries over global supply glut. Also, Organization of the Petroleum Exporting Countries (OPEC) member Iran announced plans to raise its production within the next four years by at least 700,000 barrels a day. Worries over rise in U.S. crude oil production, which in turn may diminish OPEC's efforts at curbing global crude oil supply also added to the losses. The International Energy Agency (IEA) predicted that the United States will surpass Russia as the world's biggest oil producer by 2019, if not sooner.

10-Year Benchmark Bond (7.17% GS 2028) Movement



Source: Thomson Reuters Eikon

Spread Movement

Spreads		AAA	AA+	AA	AA-
28-Feb-18	1 Yr	101	121	141	151
	3 Yr	60	78	101	126
	5 Yr	43	60	86	112
31-Jan-18	1 Yr	81	96	111	132
	3 Yr	48	69	90	111
	5 Yr	34	53	78	103

Source: Thomson Reuters Eikon

Yield (%)	28-Feb-18	31-Jan-18
10 Year G-Sec	7.73	7.43
5 Year G-Sec	7.46	7.32
Certificate of Deposit		
3-Month	7.25	7.17
6-Month	7.44	7.36
9-Month	7.51	7.41
12-Month	7.58	7.47
Commercial Papers		
3-Month	7.92	7.76
6-Month	8.01	7.89
9-Month	8.09	7.93
12-Month	8.17	7.98

Source: Thomson Reuters Eikon

Event Calendar

Release Date	Release Date	Country
08-Mar-18	ECB Monetary Policy Review	Euro Zone
09-Mar-18	Bank of Japan Monetary Policy Review	Japan
09-Mar-18	Nonfarm Payrolls (Feb)	U.S.
21-Mar-18	U.S. Federal Reserve Monetary Policy Review	U.S.
22-Mar-18	Bank of England Monetary Policy Review	U.K.

IIFL India Growth Fund

(An open ended equity scheme investing in maximum 30 multicap stocks)

Investment Objective

The investment objective of the scheme is to generate long term capital appreciation for investors from a portfolio of equity and equity related securities. However there can be no assurance or guarantee that the investment objective of the scheme would be achieved.

Fund Manager — Mr. Prashasta Seth

Mr. Seth has over 16 years of experience in the financial services industry. He is an MBA from IIM Ahmedabad and B Tech from IIT Kanpur. His previous assignments include a stint in JP Morgan, London and heading Irevna (a Standard & Poor's company). Mr. Seth has been managing scheme since November 03, 2016.

Fund Details

Date of Allotment	: October 30, 2014
Bloomberg Code	: IIFGRRG IN
Benchmark Index	: Nifty 50 TRI
Plans Offered	: Regular & Direct
Options Offered	: Growth & Dividend
Minimum Application:	
New Purchase	: ₹5,000 and in multiples of ₹100 thereafter
Additional Purchase	: ₹1,000 and in multiples of ₹100 thereafter
Monthly SIP Option	: ₹1,000 per month for a minimum period of 6 months
Quarterly SIP Option:	₹1,500 per quarter for a minimum period of 4 quarters
Entry Load	: NIL
Exit Load	: 2% - if redeemed/ switched out, on or before 2 months from the date of allotment w.e.f. November 16, 2017
Dematerialization	: D-Mat Option Available
Portfolio Turnover Ratio (based on 1 year monthly data)	: 2.13 times

NAV as on February 28, 2018

Regular - Growth	: ₹14.3811
Regular - Dividend	: ₹12.7229
Direct - Growth	: ₹14.9341
Direct - Dividend	: ₹14.7421

AUM as on Feb 28, 2018

Net AUM	: ₹ 305.84 crore
Monthly Average AUM	: ₹ 314.05 crore

Expense Ratio (Weighted Average for the month)

Regular Plan	: 2.64% p.a.
Direct Plan	: 1.11% p.a.

