

MONTHLY FACTSHEET

FEBRUARY 2019



Macro Economy & Event Update

- The first month of 2019 saw major global markets gain. U.S.-China trade relations positively moulded investor sentiment while U.S. Federal Reserve's interest rate decision, International Monetary Fund's (IMF) revised global growth forecast and Brexit uncertainties, among other factors, too had an impact on market movement.
- U.S. markets gained after the U.S. Federal Reserve kept interest rates unchanged and showed a more dovish stance on future decisions. Gains were restricted by IMF revising its forecast of global economic growth.
- U.S. Federal Reserve's stance gave confidence to European markets to withstand the uncertainty surrounding Brexit. Seemingly improving U.S.-China trade relations also buoyed investor sentiment. Factors restricting gains were IMF's revised global growth outlook and the European Central Bank chief sounding caution over the euro zone growth.
- Asian peers followed the global trend and mostly gained. The U.S.-China trade dynamics played the key role in lifting markets. China's Government assuring it will do whatever it takes to support the nation's economy helped sentiment. Weak Chinese economic data restricted the gains.
- Indian equity markets couldn't really replicate the global sentiment as investors remained on the sidelines because of a few factors. Most important among these factors was the upcoming general elections. Globally, the U.S. Federal Reserve's interest-rate decision and U.S.-China trade relation developments impacted buying.
- Bond yields went up in the month on fears of widening fiscal deficit. The government's expenses are likely to increase ahead of elections, which is expected to widen the fiscal deficit. The depreciation of rupee against the greenback and increase in global crude oil prices also triggered the yields to rise further.
- With the budget out of the way and the government announcing populist policies, investors will keep a close eye on the execution of the same. The fiscal deficit will be the focus for the near term. The ongoing third quarter earnings results will also dictate market direction. Trade relations between U.S. and China and uncertainty over the Brexit deal are some of the major factors that are likely to have a bearing on market sentiment.

Key Economic Indicators		
Indicators	Current	Previous
WPI (Dec-18)	3.80%	4.64%
IIP (Nov-18)	0.50%	8.10%
CPI (Dec-18)	2.19%	2.33%

Source: Thomson Reuters Eikon

Government in the Union Budget pegged fiscal deficit for both FY19 and FY20 at 3.4% of GDP

- The government in the Union Budget pegged the fiscal deficit for both FY19 (revised estimates) and FY20 (budget estimates) at 3.4% of GDP, which is slightly higher than the targeted 3.3% of GDP for FY19 and 3.1% of GDP for FY20. However, the government projected fiscal deficit at 3.0% of GDP for both FY21 and FY22 as it is of the view that India's debt to GDP ratio would be brought down to 40% by FY25 from 46.5% in FY18.

Government announced a slew of measures for the distressed farm sector in the Union Budget

- The government while unveiling the Union Budget announced a slew of measures for the distressed farm sector. The government launched a historic programme namely "Pradhan Mantri Kisan Samman Nidhi (PM KISAN)" while unveiling the Union Budget. Under this programme, vulnerable landholding farmer families, having cultivable land of up to 2 hectares, will be provided direct income support at the rate of Rs. 6,000 per year. This income support will be transferred directly into the bank accounts of beneficiary farmers in three equal instalments of Rs. 2,000 each. The government proposed an outlay of Rs. 75,000 crore for PM-KISAN for the FY20.

Government allocates Rs. 64,587 crore for railways in FY20 in the Union Budget

- The government in the Union Budget allocated Rs. 64,587 crore for railways in 2019-20 (BE). The Operating Ratio is expected to improve from 98.4% in 2017-18 to 96.2% in 2018-19 (RE) and further to 95% in 2019-20 (BE). Allocation for defence has also surpassed Rs. 3,00,000 crore for the first time in 2019-20.

Government announces some tax relief for Indian taxpayers in the Union Budget

- The government announced some tax relief measures in the Union Budget. The government granted full tax rebate to individual taxpayers having income of up to Rs. 5 lakh. No TDS on rental income of up to Rs.2.40 lakh per annum will need to be paid. No TDS also needs to be paid on interest income up to Rs. 40,000 from savings bank account and post office savings schemes. Salaried individuals can claim a higher standard deduction of up to Rs. 50,000 (increased from Rs. 40,000). The benefit of rollover of capital gains has been increased to two houses and capital gains limit enhanced to Rs. 2 crore. Individuals having unoccupied second home will not be required to pay income tax on such vacant property.

Retail inflation plunged to 18-month low in Dec 2018

- India's retail inflation plunged to an 18-month low of 2.19% in Dec 2018 from 2.33% in the previous month and 5.21% in the same month of the previous year. The consumer food price index contracting 2.51% in Dec 2018 compared with a contraction of 2.61% in the previous month but an expansion of 4.96% in the same month of the previous year.

