

# MONTHLY FACTSHEET

APRIL 2019



## Macro Economy & Event Update

- Major global equity markets gained in the last month of the 2018-19 financial year. U.S. markets increased on the back of optimism over developments in U.S.-China trade talks. Sentiment was strengthened by U.S. Federal Reserve's decision to maintain interest rates at the same level. The U.S. Federal Reserve even hinted that it might not increase rates in the remainder of 2019. However, gains were capped by uncertainty over Brexit, slowing global growth concerns and media reports suggesting that North Korea is rebuilding its nuclear test facility that it had earlier pledged to dismantle.
- European markets went up on hopes that U.S. and China could reach a trade deal soon and on U.S. Fed's status quo decision. The U.S. Federal Reserve also hinted that it may not increase rates in the rest of the year, lifting investor mood. However, gains were capped after the European Central Bank downgraded its euro zone growth forecast for this year and the next. Weak economic data and uncertainties over Brexit added to investor woes.
- U.S. Fed's interest rate stance and positive developments in U.S.-China trade talks buoyed investor sentiment in the Asian region. Chinese government pledging full support for the slowing economy added to the gains. However, the upside was limited on concerns of a slowdown in global growth and uncertainties over Brexit.
- March proved to be a productive month for the Indian equity markets as positive global cues and strong sentiment back home supported gains. Pre-election euphoria seems to be going in favour of the markets as investors expect stability after the general elections.
- Bond yields declined on hopes that the Monetary Policy Committee may again cut interest rate in its upcoming meet due on Apr 4, 2019. Decline in U.S. Treasury yields, U.S. Federal Reserve's status quo on interest rates and gains in the domestic currency against the U.S. dollar pushed yields further down.
- In the new fiscal year, chances are that the MPC could lower repo rate. FII flows will be on investors' radar since the U.S. Federal Reserve has hinted at no further rate hikes for the remainder of 2019. The upcoming general elections are a major market mover and will stir sentiment till the results are out. On the global front, U.S.- China trade talks and Brexit will also have an impact on the market sentiment.

### Key Economic Indicators

Indicators	Current	Previous
WPI (Feb-19)	2.93%	2.76%
IIP (Jan-19)	1.70%	2.60%
CPI (Feb-19)	2.57%	1.97%

Source: Thomson Reuters Eikon

### Current Account Deficit widened on a yearly basis in Q3FY19

- Data from Reserve Bank of India showed that India's Current Account Deficit (CAD) narrowed to \$16.9 billion (2.5% of GDP) in Q3FY19 from \$19.1 billion (2.9% of GDP) in the previous quarter. However, CAD widened from \$13.7 billion (2.1% of GDP) in the same period of the previous year. CAD widened on a yearly basis as trade deficit widened to \$49.5 billion in Q3FY19 as against \$44.0 billion in the same period of the previous year. For the period from Apr to Dec of 2018, CAD widened to 2.6% of GDP from 1.8% in the corresponding period of the previous year as trade deficit widened to \$145.3 billion in Apr to Dec of 2018 from \$118.4 billion in the same period of the previous year.

### Fiscal deficit stood at 134.2% of the budget estimate for the period from Apr 2018 to Feb 2019

- Government data showed that India's fiscal deficit for the period from Apr 2018 to Feb 2019 stood at Rs. 8.51 lakh crore or 134.2% of the budget estimate compared with 120.3% of the budget estimate in the corresponding period of the previous year. The revenue deficit in the same period stood at Rs. 6.50 lakh crore or 157.8% of the budget estimate compared with 119.3% of the budget estimate in the corresponding period of the previous year.

### India's trade deficit narrowed to a 17-month low in Feb 2019

- India's trade deficit narrowed to a 17-month low of \$9.60 billion in Feb 2019 from \$14.73 billion in the previous month and \$12.30 billion in the same month of the previous year. Trade deficit narrowed sharply as imports came down 5.41% over the year to \$36.26 billion in Feb 19 from \$38.34 billion in the same month of the previous year. Exports meanwhile increased 2.44% over the year to \$26.67 billion in Feb 19 from \$26.03 billion in the same month of the previous year. Imports came down as imports of gold, pearls, precious and semi-precious stones, petroleum crude and products and electronic goods fell 10.81%, 17.50%, 8.05% and 6.48%, respectively over the year.

### Growth of Index of Industrial Production fell in Jan 2019

- The Index of Industrial Production (IIP) declined 1.7% in Jan 2019 as against upwardly revised 2.6% (2.4% originally reported) in Dec 2018. For the period from Apr 2018 to Jan 2019, IIP grew 4.4% as against an increase of 4.1% in the same period of the previous year. On the sectoral front, the mining sector increased 3.9% in Jan 2019 compared with growth of 0.3% in the same month of the previous year.

### Retail inflation increased in Feb 19

- India's retail inflation increased 2.57% in Feb 2019 as against downwardly revised 1.97% (2.05% originally reported) in Jan 2019 and 4.44% in the same month of the previous year. The consumer food price index contracted 0.66% in Feb 2019 compared with a revised contraction of 2.24% (2.17% contraction originally reported) in Jan 2019 but an expansion of 3.26% in the same month of the previous year.

