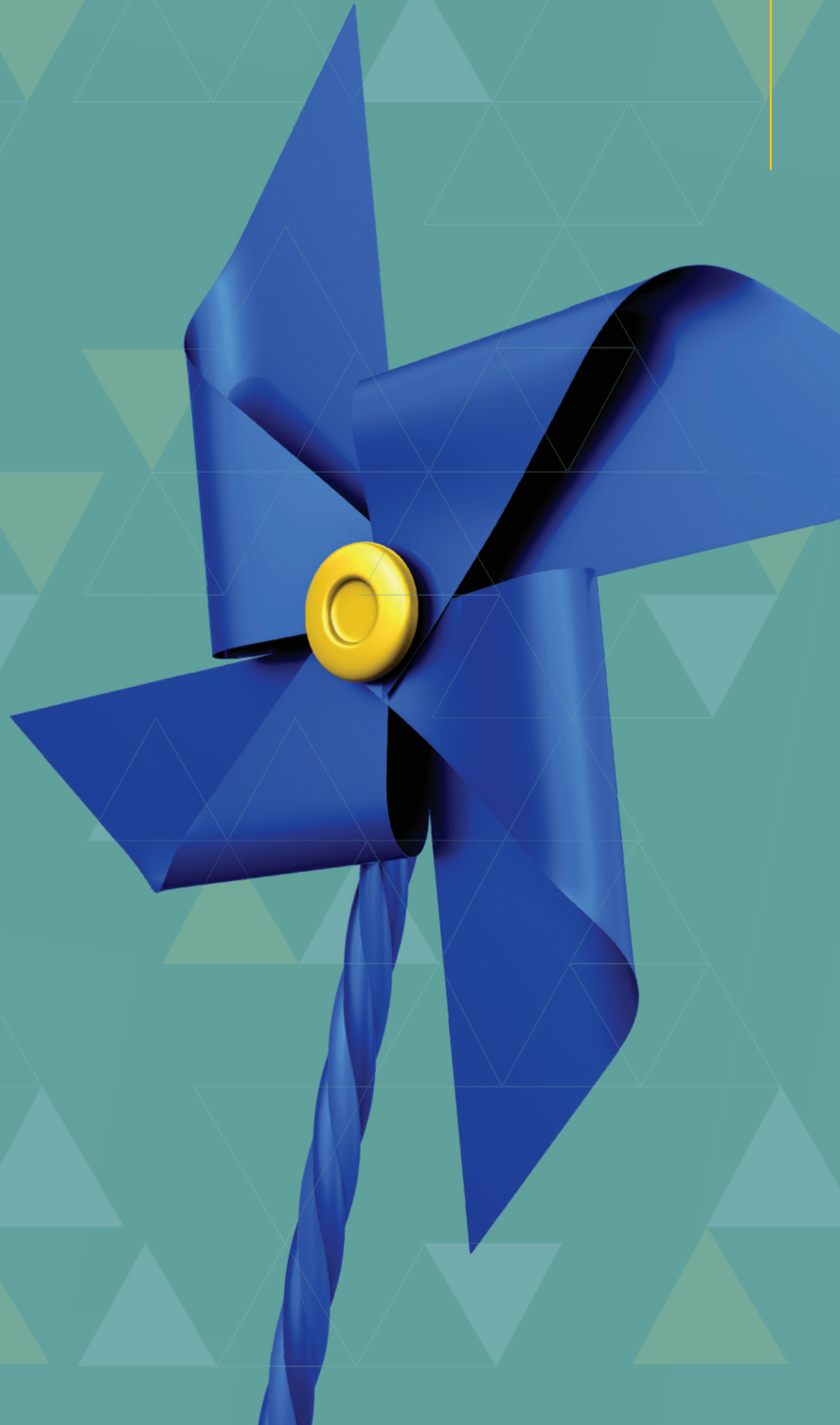


# MONTHLY FACTSHEET

JULY 2018



## Macro Economy & Event Update

- The month of Jun saw lacklustre performance by major global markets as the trade conflict between the U.S. and China intensified. Gains made by the U.S. markets were almost erased when the government resorted to aggressive measures on the trade front.
- European markets fell burdened by trade war tensions, but the downside was limited when euro zone countries came to a consensus on getting Greece out of its bailout programme.
- Asian markets declined too because of trade war concerns and Fed's decision to keep raising interest rates in 2018. China easing restrictions on foreign investments brought some respite.
- Indian equity markets were no exception to the rule and remained under pressure. Fears of foreign fund out flow because of U.S. Fed raising interest rates burdened markets. Rise in global crude oil put pressure on inflation, denting market sentiment. All this came on top of trade war concerns.
- Bond yields rose after the Monetary Policy Committee (MPC) hiked key interest rate for the first time since Jan 2014. MPC increased repo rates by 25 basis points to 6.25% and cited risks that may lead to an increase in domestic inflationary pressures in the country. A weaker rupee added to the losses.
- The U.S.-China trade row is overshadowing markets for a while now and it seems it will continue to do even more as the two countries are nowhere close to a resolution. Besides, the U.S. President's aggressive stance on the issue and China's countermeasures could prove detrimental for global economic growth. Crude oil prices will remain in focus as they have a direct impact on inflation and subsequently on MPC's stance on interest rates. The upcoming quarterly corporate earnings and progress of monsoon is likely to give direction to the course of the Indian equities.
- Market participants will await as to what policy central banks adopt across the globe since it may have a bearing on the foreign fund inflow into the Indian economy. In addition, stance adopted by foreign portfolio investors and movement of the rupee against the greenback will be closely tracked by market participants, especially now that the domestic currency has seen new lows.

### MPC hikes interest rates by 25 bps

- The MPC in its second bi-monthly policy review for FY19, increased the key policy repo rate by 25 basis points to 6.25% and retained its "neutral" stance. Consequently, the reverse repo rate increased to 6.00% from 5.75%, and the marginal standing facility (MSF) rate and bank rate each grew to 6.50% from 6.25%. All the six policymakers were in favour of the policy rate increase.
- MPC expects inflation in the range of 4.8%-4.9% after taking into account the house rent allowances (HRAs) in the first half of FY19 as against previous expectation of 4.7%-5.1%. Excluding HRA impact, inflation is expected to be 4.60% in the first half of FY19 as against previous expectation of 4.4%-4.7%. In the second half, inflation is expected to be 4.70% as against previous expectation of 4.40%, including as well excluding HRA impact. MPC retained its expectation for Gross Domestic Product (GDP) growth at 7.4% in FY19.

