

MONTHLY FACTSHEET

APRIL 2019



Macro Economy & Event Update

- Major global markets gained in the first month of FY20. Economic data stirred market movement as investors have been attaching special significance to it in the wake of global growth worries. U.S.-China trade talks continued to impact investor sentiment.
- U.S. markets gained on the back of upbeat economic data and corporate earnings. Progress in U.S.-China trade talks also buoyed sentiment. However, gains were capped after the U.S. President threatened to impose tariffs on European goods.
- European markets also took heart from improving U.S.-China trade relations as it augurs well for the global economy. European Union extending the Brexit deadline supported sentiment. Gains were restricted by reports that U.S. could impose tariffs on certain European Union goods.
- Asian markets followed their global peers and gained in the month. The main reason was improving relations between U.S. and China and the minutes of the U.S. Fed's March meeting indicating that the central bank may refrain from raising interest rate in 2019. Economic data showed China is coping well with the challenges posed by the trade tiff with the U.S which also contributed to the upside. However, at the same time, investors got worried that the Chinese government could hold back its support for the economy.
- Indian equity markets though volatile ended in the green. The Monetary Policy Committee (MPC) cut interest rates by 25 basis points and maintained a neutral stance. Markets were supported by expectations that the country will get a stable government after elections.
- Bond market initially remained volatile too as yields declined earlier during the month on expectations of a rate-cut by MPC. Rise in crude oil prices and weakness in rupee against the greenback however lifted the yields up. Losses were limited by the Reserve Bank of India's OMO announcement.
- The markets are under the election spell and will be majorly directed by the outcome and the effects thereof. Investors are hoping for a stable government and continuation of pro-economic policies. Corporates are coming out with their quarterly report cards and investors will keep monitoring it closely to get a glimpse of the country's economic state. Monsoon is major factor affecting India's inflation and the economy as a whole and thus will be on investors' radar. Globally, U.S.-China trade relations, crude oil prices and Brexit developments will stay in focus.

MPC lowers key policy repo rate for the second consecutive time in 2019

- The MPC in its first bi-monthly monetary policy review for FY20, lowered key policy repo rate by 25 bps to 6.00% from 6.25%. Subsequently, the reverse repo stands adjusted at 5.75% while the marginal standing facility rate and the bank rate stood at 6.25%. However, the MPC decided to continue with its neutral stance on its monetary policy. This is the second consecutive rate cut by the MPC under the new chief of Reserve Bank of India. MPC decided to lower the key policy repo rate in order to boost the growth prospects of the domestic economy.

MPC downgrades its forecast for retail inflation

- MPC, after taking into consideration a normal monsoon, downgraded its retail inflation forecasts to 2.4% in the fourth quarter of FY19 from the earlier projection of 2.8% and to a range of 2.9% to 3.0% for the first half of FY20 from its earlier projection of 3.2% to 3.4%. MPC expects retail inflation in the range of 3.5% to 3.8% in the second half of FY20. However, according to MPC, the near-term outlook for food inflation remains favourable. But it also underlined certain aspects that may lead to an increase in retail inflation moving forward. Some of these factors are possibility of El Niño effects in 2019, increase in global crude oil prices due to resolution of trade tensions which may lead to a subsequent pick up in global demand and volatility across the global financial markets.

MPC downgraded its growth forecast of the Indian economy

- MPC downgraded its growth forecasts of the Indian economy for FY20 to 7.2% from the earlier projection of 7.4%. For the first half of FY20 as well MPC expects the growth of the domestic economy in the range of 6.8% to 7.1% from the earlier projection of 7.2% to 7.4%. In the second half of FY20, MPC projected the growth of the Indian economy to be in the range of 7.3% to 7.4%. The downgrade comes as MPC noted that a slowdown in production and import of capital goods have weakened the domestic investment activity to some extent. MPC also warned that a slowdown in the growth of the global economy may adversely impact India's exports.

India's consumer inflation accelerated marginally in Mar 2019

- India's consumer inflation accelerated marginally to 2.86% YoY in Mar 2019 from 2.57% in Feb 2019 but slowed compared with 4.28% in Mar 2018. Food inflation rose 0.3% in Mar 2019 compared with a revised decline of 0.73% (0.66% fall originally reported) in Feb 2019. Fuel and light inflation also accelerated to 2.42% YoY from 1.24% in Feb 2019.

Growth of Index of Industrial Production fell in Feb 2019

- India's Index of Industrial Production growth touched 20-month low in Feb 2019. IIP growth slowed to 0.1% YoY in Feb 2019 from 6.9% in Feb 2018 mainly due to fall in the manufacturing sector. The manufacturing sector dropped 0.3% in Feb 2019 compared with a rise of 8.4% a year ago.

Key Economic Indicators		
Indicators	Current	Previous
WPI(Mar-19)	3.18%	2.93%
IIP(Feb-19)	0.10%	1.40%
CPI(Mar-19)	2.86%	2.57%