## Equity Market

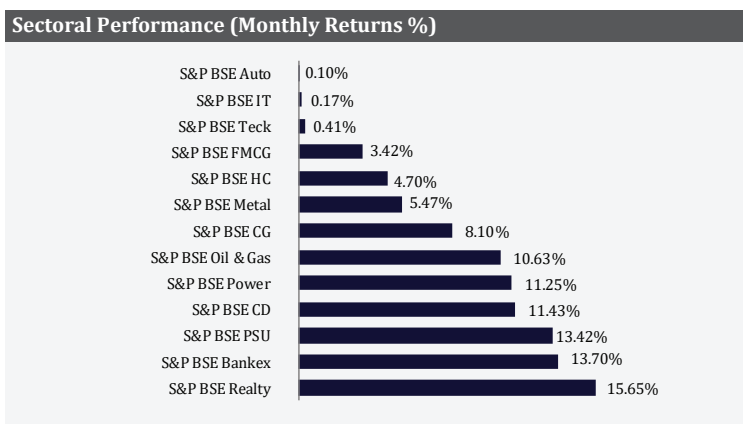
- Indian equity markets surged with Sensex and Nifty reclaiming the 38,500 and 11,500 marks, respectively. A host of positive catalysts (both domestic and global) triggered strong buying interest. While optimism over the outcome of the upcoming general elections buoyed market sentiment, developments on the U.S. – China trade deal front remained on the investor radar. However, markets lost some sheen amid concerns over reports that the U.S. President plans to end key trade benefits for India. Concerns of a slowdown in global growth also weighed on the market sentiment.
- On the BSE sectoral front, all the indices closed on a positive note. S&P BSE Realty was the top gainer, up 15.65%, followed by S&P BSE Bankex and S&P BSE PSU, which surged 13.70% and 13.42%, respectively. During the month, the real estate industry achieved a major milestone after ‘Embassy Office Parks’, a joint venture between the real estate company Embassy and private equity firm Blackstone, launched the country’s first Real Estate Investment Trust. Banking stocks surged amid reports of capital infusion worth Rs. 5,042 crore by the government in one of the finance majors, ahead of its merger with two other public sector lenders.
- U.S. markets ended the month on a higher note as investors continued to track development of U.S. – China trade talks. As per media reports, the U.S. Treasury Secretary described the high-level U.S. trade talks, held towards the end of the month, as "constructive." Meanwhile the U.S. Federal Reserve kept interest rates unchanged and indicated no further rate hike in 2019 which also contributed to the upside. However, the U.S. Federal Reserve chief also warned that U.S. growth might be affected due to slowing economic growth in Europe and China which capped the gains.
- European markets too witnessed gains as the latest round of meeting between U.S.-China raised hope for an eventual trade deal between the nations. Further, the U.S. Federal Reserve in its latest policy meeting hinted that it might not raise rates in the remaining of 2019 which added to the gains. However, further gains were capped after European Central Bank in its monetary policy review lowered the growth forecasts of the euro zone economy for this year and the next amid persisting global uncertainties.
- Asian markets mostly gained after the U.S. Federal Reserve in its meeting hinted that it might not raise rates in the remaining of 2019. Expectations of more stimulus measures by China also acted as catalyst. Media reports suggesting that both U.S. and China have made headway in their trade talks also helped gains. However, a series of mixed Chinese economic data and concerns over a slowdown in global growth capped the gains.
- Strong foreign fund inflow has propped up the equity markets during the month. Foreign fund inflows moving ahead will be driven by some key triggers namely outcome of the upcoming general elections, improvement in earnings outlook of Indian companies and global crude oil prices. Global cues will continue to impact buying interest with investors tracking the development on the U.S- China trade deal and Brexit.

Domestic Indices Performance				
Indicators	29-Mar-19	28-Feb-19	Chg %	YTD%
S&P BSE Sensex	38,673	35,867	7.82	7.22
Nifty 50	11,624	10,793	7.70	7.01
S&P BSE 200	4,908	4,563	7.56	5.46
Nifty Midcap 100	18,259	16,721	9.19	2.14
Nifty Dividend Opportunities 50	2,701	2,554	5.76	4.33
S&P BSE Smallcap	15,027	13,690	9.77	2.18

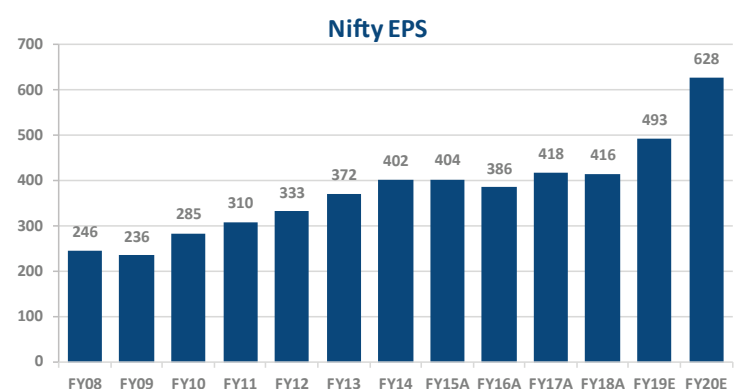
Source: NSE,BSE

Global Indices Performance				
Global Indices	29-Mar-19	28-Feb-19	Chg %	YTD%
Dow Jones	25,929	25,916	0.05	11.15
FTSE	7,279	7,075	2.89	8.19
CAC	5,351	5,241	2.10	13.10
Hang Seng	29,051	28,633	1.46	12.40
SSE Composite Index	3,091	2,941	5.09	23.93

Source: Thomson Reuters Eikon



Source: Thomson Reuters Eikon



Institutional Flows (Equity) As on March 31, 2019				
(₹ Cr)	Purchases	Sales	Net	YTD
FII Flows	1,50,058	1,16,077	33,981	46,938
MF Flows	55,687	62,125	-6,438	2,896
DII Flows	78,289	92,102	-13,813	-12,352