### Current Account Deficit accounted 1.9% of GDP in Q4 FY18

- Data from RBI showed that India's Current Account Deficit (CAD) rose to \$13.0 billion or 1.9% of GDP in Q4 FY18, up from \$2.6 billion or 0.4% of GDP in Q4 FY17. In Q3 FY18, it stood at \$13.7 billion or 2.1% of GDP. Over the year, the CAD has widened on account of a higher trade deficit (\$41.6 billion) owing to larger increase in merchandise imports relative to exports. Also, net services receipts increased 8.8% YoY mainly due to rise in net earnings from software services and other business services.

### Fiscal deficit accounted 55.3% of FY19 target in Apr to May of 2018

- India's fiscal deficit for the period Apr to May 2018 stood at Rs. 3.45 lakh crore or 55.3% of the budget estimate for FY19. However, this is lower than 68.3% of the budget estimate in the corresponding period of the previous year.

### India's trade deficit widened in May 2018

- India's export during the month of May 2018 grew 20.18% YoY to \$28.86 billion from \$24.01 billion in May 2017. Meanwhile, imports grew 14.85% YoY to \$43.48 billion in May 2018 from \$37.86 billion in the same period of the previous year. Trade deficit widened to \$14.62 billion in May 2018 as against \$13.84 billion in May 2017 and \$13.72 billion in Apr 2018.

### India's retail inflation rose to four-month high in May 2018

- Consumer Price Index (CPI)-based inflation or retail inflation grew 4.87% in May 2018, up from 4.58% in Apr 2018 and from 2.18% in May 2017. This marked a four-month high. Retail inflation growth remained above Reserve Bank of India's medium-term target of 4% for the seventh consecutive month. Consumer Food Price Index also grew 3.10% in May, as against 2.80% in the previous month and -1.05% in the same month of the previous year.

Key Economic Indicators		
Indicators	Current	Previous
WPI(May-18)	4.43%	3.18%
IIP(Apr-18)	4.90%	4.60%
CPI(May-18)	4.87%	4.58%

Source: Thomson Reuters Eikon

## Equity Market

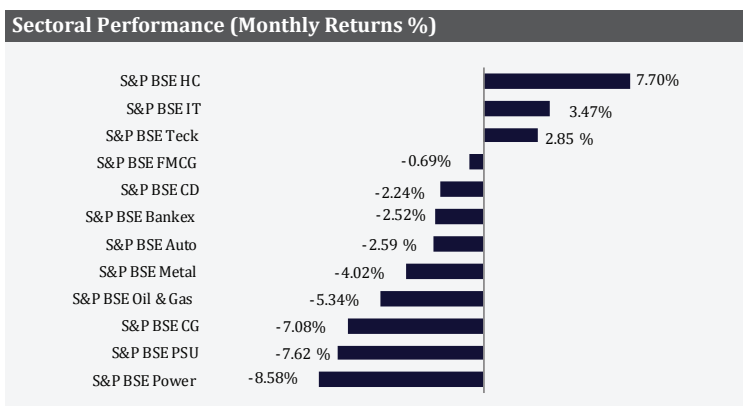
- Indian equity markets witnessed muted growth during the month with Nifty 50 dropping marginally. Concerns over foreign fund flow in the light of recent rate hikes by the U.S. Federal Reserve, the rally in the global crude oil prices and the ongoing trade war between U.S. and China dented market sentiment. Retail inflation numbers fuelled worries over multiple rate hikes by the Monetary Policy Committee in the current fiscal. Nonetheless, positive outcome of the U.S.-North Korea summit soothed investor nerves.
- During the month, S&P BSE Sensex inched up 0.29% to close at 35,423.48, while Nifty 50 dipped 0.20% to close at 10,714.30. S&P BSE Mid-Cap and S&P BSE Small-Cap fell 3.52% and 7.06%, respectively.
- U.S. markets initially edged higher on the back of upbeat economic data and as one of the European Central Bank (ECB) board members indicated that the central bank is likely to discuss withdrawing its bond purchasing programme. Gains were restricted on renewed trade war concerns between the U.S. and China. Meanwhile, the U.S. government proposed a bill – Foreign Investment Risk Review Modernization Act – that would help to protect the U.S. from potential threats of foreign investment. The U.S. Federal Reserve’s (Fed) latest policy meeting too restricted gains after the bank raised interest rates, as expected, and forecasted two additional rate hikes this year.
- European markets mostly traded weak largely due to the recent instance of trade war between U.S. and China. The ECB chief also warned of growing risk from global factors such as protectionism. Some respite was seen after euro zone nations agreed on the plan to get Greece out of its eight-year bailout programme. Also, the European Union (EU) summit reached a consensus on immigration policy. Concerns over probable exit of Italy from euro zone eased after the Italian economy minister said that the new government has no plans to leave the euro area and is seeking to boost growth through investment and structural reforms.
- Asian markets were no exception to the global weakness resulting from trade war between U.S. and China. The Fed’s decision to raise interest rates in its meeting coupled with its hawkish stance of two more rate hikes in 2018 kept the bourses under pressure. However, some respite was seen as China eased restrictions on foreign investments in various sectors. Also, the People’s Bank of China decided to lower the reserve ratios of some banks. Meanwhile, the Bank of Japan decided to keep its monetary policy steady.
- The ongoing trade row between U.S. and China will continue to affect investor sentiment. Besides, the U.S. President’s approach towards trading activities may prove to be detrimental to global economic growth. Global crude oil prices will continue to be the key risk for equities, given its ability to increase inflation and widen the fiscal deficit. The upcoming quarterly corporate earnings and progress of monsoon is likely to give direction to the course of the Indian equities.