Source: Thomson Reuters Eikon

Equity Market

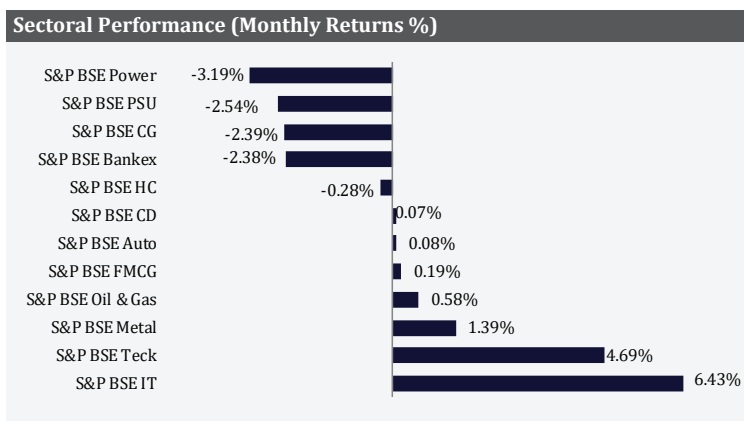
- Indian equity markets witnessed substantial volatility during the month before ending with marginal gains. The outcome of MPC's latest policy meeting during Apr 2-4 hardly lifted market sentiment. This can be attributed to multiple reasons, chief among them being that MPC maintained its 'neutral' policy stance against a widely expected change in stance to 'accommodative'. Secondly, the rate cut was not a unanimous decision and was passed by a 4-2 vote, signalling that the next rate cut may not happen soon. Concerns over global economic slowdown also played spoilsport. Nonetheless, upbeat earnings of corporate majors, expectations of a stable government post elections and positive developments in U.S. - China trade talks helped markets to overcome the weakness.
- On the BSE sectoral front, majority of the indices closed in the green. S&P BSE IT was the top gainer, up 6.43%. Software sector rose on the back of optimism over accelerating growth in the digital segment, improved execution capabilities and strong deal closures, which will help drive revenues in the sector going forward. Gains were extended as industry majors started the Q4FY19 earnings season on a strong note in which one of the sector heavyweights surpassed the milestone of \$20 billion in annual revenue.
- U.S. markets ended the period in the green amid continued indications of progress in U.S.-China trade talks. Quarterly earnings of major companies across various sectors also set an optimistic mood. Investors reacted positively to a report from Labor Department that showed significant reacceleration in the pace of U.S. jobs growth in Mar 2019. However, concerns over the global economic outlook, especially after the U.S. President threatened to impose tariffs on European goods, capped the gains.
- European markets gained following continued optimism about U.S.-China trade talks. Additionally, the European Union extended the deadline for Brexit, which eased concerns of a no-deal Brexit to some extent. European Union leaders and the U.K. agreed to a "flexible extension" of the Brexit deadline till Oct 31, 2019. However, concerns about global economic slowdown capped the gains. Additionally, reports suggested that U.S. is considering imposing tariffs on European Union goods in response to European aircraft subsidies which also weighed on the market sentiment.
- Asian markets mostly gained on optimism over U.S.-China trade talks. Also, the minutes of the U.S. Fed's Mar 2019 meeting indicated that the central bank may refrain from raising interest rate during the year, which added to the gains. China's economic growth beat forecasts in the first quarter of 2019 despite tepid global demand and U.S. trade war, which boosted market sentiment. However, worries of a slowdown in global growth and concerns that China may put policy-easing measures on hold on the back of improved economic data capped the gains.
- The near-term market outlook is likely to be impacted by the ongoing election environment. As there is no exceptional theme to play at this point of time, investors are expected to remain cautious till the election results are out in May 2019. The ongoing corporate earnings season will continue to dictate market movement in the near future. Post-election, investors are expected to get a better picture of the economy. Lastly, the updates/developments on monsoon will have a high impact on market sentiment.

Domestic Indices Performance				
Indicators	30-Apr-19	29-Mar-19	Chg %	YTD%
S&P BSE Sensex	39,032	38,673	0.93	8.22
Nifty 50	11,748	11,624	1.07	8.15
S&P BSE 200	4,915	4,908	0.16	5.63
Nifty Free Float Midcap 100	17,566	18,259	-3.79	-1.73
Nifty Dividend Opportunities 50	2,709	2,701	0.27	4.61
S&P BSE Smallcap	14,625	15,027	-2.68	-0.56

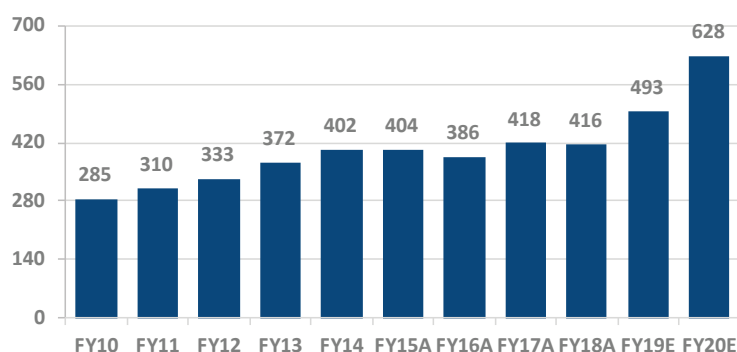
Source: NSE, BSE

Global Indices Performance				
Global Indices	30-Apr-19	29-Mar-19	Chg %	YTD%
Dow Jones	26,593	25,929	2.56	14.00
FTSE	7,418	7,279	1.91	10.26
CAC	5,586	5,351	4.41	18.09
Hang Seng	29,699	29,051	2.23	14.91
SSE Composite Index	3,078	3,091	-0.40	23.43

Source: Thomson Reuters Eikon



Source: Thomson Reuters Eikon



Institutional Flows (Equity) As on April 30, 2019				
(₹ Cr)	Purchases	Sales	Net	YTD
FII Flows	1,10,741	89,547	21,193	68,132
MF Flows	46,932	51,532	(4,600)	(2,662)
DII Flows	64,934	65,741	(807)	(13,158)

Source: NSDL, NSE & SEBI

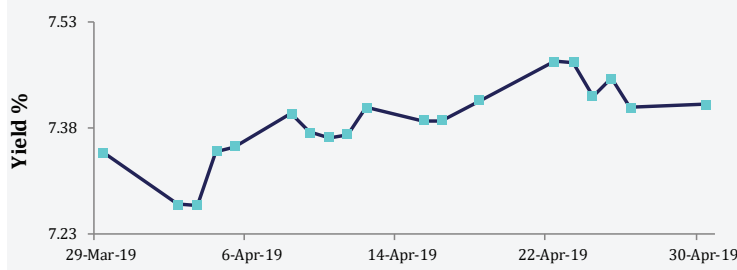
Debt Market

- Bond market initially remained highly volatile as yields plunged on expectations of a rate-cut by the MPC on Apr 4, 2019. However, the trend reversed soon post the three-day meeting that gave neutral stance on the policy rate, despite cutting the benchmark policy rate by 25 bps to 6%. Yields started rising following sharp increase in global crude oil prices, which escalated concerns over India's widening current account deficit. Fall in the Indian rupee against the U.S. dollar further pushed up yields. However, losses were limited following the central bank's announcement of conducting an open market operation of Rs. 25,000 crore in May 2019.
- Yield on gilt securities rose in the range of 7 to 42 bps across maturities. Yield on corporate bonds went up across the curve by up to 15 bps. Difference in spread between AAA corporate bond and gilt contracted across segments by up to 31 bps, barring 10-year paper that expanded 3 bps. Spread fell the most on 3- and 5-year papers and the least on 7-year paper.
- MPC has kept the policy stance neutral compared with market expectations of an accommodative stance. Nonetheless, expectations of more rate cuts cannot be ignored in the near term considering India's slowing economic growth along with core inflation, which has been easing faster than RBI's forecast. Result of Lok Sabha elections on May 23 will be a key event for the bond market as change in mandate may impact fiscal deficit for FY20. On a positive side, globally, interest rates are unlikely to hike in the near term.