Source: NSDL, NSE & SEBI

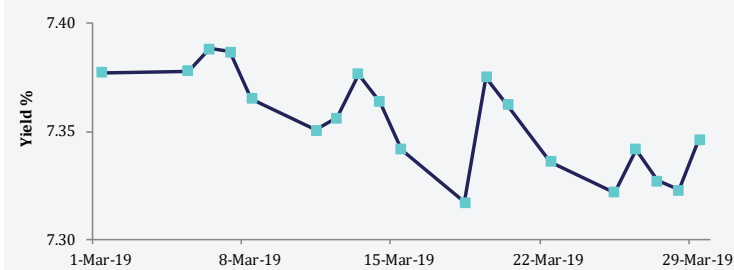
## Debt Market

- Bond yields fell after rising in the past two consecutive months. Yields declined on hopes that the Monetary Policy Committee may again cut interest rate in the upcoming Apr 2019 meet following lower than expected India's economic growth in the Dec quarter of 2018 and on optimism that inflation will stay low. Yields fell further following decline in U.S. Treasury yields and tracking gains in the domestic currency against the greenback. Yields continued to fall after U.S. Federal Reserve kept interest rates unchanged and indicated no more rate hikes in 2019.
- Yield on gilt securities declined in the range of 6 to 25 bps across maturities. Yield on corporate bonds fell across the curve in the range of 7 to 31 bps, barring 5- and 6-year papers that increased 2 and 3 bps, respectively. Difference in spread between AAA corporate bond and gilt expanded on 4- to 7-year and 10-year papers by up to 26 bps while remaining securities contracted by up to 18 bps.
- Bond yields moving forward will be dictated by the outcome of the first bi-monthly monetary policy review of FY20 which is due on Apr 4, 2019. A section of market participants expect that a rate cut is on the table due to the country's weakening economic growth and as the domestic retail inflation continues to be well below the Reserve Bank of India's mandate of 4%. In addition to the above-mentioned factors, 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 rose against the U.S. dollar during the month under review following gains in the domestic equity market. Downbeat U.S. jobs data for Feb 2019 lowered the possibility of any further rate hikes by the U.S. Federal Reserve, which further weakened the greenback. The rupee rose further against the greenback after India's trade deficit narrowed to \$9.6 billion in Feb, which is the lowest since Sep 2017. Optimism among market participants over the ongoing trade talks between U.S. and China also gave a boost to market sentiment. However, further losses were restricted due to periodic intervention by the Reserve Bank of India. Worries of a slowing global economy also dampened the investor risk appetite.
- Brent crude prices continued with the upward trend amid supply cuts by OPEC and its allies. The oil cartel plans to restrict supplies by 1.2 million barrels a day in the current year. Further, Saudi Arabia oil minister said that supply in Apr 2019 would be significantly lower than the requirement. Further, U.S. sanction against Iran and Venezuela along with disturbance in Libya boosted the prices. However, concerns over global growth capped the gains. Data released by Energy Information Administration showed a surprising surge of 2.8 million barrels in U.S. crude inventory in the week ended Mar 22, 2019, thereby weighing on the prices.

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



Source: Thomson Reuters Eikon

### Spread Movement

Spreads		AAA	AA	A
29-Mar-19	1 Yr	149	234	316
	3 Yr	134	179	236
	5 Yr	130	185	174
28-Feb-19	1 Yr	150	206	324
	3 Yr	152	206	223
	5 Yr	112	189	188

Source: Thomson Reuters Eikon

Yield (%)	29-Mar-19	28-Feb-19
10 Year G-Sec	7.35	7.41
5 Year G-Sec	6.93	7.09
Certificate of Deposit		
3-Month	7.21	7.40
6-Month	7.40	7.52
9-Month	7.45	7.67
12-Month	7.34	7.95
Commercial Papers		
3-Month	7.55	7.80
6-Month	7.80	8.50
12-Month	8.00	8.70

Source: Thomson Reuters Eikon

Treasury Bill	29-Mar-19	28-Feb-19
91 Days	6.05	6.39
364 Days	6.28	6.55

### Event Calendar

Release Date	Release Date	Country
05-Apr-19	Nonfarm Payrolls (Mar)	U.S
10-Apr-19	ECB Monetary Policy Review	Euro Zone
15-Apr-19	Gross Domestic Product s.a. (YoY) (Q1) (P)	Euro Zone
17-Apr-19	Gross Domestic Product (YoY) (Q1)	China
25-Apr-19	Bank of Japan Monetary Policy Review	Japan



# 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<sup>^</sup>  
**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<sup>^^</sup>** : 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)** : 1.16 times

<sup>^</sup>Effective January 01, 2019 the benchmark of the scheme is changed from Nifty 50 TRI to BSE 200 TRI.  
<sup>^^</sup>Effective April 02, 2019, exit load has been revised to 1% if redeemed/switched out, on or before 12 months from the date of allotment.

## NAV as on March 29, 2019

**Regular - Growth** : ₹15.7977  
**Regular - Dividend** : ₹13.9764  
**Direct - Growth** : ₹16.6790  
**Direct - Dividend** : ₹16.4645

## AUM as on March 31, 2019

**Net AUM** : ₹ 179.67 crore  
**Monthly Average AUM** : ₹ 173.70 crore

## Total Expense Ratio

**Regular Plan** : 2.46% 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)	16.14%	13.80%
Sharpe Ratio	0.33	0.34
Portfolio Beta	1.05	1.00
R Squared	0.80	NA
Treynor	0.01	0.01

