IIFL
INVESTMENT MANAGERS
ASSET MANAGEMENT

MONTHLY FACTSHEET

JANUARY 2018

Macro Economy & Event Update

- The last month of the year saw mixed performances by major markets across the globe. U.S. markets benefitted from the Federal Reserve's (Fed) iteration that it would raise interest rates gradually in 2018 while raising rates in the last month of the year. Also, Republican lawmakers passing the tax reform bill buoyed investors even though skepticism about the U.S. tax bill's supposed positive impact on the U.S. economy capped the gains to some extent.
- Snap elections in Catalonia, Spain, kept European markets under pressure, but U.K. was an exception as Bank of England's statement on European Union banks and insurers soothed the nerves of investors anxious over Brexit. Asia was a mixed bag as rise in interest rate by the U.S. Fed led to fund outflow worries and overshadowed positive economic data from the region.
- Indian equity markets ended in the green as investors took positive cues from the victory of the ruling party in two states. The only drawback was the government's announcement of additional borrowing programme.
- Bond yields surged for the fifth consecutive month after the government announced it will increase its fiscal year borrowing amount. This raised concerns among investors about the government's fiscal prudence.
- Investors will now turn their attention towards the Union Budget 2018-19. The biggest expectation out of the Union Budget 2018-19 would be more focus on job creation. Besides, corporate earnings recovery is expected to gain momentum as most of the disruption arising out of Goods and Services Tax (GST) implementation is likely to be factored in by the companies by now.
- Liquidity in the banking system is moving towards neutrality after a year of huge surplus. Moving forward, liquidity condition in the banking system may soon turn into deficit mode by the next quarter, which can be attributed to advance tax payments that may impart an upward pressure to the bond yield trajectory. Additional borrowings announcement by the government has raised the possibility of a rise in fiscal deficit in FY18, which is targeted at 3.2%. It is to be seen how government reduces the revenue shortfall during the Mar quarter of 2018 that collects large chunk of tax revenue.

Key Economic Indicators		
Indicators	**Current**	**Previous**
WPI(Nov-17)	3.93%	3.59%
IIP(Oct-17)	2.20%	4.10%
CPI(Nov-17)	4.88%	3.58%

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

- The Monetary Policy Committee (MPC) in its fifth bi-monthly policy review kept key policy repo rate unchanged at 6.0%, while retaining 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%.
- MPC projected domestic inflationary pressures to go up in the second half of this fiscal and range from 4.3% to 4.7% from its earlier projection of 4.2% to 4.6%. MPC retained the real Gross Value Added (GVA) growth for 2017-18 at 6.7%.

India's fiscal deficit stood at 112% of the budget estimate for 2017-18

- Government data showed that India's fiscal deficit during Apr to Nov 2017 stood at Rs. 6.12 lakh crore or 112.0% of the budgeted target for FY18 mainly due to lower GST collections and higher expenditure. During the corresponding period last year, fiscal deficit was at 85.8% of the Budget Estimate.

Domestic inflationary pressures grew in Nov 2017

- Government data showed that growth of Consumer Price Index (CPI) based inflation or retail inflation surged to a 15-month high of 4.88% in Nov 2017 from 3.58% in the previous month and 3.63% in the same period of the previous year. Retail inflation growth thus surpassed the Reserve Bank of India's (RBI) medium-term target of 4%.
- Government data showed that the Wholesale Price Index (WPI)-based inflation rose to an 8-month high as it grew 3.93% in Nov 2017 from 3.59% in the previous month and 1.82% in the same month of the previous year. The growth of WPI food index also accelerated from 3.23% in Oct 2017 to 4.10% in Nov 2017. WPI for vegetables grew for the second consecutive month and increased 59.80% in Nov from 36.61% in the previous month.