Domestic Indices Performance				
Indicators	29-Jun-18	31-May-18	Chg %	YTD%
S&P BSE Sensex	35,423	35,322	0.29	4.01
Nifty 50	10,714	10,736	-0.20	1.74
S&P BSE 200	4,608	4,654	-0.99	-1.51
Nifty Midcap 100	18,181	18,903	-3.82	-13.97
Nifty Dividend Opportunities 50	2,600	2,662	-2.33	-1.42
S&P BSE Smallcap	16,032	17,249	-7.06	-16.63

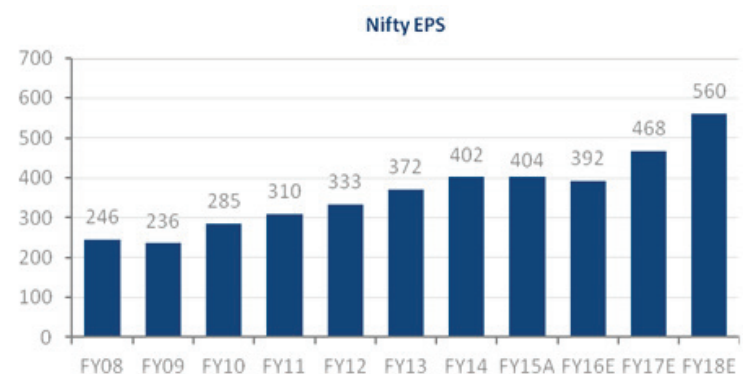
Source: Thomson Reuters Eikon

Global Indices Performance				
Global Indices	29-Jun-18	31-May-18	Chg %	YTD%
Dow Jones	24,271	24,416	-0.59	-1.81
FTSE	7,637	7,678	-0.54	-0.66
CAC	5,324	5,398	-1.39	0.21
Hang Seng	28,955	30,469	-4.97	-3.22
SSE Composite Index	2,847	3,095	-8.01	-13.90

Source: Thomson Reuters Eikon



Source: Thomson Reuters Eikon



Institutional Flows (Equity) As on June 29, 2018				
(₹ Cr)	Purchases	Sales	Net	YTD
FII Flows	129,594	134,425	-4,831	-6,045
MF Flows*	50,113	43,559	6,555	65,926
DII Flows	79,294	64,097	15,197	63,668

Source: NSDL, NSE & SEBI; \* As on Jun 28, 2018

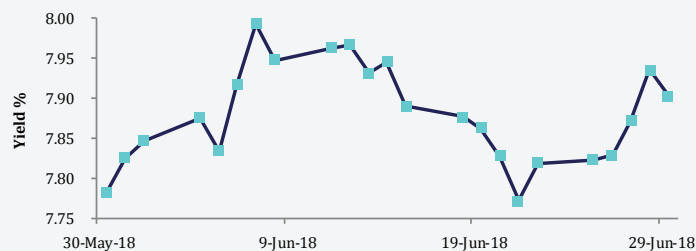
## Debt Market

- Bond yields rose in Jun after the MPC hiked key interest rate for the first time since Jan 2014. MPC increased repo rates by 25 basis points to 6.25% and cited risks that may lead to an increase in domestic inflationary pressures in the country. Increase in interest rates by the U.S. Federal Reserve in its monetary policy review and indication of two more rate hikes in 2018 also weighed on market sentiment. Rise in global crude oil prices and a weaker rupee over the month also added to the losses.
- Yield on gilt securities increased across maturities by up to 26 bps barring 1- and 30-year papers which fell 5 bps and 4 bps, respectively. Yield on corporate bonds increased across maturities in the range of 8 bps to 15 bps barring 1-year paper that fell 19 bps and 2-year paper which closed steady. Difference in spread between AAA corporate bond and gilt expanded across 2 to 6-year papers and 10-year maturities by up to 4 bps. Difference in spread contracted 14 bps and 2 bps on 1- and 7-year maturity, respectively, and closed steady on 15-year paper.
- Market participants will track incoming macroeconomic data points especially on the inflation front to determine the future course of action by MPC. The actual progress of monsoons will remain in sharp focus due to its impact on inflation and the recent farmer distress that has caused many states waiver loans. On the global front, the policies that the U.S. President adopts will remain in sharp focus amid persisting concerns of a global trade war. In addition, global crude oil prices, movement of the rupee against the greenback and stance adopted by foreign portfolio investors will be closely tracked by market participants.

## Currency and Commodity Market

- The Indian rupee rose initially against the greenback after MPC retained its neutral stance on monetary policy even though it increased key policy rate by 25 bps. However, the trend reversed as the rupee plummeted and touched a near 5-year low against the greenback after the Fed increased interest rates in its monetary policy review and indicated two more rate hikes in the remaining of the year. Increase in global crude oil prices and escalation in trade-related tensions between U.S. and China kept market participants wary.
- Brent crude prices witnessed volatility throughout the month. The Organization of the Petroleum Exporting Countries (OPEC) and its allies' decision for a modest level of rise in oil production helped gains as investors expect that most of the member countries might take time to raise production. Lower output from Venezuela, Libya and production problems at one of Canada's largest oil sands facilities also supported gains. However, gains were restricted on concerns over trade tensions between U.S. and China as China threatened to impose duties on U.S. crude imports. Further, the U.S. urged other nations to stop crude import from Iran.

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



Source: Thomson Reuters Eikon

### Spread Movement

Spreads		AAA	AA	A
29-Jun-18	1 Yr	115	149	205
	3 Yr	74	106	206
	5 Yr	68	97	272
31-May-18	1 Yr	130	152	201
	3 Yr	72	103	207
	5 Yr	65	100	263

Source: Thomson Reuters Eikon

Yield (%)	29-Jun-18	31-May-18
10 Year G-Sec	7.90	7.83
5 Year G-Sec	7.95	7.83
3 Year G-Sec	7.75	7.69

### Certificate of Deposit

	29-Jun-18	31-May-18
3-Month	7.00	7.40
6-Month	7.43	8.05
9-Month	7.66	8.00
12-Month	8.08	8.23

### Commercial Papers

	29-Jun-18	31-May-18
3-Month	7.55	7.40
6-Month	7.95	7.70
12-Month	8.50	8.00

Source: Thomson Reuters Eikon

Treasury Bill	29-Jun-18	31-May-18
91 Days	6.48	6.40
364 Days	7.11	6.90

### Event Calendar

Release Date	Release Date	Country
06-Jul-18	U.S. Nonfarm Payrolls (Jun)	U.S.
16-Jul-18	Gross Domestic Product (QoQ) (Q2)	China
26-Jul-18	ECB Interest Rate Decision	Euro Zone
27-Jul-18	Gross Domestic Product Annualized (Q2) (P)	U.S.
31-Jul-18	Gross Domestic Product s.a. (QoQ) (Q2) (P)	Euro Zone