## Portfolio as on March 31, 2019

Company Name	Industry	% to Net Assets
<b>Equity &amp; Equity Related Total</b>		
HDFC Bank Limited	Banks	10.16
Merck Limited	Pharmaceuticals	6.41
ICICI Bank Limited	Banks	6.14
State Bank of India	Banks	6.08
Infosys Limited	Software	5.76
Tech Mahindra Limited	Software	4.31
IPCA Laboratories Limited	Pharmaceuticals	3.58
Bajaj Finance Limited	Finance	3.55
Larsen & Toubro Limited	Construction Project	3.28
Muthoot Finance Limited	Finance	3.25
Siemens Limited	Industrial Capital Goods	3.21
Aavas Financiers Limited	Finance	3.05
CreditAccess Grameen Limited	Finance	3.02
Petronet LNG Limited	Gas	2.94
Emami Limited	Consumer Non Durables	2.89
SRF Limited	Textile Products	2.81
Cipla Limited	Pharmaceuticals	2.43
Cholamandalam Investment and Finance Company Limited	Finance	2.41
Asian Paints Limited	Consumer Non Durables	2.40
Bajaj Finserv Limited	Finance	2.36
Axis Bank Limited	Banks	2.21
CESC Limited	Power	1.95
Balkrishna Industries Limited	Auto Ancillaries	1.66
UltraTech Cement Limited	Cement	1.56
Tata Motors Ltd DVR Shares	Auto	1.48
Aarti Industries Limited	Chemicals	1.29
NIIT Limited	Software	1.21
Larsen & Toubro Infotech Limited	Software	0.98
Spencer's Retail Limited	Retailing	0.82
Yes Bank Limited	Banks	0.50
<b>Sub Total</b>		<b>93.70</b>
TREPS <sup>#</sup>		4.80
Net Receivables / (Payables)		1.50
<b>Portfolio Total</b>		<b>100.00</b>

## Scheme Performance

	31-Mar-18 to 31-Mar-19	PTP (₹)	31-Mar-16 to 31-Mar-19	PTP (₹)	Since Inception <sup>s</sup>	PTP (₹)
IIFL Focused Equity Fund - Reg - Growth	13.58%	11,362	15.92%	15,564	10.92%	15,800
IIFL Focused Equity Fund - Dir - Growth	15.33%	11,538	17.34%	16,142	12.29%	16,680
Benchmark*	12.06%	11,210	16.11%	15,641	10.55%	15,569
Additional Benchmark**	18.71%	11,877	16.64%	15,855	9.57%	14,969

Past performance may or may not be sustained in future. Different plans shall have different expense structure. As on March 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 1 year but less than 5 years. The performance of the scheme is benchmarked to the Total Return variant of the Index.

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

	31-Mar-18 to 31-Mar-19	31-Mar-16 to 31-Mar-19	Since Inception
Total Amount Invested (₹)	1,20,000	3,60,000	5,20,000
Total Value as on Mar 31, 2019(₹)	1,30,257	4,22,160	6,58,729
Returns	16.50%	10.69%	10.93%
Total Value of Benchmark: S&P BSE 200 TRI (₹)	1,27,329	4,33,726	6,73,732
Benchmark: S&P BSE 200 TRI	11.71%	12.56%	11.99%
Total Value of Additional Benchmark: S&P BSE Sensex TRI (₹)	1,28,800	4,45,106	6,86,612
Additional Benchmark: S&P BSE Sensex TRI	14.11%	14.36%	12.89%

(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

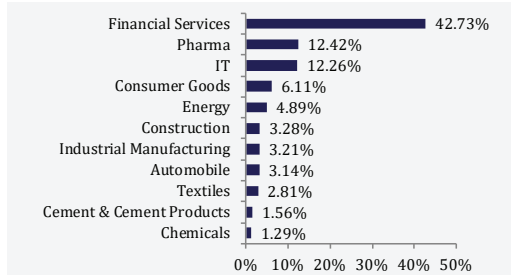
	Record Date	Face Value (₹)	Cum Dividend NAV (₹) As on Feb 15, 2017	Dividend Per Unit
Regular Plan	15-Feb-17	10	12.7777	1.50
Direct Plan	15-Feb-17	10	13.0738	0.17

## 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.

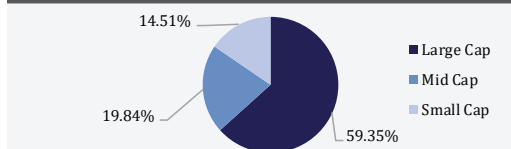
<sup>##</sup>With effect from November 05, 2018, Triparty Repo has replaced CBLOs for all schemes with provisions to invest in CBLO.

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



<sup>^^</sup>Sector allocation as per AMFI classification

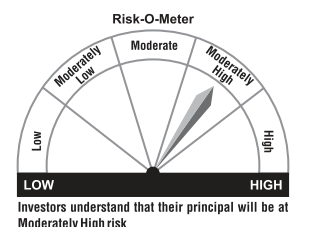
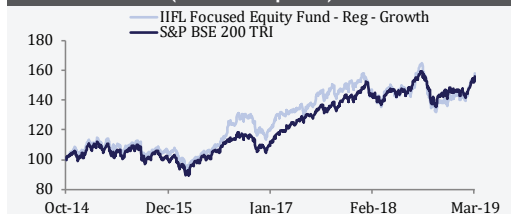
## Market Capitalisation wise Exposure<sup>^</sup>



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.