Currency and Commodity Market

- The rupee witnessed its first monthly decline against the greenback in three months as a surge in global crude oil prices weighed on market sentiment. Better than expected U.S. jobs data for Mar 2019 strengthened the greenback further. In addition, MPC's decision to maintain neutral stance on monetary policy hurt the rupee even though the committee lowered key policy repo rate by 25 bps for the second consecutive time. Month-end dollar demand from oil importers and widening of India's trade deficit in Mar further contributed to the downside. However, further losses were restricted after the minutes of the U.S. Fed's Mar 2019 meeting reaffirmed cautious rate hikes moving forward.
- Brent crude prices continued with the upward trend after U.S. officials said additional sanctions will be imposed on Iran and decided not to renew or extend waivers to countries that were importing Iranian oil. U.S. asked countries to halt importing Iranian oil from May 2019. This is expected to further tighten the oil market supply. OPEC-led supply cuts and production stoppage at a key crude terminal in Venezuela also helped gains. Reports revealing significant development in Sino-U.S. trade deal supported sentiment. Gains were supported by fall in Saudi Arabia's crude oil production to the lowest in two years with the Kingdom doubling up its efforts to boost prices.

10-Year Benchmark Bond (07.26% GS 2029) Movement



Source: Thomson Reuters Eikon

Spread Movement

Spreads		AAA	AA	A
30-Apr-19	1 Yr	148	214	336
	3 Yr	103	147	297
	5 Yr	99	173	233
29-Mar-19	1 Yr	149	234	316
	3 Yr	134	179	236
	5 Yr	130	185	174

Source: Thomson Reuters Eikon

Yield (%)	30-Apr-19	29-Mar-19
10 Year G-Sec	7.41	7.35
5 Year G-Sec	7.34	6.93
Certificate of Deposit		
3-Month	7.40	7.21
6-Month	7.57	7.40
9-Month	7.73	7.45
12-Month	7.63	7.34
Commercial Papers		
3-Month	7.50	7.55
6-Month	8.00	7.80
12-Month	8.10	8.00

Source: Thomson Reuters Eikon

Treasury Bill	30-Apr-19	29-Mar-19
91 Days	6.45	6.05
364 Days	6.49	6.28

Event Calendar

Release Date	Release Date	Country
10-May-19	Gross Domestic Product (QoQ) (Q1) (P)	U.K.
15-May-19	Gross Domestic Product (QoQ) (Q1) (P)	Euro Zone
19-May-19	Gross Domestic Product (QoQ) (Q1) (P)	Japan
22-May-19	FOMC Minutes	U.S.
30-May-19	Gross Domestic Product Annualised (Q1) (P)	U.S.

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 17 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 : S&P BSE 200 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 : 1% - if redeemed/switched out, on or before 12 months from the date of allotment w.e.f April 02, 2019.

Dematerialization : D-Mat Option Available

Portfolio Turnover Ratio (based on 1 year monthly data) : 1.16 times

[^]Effective January 01, 2019 the benchmark of the scheme is changed from Nifty 50 TRI to BSE 200 TRI.

NAV as on April 30, 2019

Regular - Growth : ₹15.9745
Regular - Dividend : ₹14.1328
Direct - Growth : ₹16.8872
Direct - Dividend : ₹16.6701

AUM as on April 30, 2019

Net AUM : ₹ 176.51 crore
Monthly Average AUM : ₹ 177.24 crore

Total Expense Ratio

Regular Plan : 2.41% p.a.
Direct Plan : 0.95% p.a.

Total Expense Ratio is as on the last business day of the month.

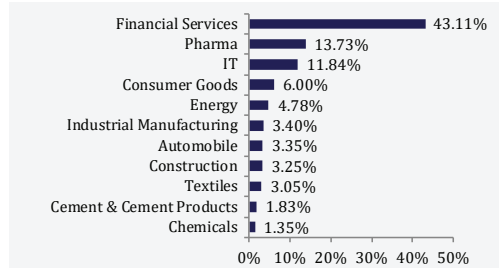
Volatility Measures Fund Benchmark

Std. Dev (Annualised)	15.99%	13.67%
Sharpe Ratio	0.34	0.34
Portfolio Beta	1.05	1.00
R Squared	0.80	NA
Treynor	0.02	0.01

Portfolio as on April 30, 2019

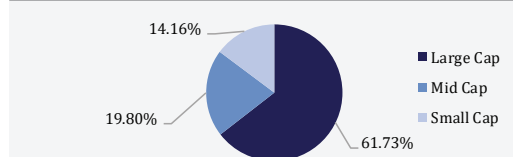
Company Name	Industry	% to Net Assets
Equity & Equity Related Total		
HDFC Bank Limited	Banks	10.34
ICICI Bank Limited	Banks	6.35
Merck Limited	Pharmaceuticals	6.16
State Bank of India	Banks	5.98
Infosys Limited	Software	5.47
Tech Mahindra Limited	Software	4.52
Bajaj Finance Limited	Finance	3.70
IPCA Laboratories Limited	Pharmaceuticals	3.53
Siemens Limited	Industrial Capital Goods	3.40
Larsen & Toubro Limited	Construction Project	3.25
Aavas Financiers Limited	Finance	3.22
Muthoot Finance Limited	Finance	3.21
CreditAccess Grameen Limited	Finance	3.18
SRF Limited	Textile Products	3.05
Petronet LNG Limited	Gas	2.87
Emami Limited	Consumer Non Durables	2.85
Cipla Limited	Pharmaceuticals	2.65
Bajaj Finserv Limited	Finance	2.56
Asian Paints Limited	Consumer Non Durables	2.39
Cholamandalam Investment and Finance Company Limited	Finance	2.35
Axis Bank Limited	Banks	2.22
CESC Limited	Power	1.91
UltraTech Cement Limited	Cement	1.83
Tata Motors Ltd DVR Shares	Auto	1.80
Balkrishna Industries Limited	Auto Ancillaries	1.55
Lupin Limited	Pharmaceuticals	1.39
Aarti Industries Limited	Chemicals	1.35
Larsen & Toubro Infotech Limited	Software	1.01
KPIT Technologies Limited	Software	0.84
Spencer's Retail Limited	Retailing	0.76
Sub Total		95.69
TREPS#		4.43
Net Receivables / (Payables)		-0.12
Portfolio Total		100.00