Equity Market

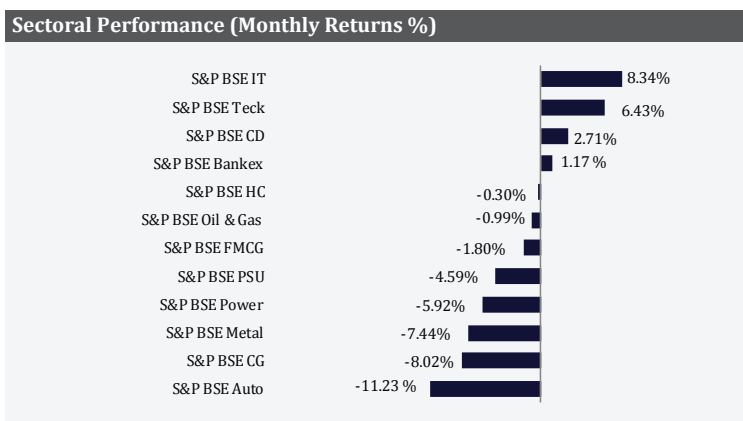
- Indian equity markets witnessed substantial volatility before ending the first month of 2019 on a mixed note. While Sensex saw muted growth, Nifty 50 dipped marginally during the month. A host of domestic and global cues generated mixed reactions among investors. Domestic cues include uncertainty ahead of general election 2019, the Union Budget 2019-20, held on Feb 1, and a slew of macroeconomic numbers. Global cues largely consisted of concerns over slowing global economic growth, uncertainty over the fate of U.S. government shutdown, outcome of the latest U.S. Federal Reserve meeting and development over U.S.-China trade deal.
- During the month, S&P BSE Sensex inched up 0.52% to 36,256.69, Nifty 50 dipped 0.29% to close at 10,830.95. However, S&P BSE Mid-Cap and S&P BSE Small-Cap fell 5.69% and 5.31%, respectively.
- U.S. markets edged higher with investors taking positive cues from the U.S. Federal Reserve chief's decision to leave interest rates unchanged. He also indicated that the central bank will remain patient regarding future rate hikes. Buying interest found additional support after U.S. private sector jobs data for Jan 2019 came better than market expectations. Expectations of positive development over the U.S.-China trade relationships also buoyed sentiment.
- European markets too witnessed gains as market sentiment was driven by the dovish stance of the U.S. Fed on future interest rate hike. Buying interest was further impacted by the U.S.-China trade talks, which although concluded without any concrete outcome, raised optimism over probable resolution of the trade dispute before the Mar 1, 2019, deadline. A slew of positive earnings numbers further contributed to the upside. However, the upside was limited on lingering uncertainty over Brexit. Further, the International Monetary Fund lowered its forecast for global growth in the current year and the European Central Bank President expressed concerns about the euro zone economy.
- Asian markets joined global peers too with reports of progress on U.S.-China trade talks, which raised hopes of a positive breakthrough in their long-running trade dispute. Investors became optimistic after the Chinese Finance Minister indicated that the Chinese government would raise its fiscal spending to support economic growth. Bank of Japan also mentioned that it would continue with its ultra-easy monetary policy. This raised investors' confidence in economic growth. U.S. Federal Reserve chairman's recent comments that the central bank will be patient and flexible while taking policy decisions added to the gains.
- Investors reacted positively to announcements on tax break for middle class salaried individuals and farmers' income boost. This would lead to higher disposable income and will have positive bearing on sectors in domestic consumption like automobiles, consumer staples & durables, real estate, building materials, home improvement and retail-focussed banks & financial institutions. With this, investors will be keenly awaiting the outcome of the general elections. Meanwhile, the ongoing third quarter earnings results will also dictate market direction in the near future. Global cues like the fate of the U.S.-China trade deal and uncertainty over the Brexit deal are some of the other major factors that are likely to have a bearing on market sentiment.

Domestic Indices Performance				
Indicators	31-Jan-19	31-Dec-18	Chg %	YTD%
S&P BSE Sensex	36,257	36,068	0.52	0.52
Nifty 50	10,831	10,863	-0.29	-0.29
S&P BSE 200	4,588	4,654	-1.42	-1.42
Nifty Midcap 100	16,905	17,876	-5.43	-5.43
Nifty Dividend Opportunities 50	2,554	2,589	-1.37	-1.37
S&P BSE Smallcap	13,926	14,707	-5.31	-5.31

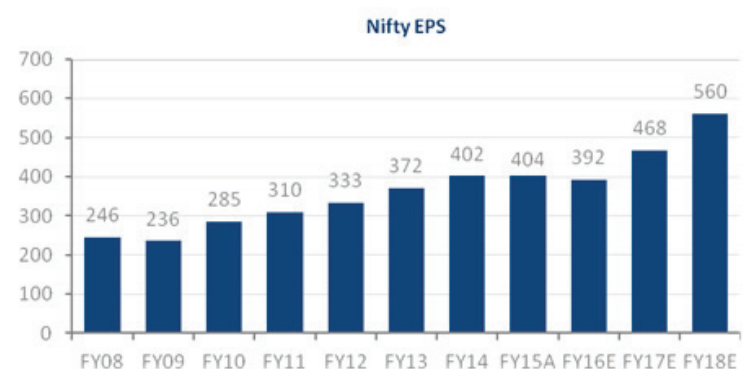
Source: Thomson Reuters Eikon

Global Indices Performance				
Global Indices	31-Jan-19	31-Dec-18	Chg %	YTD%
Dow Jones	25,000	23,327	7.17	7.17
FTSE	6,969	6,728	3.58	3.58
CAC	4,993	4,731	5.54	5.54
Hang Seng	27,942	25,846	8.11	8.11
SSE Composite Index	2,585	2,494	3.64	3.64

Source: Thomson Reuters Eikon



Source: Thomson Reuters Eikon



Institutional Flows (Equity) As on Jan 31, 2019				
(₹ Cr)	Purchases	Sales	Net	YTD
FII Flows	93,108	97,370	-4,262	-4,262
MF Flows	57,222	50,062	7,161	7,161
DII Flows	72,252	70,224	2,027	2,027