<sup>^</sup>As on Mar 31, 2019

## NAV Movement (Since Inception) Rebased to 100



Investors understand that their principal will be at Moderately High risk

## Fund Commentary

As an investor in the equity markets, extreme volatilities in the market is never a pleasant experience, whether on the upside or the downside. We have been time and again highlighting to investors that excesses always happen both on the rise and fall of the market. March'19 was one such month of extreme movement with Nifty gaining by as much as 8% in a single month. There are multiple factors which have been driving such rally in Indian markets and we need to gauge their implications for Indian equities in the medium term:

- US Fed's pause on rate hikes is good news for emerging markets like India. Infact tightening of rates ahead augurs well for emerging markets (EM). India was the worst performing market in EMs till beginning of March'19 and we are seeing a rebalancing of the allocation within the EM basket in most ETFs. This has been one of main reasons for the record FII flows of nearly USD 4 billion in March'19 into Indian equities. Much of it was for the underperformance catching up.
- Geopolitical tensions have cooled off between India and Pakistan which was at its peak in the month of February.
- Post the Kashmir attacks and India's retaliation, there seems to be a major shift in the opinion polls for the upcoming elections with the ruling NDA government gaining on the popularity charts. This is getting factored in the markets and driving optimism.
- On the fiscal side, lower oil prices, appreciating rupee and strong GDP growth are auguring well for the balance of payments and fiscal discipline. However falling exports and trade tariffs remain a cause for concern.
- Domestic liquidity crunch among the NBFCs which was one of the major reasons for market correction in the prior 6 months post the IL&FS debacle, seems to be behind us now. Currency circulation is well above normal and banks have resumed their lending to the same levels as prior to IL&FS event.
- Finally two elephants namely, GDP growth and Inflation, both seem within comfort zones. Growth inspite of slowdown will still be in the 6.5 - 7% range in FY20. Inflation is well below the comfort zone of RBI and the govt at around 3-4%.

However one needs to take into account following key highlights also of the market valuations in order to ensure they do not throw caution out of the window in the current rally:

- With the rally in the broader market, Nifty is trading at a P/E of 18.5x FY20 EPS which makes India one of the most expensive markets globally if we look at the 1-year forward earnings. However what is interesting is that the Midcap and Smallcap indices are well below their historical averages and provide more valuation comfort.
- What is interesting in the market is that even though the largecap index might have hit all-time highs, but in the broader market companies are still 20-30% away from all time highs. This provides a very interesting opportunity for investors to hunt for value stocks which have still not caught up with the largecap indices performance. This stark difference is all the more visible in the midcap and smallcap space where price catch up is yet to happen.
- As investors in the market, we need to deploy across the sectors and companies which are seeing re-rating due to their quality and consistency of earnings as well as with regard to their entering new uptrend in a cyclical space. We don't see major positive surprises in the corporate earnings in coming quarters but there are selective pockets which could continue to do well. Bulk of our allocation needs to be parked in such space.

## 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

<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 March 29, 2019

<b>Regular - Growth</b>	: ₹10.4203
<b>Regular - Dividend</b>	: ₹10.4203
<b>Direct - Growth</b>	: ₹10.5347
<b>Direct - Dividend</b>	: ₹10.5347

## AUM as on March 31, 2019

<b>Net AUM</b>	: ₹ 480.05 crore
<b>Monthly Average</b>	: ₹ 472.23 crore
<b>AUM</b>	

## Total Expense Ratio

<b>Regular Plan</b>	: 2.39% p.a.
<b>Direct Plan</b>	: 1.16% 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

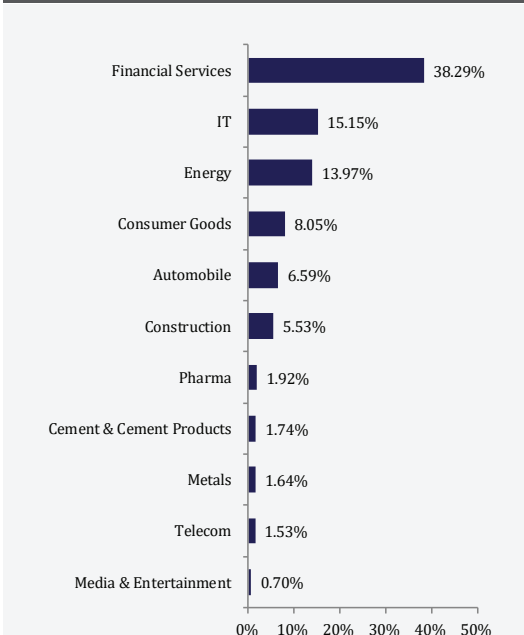
#Since the scheme has not completed 3 years volatility measures has not been provided.

## Portfolio as on March 31, 2019

Company Name	Industry	% to Net Assets
<b>Equity &amp; Equity Related Total</b>		
HDFC Bank Limited	Banks	10.23
Reliance Industries Limited	Petroleum Products	9.29
Infosys Limited	Software	8.37
Tech Mahindra Limited	Software	6.78
Bajaj Finance Limited	Finance	5.95
State Bank of India	Banks	5.78
ICICI Bank Limited	Banks	5.57
Larsen & Toubro Limited	Construction Project	5.53
Axis Bank Limited	Banks	5.31
Asian Paints Limited	Consumer Non Durables	4.63
Hindustan Unilever Limited	Consumer Non Durables	3.42
Kotak Mahindra Bank Limited	Banks	3.14
NTPC Limited	Power	2.14
Mahindra & Mahindra Limited	Auto	2.11
Cipla Limited	Pharmaceuticals	1.92
Maruti Suzuki India Limited	Auto	1.78
Grasim Industries Limited	Cement	1.74
Tata Steel Limited	Ferrous Metals	1.64
Oil & Natural Gas Corporation Limited	Oil	1.58
Bharti Airtel Limited	Telecom - Services	1.53
Tata Motors Limited	Auto	1.42
Bajaj Finserv Limited	Finance	1.32
Hero MotoCorp Limited	Auto	1.28
Yes Bank Limited	Banks	0.99
GAIL (India) Limited	Gas	0.96
Zee Entertainment Enterprises Limited	Media & Entertainment	0.70
<b>Derivatives</b>		
Nifty 50 Index 10800 Put June 2019 Option		0.79
Nifty 50 Index 10700 Put June 2019 Option		0.71
<b>Sub Total</b>		<b>96.61</b>
TREPS##		0.80
Net Receivables / (Payables)		2.59
<b>Portfolio Total</b>		<b>100.00</b>