Sector Allocation^{^^}



^{^^}Sector allocation as per AMFI classification

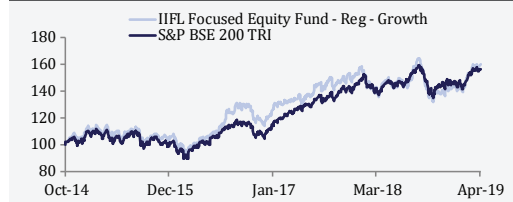
Market Capitalisation wise Exposure[^]



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 Apr 30, 2019

NAV Movement (Since Inception) Rebased to 100



Scheme Performance

	30-Apr-18 to 30-Apr-19	PTP (₹)	30-Apr-16 to 30-Apr-19	PTP (₹)	Since Inception ^s	PTP (₹)
IIFL Focused Equity Fund - Reg - Growth	6.42%	10,642	15.20%	15,294	10.97%	15,977
IIFL Focused Equity Fund - Dir - Growth	8.06%	10,806	16.63%	15,871	12.34%	16,884
Benchmark*	5.36%	10,536	15.40%	15,374	10.37%	15,592
Additional Benchmark**	12.40%	11,240	16.55%	15,839	9.60%	15,108

Past performance may or may not be sustained in future.

Different plans shall have different expense structure.

As on April 30, 2019; Point to Point (PTP) returns in ₹ is based on standard investment of ₹10,000; Since Inception date is 30-Oct-2014; *S&P BSE 200 TRI; ** S&P BSE Sensex; Managed by the fund manager since November 03, 2016; Scheme has been in existence for more than 1 year but less than 5 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

	30-Apr-18 to 30-Apr-19	30-Apr-16 to 30-Apr-19	Since Inception
Total Amount Invested (₹)	1,20,000	3,60,000	5,30,000
Total Value as on Apr 30, 2019(₹)	1,30,520	4,21,211	6,76,165
Returns	16.79%	10.50%	11.02%
Total Value of Benchmark: S&P BSE 200 TRI (₹)	1,26,411	4,28,735	6,84,833
Benchmark: S&P BSE 200 TRI	10.13%	11.72%	11.61%
Total Value of Benchmark: S&P BSE Sensex TRI (₹)	1,29,559	4,50,539	7,09,054
Additional Benchmark: S&P BSE Sensex TRI	15.22%	15.17%	13.21%

(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.

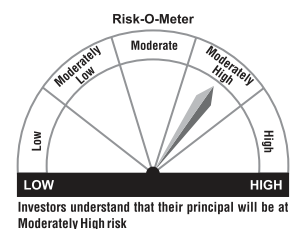
Dividend Details

	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 if in doubt about whether the product is suitable for them.

**With effect from November 05, 2018, Triparty Repo has replaced CBLOs for all schemes with provisions to invest in CBLO.



Investors understand that their principal will be at Moderately High risk

Fund Commentary

Summary

Following strong outperformance in March, the mainline Indian equity indices (Nifty, Sensex) underperformed both developed and emerging markets in April despite registering positive returns of around 1% (INR terms). Large cap stocks performed better than small and mid-cap stocks as FII purchases continued to be focused on larger companies, while domestic investors were again net sellers in the month. The Indian Rupee slightly weakened over the period (down 0.59% versus USD), in line with USD strengthening against most emerging market currencies.

Over half of India's electorate have cast their votes in the country's multi-phased general election. Of the phases completed so far, it has been reported that voter turnout is showing a broad improvement over 2014, where the recorded turnout of 66.4% was the highest ever according to the Election Commission of India. Recent voting in Gujarat saw a turnout of 64.11% breaking its 52-year record as compared to 63.66% in 2014 where PM Modi achieved a clean sweep of seats.

The fourth quarter fiscal year 2019 (4QFY19) earnings season is well underway. Results so far are largely in line with expectations but there have been some significant surprises. Some of the lower quality financial stocks were hit late in the month following much worse than expected results from Yes Bank. India's largest auto company Maruti Suzuki reported subdued numbers as well confirming slower consumption across the auto industry. On the other hand, other key stocks such as TCS and Axis Bank reported good earnings leaving the market overall largely unfazed so far.

Market Activity

India, along with many other EMs posted underperformance in April versus developed markets, particularly the United States. Stellar earnings from some key US technology giants (Alphabet aside) have driven this key sector and ultimately the S&P 500 to new all-time highs. Further, concerns over a supply shock to the crude oil complex dominated as bellicose actions from President Trump relating to Iran led to a sharp rally in crude oil prices. In addition, macro weakness in the Euro area and subdued global exports combined to drive the USD higher. Macro data out of the US appeared to show an economy reverting to the Goldilocks scenario of a few years previously – not too hot or cold and leaving room for further policy easing.

Turning to more India specific data in April, exports were strong despite weakness seen in some other key emerging markets. Consumer price inflation saw a gradual pick-up in food and fuel prices with food posting the first price gains following five months of consecutive declines. Core inflation measures however moderated, leaving the Reserve Bank of India (RBI) room to cut interest rates early in April citing a benign inflation outlook and worries over a growth slowdown.