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

## Fund Details

<b>Date of Allotment</b>	: October 30, 2014
<b>Bloomberg Code</b>	: IIFGRRG IN
<b>Benchmark Index</b>	: Nifty 50 TRI
<b>Plans Offered</b>	: Regular & Direct
<b>Options Offered</b>	: Growth & Dividend
<b>Minimum Application:</b>	
<b>New Purchase</b>	: ₹5,000 and in multiples of ₹100 thereafter
<b>Additional Purchase</b>	: ₹1,000 and in multiples of ₹100 thereafter
<b>Monthly SIP Option</b>	: ₹1,000 per month for a minimum period of 6 months
<b>Quarterly SIP Option:</b>	₹1,500 per quarter for a minimum period of 4 quarters
<b>Entry Load</b>	: NIL
<b>Exit Load</b>	: 2% - if redeemed/switched out, on or before 2 months from the date of allotment w.e.f. November 16, 2017
<b>Dematerialization</b>	: D-Mat Option Available
<b>Portfolio Turnover Ratio (based on 1 year monthly data)</b>	: 1.89 times

## NAV as on June 29, 2018

<b>Regular - Growth</b>	: ₹14.4875
<b>Regular - Dividend</b>	: ₹12.8173
<b>Direct - Growth</b>	: ₹15.1220
<b>Direct - Dividend</b>	: ₹14.9275

## AUM as on Jun 30, 2018

<b>Net AUM</b>	: ₹ 229.04 crore
<b>Monthly Average AUM</b>	: ₹ 237.84 crore

## Total Expense Ratio

<b>Regular Plan</b>	: 2.51% p.a.
<b>Direct Plan</b>	: 0.96% p.a.

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

## Volatility Measures Fund Benchmark

<b>Std. Dev (Annualised)</b>	14.52%	12.51%
<b>Sharpe Ratio</b>	0.39	1.38
<b>Portfolio Beta</b>	0.93	1.00
<b>R Squared</b>	0.80	NA
<b>Treynor</b>	0.06	0.04

## Portfolio as on June 30, 2018

Company Name	Industry	% to Net Assets
<b>Equity &amp; Equity Related Total</b>		
Bajaj Finance Limited	Finance	9.37
HDFC Bank Limited	Banks	8.05
Merck Limited	Pharmaceuticals	6.73
CESC Limited	Power	6.33
Infosys Limited	Software	5.71
Sun Pharmaceutical Industries Limited	Pharmaceuticals	5.52
IIFL Holdings Limited	Finance	5.38
Tech Mahindra Limited	Software	5.27
Tata Global Beverages Limited	Consumer Non Durables	5.00
State Bank of India	Banks	4.78
SBI Life Insurance Company Limited	Finance	4.28
Tata Motors Ltd DVR Shares	Auto	3.46
Bajaj Finserv Limited	Finance	3.30
Cholamandalam Investment and Finance Company Limited	Finance	3.30
Dalmia Bharat Limited	Cement	3.24
Zensar Technologies Limited	Software	3.11
Bandhan Bank Limited	Banks	3.07
Shankara Building Products Limited	Ferrous Metals	2.91
Reliance Nippon Life Asset Management Limited	Finance	2.69
The Federal Bank Limited	Banks	2.47
Qess Corp Limited	Commercial Services	2.24
GlaxoSmithKline Consumer Healthcare Limited	Consumer Non Durables	1.68
Ujivan Financial Services Limited	Finance	1.65
Shalby Limited	Healthcare Services	1.03
CBL0		0.48
<b>Sub Total</b>		<b>101.05</b>
Net Receivables / (Payables)		-1.05
<b>Portfolio Total</b>		<b>100.00</b>

## Scheme Performance

	30-Jun-17 to 30-Jun-18	PTP (₹)	30-Jun-15 to 30-Jun-18	PTP (₹)	Since Inception <sup>s</sup>	PTP (₹)
IIFL Focused Equity Fund - Reg - Growth	6.03%	10,601	10.38%	13,448	10.64%	14,487
IIFL Focused Equity Fund - Dir - Growth	7.65%	10,763	11.66%	13,922	11.94%	15,121
Benchmark*	14.13%	11,409	10.00%	13,310	9.02%	13,724
Additional Benchmark**	16.00%	11,595	9.90%	13,274	8.76%	13,605

Past performance may or may not be sustained in future.

Different plans shall have different expense structure.

As on June 30, 2018; Point to Point (PTP) returns in ₹ is based on standard investment of ₹10,000; Since Inception date is 30-Oct-2014; \*Nifty 50 TRI; \*\* S&P BSE Sensex TRI; Managed by the fund manager since November 03, 2016; Scheme has been in existence for more than 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

	30-June-17 to 30-June-18	30-June-15 to 30-June-18	Since Inception
Total Amount Invested (₹)	1,20,000	3,60,000	4,30,000
Total Value as on Jun 30,2018(₹)	1,18,681	4,21,957	5,14,479
Returns	-2.06%	10.63%	10.03%
Total Value of Benchmark: Nifty 50 TRI (₹)	1,25,932	4,43,929	5,35,496
Benchmark: Nifty 50 TRI	9.41%	14.15%	12.33%
Total Value of Benchmark: S&P BSE Sensex TRI (₹)	1,28,304	4,50,169	5,42,016
Additional Benchmark: S&P BSE Sensex TRI	13.24%	15.13%	13.02%

(Inception date :30-Oct-2014) (First Installment date : 01-Dec-2014)

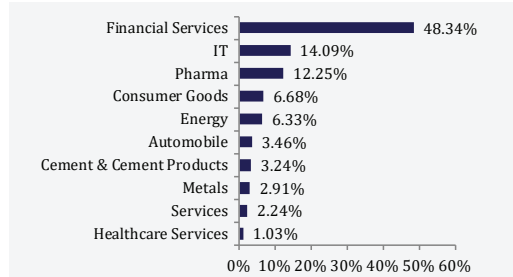
Source: MFI Explorer; Above returns are calculated assuming investment of 10,000/-on the 1st working day of every month. CAGR return are computed after accounting for the cash flow by using XIRR method (investment internal rate of return) for Regular Plan -Growth option. The above investment simulation 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

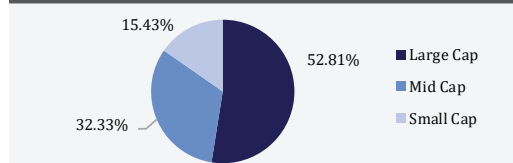
	Record Date	Face Value (₹)	Cum Dividend NAV (₹) As on Feb 15, 2017	Dividend Per Unit
Regular Plan	15-Feb-17	10	12.7777	1.50
Direct Plan	15-Feb-17	10	13.0738	0.17