Index of Industrial Production slowed in Oct 2017

- Government data showed that the growth of India's Index of Industrial Production (IIP) slowed to 2.2% in Oct 2017 from an upwardly revised 4.1% (3.8% originally reported) in Sep 17 and 4.2% in the same period of the previous year. The manufacturing sector also slowed to 2.5% in Nov 2017 from 4.8% in the same period of the previous year.

India's trade deficit widened in Nov 2017

- Government data showed that India's trade deficit expanded marginally to $13.83 billion in Nov 2017 from $13.40 billion in the same period of the previous year. India's exports in the same period of the previous year stood at $20.07 billion. India's imports in Nov grew 19.61% to $40.02 billion from $33.46 billion in the same period of the previous year.

Equity Market

- Indian equity markets ended the last month of 2017 on a positive note with sentiment largely boosted by the outcome of the state assembly elections in Gujarat and Himachal Pradesh. The victory of the ruling party instilled confidence among investors on the continuity of the existing reforms aimed to boost economy. However, gains were largely restricted by concerns over government's additional borrowing programme.
- On the BSE sectoral front, S&P BSE Metal was the top gainer, up 7.46%. Buying interest was seen in metal stocks amid expectations of increased overseas demand of steel. Realty sector too rose amid expectation of improvement in housing sales. Auto sector went up as sales of domestic passenger vehicles grew in Nov 2017 from the same month of the previous year.
- U.S. markets reported modest gains, the triggers being the U.S. Federal Reserve's latest policy meeting and approval of U.S. tax reform bill by Republican lawmakers. The Fed chief indicated that the central bank is not likely to be more aggressive in 2018. Meanwhile, the U.S. Republican Tax Bill is expected to bring about widespread changes to the U.S. tax code on both the business and individual sides even though a section of market participants remained skeptical about the U.S. tax bill's supposed positive impact on the U.S. economy.
- European markets remained under pressure barring U.K. markets, which registered a MoM gain of 4.93% in Dec 2017. Investors took positive cues from rise in euro zone's consumer price inflation data for Nov 2017 and improved U.K. GDP data for the third quarter of 2017. Also Bank of England mentioned that it will allow European Union banks and insurers to operate normally in the U.K. post Brexit. However, markets came under selling pressure because of renewed political turmoil in Spain following snap election in Catalonia. Although the pro-independence parties won an absolute majority in the region's parliament, challenges remain for them to form a government.
- Asian markets witnessed a mixed trend as the positive impact of improved services sector data from China and Japan coupled with upbeat Chinese trade data in Nov 2017 was largely overshadowed by concerns over foreign fund outflows after the U.S. Federal Reserve decided to raise key interest rate in its latest policy meeting. Nonetheless, buying interest found some support after the World Bank raised its forecast for China's growth in 2017 on the back of rise in household incomes and a recovery in global trade and on expectations that Chinese market would maintain economic growth in the next year.
- Following the victory of the ruling party in state elections, investors are now turning their attention towards the Union Budget 2018-19 with a lot of expectations. The biggest expectation out of the Union Budget 2018-19 would be more focus on job creation. Hence, apart from focus on rural economy and infrastructure development thrust, key areas of job creation like the manufacturing sector, especially the textile sector, would be looked at. Besides, corporate earnings recovery is expected to gain momentum as most of the disruption arising out of GST implementation is likely to be factored in by the companies by now.

Domestic Indices Performance

Indicators	29-Dec-17	30-Nov-17	Chg %	YTD%
S&P BSE Sensex	34,057	33,149	2.74	28.06
Nifty 50	10,531	10,227	2.97	28.75
S&P BSE 200	4,679	4,527	3.34	32.96
Nifty Free Float Midcap 100	21,134	19,895	6.22	45.92
Nifty Dividend Opportunities 50	2,637	2,551	3.40	24.90
S&P BSE Smallcap	19,231	18,229	5.50	57.76

