IIFL ASSET MANAGEMENT

MONTHLY FACTSHEET

DECEMBER 2020

IIFL ASSET MANAGEMENT

Macro Economy & Event Update

- Global equity markets rallied during the month under review which came primarily on hopes that the much awaited COVID-19 vaccine would become available in 2021. The current pipeline of expected COVID-19 vaccine rollouts made market participants hopeful of the widespread availability of the same across the globe in the near term. Several prominent multinational pharmaceutical corporations have applied for emergency authorization of their vaccines to the U.S. and Europe Union after clinical trials showed that the vaccines were more than 90% effective with no serious safety concern. The easing uncertainty following the outcome of the U.S. Presidential elections fuelled hopes of an orderly peaceful transition for the new U.S. Administration which also contributed to the upside.
- Equity markets in U.S. rose in Nov 2020 as market participants pinned their hopes on the availability of a potential coronavirus vaccine. Expectations that the presidential transition in the U.S. will be an orderly one also added to the gains.
- European equity markets too mirrored its counterparts in U.S. which can be attributed to gradually improving macroeconomic data across the globe. Market participants also grew hopeful of a COVID-19 vaccine led swift economic turnaround.
- Asian equity markets also joined the global rally as optimism over potential COVID-19 vaccines kept the underlying market sentiment upbeat. Upbeat manufacturing activity data from the U.S, Europe and China eased concerns over COVID-19 pandemic which further boosted market sentiments. However, increase in global coronavirus infection cases capped the gains.
- Back home, domestic equity markets surged, with key benchmark indices touching all time closing highs during the month as promising COVID-19 vaccine trial results continued to fan hopes of a quicker economic rebound from the onslaught of the COVID-19 pandemic.
- Bond yields rose marginally after moving in a range during the month. Overall market remained muted during most part of the month due to absence of any major trigger and hence market participants preferred to remain on the sidelines.
- Moving ahead, the developments surrounding the COVID-19 vaccine will remain in sharp focus as the availability of the same across all pockets of the country will kickstart the real global economic recovery process. Lastly, the policy stance of the new U.S. President elect regarding the international trade ties with other nations will also have its bearing on the market sentiment. Bond yields moving ahead will be dictated as to how the RBI goes about in conducting the OMOs and the amount of government securities they are able to absorb.

Key Economic Indicators

Indicators	Current	Previous
WPI (Oct-20)	1.48%	1.32%
IIP (Sep-20)	0.20%	-7.37%
CPI (Oct-20)	7.61%	7.27%

Source: Refinitiv

GDP of the Indian economy contracts 7.5% in Q2FY21

- Government data showed that gross domestic product (GDP) of the Indian economy at constant (2011-12) prices witnessed a contraction of 7.5% in the second quarter of FY21 as compared to a contraction of 23.9% in the preceding quarter and a growth of 4.4% in the same period of the previous year. All the sectors witnessed contraction in economic activity barring the manufacturing sector, agriculture sector and electricity, gas, water supply and other utility services sector. The manufacturing sector witnessed a growth of 0.6% in Q2FY21 as compared to a contraction of 39.3% in the preceding quarter and a contraction of 0.6% in the same period of the previous year. The agriculture sector witnessed a growth of 3.4% in Q2FY21 same as that of the preceding quarter and a growth of 3.5% in the same quarter of the previous year. According to reports, the country has now entered a "technical recession" for the first time since independence in 1947.

India’s IIP up 0.2% YoY in Sep 2020

- Index of Industrial production (IIP) inched up 0.2% YoY in Sep 2020 after falling in the previous six months and 4.6% fall in Sep 2019. Marginal rise in output was mainly on account of higher output in mining and power sectors. Mining and power output increased 1.4% and 4.9%, respectively. The manufacturing sector showed a fall of 0.6%.

India's retail inflation hit 6.5% – year high of 7.61% in Oct 2020

- India's consumer price index-based inflation accelerated for the second consecutive month to 7.61% YoY in Oct 2020 from 7.27% in Sep 2020 due to elevated food prices. Consumer Food Price Index (CFPI) rose to 11.07% YoY in Oct 2020 from 10.68% in the prior month. Vegetables and pulses inflation stood at 22.51% and 18.34% respectively.

India's infrastructure output contracted 2.5% in Oct 2020

- India's infrastructure output contracted 2.5% in Oct 2020 as compared to a contraction of 0.1% in Sep 2020 and a contraction of 5.5% in the same period of the previous year. The refinery products sector witnessed the maximum contraction of 17.0% followed by natural gas sector and crude oil sector which contracted 8.6% and 6.2% respectively. The sectors which witnessed expansion over the month are coal, fertilizers, cement and electricity sector which grew 11.6%, 6.3%, 2.8% and 10.5% respectively. For the period from Apr to Oct of 2020, India's infrastructure output contracted 13.0% as compared to a growth of 0.3% in the same period of the previous year.