Growth concerns have surfaced over the last few months particularly in some consumption areas such as the auto and 2-wheeler sectors. There are some concerns that liquidity issues in certain consumer-facing non-bank financial sectors are feeding through to the broader economy in the form of a consumer loan growth slow-down. Whilst there are certainly signs of that in the auto sector, on the other hand credit growth to the corporate sector is growing very strongly following many years of little or no growth.

Markets were volatile over the month as swings in sentiment around the ongoing election and earnings numbers impacted some sectors more than others.

Outlook

Markets in India unsurprisingly remain fixated with the ongoing general election. Foreign investors have invested over \$7.9bn since the start of the year possibly indicating comfort with the likelihood that the BJP and PM Modi will be re-elected. Domestic investors have been selling into strength in the run up to the elections. Although we will have to wait a few more weeks for clarity, increased voter turnout is not necessary indicative of an anti-incumbency trend. Either way continued selling from domestic investors combined with India piquing the interest of foreign investors for the first time in 4 years could mean significant cash deployment into the markets once the election results are known.

The crude oil price remains a key monitorable for a country with an ever-increasing thirst for this largely imported commodity. Markets to date seem little perturbed by the recent gains as attention is firmly focused elsewhere. President Trump did manage to curb gains at month-end by increasing pressure on OPEC to make up for any supply side disruption caused by the loss of Iranian output, but with spare capacity tight crude oil could resume its uptrend with any new developments. Weighing against that would be the strong indicator that high prices ultimately signal to incentivise production, particularly out of the US.

June looks like it will be a critical month for India. With election results known we should also have better clarity on the US-China trade talks, on oil prices and on the state of the monsoon. We should expect regular bouts of volatility though India and in fact many emerging markets are well positioned in the current global climate.

Disclaimer

The above commentary/opinions/in house views/strategy incorporated herein is provided solely to enhance the transparency about the investment strategy / theme of the Scheme and should not be treated as endorsement of the views / opinions or as an investment advice. The above commentary should not be construed as a research report or a recommendation to buy or sell any security. The information / data herein alone is not sufficient and shouldn't be used for the development or implementation of an investment strategy. The above commentary has been prepared on the basis of information, which is already available in publicly accessible media or developed through analysis of IIFL Mutual Fund. The information/ views / opinions provided is for informative purpose only and may have ceased to be current by the time it may reach the recipient, which should be taken into account before interpreting this commentary. The recipient should note and understand that the information provided above may not contain all the material aspects relevant for making an investment decision and the stocks may or may not continue to form part of the scheme's portfolio in future. The decision of the Investment Manager may not always be profitable; as such decisions are based on the prevailing market conditions and the understanding of the Investment Manager. Actual market movements may vary from the anticipated trends. The statements made herein may include statements of future expectations and other forward-looking statements that are based on our current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alterations to this statement as may be required from time to time. Neither IIFL Mutual Fund / IIFL Asset Management Ltd, its associates, directors or representatives shall be liable for any damages whether direct or indirect, incidental, punitive special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information.

IIFL Capital Enhancer Fund Series 1

(An Annual Interval Scheme investing in Equity and Equity Related Securities)

Investment Objective

To achieve long term capital appreciation by investing in equity and equity related securities, with strategy of hedging the portfolio with Nifty 50 Put Option and other Equity derivatives. 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 17 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 inception.

Fund Details

Date of Allotment	: May 14, 2018
Bloomberg Code	: IICE1RG IN
Benchmark Index	: CRISIL Hybrid 35+65- Aggressive Index
Plans Offered	: Regular & Direct
Options Offered	: Growth & Dividend
Entry Load	: NIL
Exit Load	: NIL

NAV as on April 30, 2019

Regular - Growth	: ₹10.5664
Regular - Dividend	: ₹10.5664
Direct - Growth	: ₹10.4496
Direct - Dividend	: ₹10.4496

AUM as on April 30, 2019

Net AUM	: ₹ 481.47 crore
Monthly Average AUM	: ₹ 480.75 crore

Total Expense Ratio

Regular Plan	: 1.41% p.a.
Direct Plan	: 1.26% p.a.

Total Expense Ratio is as on the last business day of the month.

Volatility Measures# Fund Benchmark

Std. Dev (Annualised)	NA	NA
Sharpe Ratio	NA	NA
Portfolio Beta	NA	NA
R Squared	NA	NA
Treynor	NA	NA

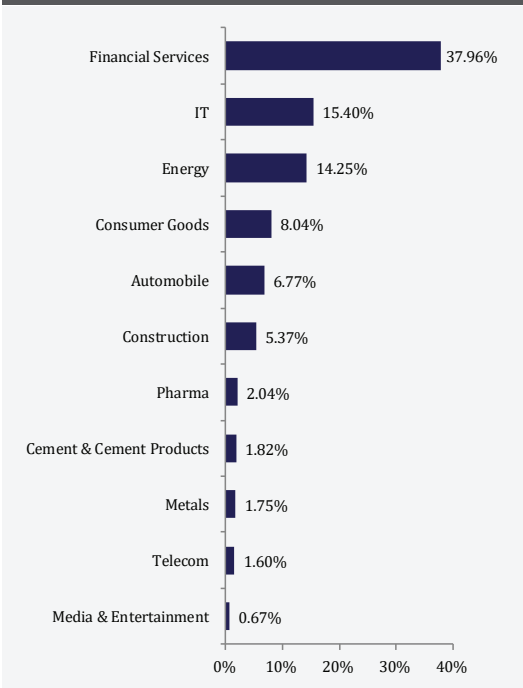
#Since the scheme has not completed 3 years volatility measures has not been provided.