Source: NSDL, NSE & SEBI

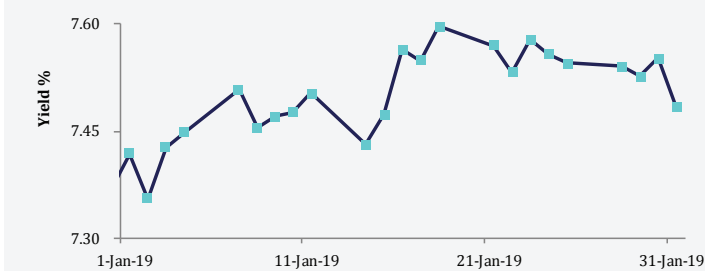
Debt Market

- The bond market started 2019 on a muted note as yields rose during the month on fears of widening fiscal deficit. The government's expenses are likely to increase ahead of elections, which is expected to widen the fiscal deficit. The depreciation of rupee against the greenback, and increase in global crude oil prices also triggered the yields to rise further. However, rise in yields was restricted on expectation of lower inflation that touched 18-month low in Dec 2018. The U.S. Federal Reserve taking a patient approach on future rate decisions further trimmed the rise in yields.
- Yield on gilt securities went up across maturities in the range of 2 bps to 16 bps, barring 1- to 5-year papers, which increased in the range of 2 to 13 bps. Yield on corporate bonds increased across maturities by up to 26 bps, except 1- and 2-year papers that fell 12 and 6 bps, respectively. Difference in spread between AAA corporate bond and gilt expanded across maturities in the range of 2 bps to 18 bps, leaving 1-year paper that contracted 4 bps.
- Bond yields rose after the Finance Minister in its interim Union budget pegged fiscal deficit for FY20 at 3.4%. For FY19, fiscal deficit has been revised upward to 3.4% for FY19 from 3.3% projected earlier. Due to this, market sentiment is expected to remain subdued and focus will shift to the monetary policy review on Feb 7. Bond yield trajectory will be dictated by global crude oil prices, movement of the rupee against the greenback and stance adopted by foreign institutional investors.

Currency and Commodity Market

- The rupee fell against the greenback during the period under review and witnessed the biggest monthly fall in three months. The rupee fell initially against the greenback following surge in global crude oil prices which led to worries of a widening current account deficit. The rupee fell further against the greenback as rising concerns over a fiscal slippage dampened investor sentiment. Market participants remained concerned that rise in pre-election spending might make it difficult for the government to adhere to the fiscal consolidation roadmap.
- Brent crude prices surged on optimism that the Organisation of Petroleum Exporting Countries will manage to shrink the supply glut. Further, investors followed the trade talks between Washington and Beijing. The ongoing negotiation between the two economies raised speculation that a trade deal may be reached before Mar 2019. The news eased concerns over the demand outlook for oil and lifted the commodity's price. However, the upside was limited after the International Monetary Fund cautioned of sluggish global economic growth. The economic slowdown in China, indicated by the weakest GDP growth in three decades in 2018, raised concerns over fuel demand.

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



Source: Thomson Reuters Eikon

Spread Movement

Spreads		AAA	AA	A
31-Jan-19	1 Yr	149	164	336
	3 Yr	141	172	244
	5 Yr	106	115	180
31-Dec-18	1 Yr	153	199	341
	3 Yr	128	166	243
	5 Yr	88	109	181

Source: Thomson Reuters Eikon

Yield (%)	31-Jan-19	31-Dec-18
10 Year G-Sec	7.48	7.37
5 Year G-Sec	7.22	7.24
3 Year G-Sec	6.98	7.10

Certificate of Deposit

	31-Jan-19	31-Dec-18
3-Month	7.27	6.90
6-Month	7.46	7.87
9-Month	7.85	7.94
12-Month	8.05	7.96

Commercial Papers

	31-Jan-19	31-Dec-18
3-Month	7.60	7.20
6-Month	8.20	8.25
12-Month	8.55	8.60

Source: Thomson Reuters Eikon

Treasury Bill	31-Jan-19	31-Dec-18
91 Days	6.50	6.67
364 Days	6.73	7.03

Event Calendar

Release Date	Release Date	Country
07-Feb-19	Bank of England Monetary Policy Review	U.K.
11-Feb-19	ZEW Survey - Economic Sentiment (Feb)	Germany
14-Feb-19	Gross Domestic Product s.a. (YoY) (Q4) (P)	Euro Zone
19-Feb-19	ILO Unemployment Rate (3M) (Dec)	U.K.
28-Feb-19	Gross Domestic Product Annualized (Q4) (P)	U.S.

IIFL Focused Equity Fund (Formerly known as 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 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	: 4% - if redeemed/switched out, on or before 3 months from the date of allotment w.e.f August 2, 2018.
Dematerialization	: D-Mat Option Available
Portfolio Turnover Ratio (based on 1 year monthly data)	: 1.12 times

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

NAV as on January 31, 2019

Regular - Growth	: ₹14.3031
Regular - Dividend	: ₹12.6541
Direct - Growth	: ₹15.0655
Direct - Dividend	: ₹14.8718

AUM as on January 31, 2019

Net AUM	: ₹ 165.76 crore
Monthly Average AUM	: ₹ 167.61 crore

Total Expense Ratio

Regular Plan	: 2.47% p.a.
Direct Plan	: 0.96% p.a.