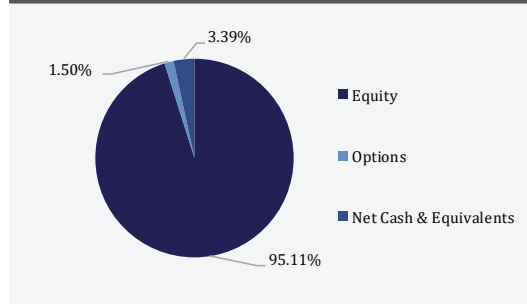
##With effect from November 05, 2018, Triparty Repo has replaced CBLs for all schemes with provisions to invest in CBLO.

## Sector Allocation^^

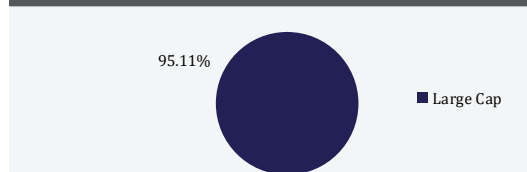


^^Sector allocation as per AMFI classification

## Asset Allocation^



## Market Capitalisation wise Exposure^



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 March 31, 2019

## HEDGING- UPDATE

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

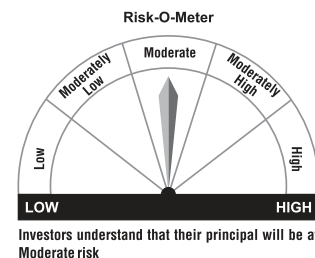
As long dated Nifty 50 puts can only be purchased at a strike price in the multiples of Rs. 100, the Scheme has partially purchased Nifty 50 Puts at 10700 and 10800 strike prices respectively.

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 Chola mandalam 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** : IIFDBBIN  
**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 March 29, 2019

**Regular Plan Growth** : ₹14.7624  
**Regular Plan Bonus** : ₹14.7624  
**Regular Quarterly Dividend** : ₹14.2456  
**Regular Half Yearly Dividend** : ₹14.2456  
**Regular Monthly Dividend** : ₹11.5075  
**Direct Plan Growth** : ₹15.2269  
**Direct Monthly Dividend** : ₹11.9256

\*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 March 31, 2019

**Net AUM** : ₹ 345.83 crore  
**Monthly Average AUM** : ₹ 355.19 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.

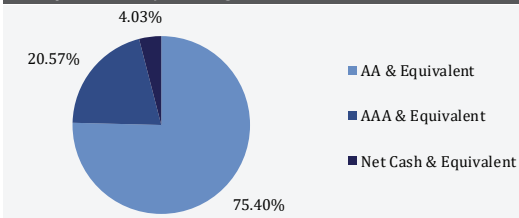
## Statistical Debt Indicators

**Modified Duration** : 1.56 years  
**Average Maturity** : 1.89 years  
**Yield to Maturity** : 9.12%

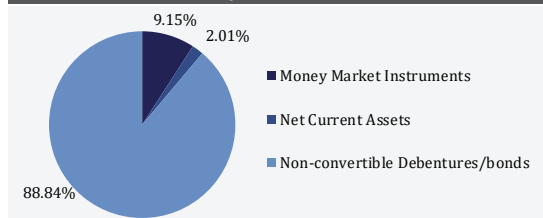
## Portfolio as on March 31, 2019

Name of the Instrument	Rating	% to Net Assets	Name of the Instrument	Rating	% to Net Assets
<b>Debt Instruments</b>					
<b>Non-convertible Debentures/bonds</b>			<b>88.84</b>		
4.00% HPCL Mittal Energy Limited	ICRA AA+	7.44	7.63% PNB Housing Finance Limited	CARE AAA	2.81
9.55% Hindalco Industries Limited	CRISIL AA	7.39	ECL Finance Limited	CARE AA	1.84
8.50% Vedanta Limited	CRISIL AA	7.12	8.20% Housing Development Finance Corporation Limited	CRISIL AAA	1.45
8.75% Muthoot Finance Limited	CRISIL AA	7.04	9.48% Bank of Baroda	CARE AA	1.45
8.25% EID Parry India Limited	CRISIL AA-	6.86	8.48% U.P. Power Corporation Limited	FITCH AA(SO)	0.62
JM Financial Credit Solution Limited	ICRA AA	6.16	9.15% SP Jammu Udhampur Highway Limited	ICRA AAA(SO)	0.52
7.70% L & T Housing Finance	ICRA AAA	5.72	9.00% State Bank of India	CRISIL AA+	0.43
Aditya Birla Fashion and Retail Limited	CRISIL AA	5.24	9.90% Tata Motors Limited	ICRA AA	0.29
10.25% Hansdeep Industries & Trading Company Limited	CARE AA-(SO)	4.39	12.00% ECL Finance Limited	CARE AA	0.29
9.75% Edelweiss Housing Finance Limited	ICRA AA	4.09	9.35% IDFC First Bank Limited	ICRA AA+	0.03
9.15% Birla Corporation Limited	ICRA AA	3.36	9.45% State Bank of India	CRISIL AAA	0.01
8.32% Power Grid Corporation of India Limited	CRISIL AAA	2.93	<b>Certificate of Deposit</b>		
8.15% Energy Efficiency Services Limited	ICRA AA-	2.86	ICICI Bank Limited	ICRA A1+	7.13
9.80% ECL Finance Limited	ICRA AA	2.85	<b>TREPS** / Reverse Repo</b>		
8.75% Axis Bank Limited	CRISIL AA+	2.83	TREPS**		2.02
7.90% Piramal Enterprises Limited	ICRA AA	2.82	<b>Sub Total</b>		
			<b>97.99</b>		
			<b>Net Current Assets</b>		
			<b>2.01</b>		
			<b>Portfolio Total</b>		
			<b>100.00</b>		