## Sector Allocation<sup>^^</sup>



^^Sector allocation as per AMFI classification

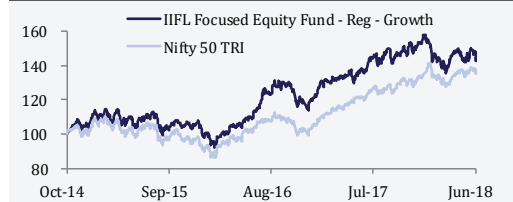
## Market Capitalisation wise Exposure<sup>^</sup>



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 June 30, 2018

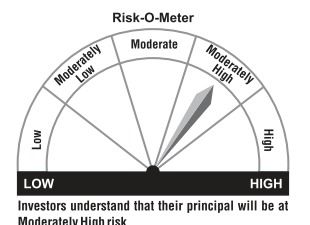
## NAV Movement (Since Inception) Rebased to 100



## 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.



Investors understand that their principal will be at Moderately High risk

## Fund Commentary

Investors in India are facing a major dilemma these days. With the first half of calendar year 2018 coming to an end in June, there is a stark difference between the performance of largecaps, midcaps and smallcaps during the year so far. Nifty 50 is up around 1.7% in 2018 so far, while Midcap index is down 14% and Smallcap Index is down 21%. The panic in the midcaps and smallcaps was accelerated due to the Mutual Funds alignment of companies between largecap midcap and smallcap as per the sebi guidelines and also due to the extended Additional Surveillance Measures (ASM) list of companies which spread fear. Unfortunately, most investors and funds had become overweight on high beta midcaps and smallcaps during the rally of 2017 and had reduced their exposure to low beta largecap names and that is hurting them now in the recent correction.

In the months ahead, market direction would be influenced by both local and global factors. On the domestic side, Q1FY19 earnings season which is about to begin, would be a key driver. We do not expect any major surprises on either side in the quarterly earnings but believe the guidance could be a bit muted for some sectors which have a high base to live with. Financials (mainly private banks and NBFCs) are expected to report another strong quarter and Technology companies could see some muted guidance for the next quarter. Pharma sector is expected to report strong set of numbers as most pharma companies are expected to report an uptick in their US sales and margins. Prices of drugs in US which has been seeing erosion over the last few quarters have stabilised and seeing rationalisation. With regard to global factors driving markets from here, we believe Tariff wars are a big concern and protectionism could hurt global GDP growth. Rising US fed rates is another worry for emerging markets like India and could lead to continued outflows from India and other emerging markets in months ahead.

Major gainers in the portfolio during the month of June'18 were Sun Pharma (+17.4%), Bajaj Finance (+8.8%), Infosys (+8.7%) and Bandhan Bank (+11.9%). Major drags in the portfolio were Dalmia Bharat (-16.4%), CESC (-10.5%), Shankara Building (-12.3%) and Tech M (-8.0%).

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

## Fund Details

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

## NAV as on June 29, 2018

<b>Regular - Growth</b>	: ₹10.0512
<b>Regular - Dividend</b>	: ₹10.0512
<b>Direct - Growth</b>	: ₹10.0676
<b>Direct - Dividend</b>	: ₹10.0676

## AUM as on June 30, 2018

<b>Net AUM</b>	: ₹ 462.56 crore
<b>Monthly Average AUM</b>	: ₹ 462.27 crore

## Total Expense Ratio

<b>Regular Plan</b>	: 2.41% p.a.
<b>Direct Plan</b>	: 1.14% p.a.

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

## Volatility Measures# Fund Benchmark

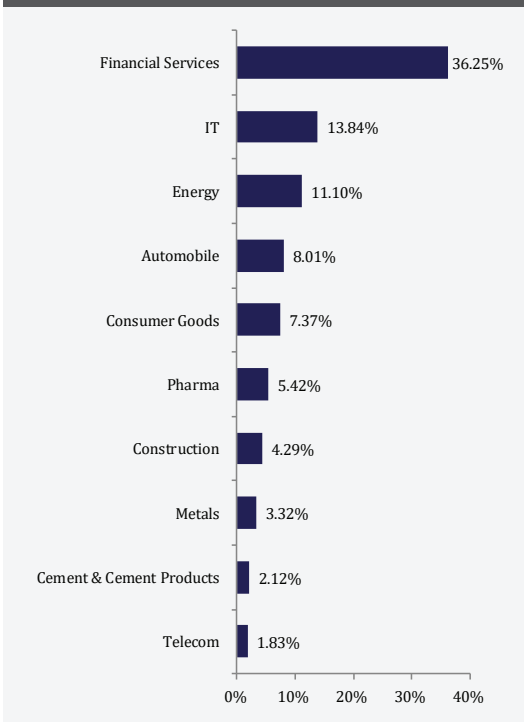
<b>Std. Dev (Annualised)</b>	NA	NA
<b>Sharpe Ratio</b>	NA	NA
<b>Portfolio Beta</b>	NA	NA
<b>R Squared</b>	NA	NA
<b>Treynor</b>	NA	NA

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

## Portfolio as on June 30, 2018

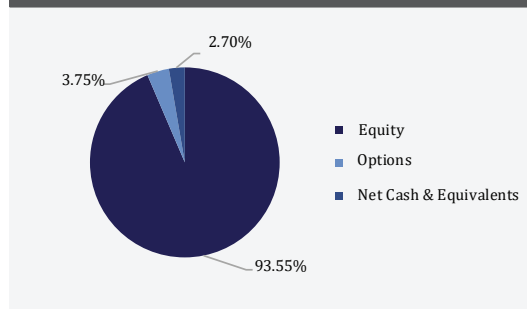
Company Name	Industry	% to Net Assets
<b>Equity &amp; Equity Related Total</b>		
HDFC Bank Limited	Banks	9.65
Reliance Industries Limited	Petroleum Products	6.88
Infosys Limited	Software	6.19
Bajaj Finance Limited	Finance	5.62
Housing Development Finance Corporation Limited	Finance	5.53
Sun Pharmaceutical Industries Limited	Pharmaceuticals	5.42
Kotak Mahindra Bank Limited	Banks	4.93
IndusInd Bank Limited	Banks	4.72
Larsen & Toubro Limited	Construction Project	4.29
Tata Consultancy Services Limited	Software	3.97
Tech Mahindra Limited	Software	3.68
ICICI Bank Limited	Banks	3.32
Mahindra & Mahindra Limited	Auto	2.92
Maruti Suzuki India Limited	Auto	2.81
Asian Paints Limited	Consumer Non Durables	2.73
IITC Limited	Consumer Non Durables	2.61
Bajaj Finserv Limited	Finance	2.48
Tata Motors Limited	Auto	2.28
Hindustan Petroleum Corporation Limited	Petroleum Products	2.25
Grasim Industries Limited	Cement	2.12
Hindustan Unilever Limited	Consumer Non Durables	2.03
Power Grid Corporation of India Limited	Power	1.97
Bharti Airtel Limited	Telecom - Services	1.83
Hindalco Industries Limited	Non - Ferrous Metals	1.77
Vedanta Limited	Non - Ferrous Metals	1.55
Nifty 50 Index 10800 Put June 2019 Option		1.96
Nifty 50 Index 10700 Put June 2019 Option		1.79
CBLO		2.70
<b>Sub Total</b>		<b>100.00</b>
Net Receivables / (Payables)		0.00
<b>Portfolio Total</b>		<b>100.00</b>