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

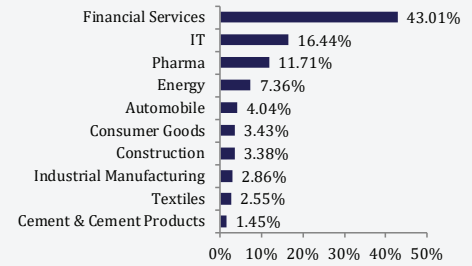
Volatility Measures Fund Benchmark

Std. Dev (Annualised)	15.86%	13.66%
Sharpe Ratio	0.20	0.24
Portfolio Beta	1.03	1.00
R Squared	0.79	NA
Treynor	0.01	0.01

Portfolio as on January 31, 2019

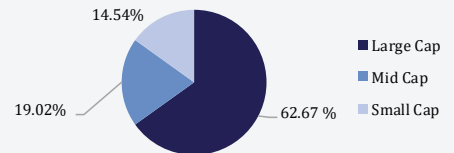
Company Name	Industry	% to Net Assets
Equity & Equity Related Total		
HDFC Bank Limited	Banks	9.88
Merck Limited	Pharmaceuticals	7.18
Infosys Limited	Software	6.81
State Bank of India	Banks	6.03
ICICI Bank Limited	Banks	5.29
Tech Mahindra Limited	Software	4.86
CESC Limited	Power	4.48
Larsen & Toubro Infotech Limited	Software	3.98
Larsen & Toubro Limited	Construction Project	3.38
Muthoot Finance Limited	Finance	3.31
Bajaj Finance Limited	Finance	3.28
CreditAccess Grameen Limited	Finance	3.16
IPCA Laboratories Limited	Pharmaceuticals	3.04
Petronet LNG Limited	Gas	2.88
Siemens Limited	Industrial Capital Goods	2.86
Tata Motors Ltd DVR Shares	Auto	2.57
SRF Limited	Textile Products	2.55
Asian Paints Limited	Consumer Non Durables	2.46
Aavas Financiers Limited	Finance	2.44
Axis Bank Limited	Banks	2.22
Bajaj Finserv Limited	Finance	2.21
Cholamandalam Investment and Finance Company Limited	Finance	2.11
Cipla Limited	Pharmaceuticals	1.49
Balkrishna Industries Limited	Auto Ancillaries	1.47
Odisha Cement Limited	Services	1.45
Yes Bank Limited	Banks	1.26
L&T Finance Holdings Limited	Finance	1.21
Spencer's Retail Limited	Retailing	0.97
CESC Ventures Limited	Software	0.79
IIFL Holdings Limited	Finance	0.61
Sub Total		96.23
TREPS**		4.11
Net Receivables / (Payables)		-0.34
Portfolio Total		100.00

Sector Allocation^{^^}



^{^^}Sector allocation as per AMFI classification

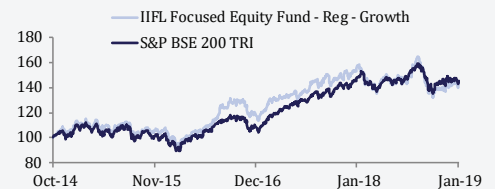
Market Capitalisation wise Exposure[^]



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 Jan 31, 2019

NAV Movement (Since Inception) Rebased to 100



Scheme Performance

	31-Jan-18 to 31-Jan-19	PTP (₹)	31-Jan-16 to 31-Jan-19	PTP (₹)	Since Inception ^s	PTP (₹)
IIFL Focused Equity Fund - Reg - Growth	-4.81%	9,519	12.32%	14,184	8.77%	14,303
IIFL Focused Equity Fund - Dir - Growth	-3.34%	9,666	13.69%	14,709	10.10%	15,065
Benchmark*	-3.38%	9,662	14.32%	14,957	9.16%	14,523
Additional Benchmark**	2.06%	10,206	14.86%	15,171	8.24%	14,009

Past performance may or may not be sustained in future.

Different plans shall have different expense structure.

As on January 31, 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 TRI; Managed by the fund manager since November 03, 2016; Scheme has been in existence for more than 3yrs but less than 5yrs.

The performance of the scheme is benchmarked to the Total Return variant of the Index.

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

	31-Jan-18 to 31-Jan-19	31-Jan-16 to 31-Jan-19	Since Inception
Total Amount Invested (₹)	1,20,000	3,60,000	5,00,000
Total Value as on Jan 31,2019(₹)	1,17,489	3,91,540	5,76,577
Returns	-3.84%	5.53%	6.78%
Total Value of Benchmark: S&P BSE 200 TRI (₹)	1,18,674	4,15,257	6,08,479
Benchmark: S&P BSE 200 TRI	-2.04%	9.49%	9.38%
Total Value of Benchmark: S&P BSE Sensex TRI (₹)	1,22,848	4,34,403	6,28,161
Additional Benchmark: S&P BSE Sensex TRI	4.42%	12.58%	10.93%

(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.

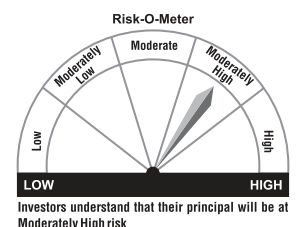
* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

#The two unlisted entities are the demerged entities from CESC Ltd, where -

A. RP- SG Retail Limited (RPSGRL) has issued and allotted 6 fully paid up equity shares of Rs. 5/- of RPSGRL for every 10 fully paid up equity shares held in CESC Ltd.

B. RP- SG Business Process Services Limited (RPSGBPSL) has issued and allotted 2 fully paid up equity shares of Rs. 10/- of RPSGBPSL for every 10 fully paid up equity shares held in CESC Ltd.