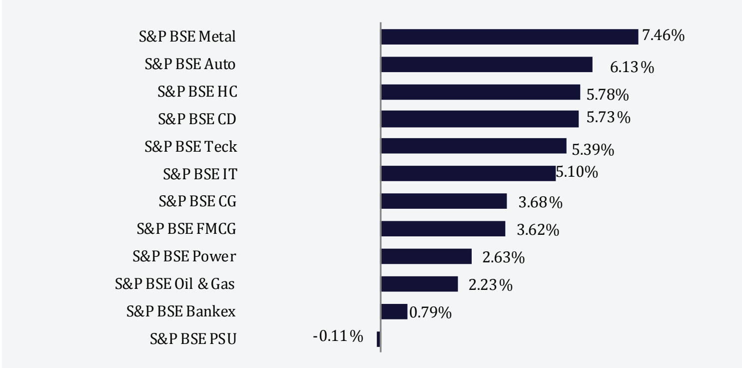
Source: Thomson Reuters Eikon

Global Indices Performance

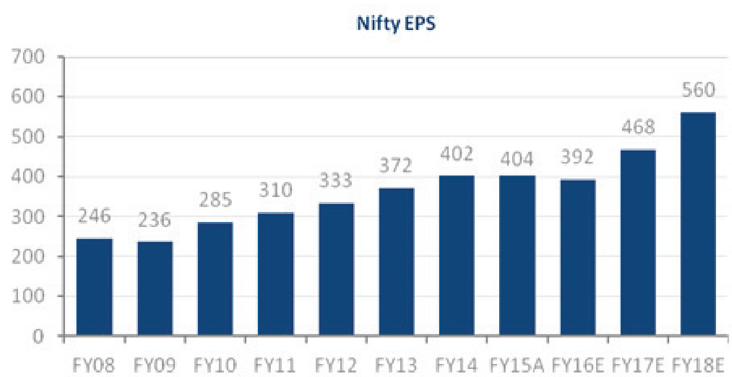
Global Indices	29-Dec-17	30-Nov-17	Chg %	YTD%
Dow Jones	24,719	24,272	1.84	24.33
FTSE	7,688	7,327	4.93	7.10
CAC	5,313	5,373	-1.12	8.81
Hang Seng	29,919	29,177	2.54	35.07
SSE Composite Index	3,307	3,317	-0.30	5.46

Source: Thomson Reuters Eikon

Sectoral Performance (Monthly Returns %)



Source: Thomson Reuters Eikon



Institutional Flows (Equity) As on December 29, 2017

(₹ Cr)	Purchases	Sales	Net	YTD
FII Flows	118,109	123,992	-5,883	51,253
MF Flows*	43,521	34,699	6,114	116,555
DII Flows	76,814	68,671	8,143	96,435

Source:NSDL,NSE & SEBI

* As on Dec 21, 2017

Debt Market

- Bond yields surged for the fifth consecutive month after the government announced it will increase its fiscal year borrowing amount. This raised concerns among investors about the government's fiscal prudence. The government will borrow an additional Rs. 50,000 crore through previously scheduled auctions in Jan and Feb 2018. Acceleration in retail inflation in Nov 2017 also dampened sentiment. However, further losses were restricted as market participants resorted to bargain hunting following the recent decline in bond prices.

- Yield on gilt securities increased across maturities in the range of 14 to 32 bps. Yield on corporate bonds increased across maturities in the range of 9 bps to 31 bps. Difference in spread between AAA corporate bond and gilt contracted on 4- to 10-year and 15-year papers in the range of 2 to 20 bps and expanded on the remaining maturities in the range of 4 to 14 bps.