Portfolio as on April 30, 2019

Company Name	Industry	% to Net Assets
Equity & Equity Related Total		
HDFC Bank Limited	Banks	10.19
Reliance Industries Limited	Petroleum Products	9.47
Infosys Limited	Software	8.43
Tech Mahindra Limited	Software	6.97
Bajaj Finance Limited	Finance	6.07
ICICI Bank Limited	Banks	5.65
State Bank of India	Banks	5.57
Larsen & Toubro Limited	Construction Project	5.37
Axis Bank Limited	Banks	5.22
Asian Paints Limited	Consumer Non Durables	4.53
Hindustan Unilever Limited	Consumer Non Durables	3.51
Kotak Mahindra Bank Limited	Banks	3.25
NTPC Limited	Power	2.13
Cipla Limited	Pharmaceuticals	2.04
Mahindra & Mahindra Limited	Auto	2.01
Grasim Industries Limited	Cement	1.82
Maruti Suzuki India Limited	Auto	1.77
Tata Steel Limited	Ferrous Metals	1.75
Tata Motors Limited	Auto	1.74
Oil & Natural Gas Corporation Limited	Oil	1.67
Bharti Airtel Limited	Telecom - Services	1.47
Bajaj Finserv Limited	Finance	1.41
Hero MotoCorp Limited	Auto	1.25
GAIL (India) Limited	Gas	0.98
Zee Entertainment Enterprises Limited	Media & Entertainment	0.67
Yes Bank Limited	Banks	0.60
Unlisted		
Bharti Airtel Limited - Rights Issue	Telecom - Services	0.13
Derivatives		
Nifty 50 Index 10800 Put June 2019 Option		0.36
Nifty 50 Index 10700 Put June 2019 Option		0.31
Sub Total		96.34
TREPS##		3.73
Net Receivables / (Payables)		-0.07
Portfolio Total		100.00

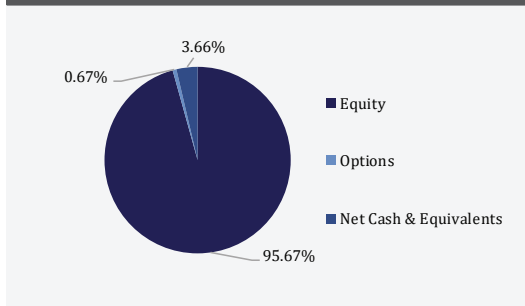
##With effect from November 05, 2018, Triparty Repo has replaced CBLs for all schemes with provisions to invest in CBLO.

Sector Allocation^^

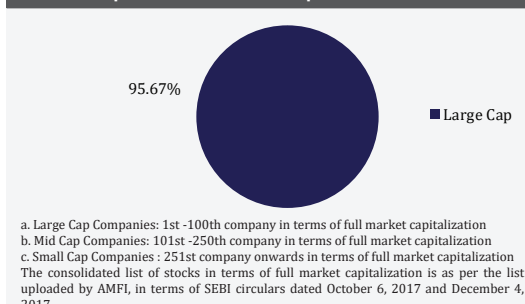


^^Sector allocation as per AMFI classification

Asset Allocation^



Market Capitalisation wise Exposure^



^As on April 30, 2019

HEDGING- UPDATE

The Scheme has invested in the equity portfolio during a period where the Nifty 50 was trading at ~10750 levels.

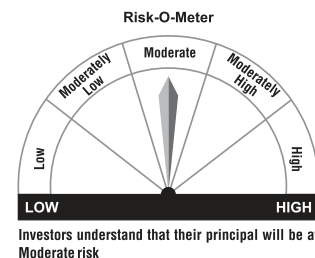
As long dated Nifty 50 puts can only be purchased at a strike price in the multiples of Rs. 100, the Scheme has partially purchased Nifty 50 Puts at 10700 and 10800 strike prices respectively.

Therefore, the annualised cost of buying the put is ~3.87%

THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING*

- Long Term Capital Growth
- Investments in equity and equity related securities with a Strategy of hedging by buying NIFTY 50 Put Option and other Equity derivatives.

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



Disclaimer

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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 16 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 Bharthihaar 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 Apr 30, 2019

Regular Plan Growth : ₹14.8022
Regular Plan Bonus : ₹14.8022
Regular Quarterly Dividend : ₹14.2840
Regular Half Yearly Dividend : ₹14.2840
Regular Monthly Dividend : ₹11.4885
Direct Plan Growth : ₹15.2766
Direct Monthly Dividend : ₹11.9144

*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 Apr 30, 2019

Net AUM : ₹ 336.66 crore
Monthly Average AUM : ₹ 339.13 crore

Total Expense Ratio

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

Total Expense Ratio is as on the last business day of the month.

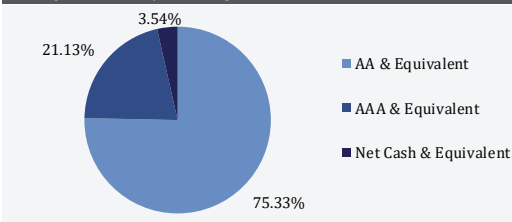
Statistical Debt Indicators

Modified Duration : 1.59 years
Average Maturity : 1.87 years
Yield to Maturity : 9.37%

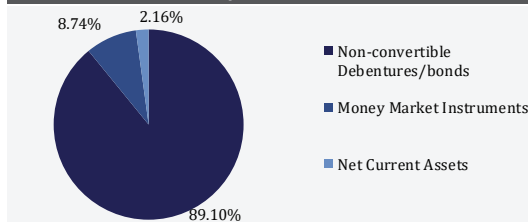
Portfolio as on April 30, 2019

Name of the Instrument	Rating	% to Net Assets	Name of the Instrument	Rating	% to Net Assets
Debt Instruments					
Non-convertible Debentures/bonds			89.10		
4.00% HPCL Mittal Energy Limited	ICRA AA+	7.62	7.63% PNB Housing Finance Limited	CARE AAA	2.89
9.55% Hindalco Industries Limited	CRISIL AA	7.57	7.90% Piramal Enterprises Limited	ICRA AA	2.89
8.50% Vedanta Limited	CRISIL AA	7.28	ECL Finance Limited	CARE AA	1.90
8.75% Muthoot Finance Limited	CRISIL AA	7.23	8.20% Housing Development Finance Corporation Limited	CRISIL AAA	1.48
8.25% EID Parry India Limited	CRISIL AA-	6.97	8.48% U.P. Power Corporation Limited	FITCH AA(SO)	0.63
JM Financial Credit Solution Limited	ICRA AA	6.36	9.15% SP Jammu Udhampur Highway Limited	ICRA AAA(SO)	0.53
7.70% L & T Housing Finance	ICRA AAA	5.87	9.90% Tata Motors Limited	ICRA AA	0.30
Aditya Birla Fashion and Retail Limited	CRISIL AA	5.41	12.00% ECL Finance Limited	CARE AA	0.30
10.25% Hansdeep Industries & Trading Company Limited	CARE AA-(SO)	4.46	9.35% IDFC First Bank Limited	ICRA AA+	0.03
9.75% Edelweiss Housing Finance Limited	ICRA AA	4.20	9.45% State Bank of India	CRISIL AAA	0.01
9.15% Birla Corporation Limited	ICRA AA	3.43	Certificate of Deposit		
8.32% Power Grid Corporation of India Limited	CRISIL AAA	2.99	ICICI Bank Limited	ICRA A1+	7.36
8.15% Energy Efficiency Services Limited	ICRA AA-	2.93	TREPS** / Reverse Repo		
9.80% ECL Finance Limited	ICRA AA	2.92	TREPS**		1.38
8.75% Axis Bank Limited	CRISIL AA+	2.90	Sub Total		
			Net Current Assets		2.16
			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)
30-Apr-19	0.05	11.4885	11.9144
26-Mar-19	0.05	11.4744	11.8906
26-Feb-19	0.05	11.4002	11.8061