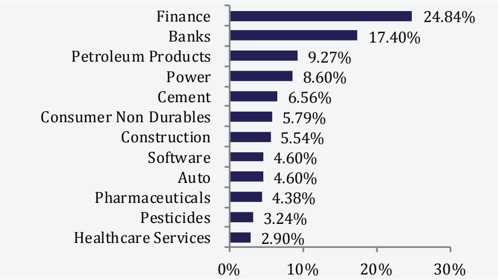
Volatility Measures

	Fund	Benchmark
Std. Dev (Annualised)	14.19%	11.37%
Sharpe Ratio	0.45	1.39
Portfolio Beta	0.90	1.00
R Squared	0.80	NA
Treynor	0.07	0.04

Portfolio as on February 28, 2018

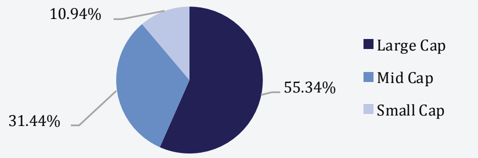
Company Name	Industry	% to Net Assets
Equity & Equity Related Total		
HDFC Bank Limited	Banks	9.55
Reliance Industries Limited	Petroleum Products	9.27
CESC Limited	Power	8.60
Bajaj Finance Limited	Finance	7.19
Tata Global Beverages Limited	Consumer Non Durables	5.79
Dalmia Bharat Limited	Cement	5.76
SBI Life Insurance Company Limited	Finance	5.65
IIFL Holdings Limited	Finance	4.94
Tata Motors Ltd DVR Shares	Auto	4.60
Sun Pharmaceutical Industries Limited	Pharmaceuticals	4.38
Reliance Nippon Life Asset Management Limited	Finance	4.09
The South Indian Bank Limited	Banks	3.96
State Bank of India	Banks	3.89
Peninsula Land Limited	Construction	3.28
UPL Limited	Pesticides	3.24
Shalby Limited	Healthcare Services	2.90
Tech Mahindra Limited	Software	2.84
Dilip Buildcon Limited	Construction	2.26
Bajaj Finserv Limited	Finance	2.15
Infosys Limited	Software	1.76
Aditya Birla Capital Limited	Finance	0.82
Sagar Cements Limited	Cement	0.80
CBLO		4.92
Sub Total		**102.64**
Net Receivables / (Payables)		-2.64
Portfolio Total		**100.00**

Sector Allocation^^



^^Industry allocation as per AMFI classification

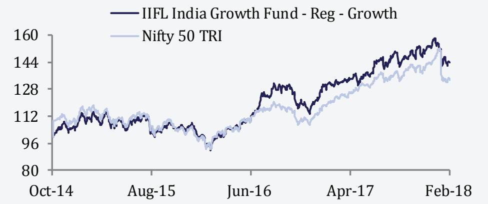
Market Capitalisation wise Exposure^



a. Large Cap Companies: 1st -100th company in terms of full market capitalization
b. Mid Cap Companies: 101st -250th company in terms of full market capitalization
c. Small Cap Companies : 251st company onwards in terms of full market capitalization
The consolidated list of stocks in terms of full market capitalization is as per the list uploaded by AMFI, in terms of SEBI circulars dated October 6, 2017 and December 4, 2017.

^As on Feb 28, 2018

NAV Movement (Since Inception) Rebased to 100



Scheme Performance

	28-Feb-17 to 28-Feb-18	PTP (₹)	28-Feb-15 to 28-Feb-18	PTP (₹)	Since Inception$	PTP (₹)
IIFL India Growth Fund - Reg - Growth	9.77%	10,977	9.04%	12,971	11.51%	14,380
IIFL India Growth Fund - Dir - Growth	11.38%	11,138	10.27%	13,415	12.78%	14,933
Benchmark*	19.75%	11,975	7.21%	12,327	9.07%	13,357
Additional Benchmark**	20.46%	12,046	6.85%	12,203	8.32%	13,054

Past performance may or may not be sustained in future.
Different plans shall have different expense structure.
As on February 28, 2018; Point to Point (PTP) returns in ₹ is based on standard investment of ₹10,000; Since Inception date is 30-Oct-2014; *Nifty 50 TRI; ** S&P BSE Sensex TRI; Managed by the fund manager since November 03, 2016; Scheme has been in existence for more than 1 year but less than 3 years.
The performance of the scheme is benchmarked to the Total Return variant of the Index.