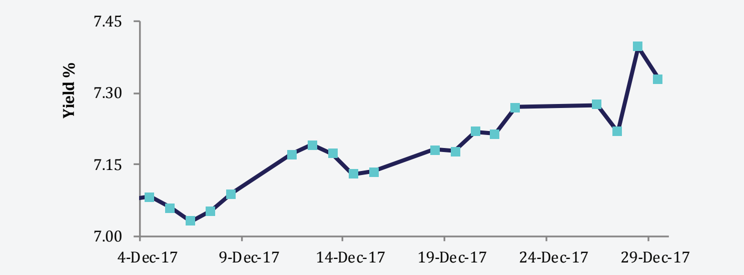
- Additional borrowings announcement by the government has raised the possibility of a rise in fiscal deficit target of 3.2% for FY18. It is to be seen how the government reduces the revenue shortfall during the Mar quarter of 2018 when it collects large chunk of tax revenue. Hopes of a rate-cut have diminished in the near term due to risk of rise in inflation in the second half of FY18. Thus, domestic inflationary pressure and international crude oil prices will continue to remain in focus. All these factors are likely to impact bond yields, which have hardened significantly.

Currency and Commodity Market

- The rupee rose against the greenback during the month under review following gains in the domestic equity market. Market sentiment improved further after the U.S. Federal Reserve maintained its projection for three increases in 2018 amid concerns about low U.S. inflation while increasing interest rates as expected. Gains were extended after the outcome of the state assembly elections in Gujarat and Himachal Pradesh increased hopes of continuation of reform agenda undertaken by the government.

- Brent Crude prices initially remained weak on worries over rise in U.S. shale output and its impact on Organization of the Petroleum Exporting Countries' (OPEC) efforts to curb production. However, later prices recovered following supply disruption from Libya and the North Sea. Additionally, Iraq's Oil Minister mentioned that the prices are expected to gain next year with global stockpiles falling and demand rising in China and India.

10-Year Benchmark Bond (6.79% GS 2027) Movement



Source: Thomson Reuters Eikon

Spread Movement

Spreads		AAA	AA+	AA	AA-
29-Dec-17	1 Yr	64	70	83	111
	3 Yr	51	58	82	109
	5 Yr	40	47	75	106
30-Nov-17	1 Yr	50	46	72	99
	3 Yr	41	61	85	112
	5 Yr	43	64	95	125

Source: Thomson Reuters Eikon

Yield (%)	29-Dec-17	30-Nov-17
10 Year G-Sec	7.33	7.06
5 Year G-Sec	7.15	6.90
Certificate of Deposit		
3-Month	6.33	6.25
6-Month	6.88	6.49
9-Month	6.93	6.55
12-Month	6.98	6.61
Commercial Papers		
3-Month	7.06	6.80
6-Month	7.33	7.00
9-Month	7.43	7.09
12-Month	7.53	7.19

Source: Thomson Reuters Eikon

Event Calendar

Release Date	Release Date	Country
05-Jan-18	U.S. Nonfarm Payrolls (Dec)	U.S.
15-Jan-18	China Gross Domestic Product (YoY) (Q4)	China
19-Jan-18	Bank of England Monetary Policy Review	Euro Zone
25-Jan-18	ECB Monetary Policy Review	Euro Zone
31-Jan-18	U.S. Federal Reserve Monetary Policy Review	U.S.

IIFL India Growth Fund
(An Open-Ended Equity Scheme)

IIFL INVESTMENT MANAGERS ASSET MANAGEMENT

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
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)	: 2.15 times

NAV as on December 29, 2017

Regular - Growth	: ₹15.3328
Regular - Dividend	: ₹13.5648
Direct - Growth	: ₹15.8819
Direct - Dividend	: ₹15.6777

AUM as on December 31, 2017

Net AUM	: ₹ 374.16 crore
Monthly Average AUM	: ₹ 396.19 crore

Expense Ratio (Weighted Average for the month)

Regular Plan	: 2.62% p.a.
Direct Plan	: 1.11% p.a.