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



Investors understand that their principal will be at Moderately High risk

Fund Commentary

The interim budget left no one surprised as it was expected to be a populist one as we head into elections 2019. To summarise the budget in one line we would say it's a consumer-oriented budget for the masses. The government through its announcement in the budget has focussed its attention on the largest vote bank which is Rural India and Urban tax paying middle class. By announcing payment of Rs 6000 per annum per household for farmers with agricultural land less than 2 hectares, the government has effectively addressed nearly 86% of the farmer population in the country and would take a fiscal hit of Rs 75,000 cr. For the middle class, by announcing the additional tax rebate for salaried individuals with salaries upto Rs 5 lakhs per annum (Rs 6.5 lakhs if we take the 80C deductions), the government has again addressed nearly 90% of the tax paying middle class population. These are big numbers if one sees the vote bank addressed. How these schemes will translate into votes for the incumbent government only time will tell.

On the fiscal prudence side, definitely it's going to be tough to meet the budgeted 3.4% of GDP target which we believe the government has assumed keeping very aggressive tax collections in mind which we need how it shapes up over the next couple of months. Both GST collections and direct tax collections have to be very aggressive in order to meet the fiscal targets.

On the earnings front, the recent quarterly earnings seem to be satisfactory without any major surprises. Banks and selective NBFCs have been reporting stronger than expected numbers as the NPA recovery seems to be better than expected. Provisions have also decreased, and we are seeing strong NII growth also. The positive trend is also seen in select pharma and IT companies where margins have improved, and we have also seen strong topline growth. Companies on the consumer discretionary side like Autos and White goods, have reported sluggish numbers which was evident seeing the lower than expected sales growth in the recent festive season. We see this sluggishness reversing as we see a strong domestic consumption wave over the next 1 year post elections also continuing. On the macro side, lower oil prices has helped India to reduce its current account deficit in recent months. Along with a comfortable inflation figure of 4% and a stable Rupee, we see the RBI maintaining its rates with a neutral view with a possibility of a CRR cut, though the street is expecting a rate cut.

During the recent months, we have increased exposure to corporate banks in the portfolio in the form of adding ICICI Bank and Axis Bank as we see these banks getting re-rated owing to their change in top management and also increased focus on retail distribution. On a risk reward basis these have become quite comfortable. We have completely exited out of Zensar as we had replaced it with L&T Infotech a couple of quarters back and the switch has helped add alpha to the portfolio. Some other changes done in the portfolio are exit of SBI Life.

Major gainers in the portfolio during the month were Axis Bank (+16.58%), Infosys (+13.6%), Merck Ltd (+7.2%), CESC Ltd (+3.8%) and Credit Access Grameen (+3.0%). The major drags in the portfolio during the month were IIFL Holdings Ltd (-14.8%), L&T Finance holding (-13.8%), Balkrishna Industries (-12.3%), Ultratech Cement (-11.8%) and Larsen & Toubro Ltd (-8.6%).

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 January 31, 2019

Regular - Growth	: ₹10.0522
Regular - Dividend	: ₹10.0522
Direct - Growth	: ₹10.1431
Direct - Dividend	: ₹10.1431

AUM as on January 31, 2019

Net AUM	: ₹ 463.04 crore
Monthly Average	: ₹ 461.50 crore
AUM	

Total Expense Ratio

Regular Plan	: 2.39% p.a.
Direct Plan	: 1.16% 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

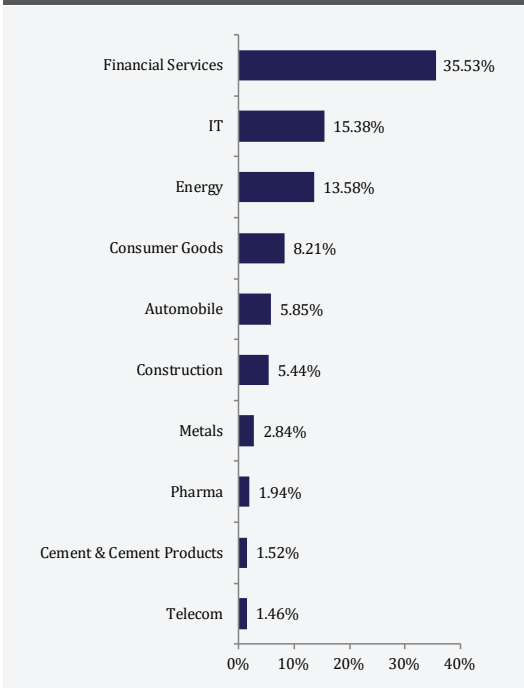
#Since the scheme has not completed 3 years volatility measures has not been provided.

Portfolio as on January 31, 2019

Company Name	Industry	% to Net Assets
Equity & Equity Related Total		
HDFC Bank Limited	Banks	9.51
Infosys Limited	Software	8.75
Reliance Industries Limited	Petroleum Products	8.67
Tech Mahindra Limited	Software	6.63
State Bank of India	Banks	5.49
Larsen & Toubro Limited	Construction Project	5.44
Bajaj Finance Limited	Finance	5.25
Axis Bank Limited	Banks	5.12
Asian Paints Limited	Consumer Non Durables	4.55
ICICI Bank Limited	Banks	4.39
IndusInd Bank Limited	Banks	3.68
Hindustan Unilever Limited	Consumer Non Durables	3.66
Mahindra & Mahindra Limited	Auto	2.21
Maruti Suzuki India Limited	Auto	2.11
Bajaj Finserv Limited	Finance	2.09
Power Grid Corporation of India Limited	Power	1.98
Cipla Limited	Pharmaceuticals	1.94
NTPC Limited	Power	1.92
Tata Steel Limited	Ferrous Metals	1.55
Tata Motors Limited	Auto	1.53
Grasim Industries Limited	Cement	1.52
Bharti Airtel Limited	Telecom - Services	1.46
Vedanta Limited	Non - Ferrous Metals	1.29
Hindustan Petroleum Corporation Limited	Petroleum Products	1.01
Derivatives		
Nifty 50 Index 10800 Put June 2019 Option		2.18
Nifty 50 Index 10700 Put June 2019 Option		2.01
Sub Total		95.94
TREPS##		4.48
Net Receivables / (Payables)		-0.42
Portfolio Total		100.00