India's WPI rose to an 8-month high of 1.48% in Oct 2020

- India's wholesale Price Index (WPI) based inflation accelerated for the third straight month and touched 8-month high at 1.48% in Oct 2020 from 1.32% in the previous month led by manufactured items. WPI for Aug 2020 was revised to 0.41% from 0.16% earlier.

Equity Market

- Indian equity markets surged, with key benchmark indices touching all time closing highs during the month. Both Sensex and Nifty surpassed the 44,000 and 13,000 mark, respectively. Factors which contributed to the rally include positive development on the COVID-19 vaccine front, favourable outcome of the U.S. presidential election. Further, gains were extended by strong foreign fund inflow in domestic equities, which stood over Rs 60,000 crore and have already breached Aug record of Rs 47,080 crore inflows. Better-than-expected earnings in Sep quarter by Indian companies continued to boost the investors' confidence. Nonetheless, gains were restricted by persisting worries over rising coronavirus cases worldwide.
- U.S. markets went up, with investor sentiments largely dominated by the developments and favourable outcome of the U.S. Presidential election. Acceleration in ISM based U.S. manufacturing activity in Oct 2020, also pushed up the markets. Market sentiments were also buoyed by upbeat results from a phase 3 study of the coronavirus vaccine developed by a major American multinational pharmaceutical corporation and a German biotechnology company. The vaccine news added to positive sentiment generated in reaction to the news that Democratic candidate won the presidential election. Investors also cheered news about the new President-elect's transition to the White House. Buying interest improved amid hopes of resumption of negotiation over a new COVID-19 stimulus bill following comments from Senate Minority Leader. Gains were restricted as the recent surge in coronavirus cases across U.S. and Europe led to renewed concerns about the economic outlook.
- European markets rose during the month, led by rising optimism over effective coronavirus vaccine. Signs of progress in Brexit negotiations, and strong economic data from China and Japan also contributed to the upside. Relaxation in quarantine restrictions in U.K., higher crude oil prices, upbeat German GDP data, and a drop in new coronavirus cases in France, further boosted sentiment.
- Asian markets also witnessed buying spree as upbeat manufacturing activity data from the U.S, Europe and China eased concerns over COVID-19. Investors also took positive cues from reports of U.S. Democratic candidate's victory in the U.S. Presidential election. Optimism over COVID-19 vaccine and receding U.S. political uncertainty contributed to the upside. Markets took positive cues from reports by WHO showing that the signs that the COVID-19 infection rate has slowed down in Europe. Nonetheless, unexpected uptick in U.S. jobless claims and worries over surge in global coronavirus cases restricted the gains.
- Although, the economic activity remained in contraction during the Sep quarter, the same improved compared with sharp contraction in the preceding quarter. Investors are expected to take positive cues from the same as they are expecting gradual improvement in economic activity over the coming quarters. However, slow credit intermediation will hamper the pace of recovery because of an already weakened financial sector. Market participants are also expecting availability of COVID-19 vaccine as early as first quarter of 2021 and accordingly tracking developments on the same. Lastly, the policy stance of the new U.S. President elect regarding the international trade ties with other nations will be closely watched by the investors.

Domestic Indices Performance

Indicators	27-Nov-20	30-Oct-20	Chg %	YTD%
S&P BSE Sensex	44,150	39,614	11.45	7.02
Nifty 50	12,969	11,642	11.39	6.58
S&P BSE 200	5,481	4,910	11.62	7.92
Nifty Midcap 100	19,715	17,067	15.52	15.28
Nifty Dividend Opportunities 50	2,650	2,411	9.88	4.43
S&P BSE Smallcap	16,875	14,888	13.35	23.18

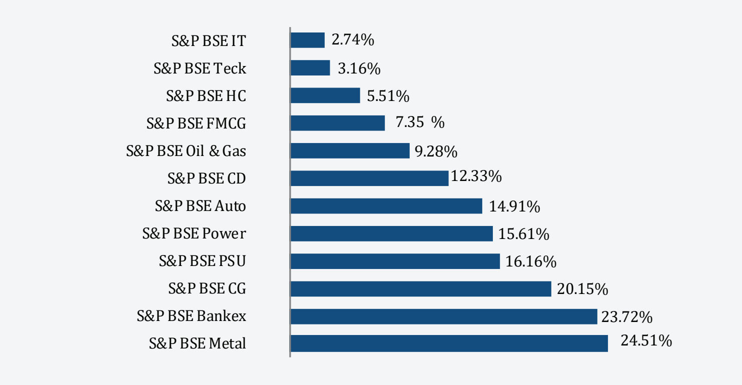
Source: Refinitiv

Global Indices Performance

Global Indices	30-Nov-20	30-Oct-20	Chg %	YTD%
Dow Jones	29,639	26,502	11.84	3.86
FTSE	6,266	5,577	12.35	-16.92
CAC	5,519	4,594	20.12	-7.69
Hang Seng	26,341	24,107	9.27	-6.56
SSE Composite Index	3,392	3,225	5.19	11.20