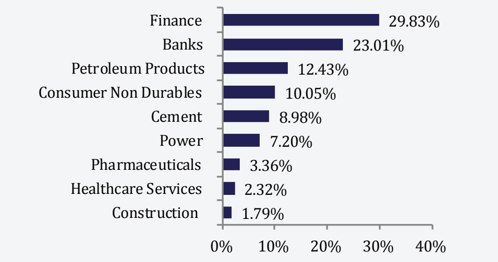
Volatility Measures

Volatility Measures	Fund	Benchmark
Std. Dev (Annualised)	13.76%	9.29%
Sharpe Ratio	0.64	1.37
Portfolio Beta	0.93	1.00
R Squared	0.78	NA
Treynor	0.09	0.04

Portfolio as on December 31, 2017

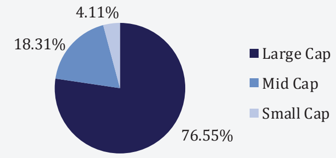
Company Name	Industry	% to Net Assets
Equity & Equity Related Total		
HDFC Bank Limited	Banks	8.69
Reliance Industries Limited	Petroleum Products	7.31
CESC Limited	Power	7.20
HDFC Standard Life Insurance Company Limited	Finance	7.12
Bajaj Finance Limited	Finance	6.29
Dalmia Bharat Limited	Cement	5.74
Tata Global Beverages Limited	Consumer Non Durables	5.44
Bajaj Finserv Limited	Finance	5.34
State Bank of India	Banks	5.30
ICICI Bank Limited	Banks	5.16
Hindustan Petroleum Corporation Limited	Petroleum Products	5.12
Godrej Industries Limited	Consumer Non Durables	4.61
IIFL Holdings Limited	Finance	3.57
Sun Pharmaceutical Industries Limited	Pharmaceuticals	3.36
Grasim Industries Limited	Cement	3.24
Reliance Nippon Life Asset Management Limited	Finance	3.18
The South Indian Bank Limited	Banks	2.49
Shalby Limited	Healthcare Services	2.32
SBI Life Insurance Company Limited	Finance	2.30
Aditya Birla Capital Limited	Finance	2.03
Peninsula Land Limited	Construction	1.79
Punjab National Bank	Banks	1.37
CBLO		1.27
Sub Total		**100.24**
Net Receivables / (Payables)		-0.24
Portfolio Total		**100.00**

Sector Allocation^^



^^Industry allocation as per AMFI classification

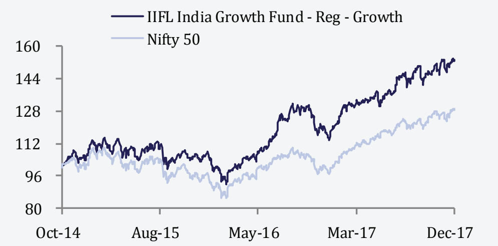
Market Capitalisation wise Exposure^



Small Cap has been defined as companies with Market Capitalisation of <= 5000Cr, Mid Cap has been be defined as companies with Market Capitalisation of > 5000Cr and <= 20000Cr and Large Cap has been defined as companies with Market Capitalisation of > 20000Cr

^As on Dec 31, 2017

NAV Movement (Since Inception) Rebased to 100



Scheme Performance

	31-Dec-16 to 31-Dec-17	PTP (₹)	31-Dec-14 to 31-Dec-17	PTP (₹)	Since Inception$	PTP (₹)
IIFL India Growth Fund - Reg - Growth	30.05%	12,996	13.30%	14,539	14.45%	15,334
IIFL India Growth Fund - Dir - Growth	31.82%	13,172	14.55%	15,025	15.73%	15,883
Benchmark*	28.74%	12,865	8.34%	12,714	8.35%	12,892
Additional Benchmark**	27.99%	12,790	7.40%	12,386	7.17%	12,452

Past performance may or may not be sustained in future
Different plans shall have different expense structure
As on December 31, 2017; Point to Point (PTP) returns in ₹ is based on standard investment of ₹10,000; $ Since Inception date is 30-Oct-2014; *Nifty 50; ** S&P BSE Sensex; Managed by the fund manager since November 03, 2016; Scheme has been in existence for more than 3 years but less than 5 years.