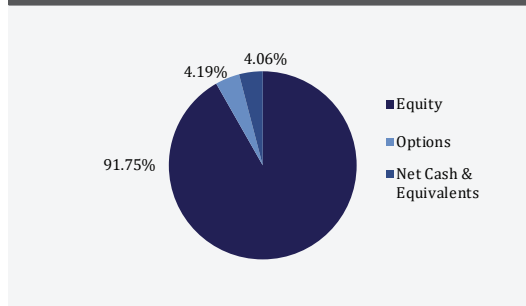
##With effect from November 05, 2018, Triparty Repo has replaced CBLs for all schemes with provisions to invest in CBLO.

Sector Allocation^^

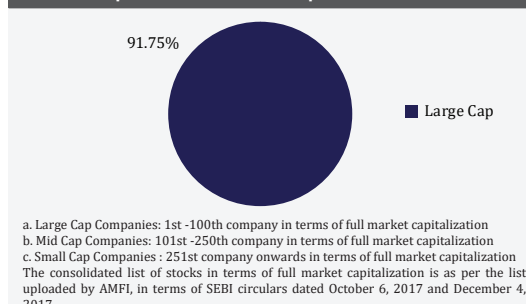


^^Sector allocation as per AMFI classification

Asset Allocation^



Market Capitalisation wise Exposure^



^As on January 31, 2019

HEDGING- UPDATE

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

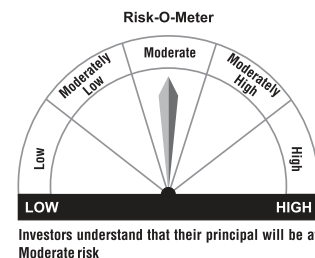
As long dated Nifty 50 puts can only be purchased at a strike price in the multiples of Rs. 100, the Scheme has partially purchased Nifty 50 Puts at 10700 and 10800 strike prices respectively.

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 Bharthihar University, Tamilnadu. Mr Parekh has been managing the scheme since March 08, 2017.

Fund Details

Date of Allotment : June 24, 2013
Bloomberg Code : IIFDDBBIN
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 January 31, 2019

Regular Plan Growth : ₹14.5032
Regular Plan Bonus : ₹14.5032
Regular Quarterly Dividend : ₹13.9955
Regular Half Yearly Dividend : ₹13.9955
Regular Monthly Dividend : ₹11.4045
Direct Plan Growth : ₹14.9443
Direct Monthly Dividend : ₹11.8032
*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 January 31, 2019

Net AUM : ₹ 357.20 crore
Monthly Average AUM : ₹ 357.52 crore

Total Expense Ratio

Regular Plan : 1.35% p.a.
Direct Plan : 0.70% p.a.
 Total Expense Ratio is as on the last business day of the month.

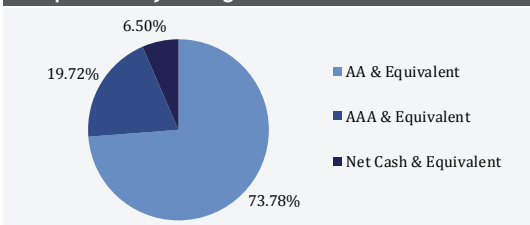
Statistical Debt Indicators

Modified Duration : 1.64 years
Average Maturity : 1.95 years
Yield to Maturity : 9.42%