SIP - If you had invested ₹10,000 every month

	28-Feb-17 to 28-Feb-18	28-Feb-15 to 28-Feb-18	Since Inception
Total Amount Invested (₹)	1,20,000	3,60,000	3,90,000
Total Value as on Feb 28, 2018 (₹)	1,21,449	4,31,272	4,71,088
Returns	2.27%	12.12%	11.68%
Total Value of Benchmark: Nifty 50 TRI (₹)	1,28,532	4,43,009	4,81,321
Benchmark: Nifty 50 TRI	13.57%	13.99%	13.05%
Total Value of Benchmark: S&P BSE Sensex TRI (₹)	1,29,584	4,42,723	4,80,433
Additional Benchmark: S&P BSE Sensex TRI	15.28%	13.94%	12.94%
(Inception date: 30-Oct-2014) (First Installment date : 01-Dec-2014)			

Source: MFI Explorer; Above returns are calculated assuming investment of 10,000/-on the 1st working day of every month. CAGR return are computed after accounting for the cash flow by using XIRR method (investment internal rate of return) for Regular Plan -Growth option. The above investment simulation is for illustrative purposes only and should not be construed as a promise on minimum returns and safeguard of capital. Managed by the fund manager since November 03, 2016.
The performance of the scheme is benchmarked to the Total Return variant of the Index.

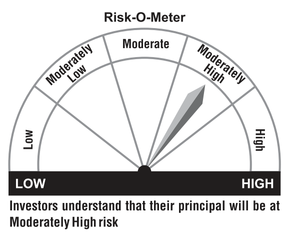
Dividend Details

	Record Date	Face Value (₹)	Cum Dividend NAV (₹) As on Feb 15, 2017	Dividend Per Unit
Regular Plan	15-Feb-17	10	12.7777	1.50
Direct Plan	15-Feb-17	10	13.0738	0.17

THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING*

- Capital appreciation over long term;
- Investment predominantly in equity and equity related instruments.

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



Fund Commentary

The divergence which was seen in markets in the month of Jan'18, saw reversal to normal during the month of Feb'18 and both the broader market and Indices fell during the month. With the mood having spoilt with the announcement of LTCG tax of 10% on budget day, the sentiments didn't get any support during rest of the month as global markets too remained weak on the back of rising fed rates and increasing fears of global trade wars. Adding to the fire was the shocking news of the PSU bank scams which rattled the sentiments among the investors for the banking sector in particular. Considering that the markets were trading at expensive valuations, all the negative news during the month magnified the level of fear among investors and we saw across board sell off in the market.

During the month, portfolio stocks such as SBI Life (+5.12%), IIFL Holdings (+4.40%), Bajaj Finserv (+4.97%) and Dilip Buildcon (+3.96%), outperformed the index. Among the major drags in the portfolio were Dalmia Bharat (-10.31%), SBI (-14.45%), HDFC Bank (-6.06%), Peninsula Land (-15.71%) and South Indian Bank (-11.77%). We believe markets could remain choppy during the short term owing to increased global news flows on trade wars between America and other partner countries owing to the imposition of higher Tariffs by US which might hurt the global economic growth outlook. Over the medium term political drama would take centre stage as India would be having state elections in four key states and the bugle has already been sounded for the 2019 general elections.

Disclaimer

IIFL Dynamic Bond Fund

(An open ended dynamic debt scheme investing across duration)

IIFL INVESTMENT MANAGERS ASSET MANAGEMENT

Investment Objective

The investment objective of the scheme is to generate income and long term gains by investing in a range of debt and money market instruments of various maturities. The scheme will seek to flexibly manage its investment across the maturity spectrum with a view to optimize the risk return proposition for the investors.