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

	31-Dec-16 to 31-Dec-17	31-Dec-14 to 31-Dec-17	Since Inception
Total Amount Invested (₹)	1,20,000	3,60,000	3,70,000
Total Value as on Dec 31, 2017(₹)	1,34,233	4,67,861	4,82,115
Returns	22.96%	17.84%	17.50%
Total Value of Benchmark: Nifty 50 (₹)	1,33,479	4,40,894	4,53,202
Benchmark: Nifty 50	21.71%	13.66%	13.28%
Total Value of Benchmark: S&P BSE Sensex (₹)	1,33,728	4,36,809	4,48,733
Additional Benchmark: S&P BSE Sensex	22.12%	13.01%	12.61%
(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.

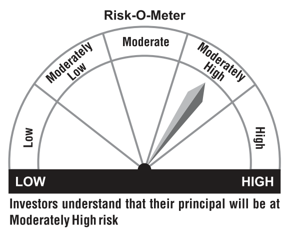
Dividend Details

	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 doubt about whether the product is suitable for them.



IIFL Dynamic Bond Fund

(An Open-Ended Income Scheme)

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 December 29, 2017

Regular Plan Growth	: ₹13.7077
#Regular Plan Bonus	: ₹13.7077
Regular Quarterly Dividend	: ₹13.2278
#Regular Half Yearly Dividend	: ₹13.2278
Regular Monthly Dividend	: ₹11.4131
Direct Plan Growth	: ₹14.0249
Direct Monthly Dividend	: ₹11.7091

#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 Dec 31, 2017

Net AUM	: ₹ 108.15 crore
Monthly Average AUM	: ₹ 82.30 crore

Expense Ratio (Weighted Average for the month)

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

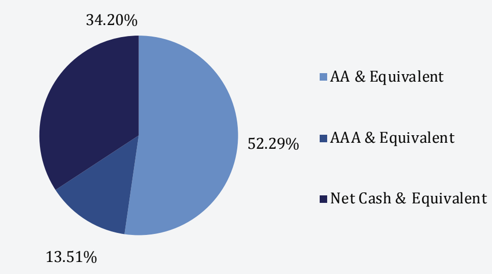
Statistical Debt Indicators

Modified Duration	: 1.93 years
Average Maturity	: 2.40 years
Yield to Maturity	: 7.80%

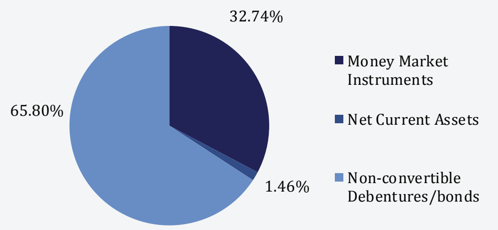
Portfolio as on December 31, 2017

Name of the Instrument	Rating	% to Net Assets
Debt Instruments		
Non-Convertible Debentures/Bonds		**65.80**
7.90% Piramal Enterprises Limited	ICRA AA	9.13
9.75% Edelweiss Housing Finance Limited	ICRA AA	8.53
8.95% Punjab National Bank	FITCH AA+	8.32
10.25% Hansdeep Industries & Trading Company Limited	CARE AA(SO)	7.14
8.32% Power Grid Corporation of India Limited	CRISIL AAA	7.08
8.75% Axis Bank Limited	CRISIL AA+	6.05
ECL Finance Limited	CARE AA	5.34
8.20% Housing Development Finance Corporation Limited	CRISIL AAA	4.66
8.48% U.P. Power Corporation Limited	FITCH AA(SO)	2.80
8.48% U.P. Power Corporation Limited	FITCH AA(SO)	2.24
9.15% SP Jammu Udhampur Highway Limited	ICRA AAA(SO)	1.73
9.00% State Bank of India	CRISIL AA+	1.40
10.75% Tata Motors Finance Limited	CRISIL AA	1.34
9.45% State Bank of India	CRISIL AAA	0.04
CBLO / Reverse Repo		**32.74**
CBLO		32.74
Sub Total		**98.54**
Net Current Assets		**1.46**
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)
26-Dec-17	0.05	11.4127	11.7081
28-Nov-17	0.05	11.4443	11.7333
31-Oct-17	0.05	11.4651	11.7476
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