## Sector Allocation^^

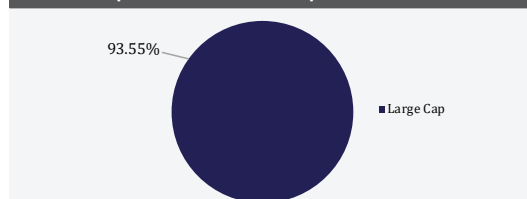


^^Sector allocation as per AMFI classification

## Asset Allocation^



## 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 June 30, 2018

## HEDGING- UPDATE

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

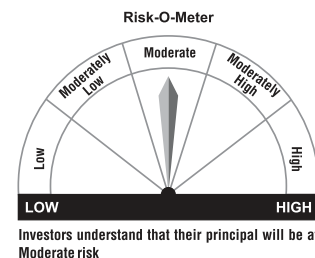
As long dated Nifty 50 puts can only be purchased at a strike price in the multiples of Rs. 100, the Scheme has partially purchased Nifty 50 Puts at 10700 and 10800 strike prices respectively.

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 15 years of work experience in the Fixed income securities market. His previous experience include working with SBI DFHI primary Dealership firm and DBS Cholamandalam AMC. Prior to joining IIFL AMC he was associated with Reliance Capital AMC as Fund Manager - EPFO for seven years. He is commerce graduate and has done his Masters in Business Administration from Bharthi Har 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 June 29, 2018

**Regular Plan Growth** : ₹13.9407  
**\*Regular Plan Bonus** : ₹13.9407  
**Regular Quarterly Dividend** : ₹13.4526  
**\*Regular Half Yearly Dividend** : ₹13.4526  
**\*Regular Monthly Dividend** : ₹11.3052  
**Direct Plan Growth** : ₹14.3095  
**Direct Monthly Dividend** : ₹11.6446

\*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 Jun 30, 2018

**Net AUM** : ₹ 443.36 crore  
**Monthly Average AUM** : ₹ 443.77 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.

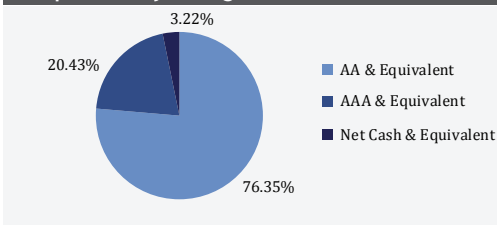
## Statistical Debt Indicators

**Modified Duration** : 2.05 years  
**Average Maturity** : 2.47 years  
**Yield to Maturity** : 9.09%

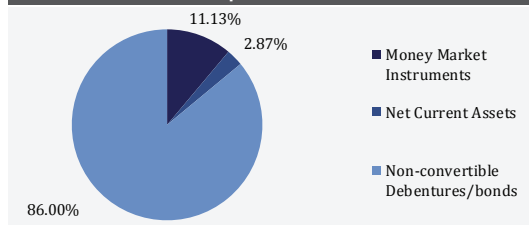
## Portfolio as on June 30, 2018

Name of the Instrument	Rating	% to Net Assets	Name of the Instrument	Rating	% to Net Assets
<b>Debt Instruments</b>			7.90% Piramal Enterprises Limited		
<b>Listed/awaiting listing on Stock Exchange</b>			7.63% PNB Housing Finance Limited		
9.55% Hindalco Industries Limited	CRISIL AA	5.74	ECL Finance Limited	CARE AA	1.35
9.57% Grand View Estates Private Limited	ICRA AA(SO)	5.64	8.20% Housing Development Finance Corporation Limited	CRISIL AAA	1.11
9.00% State Bank of India	CRISIL AA+	5.62	8.48% U.P. Power Corporation Limited	FITCH AA(SO)	0.67
8.75% Muthoot Finance Limited	CRISIL AA	5.56	12.75% India Infoline Finance Limited	CRISIL AA	0.57
8.50% Vedanta Limited	CRISIL AA	5.56	8.48% U.P. Power Corporation Limited	FITCH AA(SO)	0.53
4.00% HPCL Mittal Energy Limited	ICRA AA	5.50	9.15% SP Jammu Udhampur Highway Limited		
8.25% EID Parry India Limited	CRISIL AA-	5.33	8.85% HDFC Bank Limited	CRISIL AA+	0.36
JM Financial Credit Solution Limited	ICRA AA	4.58	National Bank For Agriculture and Rural Development	CRISIL AAA	0.35
7.70% L & T Housing Finance	ICRA AA+	4.41	9.45% State Bank of India	CRISIL AAA	0.01
Aditya Birla Fashion and Retail Limited	CRISIL AA	3.81	<b>Certificate of Deposit</b>		
10.25% Hansdeep Industries & Trading Company Limited	CARE AA(SO)	3.41	IndusInd Bank Limited	CRISIL A1+	5.40
8.1352% Bajaj Housing Finance Limited	CRISIL AAA	3.33	National Bank For Agriculture and Rural Development	CRISIL A1+	5.38
9.75% Edelweiss Housing Finance Limited	ICRA AA	3.22	<b>CBLO / Reverse Repo</b>		
8.75% Axis Bank Limited	CRISIL AA+	2.85	CBLO		0.35
9.15% Birla Corporation Limited	ICRA AA	2.58	<b>Sub Total</b>		
11.8% Tata Steel Limited	CARE AA-	2.39	Net Current Assets		2.87
9.80% ECL Finance Limited	ICRA AA	2.26	<b>Portfolio Total</b>		
8.32% Power Grid Corporation of India Limited	CRISIL AAA	2.24			100.00
8.15% Energy Efficiency Services Limited	ICRA AA	2.21			