Fund Manager — Mr. Ankur Parekh

Mr. Ankur Parekh has over 15 years of work experience in the Fixed income securities market. His previous experience include working with SBI DFHI primary Dealership firm and DBS Cholamandalam AMC. Prior to joining IIFL AMC he was associated with Reliance Capital AMC as Fund Manager – EPFO for seven years. He is commerce graduate and has done his Masters in Business Administration from Bharthihar University, Tamilnadu. Mr Parekh has been managing the scheme since March 08, 2017.

Fund Details

Date of Allotment	: June 24, 2013
Bloomberg Code	: IIFDBDBIN
Benchmark Index	: CRISIL Composite Bond Fund Index
Plans Offered	: Regular & Direct
Options Offered	: Growth & Dividend
Minimum Application Amount	:
New Purchase	: ₹10,000 and in multiples of ₹100 thereafter
Additional Purchase	: ₹1,000 and in multiples of ₹100 thereafter
Monthly SIP Option	: ₹1,000 per month for a minimum period of 6 months
Quarterly SIP Option	: ₹1,500 per quarter for a minimum period of 4 quarters
Entry Load	: Nil
Exit Load	: 1% - if redeemed/ switched out, on or before 18 months from the date of allotment and Nil – if redeemed/ switched out after 18 months from the date of allotment. w.e.f October 10, 2017
Dematerialization	: D-Mat Option Available
Asset Allocation	:
Debt Market Instruments	: 0% to 100%
Money Market Instruments	: 0% to 100%
Units issued by REITs & InvITs	: 0% to 10%

NAV as on February 28, 2018

Regular Plan Growth	: ₹13.7389
#Regular Plan Bonus	: ₹13.7389
Regular Quarterly Dividend	: ₹13.2579
#Regular Half Yearly Dividend	: ₹13.2579
Regular Monthly Dividend	: ₹11.3392
Direct Plan Growth	: ₹14.0721
Direct Monthly Dividend	: ₹11.6487

#Note: Bonus plan and Monthly & Half yearly Dividend payout options are discontinued no new investors can invest in the said option, existing investors remain invested in the said options.

AUM as on Feb 28, 2018

Net AUM	: ₹ 167.27 crore
Monthly Average AUM	: ₹ 134.37 crore

Expense Ratio (Weighted Average for the month)

Regular Plan	: 1.33% p.a.
Direct Plan	: 0.68% p.a.

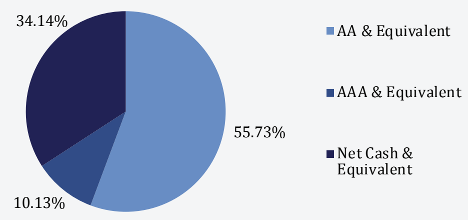
Statistical Debt Indicators

Modified Duration	: 1.84 years
Average Maturity	: 2.31 years
Yield to Maturity	: 7.96%

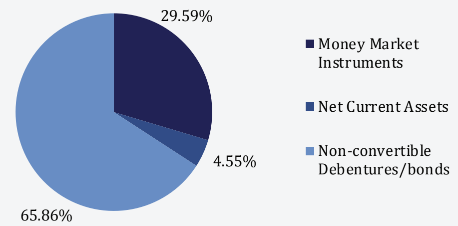
Portfolio as on February 28, 2018

Name of the Instrument	Rating	% to Net Assets
Debt Instruments		
Non-Convertible Debentures/Bonds		**65.86**
10.25% Hansdeep Industries & Trading Company Limited	CARE AA(SO)	9.15
9.15% Birla Corporation Limited	ICRA AA	6.96
11.80% Tata Steel Limited	CARE AA-	6.47
9.75% Edelweiss Housing Finance Limited	ICRA AA	6.05
8.32% Power Grid Corporation of India Limited	CRISIL AAA	6.04
8.15% Energy Efficiency Services Limited	ICRA AA	5.93
7.90% Piramal Enterprises Limited	ICRA AA	5.87
8.75% Axis Bank Limited	CRISIL AA+	3.86
ECL Finance Limited	CARE AA	3.48
8.20% Housing Development Finance Corporation Limited	CRISIL AAA	2.98
8.85% HDFC Bank Limited	CRISIL AA+	2.97
8.48% U.P. Power Corporation Limited	FITCH AA(SO)	1.79
8.48% U.P. Power Corporation Limited	FITCH AA(SO)	1.44
9.15% SP Jammu Udhampur Highway Limited	ICRA AAA(SO)	1.09
9.00% State Bank of India	CRISIL AA+	0.90
10.75% Tata Motors Finance Limited	CRISIL AA	0.86
9.45% State Bank of India	CRISIL AAA	0.02
CBLO / Reverse Repo		**29.59**
CBLO		29.59
Sub Total		**95.45**
Net Current Assets		**4.55**
Portfolio Total		**100.00**