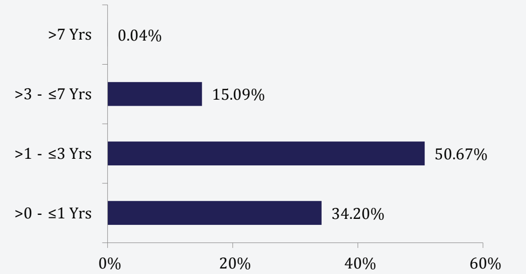
Dividend is gross dividend.To arrive at the net dividend payable for corporate and non-corporate investors applicable dividend distribution tax, if any, needs to be adjusted respectively. Past performance may or may not be sustained in future. After payment of dividend the NAV has fallen to the extent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

Scheme Performance

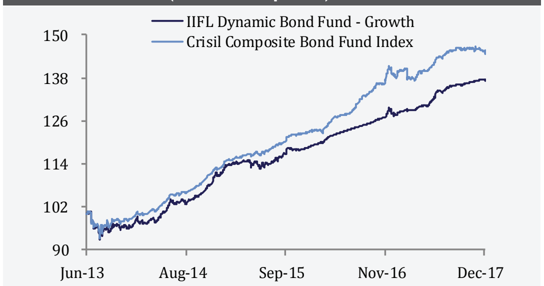
	31-Dec-16 to 31-Dec-17	PTP (₹)	31-Dec-14 to 31-Dec-17	PTP (₹)	Since Inception$	PTP (₹)
IIFL Dynamic Bond Fund - Growth	7.47%	10,745	7.21%	12,320	7.23%	13,708
IIFL Dynamic Bond Fund - Dir - Growth	8.03%	10,801	7.76%	12,511	7.77%	14,022
Benchmark*	4.70%	10,469	8.71%	12,844	8.49%	14,451
Additional Benchmark**	-0.07%	9,993	7.26%	12,338	6.31%	13,184

Past performance may or may not be sustained in future
Different plans shall have different expense structure
As on December 31, 2017* 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^



NAV Movement (Since Inception) Rebased to 100

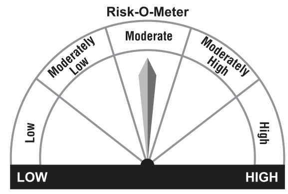


^As on December 31, 2017

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.



Investors understand that their principal will be at Moderate risk

IIFL Liquid Fund

(An Open-Ended Liquid Scheme)

IIFL INVESTMENT MANAGERS
ASSET MANAGEMENT

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 December 29, 2017

Regular Plan Growth	: ₹1343.7961
Regular Plan Weekly Dividend	: ₹1005.5585
Regular Plan Daily Dividend	: ₹1000.0791
Direct Plan Growth	: ₹1346.5814
Direct Plan Dividend	: ₹1000.0469

AUM as on Dec 31, 2017

Net AUM	: ₹ 358.59 crore
Monthly Average AUM	: ₹ 326.48 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	: 27 days
Average Maturity	: 28 days
Yield to Maturity	: 6.37%