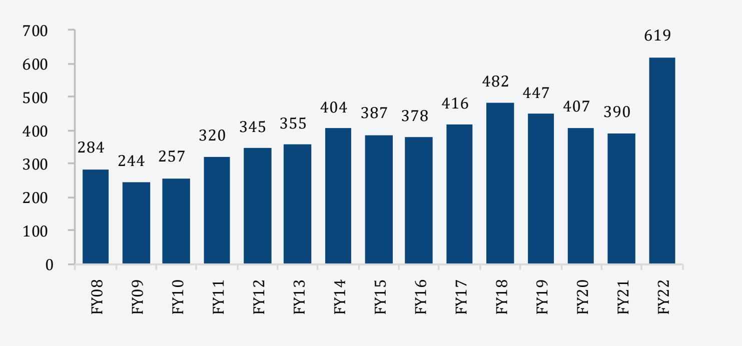
Source: Refinitiv

Sectoral Performance (Monthly Returns %)



Source: Refinitiv

Nifty EPS



Institutional Flows (Equity) As on November 27, 2020

(₹ Cr)	Purchases	Sales	Net	YTD
FPI Flows	201,760	141,402	60,358	108,245
MF Flows*	49,108	79,868	-30,760	-27,622
DII Flows	71,808	120,147	-48,339	2,741

Source:NSDL,NSE & SEBI; * As on November 30, 2020

Debt Market

- Bond yields rose marginally after moving in a range during the month. Overall market remained muted during most part of the month due to absence of any major trigger and hence market participants preferred to remain on the sidelines. Events that triggered yield movement during the month were open market operations, weekly government auction, announcement of new 10-year gilt paper, rise in consumer inflation and fall in the U.S. Treasury yields.

- Yield on gilt securities fell across the maturities in the range of 2 bps to 28 bps, barring 10-year paper which increased 3 bps. Yield on corporate bonds fell across the maturities by up to 26 bps. Difference in spread between corporate bond and gilt securities expanded on 2- to 6-year maturities in the range of 3 to 11 bps and expanded across the remaining maturities in the range of 3 bps to 12 bps.

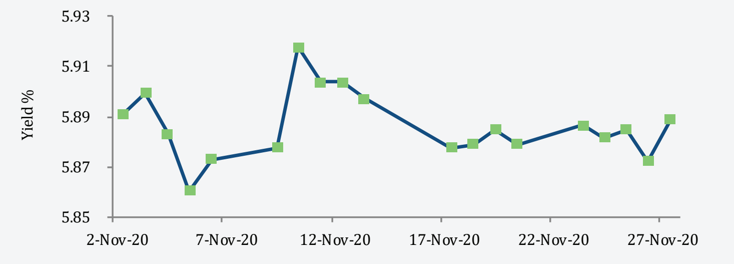
- Market participants will be awaiting Monetary Policy Committee (MPC) meeting decision on Dec 4, 2020. This apart, bond yields moving ahead will be dictated as to how the RBI goes about in conducting the OMOs and the amount of government securities they are able to absorb. The retail inflation numbers will also remain in sharp focus which at present are north of 7% levels. The development surrounding the COVID-19 pandemic will also be closely tracked as the development of a vaccine and its availability across all pockets of the country will kickstart the recovery of the domestic economy. On the global front, crude oil prices, movement of the rupee against the greenback, stance adopted by major global central banks on their respective monetary policies and transaction trends by foreign portfolio investors will also have its impact on the bond yield trajectory.

Currency and Commodity Market

- The Indian rupee strengthened against the U.S. dollar following gains in the domestic equity market and selling of the greenback by foreign banks. The domestic currency rose further supported by an upbeat risk appetite in the region. However, intervention by the Reserve Bank of India through dollar purchases by state-run banks and uncertainty due to U.S. Presidential elections restricted gains.

- Brent crude prices surged on growing optimism that the COVID-19 vaccine will improve the demand outlook of the commodity. Hopes that OPEC and its allies will delay a planned increase in oil output also added to the gains. However, gains were capped after data from the American Petroleum Institute showed that U.S. crude stocks rose by 3.8 million barrels in the week to Nov 20. Additionally, persistent increase in coronavirus infection cases across the globe weighed on the oil prices as the same led to worries over fresh round of lockdowns.