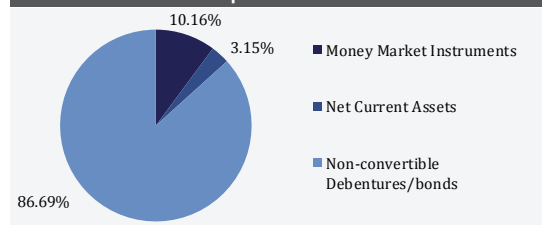
Portfolio as on January 31, 2019

Name of the Instrument	Rating	% to Net Assets	Name of the Instrument	Rating	% to Net Assets
Debt Instruments					
Non-convertible Debentures/bonds			86.69		
9.55% Hindalco Industries Limited	CRISIL AA	7.08	9.57% Grand View Estates Private Limited	ICRA AA-(SO)	1.40
4.00% HPCL Mittal Energy Limited	ICRA AA+	7.05	9.48% Bank of Baroda	CARE AA	1.39
8.50% Vedanta Limited	CRISIL AA	6.86	8.20% Housing Development Finance Corporation Limited	CRISIL AAA	1.38
8.75% Muthoot Finance Limited	CRISIL AA	6.75	8.48% U.P. Power Corporation Limited	FITCH AA(SO)	0.82
8.25% EID Parry India Limited	CRISIL AA-	6.58	9.15% SP Jammu Udampur Highway Limited	ICRA AAA(SO)	0.50
JM Financial Credit Solution Limited	ICRA AA	5.85	9.50% IndusInd Bank Limited	CRISIL AA	0.30
7.70% L & T Housing Finance	ICRA AAA	5.50	9.90% Tata Motors Limited	ICRA AA	0.28
Aditya Birla Fashion and Retail Limited	CRISIL AA	4.98	12.00% ECL Finance Limited	CARE AA	0.28
10.25% Hansdeep Industries & Trading Company Limited	CARE AA-(SO)	4.21	8.70% IDFC First Bank Limited	ICRA AA+	0.08
9.75% Edelweiss Housing Finance Limited	ICRA AA	3.94	9.35% IDFC First Bank Limited	ICRA AA+	0.03
9.15% Birla Corporation Limited	ICRA AA	3.22	9.45% State Bank of India	CRISIL AAA	0.01
8.32% Power Grid Corporation of India Limited	CRISIL AAA	2.81	Certificate of Deposit		
8.15% Energy Efficiency Services Limited	ICRA AA-	2.75	ICICI Bank Limited	ICRA A1+	6.81
9.80% ECL Finance Limited	ICRA AA	2.75	TREPS** / Reverse Repo		
8.75% Axis Bank Limited	CRISIL AA+	2.72	TREPS**		3.35
7.63% PNB Housing Finance Limited	CARE AAA	2.71	Sub Total		96.85
7.90% Piramal Enterprises Limited	ICRA AA	2.71	Net Current Assets		3.15
ECL Finance Limited	CARE AA	1.75	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)
29-Jan-19	0.05	11.4041	11.8024
26-Dec-18	0.05	11.3782	11.7667
27-Nov-18	0.05	11.3292	11.7083
Quarterly Dividend Plan			
04-Jun-15	0.4	11.4678	11.5708
Half Yearly Dividend Plan			
04-Jun-15	0.4	11.4678	

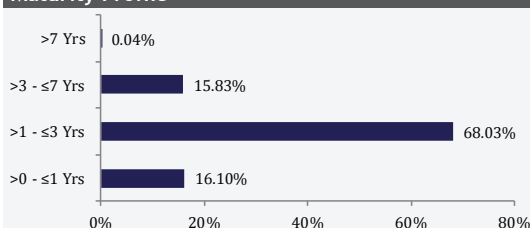
Dividend is gross dividend. To arrive at the net dividend payable for corporate and non-corporate investors applicable dividend distribution tax, if any, needs to be adjusted respectively. Past performance may or may not be sustained in future. After payment of dividend the NAV has fallen to the extent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

Scheme Performance

	31-Jan-18 to 31-Jan-19	PTP (₹)	31-Jan-16 to 31-Jan-19	PTP (₹)	31-Jan-14 to 31-Jan-19	PTP (₹)	Since Inception ^s	PTP (₹)
IIFL Dynamic Bond Fund - Reg - Growth	5.45%	10,545	6.75%	12,171	8.34%	14,929	6.85%	14,500
IIFL Dynamic Bond Fund - Dir - Growth	6.14%	10,614	7.36%	12,382	8.92%	15,333	7.43%	14,947
Benchmark*	6.42%	10,642	7.67%	12,490	9.10%	15,461	7.93%	15,342
Additional Benchmark**	7.16%	10,716	6.58%	12,113	8.10%	14,765	6.13%	13,961

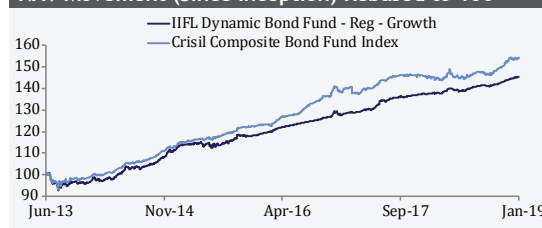
Past performance may or may not be sustained in future
 Different plans shall have different expense structure
 As on January 31, 2019; *Cril Composite Bond Fund Index; ** Crisil 10yr Gilt Index; Point to Point (PTP) returns in ₹ is based on standard investment of ₹ 10,000 made on the inception date; \$ Inception date 24-June-2013; 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 January 31, 2019

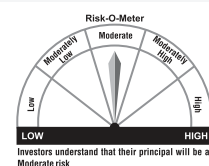
NAV Movement (Since Inception) Rebased to 100



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- 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

- The bond yields remain under pressure during the month on fears of widening fiscal deficit. Ease in inflation failed to cheer up the market sentiments. The retail inflation plunged to an 18-month low of 2.19% in Dec 2018 from 2.33% in the previous month. Coupled with the moderate firmness in the global crude oil prices yields remain at elevated levels during the month. The RBI allowed three banks namely Bank of India, Oriental bank of Commerce and Bank of Maharashtra from the list of 11 banks which were earlier placed under PCA (Prompt Corrective Action) frameworks and lifted various restrictions on lending and expansion of business. RBI has continued to provide adequate systemic liquidity by conducting Open Market Operations (OMO) of Government bond purchase. Yield on the 10-year benchmark bond (7.17% GS 2028) rose 11 bps to close at 7.48% from the previous month's close of 7.37% after moving within a wide range of 7.35% to 7.65%. Yields increased after falling in the last three consecutive months.
- On the global front, International Monetary Fund (IMF) made second downward revision (in past three months) of slower world economic growth, indicating trade tensions and a "no-deal" Brexit for the UK as risk factors to the global growth. The Federal reserve of USA indicated economy to be in "fundamentally healthy" conditions by halting the raising rates cycle. China the world's second largest economy is facing - deeper-than-envisaged slowdown as its economy grew at 6.6 percent in 2018 — the slowest pace since 1990. The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) is likely to opt for a dovish rate action, with a change in its stance to 'neutral' in the coming month taking the global cues. The change in its stance is anticipated with a more dovish US Federal Reserve, stable crude oil prices, muted inflation readings and uncertainty over global growth. In addition to the above-mentioned factors, bond yield trajectory will be dictated by movement of the rupee against the greenback and stance adopted by foreign institutional investors. With the government announcing populist budget policies, investors will keep a close eye on the execution of the same. The fiscal deficit will be the focus for the near term.
- 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 January 31, 2019