Portfolio as on December 31, 2017

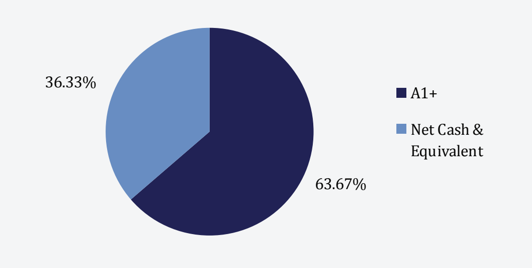
Name of the Instrument	Rating	% to Net Assets
Money Market Instruments		
Certificate of Deposit		
National Bank For Agriculture and Rural Development	CRISIL A1+	8.36%
IDFC Bank Limited	ICRA A1+	6.96%
Kotak Mahindra Bank Limited	CRISIL A1+	6.93%
ICICI Bank Limited	ICRA A1+	6.90%
Sub Total		**29.15%**
Commercial Paper		
Dewan Housing Finance Corporation Limited	CARE A1+	6.93%
Housing Development Finance Corporation Limited	ICRA A1+	6.90%
Tata Motors Finance Limited	ICRA A1+	6.90%
Kotak Mahindra Prime Limited	CRISIL A1+	6.90%
Aditya Birla Finance Limited	ICRA A1+	6.89%
Sub Total		**34.52%**
CBLO / Reverse Repo		
CBLO		35.86%
Sub Total		**99.53%**
Net Receivables / (Payables)		**0.47%**
Portfolio Total		**100.00%**

Scheme Performance

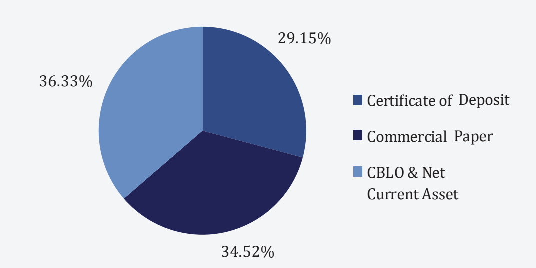
	31-Dec-16 to 31-Dec-17	PTP (₹)	31-Dec-14 to 31-Dec-17	PTP (₹)	Since Inception$	PTP (₹)
IIFL Liquid Fund - Reg - Growth	6.18%	10,620	7.05%	12,720	7.42%	13,444
IIFL Liquid Fund - Dir - Growth	6.23%	10,625	7.10%	12,287	7.47%	13,469
Benchmark*	6.66%	10,668	7.45%	12,408	7.94%	13,715
Additional Benchmark**	6.35%	10,635	7.12%	12,136	7.67%	13,105

Past performance may or may not be sustained in future
Different plans shall have different expense structure
As on December 31, 2017* 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

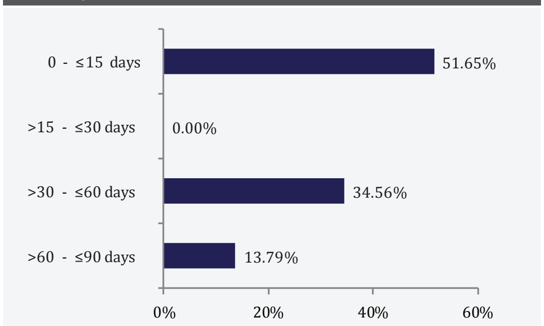
Composition by Rating^



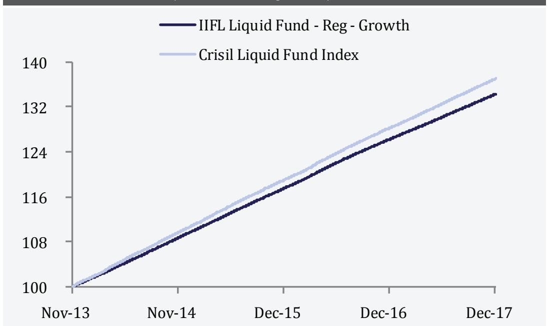
Instrument Wise Composition^



Maturity Profile^



NAV Movement (Since Inception) Rebased to 100

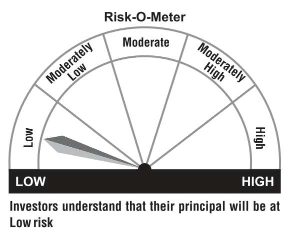


^As on December 31, 2017

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 if 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.