## 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-Mar-19	0.05	11.4744	11.8906
26-Feb-19	0.05	11.4002	11.8061
29-Jan-19	0.05	11.4041	11.8024

## Quarterly Dividend Plan

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

04-Jun-15	0.4	11.4678	
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Dividend is gross dividend. To arrive at the net dividend payable for corporate and non-corporate investors applicable dividend distribution tax, if any, needs to be adjusted respectively. Past performance may or may not be sustained in future. After payment of dividend the NAV has fallen to the extent of payout and distribution taxes if applicable. Monthly Dividend is not assured and is subject to availability of distributable surplus.

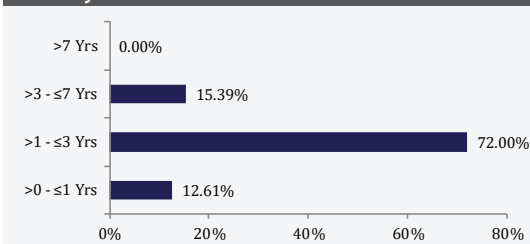
## Scheme Performance

	31-Mar-18 to 31-Mar-19	PTP (₹)	31-Mar-16 to 31-Mar-19	PTP (₹)	31-Mar-14 to 31-Mar-19	PTP (₹)	Since Inception <sup>§</sup>	PTP (₹)
IIFL Dynamic Bond Fund - Growth	6.04%	10,606	6.74%	12,157	8.42%	14,988	6.99%	14,762
IIFL Dynamic Bond Fund - Dir - Growth	6.73%	10,675	7.35%	12,366	9.01%	15,401	7.57%	15,229
Benchmark*	6.72%	10,674	7.61%	12,456	9.10%	15,464	8.02%	15,600
Additional Benchmark**	6.82%	10,684	5.99%	11,903	8.05%	14,734	6.14%	14,099

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

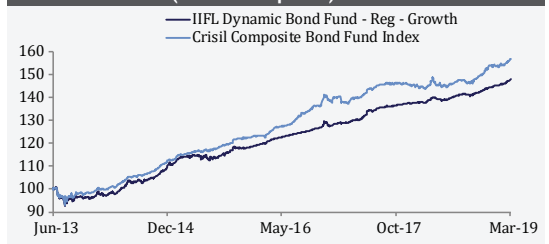
As on March 31, 2019\* Crisil Composite Bond Fund Index,\*\* Crisil 10yr Gilt Index; Point to Point (PTP) returns in ₹ is based on standard investment of ₹ 10,000 made on the inception date; §Inception date 24-June-2013; Effective March 08 2017, Mr. Ankur Parekh has been appointed as Fund Manager of the scheme. The Scheme was managed till March 07, 2017 by Mr Ritesh Jain

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



<sup>^</sup>As on Mar 31, 2019

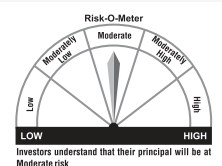
## NAV Movement (Since Inception) Rebased to 100



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

- Income and long term gains
- Investment in a range of debt and money market instruments of various maturities
- Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

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



## Fund Commentary

- Bond yields at the end of the financial year eased a tad with the support of Open Market Operations (OMOs) by RBI and durable liquidity management. Yields relieved in anticipation of one more rate cut by RBI in its 1st bi monthly policy of FY2020. The interest rates cut is likely due to low inflation and growth concerns in the economy. Although, India remains as one of the high growth economy comparatively, the spillover from the weaker global growth and lagged effects of tighter domestic financial conditions in 2018 has paused tailwinds ahead. The fall in yields is limited as the new financial year starts with heavy borrowing program from Central government. RBI is likely to prioritise growth over benign inflation and is likely to deliver rate cuts in coming months. On the global front US Fed halted its rate hike cycle for the rest of the year, resulting in sharp correction of US Treasury yields but the global commodity prices and Crude prices kept shooting high, which will keep the pressure on Indian rates market. Yield on gilt securities declined in the range of 6 to 25 bps across maturities.
- The 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. The rupee rose against the U.S. dollar during the month under review following gains in the domestic equity market. Downbeat U.S. jobs data for Feb 2019 lower the possibility of any further rate hikes by the U.S. Federal Reserve, which added to the weakness of greenback. The rupee rose against the greenback as India's trade deficit narrowed to \$9.6 billion in Feb, the lowest since Sep 2017. The bond yields are expected to remain under pressure as the heavy supply of bonds will be initiated with the beginning of financial year, the borrowing calendar is more skewed towards the first half of the financial year unlike the previous year. The inflation seems to have bottomed out and the higher probability of 'el nino' forecast by mat department may inflate the headwinds going forward.
- 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 are 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 March 29, 2019

**Regular Plan Growth** : ₹1458.9903  
**Regular Plan Weekly** : ₹1006.0617  
**Dividend**  
**Regular Plan Daily** : ₹1000.5229  
**Dividend**  
**Direct Plan Growth** : ₹1462.9255  
**Direct Plan Dividend** : ₹1000.4481