Composition by Rating^



Instrument Wise Composition^



Dividend Declared - Monthly Dividend Plan

Date	Gross Dividend (₹) (Per Unit)	Regular Plan NAV (₹) (Cum Dividend)	Direct Plan NAV (₹) (Cum Dividend)
27-Feb-18	0.05	11.3451	11.6545
30-Jan-18	0.05	11.3942	11.6977
26-Dec-17	0.05	11.4127	11.7081
Quarterly Dividend Plan			
25-Jul-17	0.1	11.4810	11.7446
Half Yearly Dividend Plan			
04-Jun-15	0.4	11.4678	11.5708

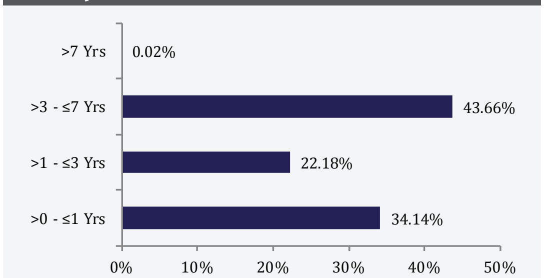
Dividend is gross dividend.To arrive at the net dividend payable for corporate and non-corporate investors applicable dividend distribution tax, if any, needs to be adjusted respectively. Past performance may or may not be sustained in future. After payment of dividend the NAV has fallen to the extent of payout and distribution taxes if applicable. Monthly Dividend is not assured and is subject to availability of distributable surplus.

Scheme Performance

	28-Feb-17 to 28-Feb-18	PTP (₹)	28-Feb-15 to 28-Feb-18	PTP (₹)	Since Inception$	PTP (₹)
IIFL Dynamic Bond Fund - Reg - Growth	6.73%	10,673	6.47%	12,073	7.02%	13,742
IIFL Dynamic Bond Fund - Dir - Growth	7.32%	10,732	7.02%	12,262	7.56%	14,070
Benchmark*	4.25%	10,425	7.60%	12,463	7.97%	14,323
Additional Benchmark**	-1.45%	9,855	5.56%	11,766	5.46%	12,828

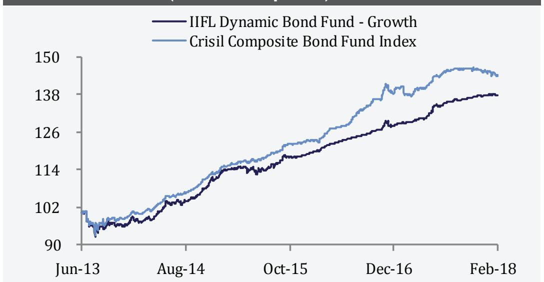
Past performance may or may not be sustained in future
Different plans shall have different expense structure
As on February 28, 2018* Crisil Composite Bond Fund Index,** Crisil 10yr Gilt Index; Point to Point (PTP) returns in ₹ is based on standard investment of ₹ 10,000 made on the inception date ; $ Inception date 24-June-2013; Scheme has been in existence for more than 3 years but less than 5 years; Effective March 08 2017, Mr. Ankur Parekh has been appointed as Fund Manager of the scheme. The Scheme was managed till March 07, 2017 by Mr Ritesh Jain