## Composition by Rating<sup>^</sup>



## Instrument Wise Composition<sup>^</sup>



## Dividend Declared - Monthly Dividend Plan

Date	Gross Dividend (₹) (Per Unit)	Regular Plan NAV (₹) (Cum Dividend)	Direct Plan NAV (₹) (Cum Dividend)
26-Jun-18	0.05	11.3587	11.6972
29-May-18	0.05	11.3012	11.6324
24-Apr-18	0.05	11.3809	11.7057
<b>Quarterly Dividend Plan</b>			
04-Jun-15	0.4	11.4678	11.5708
<b>Half Yearly Dividend Plan</b>			
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

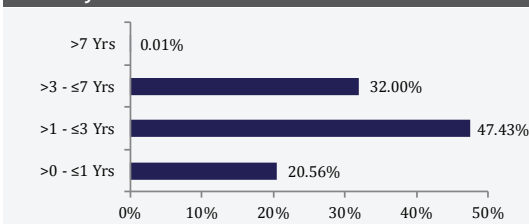
	30-Jun-17 to 30-Jun-18	PTP (₹)	30-Jun-15 to 30-Jun-18	PTP (₹)	30-Jun-13 to 30-Jun-18	PTP (₹)	Since Inception <sup>s</sup>	PTP (₹)
IIFL Dynamic Bond Fund - Reg - Growth	4.14%	10,413	7.27%	12,343	6.81%	13,906	6.85%	13,943
IIFL Dynamic Bond Fund - Dir - Growth	4.77%	10,476	7.85%	12,545	7.37%	14,275	7.40%	14,306
Benchmark*	1.30%	10,130	7.56%	12,444	7.65%	14,463	7.67%	14,488
Additional Benchmark**	-3.56%	9,645	5.83%	11,853	5.25%	12,919	5.37%	13,000

Past performance may or may not be sustained in future

Different plans shall have different expense structure

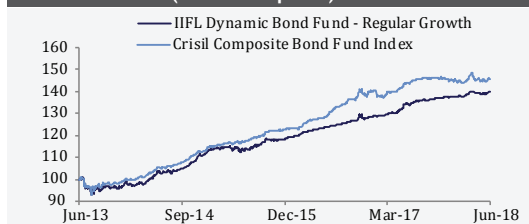
As on June 30, 2018\* Crisil Composite Bond Fund Index; \*\* Crisil 10yr Gilt Index; Point to Point (PTP) returns in ₹ is based on standard investment of ₹ 10,000 made on the inception date : \$ Inception date 24-June-2013; Scheme has been in existence for more than 3 years but less than 5 years; Effective March 08 2017, Mr. Ankur Parekh has been appointed as Fund Manager of the scheme. The Scheme was managed till March 07, 2017 by Mr Ritesh Jain

## Maturity Profile<sup>^</sup>



<sup>^</sup>As on June 30, 2018

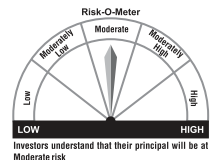
## NAV Movement (Since Inception) Rebased to 100



## THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING\*

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

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



## Fund Commentary

- Bond yields rose in Jun after the Monetary Policy Committee (MPC) hiked key interest rate for the first time since Jan 2014. MPC increased repo rates by 25 basis points to 6.25% and cited risks that may lead to an increase in domestic inflationary pressures in the country. Increase in interest rates by the U.S. Federal Reserve in its monetary policy review and indication of two more rate hikes in 2018 also weighed on market sentiment. Rise in global crude oil prices and a weaker rupee over the month also added to the losses.
- Yield on the 10-year benchmark bond (7.17% GS 2028) rose 7 bps to close at 7.90% from the previous month's close of 7.83% after moving within a wide range of 7.77% to 8.00%. Yield on gilt securities increased across maturities by up to 26 bps barring 1- and 30-year papers which fell 5 bps and 4 bps, respectively.
- The June policy minutes suggest the Reserve Bank of India's (RBI) monetary policy committee (MPC) remains 'data dependent' and retained their neutral stance, thereby avoiding any meaningful signal of tightening rate cycle. Markets will track how oil prices; core inflation and inflation expectations behave to determine the future course of action by MPC. The actual progress of monsoons will remain in sharp focus due to its impact on inflation. Overall the inflation in next 3-4 months is likely to remain high and moderate later on in the H2 FY19. Non-oil, non-gold trade deficit was at an all-time high in FY2018 along with overall higher Current Account Deficit (CAD) as % of GDP which may structurally hurt the INR and interest rates. On the global front, Major central banks initiatives in the direction of tightening rates and liquidity might lead to muted foreign fund inflows into the Indian economy. The future policies of US will remain in sharp focus amid persisting concerns of a global trade war. In this scenario of uncertainty over macroeconomic front we maintain our view of positioning at the front-end of the curve with a moderate 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, so to benefit out of the steep yield curve. However, any changes in the macro-economic environment is being continuously tracked for suitable change of stance should the situation require 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 15 years of work experience in the Fixed income securities market. His previous experience include working with SBI DFHI primary Dealership firm and DBS Cholamandalam AMC. Prior to joining IIFL AMC he was associated with Reliance Capital AMC as Fund Manager – EPFO for seven years. He is commerce graduate and has done his Masters in Business Administration from Bharthihar University, Tamilnadu. Mr Parekh has been managing the scheme since March 08, 2017.

## Fund Details

**Date of Allotment** : November 13, 2013  
**Benchmark Index** : CRISIL Liquid Fund Index  
**Plans Offered** : Regular & Direct  
**Options Offered** : Growth & Dividend  
**Minimum Application:**  
**New Purchase** : ₹5,000 and in multiples of ₹100 thereafter

**Additional Purchase** : ₹1,000 and in multiples of ₹100 thereafter

**Monthly SIP Option** : ₹1,000 per month for a minimum period of 6 months

**Quarterly SIP Option** : ₹1,500 per quarter for a minimum period of 4 quarters

**Entry / Exit Load** : NIL

**Dematerialization** : D-Mat Option Available

**Asset Allocation** :

Money market and debt instruments with residual maturity up to 91 days

## NAV as on June 29, 2018

**Regular Plan Growth** : ₹1388.5167  
**Regular Plan Weekly** : ₹1005.6226  
**Dividend**  
**Regular Plan Daily** : ₹1000.1177  
**Dividend**  
**Direct Plan Growth** : ₹1391.7412  
**Direct Plan Dividend** : ₹1000.0427