Quarterly Dividend Plan

04-Jun-15	0.4	11.4678	11.5708
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Half Yearly Dividend Plan

04-Jun-15	0.4	11.4678	
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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

	30-Apr-18 to 30-Apr-19	PTP (₹)	30-Apr-16 to 30-Apr-19	PTP (₹)	30-Apr-14 to 30-Apr-19	PTP (₹)	Since Inception ⁵	PTP (₹)
IIFL Dynamic Bond Fund - Reg - Growth	6.60%	10,666	6.62%	12,123	8.25%	14,867	6.93%	14,801
IIFL Dynamic Bond Fund - Dir - Growth	7.29%	10,735	7.23%	12,332	8.84%	15,277	7.51%	15,277
Benchmark*	8.06%	10,813	7.25%	12,339	8.87%	15,298	7.90%	15,604
Additional Benchmark**	8.98%	10,906	5.77%	11,835	7.95%	14,662	6.07%	14,118

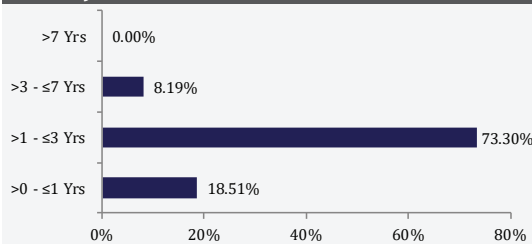
Past performance may or may not be sustained in future

Different plans shall have different expense structure

As on April 30, 2019* 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;

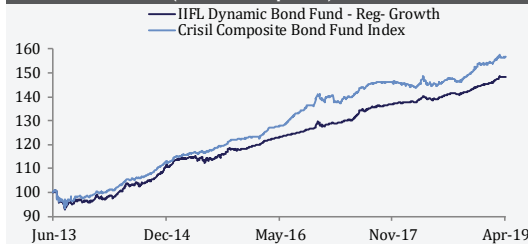
⁵Inception date 24-June-2013; Effective March 08 2017, Mr. Ankur Parekh has been appointed as Fund Manager of the scheme. The Scheme was managed till March 07, 2017 by Mr Ritesh Jain.

Maturity Profile[^]



[^]As on Apr 30, 2019

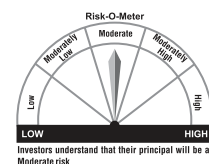
NAV Movement (Since Inception) Rebased to 100



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.

**With effect from November 05, 2018, Triparty Repo has replaced CBLOs for all schemes with provisions to invest in CBLO.



Fund Commentary

- Bond yields in the new financial year started with hardening bias due to fresh supply of the central government securities and lacklustre demand. The fresh positions were avoided by traders in anticipation of election results. The missing of Open Market Operations (OMOs) purchases by RBI and durable liquidity under stress were other reason for hardening Yields. The RBI cut in repo rates due to slowing growth could not please the market sentiments in transforming it to softening interest rates. The spreads between overnight lending rates and CDs/CPs of 1-2 months has widened substantially due to stressed liquidity and impeaching credit cycle. The RBI has announced its OMO purchases beginning the next month to bring the durable liquidity back and restrain yield moves upward. The Monetary Policy Committee (MPC) minutes favored the rate cut and the stance towards growth seems to be prioritized in the presence of soft inflation.
- On the global front spike in crude prices reflected in commodity-linked currencies advancement and US dollar weakening. The oil prices marched northward as conflicts from Iran to Libya raised the prospect of tighter supply. Trump administration stated to end waivers that allows countries to import Iranian oil, to deprive Iran of a major source of revenue. The Federal reserve indicated U.S. inflation slowing and patience on interest rates. Globally policy makers are facing significant uncertainties, ranging from Brexit talks to slowdowns in Europe and China. Indian CPI inflation including core remain on softening path indicating further slowdown in economic growth and probable ease in signalling rates by RBI. The results of elections will be a major event in the coming month, directing the future course of markets. The interest rates will be cued from global crude oil prices, movement in currency against the green back and monsoon forecasts.
- In this scenario of changing market conditions, we continue our view of positioning at the front-end of the curve with a defensive outlook as rate trajectory is likely to be volatile. The incremental positioning may be executed in certain pockets of yield curve if it offers value in terms of attractive spreads between low duration high carry bonds and overnight funding rates. The scheme aims to maintain relatively high running yields and moderate to low duration, to benefit out of the steep yield curve. However, any changes in the macro-economic environment is being continuously tracked for change of stance if the situation requires so.