Maturity Profile^



^As on February 28, 2018

NAV Movement (Since Inception) Rebased to 100

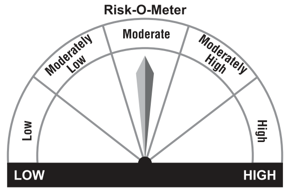


THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING*

- Income and long term gains
- Investment in a range of debt and money market instruments of various maturities

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

Risk-O-Meter



Investors understand that their principal will be at Moderate risk

Fund Commentary

Bonds yields are at elevated levels due to the concerns of fiscal deficit from rural focused budget, ahead of general elections next year. The increasing inflationary expectations and gradually improving global yields are likely to keep Indian bond markets subdued going forward. We maintain our view of positioning at the front-end of the curve with a defensive outlook as rate trajectory is likely to be volatile. The scheme aims to maintain relatively high running yields and moderate to low duration to benefit out of the steep yield curve. However, any change in the macro-economic environment is being continuously tracked for change of stance if the situation requires so.

Disclaimer

IIFL Liquid Fund

(An Open Ended Liquid Scheme)

Investment Objective

To provide liquidity with reasonable returns commensurate with low risk through a portfolio of money market and debt securities with residual maturity of up to 91 days. However, there can be no assurance that the investment objective of the scheme will be achieved.

Fund Manager — Mr. Ankur Parekh

Mr. Ankur Parekh has over 15 years of work experience in the Fixed income securities market. His previous experience include working with SBI DFHI primary Dealership firm and DBS Cholamandalam AMC. Prior to joining IIFL AMC he was associated with Reliance Capital AMC as Fund Manager – EPFO for seven years. He is commerce graduate and has done his Masters in Business Administration from Bharthihar University, Tamilnadu. Mr Parekh has been managing the scheme since March 08, 2017.

Fund Details

Date of Allotment	: November 13, 2013
Benchmark Index	: CRISIL Liquid Fund Index
Plans Offered	: Regular & Direct
Options Offered	: Growth & Dividend
Minimum Application:	
New Purchase	: ₹5,000 and in multiples of ₹100 thereafter
Additional Purchase	: ₹1,000 and in multiples of ₹100 thereafter
Monthly SIP Option	: ₹1,000 per month for a minimum period of 6 months
Quarterly SIP Option	: ₹1,500 per quarter for a minimum period of 4 quarters
Entry / Exit Load	: NIL
Dematerialization	: D-Mat Option Available
Asset Allocation	:
Money market and debt instruments with residual maturity up to 91 days	: 0% to 100%

NAV as on February 28, 2018

Regular Plan Growth	: ₹1357.6302
Regular Plan Weekly Dividend	: ₹1005.1771
Regular Plan Daily Dividend	: ₹1000.0790
Direct Plan Growth	: ₹1360.5578
Direct Plan Dividend	: ₹1000.0474

AUM as on Feb 28, 2018

Net AUM	: ₹ 330.88 crore
Monthly Average AUM	: ₹ 318.77 crore

Expense Ratio (Weighted Average for the month)

Regular Plan	: 0.25% p.a.
Direct Plan	: 0.20% p.a.

Statistical Debt Indicators

Modified Duration	: 28 days
Average Maturity	: 30 days
Yield to Maturity	: 6.72%

Portfolio as on February 28, 2018

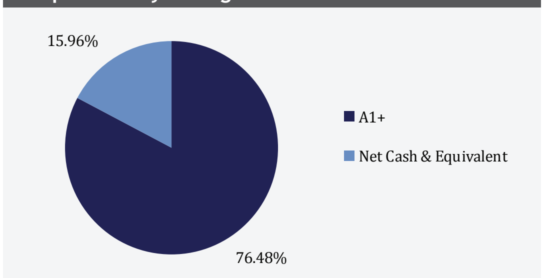
Name of the Instrument	Rating	% to Net Assets
Money Market Instruments		
Certificate of Deposit		
HDFC Bank Limited	FITCH A1+	7.56%
ICICI Bank Limited	ICRA A1+	7.55%
RBL Bank Limited	ICRA A1+	7.52%
IndusInd Bank Limited	CRISIL A1+	7.47%
IDFC Bank Limited	ICRA A1+	7.45%
Sub Total		**37.55%**
Commercial Paper		
National Bank For Agriculture and Rural Development	ICRA A1+	9.04%
Small Industries Dev Bank of India	CARE A1+	7.56%
Aditya Birla Finance Limited	ICRA A1+	7.55%
Tata Motors Finance Limited	CRISIL A1+	7.46%
Aditya Birla Housing Finance Limited	ICRA A1+	7.46%
Tata Capital Financial Services Limited	ICRA A1+	7.42%
Sub Total		**46.49%**
CBLO / Reverse Repo		
CBLO		15.13%
Sub Total		**99.17%**
Net Receivables / (Payables)		**0.83%**
Portfolio Total		**100.00%**