## AUM as on June 30, 2018

**Net AUM** : ₹ 316.40 crore  
**Monthly Average AUM** : ₹ 376.12 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** : 29 days  
**Average Maturity** : 30 days  
**Yield to Maturity** : 7.32%

## Portfolio as on June 30, 2018

Name of the Instrument	Rating	% to Net Assets	Name of the Instrument	Rating	% to Net Assets
<b>Money Market Instruments</b>					
<b>Certificate of Deposit</b>					
Yes Bank Limited	ICRA A1+	7.90%	Aditya Birla Finance Limited	ICRA A1+	7.85%
IDFC Bank Limited	ICRA A1+	7.89%	Bajaj Housing Finance Limited	CRISIL A1+	7.83%
RBL Bank Limited	ICRA A1+	7.80%	Tata Motors Limited	ICRA A1+	7.83%
<b>Sub Total</b>		<b>23.59%</b>	Cholamandalam Investment and Finance Company Limited	ICRA A1+	7.81%
<b>Commercial Paper</b>			<b>Sub Total</b>		
Piramal Enterprises Limited	ICRA A1+	7.86%			<b>62.74%</b>
Tata Motors Finance Limited	CARE A1+	7.86%	<b>CBLO / Reverse Repo</b>		
Aditya Birla Housing Finance Limited	ICRA A1+	7.85%	CBLO		12.78%
Reliance Industries Limited	CARE A1+	7.85%	<b>Sub Total</b>		<b>12.78%</b>
			<b>Net Receivables / (Payables)</b>		
					<b>0.89%</b>
			<b>Portfolio Total</b>		
					<b>100.00%</b>

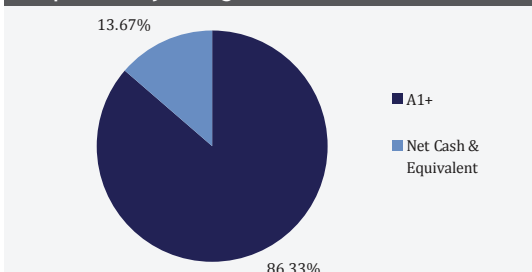
## Scheme Performance

	30-Jun-17 to 30-Jun-18	PTP (₹)	30-Jun-15 to 30-Jun-18	PTP (₹)	Since Inception <sup>5</sup>	PTP (₹)
IIFL Liquid Fund - Reg - Growth	6.47%	10,645	6.83%	12,192	7.35%	13,885
IIFL Liquid Fund - Dir - Growth	6.52%	10,650	6.89%	12,213	7.40%	13,915
Benchmark*	7.01%	10,699	7.25%	12,337	7.89%	14,211
Additional Benchmark**	6.81%	12,044	6.45%	10,645	7.55%	13,496

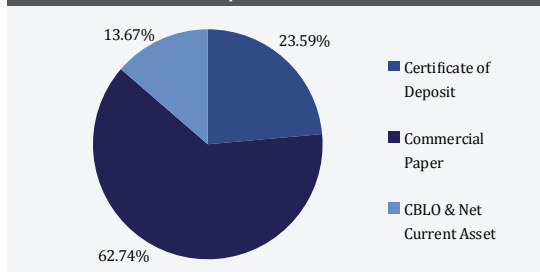
Past performance may or may not be sustained in future  
 Different plans shall have different expense structure

As on June 30, 2018\* Crisil Liquid Fund Index,\*\* Crisil 91 Day T-Bill Index; Point to Point (PTP) returns in ₹ is based on standard investment of ₹10,000 made on the \$ inception date 13-Nov-2013; Scheme has been in existence for more than 3 years but less than 5 years; Effective March 08 2017, Mr. Ankur Parekh has been appointed as Fund Manager of the scheme. The Scheme was managed till March 07, 2017 by Mr Ritesh Jain

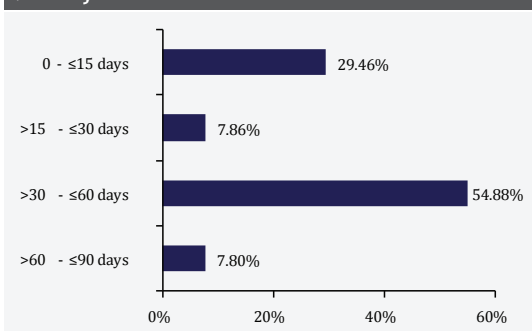
## Composition by Rating<sup>^</sup>



## Instrument Wise Composition<sup>^</sup>

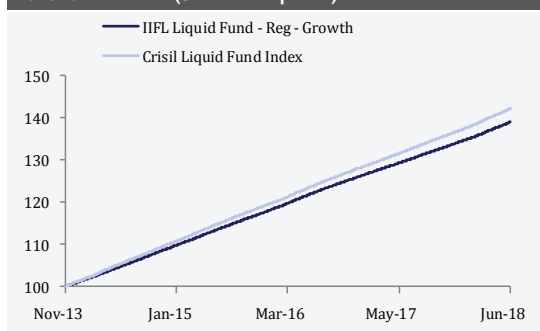


## Maturity Profile<sup>^</sup>



<sup>^</sup>As on June 30, 2018

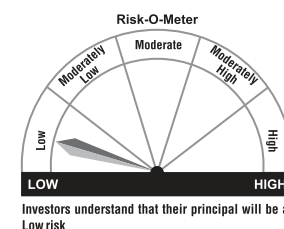
## NAV Movement (Since Inception) Rebased to 100



## 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.



## GLOSSARY OF TERMS

<b>FUND MANAGER</b>	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.
<b>APPLICATION AMOUNT FOR FRESH SUBSCRIPTION</b>	This is the minimum investment amount for a new investor in a mutual fund scheme.
<b>MINIMUM ADDITIONAL AMOUNT</b>	This is the minimum investment amount for an existing investor in a mutual fund scheme.
<b>YIELD TO MATURITY</b>	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.
<b>SIP</b>	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.
<b>NAV</b>	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.
<b>BENCHMARK</b>	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.
<b>ENTRY LOAD</b>	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.
<b>EXIT LOAD</b>	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.
<b>MODIFIED DURATION</b>	Modified duration is the price sensitivity and the percentage change in price for a unit change in yield.
<b>STANDARD DEVIATION</b>	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.
<b>SHARPE RATIO</b>	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.
<b>BETA</b>	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.
<b>AUM</b>	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.
<b>HOLDINGS</b>	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.
<b>NATURE OF SCHEME</b>	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.
<b>RATING PROFILE</b>	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.