## AUM as on March 31, 2019

**Net AUM** : ₹ 480.80 crore  
**Monthly Average AUM** : ₹ 600.63 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** : 36 days  
**Average Maturity** : 37 days  
**Yield to Maturity** : 6.88%

## Portfolio as on March 31, 2019

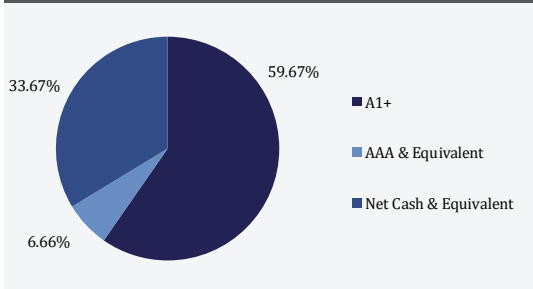
Name of the Instrument	Rating	% to Net Assets	Name of the Instrument	Rating	% to Net Assets
<b>Debt Instruments</b>			<b>Commercial Paper</b>		
<b>Non-convertible Debentures/bonds</b>			NTPC Limited	ICRA A1+	10.33%
LIC Housing Finance Limited	CRISIL AAA	6.66%	National Bank For Agriculture and Rural Development	ICRA A1+	10.29%
<b>Sub Total</b>		<b>6.66%</b>	Reliance Industries Limited	CRISIL A1+	10.28%
<b>Money Market Instruments</b>			<b>Sub Total</b>		<b>30.90%</b>
<b>Certificate of Deposit</b>			<b>TREPS<sup>##</sup> / Reverse Repo</b>		
ICICI Bank Limited	ICRA A1+	10.29%	TREPS <sup>##</sup>		32.73%
IndusInd Bank Limited	CRISIL A1+	8.21%	<b>Sub Total</b>		<b>32.73%</b>
Small Industries Dev Bank of India	CARE A1+	5.14%	<b>Net Receivables / (Payables)</b>		<b>0.94%</b>
Kotak Mahindra Bank Limited	CRISIL A1+	5.13%	<b>Portfolio Total</b>		<b>100.00%</b>
<b>Sub Total</b>		<b>28.77%</b>			

## Scheme Performance

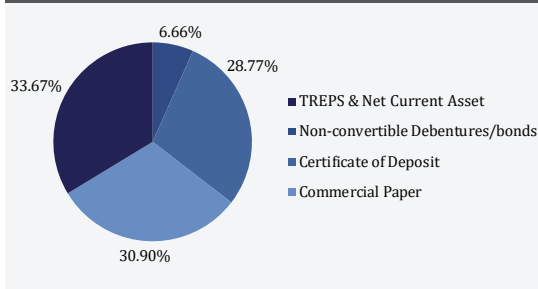
	31-Mar-18 to 31-Mar-19	PTP(₹)	31-Mar-16 to 31-Mar-19	PTP(₹)	31-Mar-14 to 31-Mar-19	PTP(₹)	Since Inception <sup>s</sup>	PTP (₹)
IIFL Liquid Fund - Reg - Growth	6.83%	10,689	6.64%	12,127	7.21%	14,175	7.28%	14,595
IIFL Liquid Fund - Dir - Growth	6.88%	10,694	6.70%	12,148	7.26%	14,208	7.33%	14,632
Benchmark*	7.62%	10,769	7.19%	12,316	7.72%	14,516	7.86%	15,025
Additional Benchmark**	7.12%	10,712	6.72%	12,154	7.36%	14,265	7.51%	14,766

Past performance may or may not be sustained in future. Different plans shall have different expense structure. As on March 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 S inception date 13-Nov-2013; Effective March 08 2017, Mr. Ankur Parekh has been appointed as Fund Manager of the scheme. The Scheme was managed till March 07, 2017 by Mr Ritesh Jain

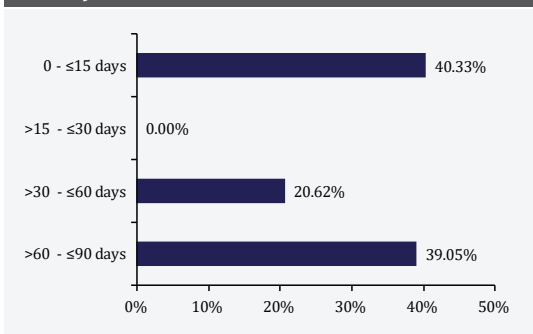
## Composition by Rating<sup>^</sup>



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

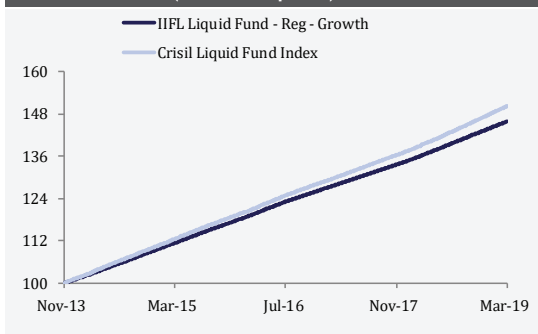


## Maturity Profile<sup>^</sup>



<sup>^</sup>As on Mar 31, 2019

## NAV Movement (Since Inception) Rebased to 100

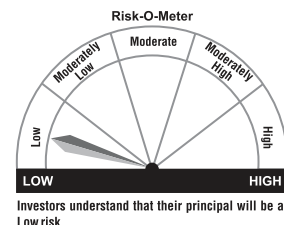


## THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING\*

- 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.

<sup>##</sup>With effect from November 05, 2018, Triparty Repo has replaced CBLOs for all schemes with provisions to invest in CBLO.



## 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.