Regular Plan Growth : ₹1444.0646
Regular Plan Weekly : ₹1005.3421
Dividend
Regular Plan Daily : ₹1000.0903
Dividend
Direct Plan Growth : ₹1447.8465
Direct Plan Dividend : ₹1000.0427

AUM as on January 31, 2019

Net AUM : ₹ 676.33 crore
Monthly Average AUM : ₹ 676.63 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 : 17 days
Average Maturity : 18 days
Yield to Maturity : 6.59%

Portfolio as on January 31, 2019

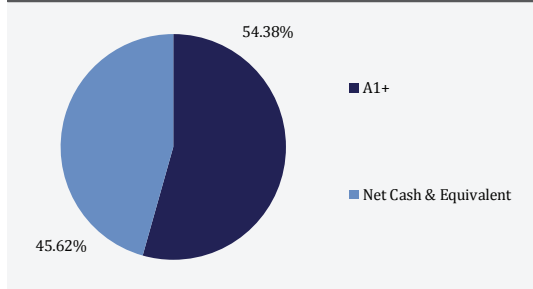
Name of the Instrument	Rating	% to Net Assets	Name of the Instrument	Rating	% to Net Assets
Money Market Instruments			NTPC Limited	CRISIL A1+	7.35%
Certificate of Deposit			National Bank For Agriculture and Rural Development	ICRA A1+	7.35%
ICICI Bank Limited	ICRA A1+	8.07%	Reliance Industries Limited	CRISIL A1+	5.88%
Small Industries Dev Bank of India	CRISIL A1+	7.37%	Sub Total		27.95%
IndusInd Bank Limited	CRISIL A1+	7.33%	TREPS** / Reverse Repo		
Axis Bank Limited	CRISIL A1+	3.66%	TREPS**		44.96%
Sub Total		26.43%	Sub Total		44.96%
Commercial Paper			Net Receivables / (Payables)		0.66%
Housing Development Finance Corporation Limited	ICRA A1+	7.37%	Portfolio Total		100.00%

Scheme Performance

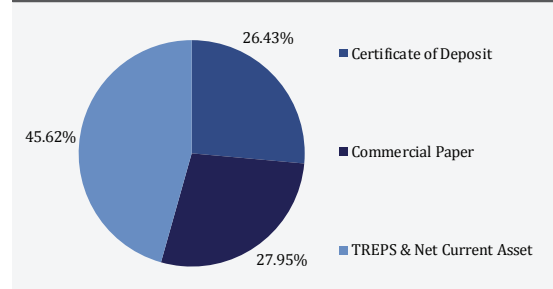
	31-Jan-18 to 31-Jan-19	PTP (₹)	31-Jan-16 to 31-Jan-19	PTP (₹)	31-Jan-14 to 31-Jan-19	PTP (₹)	Since Inception ^s	PTP (₹)
IIFL Liquid Fund - Reg - Growth	6.87%	10,687	6.71%	12,153	7.25%	14,193	7.29%	14,438
IIFL Liquid Fund - Dir - Growth	6.93%	10,693	6.77%	12,174	7.31%	14,233	7.35%	14,480
Benchmark*	7.68%	10,768	7.27%	12,346	7.81%	14,567	7.87%	14,850
Additional Benchmark**	7.04%	10,704	6.74%	12,162	7.45%	14,325	7.52%	14,603

Past performance may or may not be sustained in future. Different plans shall have different expense structure. As on January 31, 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 Sincception 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.

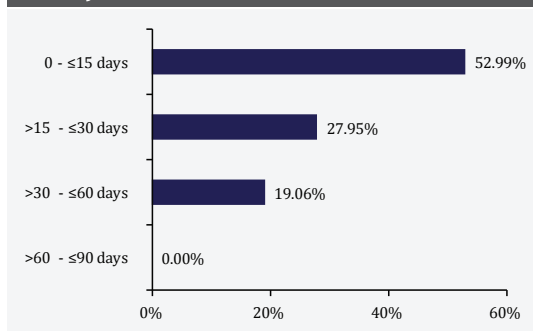
Composition by Rating[^]



Instrument Wise Composition[^]

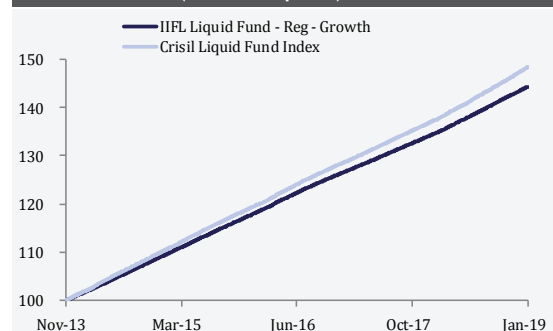


Maturity Profile[^]



[^]As on January 31, 2019

NAV Movement (Since Inception) Rebased to 100

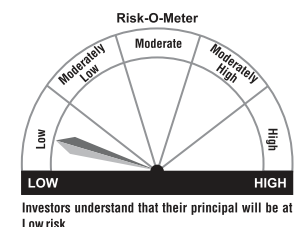


THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING*

- 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.