Scheme Performance

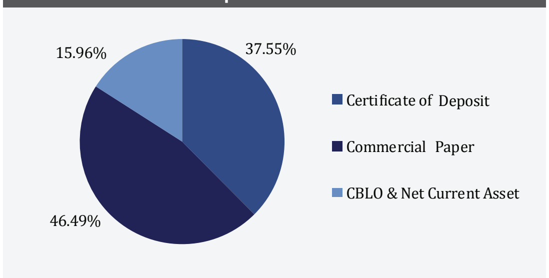
	28-Feb-17 to 28-Feb-18	PTP (₹)	28-Feb-15 to 28-Feb-18	PTP (₹)	Since Inception$	PTP (₹)
IIFL Liquid Fund - Reg - Growth	6.19%	10,619	6.95%	12,238	7.38%	13,578
IIFL Liquid Fund - Dir - Growth	6.25%	10,625	7.00%	12,255	7.43%	13,605
Benchmark*	6.68%	10,668	7.36%	12,379	7.90%	13,863
Additional Benchmark**	6.36%	10,636	7.03%	12,110	7.63%	13,217

Past performance may or may not be sustained in future
Different plans shall have different expense structure
As on February 28, 2018* Crisil Liquid Fund Index,** Crisil 91 Day T-Bill Index; Point to Point (PTP) returns in ₹ is based on standard investment of ₹10,000 made on the $ inception date 13-Nov-2013; Scheme has been in existence for more than 3 years but less than 5 years; Effective March 08 2017, Mr. Ankur Parekh has been appointed as Fund Manager of the scheme. The Scheme was managed till March 07, 2017 by Mr Ritesh Jain

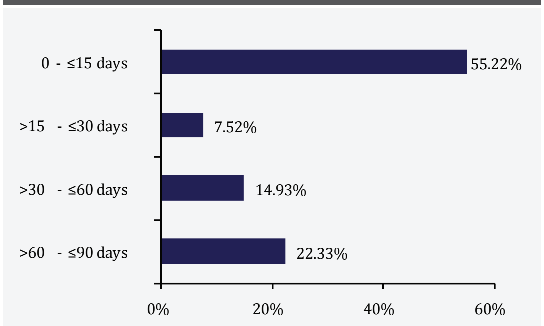
Composition by Rating^



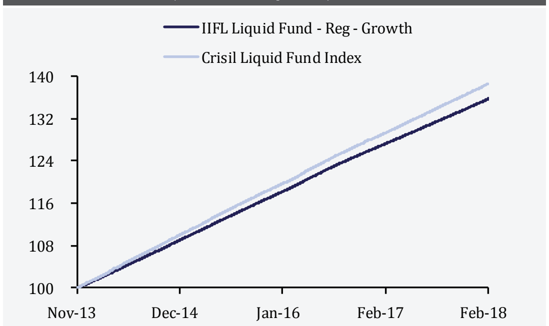
Instrument Wise Composition^



Maturity Profile^



NAV Movement (Since Inception) Rebased to 100

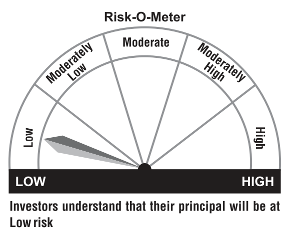


^As on February 28, 2018

THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING*

- Income over short term horizon
- Investments in money market and short term debt instruments, with maturity not exceeding 91 days