Disclaimer

The above commentary/opinions/in house views/strategy incorporated herein is provided solely to enhance the transparency about the investment strategy / theme of the Scheme and should not be treated as endorsement of the views / opinions or as an investment advice. The above commentary should not be construed as a research report or a recommendation to buy or sell any security. The information / data herein alone is not sufficient and shouldn't be used for the development or implementation of an investment strategy. The above commentary has been prepared on the basis of information, which is already available in publicly accessible media or developed through analysis of IIFL Mutual Fund. The information/ views / opinions provided is for informative purpose only and may have ceased to be current by the time it may reach the recipient, which should be taken into account before interpreting this commentary. The recipient should note and understand that the information provided above may not contain all the material aspects relevant for making an investment decision and the stocks may or may not continue to form part of the scheme's portfolio in future. The decision of the Investment Manager may not always be profitable; as such decisions are based on the prevailing market conditions and the understanding of the Investment Manager. Actual market movements may vary from the anticipated trends. The statements made herein may include statements of future expectations and other forward-looking statements that are based on our current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alterations to this statement as may be required from time to time. Neither IIFL Mutual Fund / IIFL Asset Management Ltd, its associates, directors or representatives shall be liable for any damages whether direct or indirect, incidental, punitive special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information.

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 16 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

NAV as on April 30, 2019

Regular Plan Growth : ₹1467.1341
Regular Plan Weekly : ₹1005.0000
Dividend
Regular Plan Daily : ₹1000.5792
Dividend
Direct Plan Growth : ₹1471.1556
Direct Plan Dividend : ₹1000.1711

AUM as on April 30, 2019

Net AUM : ₹ 532.31 crore
Monthly Average AUM : ₹ 453.39 crore

Total Expense Ratio

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

Total Expense Ratio is as on the last business day of the month.

Statistical Debt Indicators

Modified Duration : 20 days
Average Maturity : 21 days
Yield to Maturity : 6.61%

Portfolio as on April 30, 2019

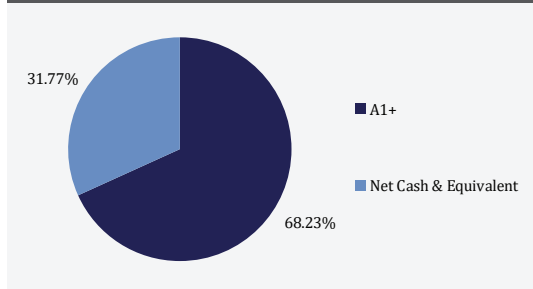
Name of the Instrument	Rating	% to Net Assets	Name of the Instrument	Rating	% to Net Assets
Money Market Instruments			NTPC Limited	ICRA A1+	9.39%
Certificate of Deposit			National Bank For Agriculture and Rural Development	ICRA A1+	9.35%
Axis Bank Limited	CRISIL A1+	9.38%	Reliance Industries Limited	CRISIL A1+	4.67%
ICICI Bank Limited	ICRA A1+	9.34%	Sub Total		23.41%
Canara Bank	CRISIL A1+	9.31%	TREPS** / Reverse Repo		
IndusInd Bank Limited	CRISIL A1+	7.46%	TREPS**		30.96%
Small Industries Dev Bank of India	CARE A1+	4.67%	Sub Total		30.96%
Kotak Mahindra Bank Limited	CRISIL A1+	4.66%	Net Receivables / (Payables)		0.81%
Sub Total		44.82%	Portfolio Total		100.00%
Commercial Paper					

Scheme Performance

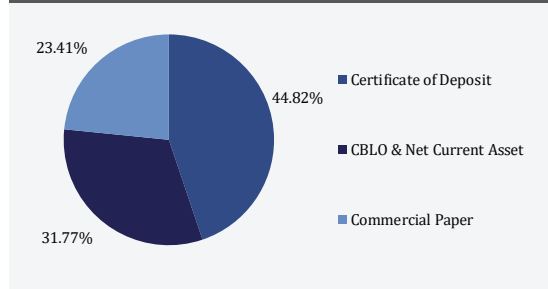
	30-Apr-18 to 30-Apr-19	PTP(₹)	30-Apr-16 to 30-Apr-19	PTP(₹)	30-Apr-14 to 30-Apr-19	PTP(₹)	Since Inception [§]	PTP (₹)
IIFL Liquid Fund - Reg - Growth	6.81%	10,687	6.61%	12,119	7.17%	14,140	7.27%	14,672
IIFL Liquid Fund - Dir - Growth	6.87%	10,693	6.66%	12,136	7.22%	14,173	7.32%	14,710
Benchmark*	7.62%	10,769	7.18%	12,315	7.68%	14,480	7.84%	15,103
Additional Benchmark**	7.08%	10,708	6.68%	12,140	7.32%	14,242	7.49%	14,838

Past performance may or may not be sustained in future. Different plans shall have different expense structure. As on April 30, 2019* 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; 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.

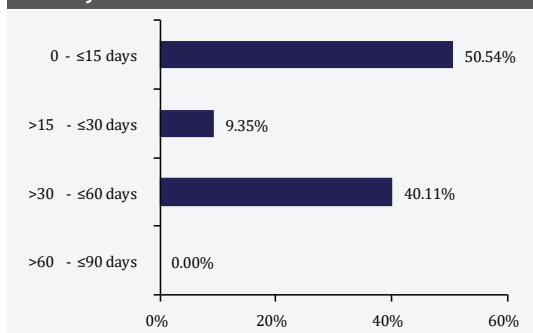
Composition by Rating[^]



Instrument Wise Composition[^]

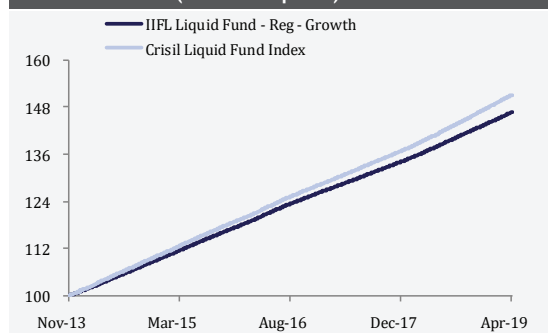


Maturity Profile[^]



[^]As on April 30, 2019

NAV Movement (Since Inception) Rebased to 100

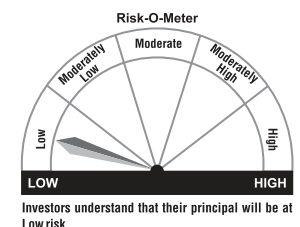


THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING*

- 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.

**With effect from November 05, 2018, Triparty Repo has replaced CBLOs for all schemes with provisions to invest in CBLO.



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, it 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.