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



GLOSSARY OF TERMS

FUND MANAGER	An employee of the asset management company such as a mutual fund or life insurer, who manages investments of the scheme. He is usually part of a larger team of fund managers and research analysts.
APPLICATION AMOUNT FOR FRESH SUBSCRIPTION	This is the minimum investment amount for a new investor in a mutual fund scheme.
MINIMUM ADDITIONAL AMOUNT	This is the minimum investment amount for an existing investor in a mutual fund scheme.
YIELD TO MATURITY	The Yield to Maturity or the YTM is the rate of return anticipated on a bond if held until maturity. YTM is expressed as an annual rate. The YTM factors in the bond's current market price, par value, coupon interest rate and time to maturity.
SIP	SIP or systematic investment plan works on the principle of making periodic investments of a fixed sum. It works similar to a recurring bank deposit. For instance, an investor may opt for an SIP that invests ₹ 500 every 15th of the month in an equity fund for a period of three years.
NAV	The NAV or the net asset value is the total asset value per unit of the mutual fund after deducting all related and permissible expenses. The NAV is calculated at the end of every business day. It is the value at which the investor enters or exits the mutual fund.
BENCHMARK	A group of securities, usually a market index, whose performance is used as a standard or benchmark to measure investment performance of mutual funds, among other investments. Some typical benchmarks include the Nifty, Sensex, BSE200, BSE500, 10-Year Gsec.
ENTRY LOAD	A mutual fund may have a sales charge or load at the time of entry and/or exit to compensate the distributor/agent. Entry load is charged at the time an investor purchases the units of a mutual fund. The entry load is added to the prevailing NAV at the time of investment. For instance, if the NAV is ₹ 100 and the entry load is 1 %, the investor will enter the fund at ₹ 101.
EXIT LOAD	Exit load is charged at the time an investor redeems the units of a mutual fund. The exit load is deducted from the prevailing NAV at the time of redemption. For instance, if the NAV is ₹ 100 and the exit load is 1%, the redemption price would be ₹99 per unit.
MODIFIED DURATION	Modified duration is the price sensitivity and the percentage change in price for a unit change in yield.
STANDARD DEVIATION	Standard deviation is a statistical measure of the range of an investment's performance. When a mutual fund has a high standard deviation, its means its range of performance is wide, implying greater volatility.
SHARPE RATIO	The Sharpe Ratio, named after its founder, the Nobel Laureate William Sharpe, is a measure of risk-adjusted returns. It is calculated using standard deviation and excess return to determine reward per unit of risk.
BETA	Beta is a measure of an investment's volatility vis-a-vis the market. Beta of less than 1 means that the security will be less volatile than the market. A beta of greater than 1 implies that the security's price will be more volatile than the market.
AUM	AUM or assets under management refers to the recent I updated cumulative market value of investments managed by a mutual fund or any investment firm.
HOLDINGS	The holdings or the portfolio is a mutual fund's latest or updated reported statement of investments/securities. These are usually displayed in terms of percentage to net assets or the rupee value or both. The objective is to give investors an idea of where their money is being invested by the fund manager.
NATURE OF SCHEME	The investment objective and underlying investments determine the nature of the mutual fund scheme. For instance, a mutual fund that aims at generating capital appreciation by investing in stock markets is an equity fund or growth fund. Likewise, a mutual fund that aims at capital preservation by investing in debt markets is a debt fund or income fund. Each of these categories may have sub-categories.
RATING PROFILE	Mutual funds invest in securities after evaluating their creditworthiness as disclosed by the ratings. A depiction of the mutual fund in various investments based on their ratings becomes the rating profile of the fund. Typically, this is a feature of debt funds.

Note: SEBI, vide circular dated June 30, 2009 has abolished entry load and mandated that the upfront commission to distributors will be paid by the investor directly to the distributor, based on his assessment of various factors including the service rendered by the distributor.