10-Year Benchmark Bond (05.77% GS 2030) Movement



Source: Refinitiv

Spread Movement

Spreads		AAA	AA	A
27-Nov-20	1 Yr	140	317	263
	3 Yr	82	289	315
	5 Yr	125	318	215
29-Oct-20	1 Yr	149	349	263
	3 Yr	75	290	322
	5 Yr	123	304	222

Source: Refinitiv

Yield (%)	27-Nov-20	29-Oct-20
10 Year G-Sec	5.91	5.88
5 Year G-Sec	5.08	5.17
Certificate of Deposit		
3-Month	3.22	3.20
6-Month	3.41	3.52
9-Month	3.41	3.49
12-Month	3.57	3.72
Commercial Papers		
3-Month	3.15	3.35
6-Month	3.70	3.85
12-Month	4.00	4.30

Source: Refinitiv

Treasury Bill	27-Nov-20	29-Oct-20
91 Days	2.89	3.19
364 Days	3.33	3.42

Source: CCIL

Event Calendar

Release Date	Release Date	Country
10-Dec-20	ECB Monetary Policy Review	Euro Zone
16-Dec-20	U.S. Federal Reserve Policy Review	U.S.
17-Dec-20	Bank of England Monetary Policy Review	U.K.
18-Dec-20	Bank of Japan Monetary Policy Review	Japan
21-Dec-20	PBoC Interest Rate Decision	China

IIFL Focused Equity Fund (Formerly known as IIFL India Growth Fund)

(An open ended equity scheme investing in maximum 30 multicap stocks)

IIFL ASSET MANAGEMENT

Investment Objective

The investment objective of the scheme is to generate long term capital appreciation for investors from a portfolio of equity and equity related securities. However there can be no assurance or guarantee that the investment objective of the scheme would be achieved.

Fund Manager$ Mr. Mayur Patel

Mr. Mayur Patel has 14 years of work experience including investment management and research experience of more than 10 years. Prior to joining IIFL, he managed equity portfolios of DSP BlackRock Equity Savings Fund and MIP Fund at DSP BlackRock Investment Managers (a joint venture between BlackRock and the DSP Group in India). Mr. Patel joined DSP BlackRock in 2013 as an Equity Analyst responsible for origination and dissemination of ideas across energy, industrials and utilities sectors. Earlier he was associated with Spark Capital as Lead Analyst, Energy in their Institutional Equities division and has also worked with Tata Motors and CRISIL. He is a Chartered Accountant and a CFA charter holder.

Fund Details

Date of Allotment : October 30, 2014
Bloomberg Code : IIFGRRG IN
Benchmark Index : S&P BSE 200 TRI^
Plans Offered : Regular & Direct
Options Offered : Growth & Dividend

Minimum Application:

New Purchase : ₹5,000 and in multiples of ₹100 thereafter

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

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

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

Entry Load : NIL

Exit Load : 1% - if redeemed/switched out, on or before 12 months from the date of allotment w.e.f April 02, 2019.

Dematerialization : D-Mat Option Available

Portfolio Turnover Ratio (based on 1 year monthly data) : 0.64 times

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

NAV as on November 27, 2020

Regular - Growth : ₹21.1349
Regular - Dividend : ₹18.6987
Direct - Growth : ₹22.8503
Direct - Dividend : ₹22.6170

AUM as on November 30, 2020

Net AUM : ₹ 1210.26 crore
Monthly Average AUM : ₹ 1131.34 crore

Total Expense Ratio

Regular Plan : 2.18% p.a.
Direct Plan : 0.90% p.a.

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

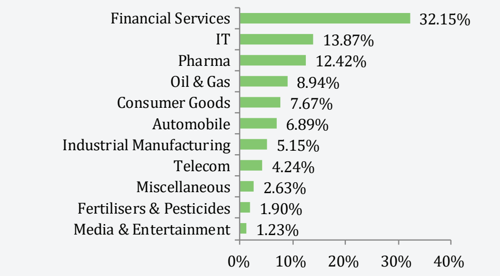
Volatility Measures

Volatility Measures	Fund	Benchmark
Std. Dev (Annualised)	19.94%	17.97%
Sharpe Ratio	0.55	0.43
Portfolio Beta	1.04	1.00
R Squared	0.88	NA
Treynor	0.11	0.08

Portfolio as on November 30, 2020

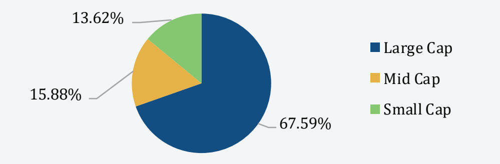
Company Name	Sector	% to Net Assets
Equity & Equity Related Total		
ICICI Bank Limited	Financial Services	9.65
HDFC Bank Limited	Financial Services	6.69
Infosys Limited	IT	5.59
Bajaj Finance Limited	Financial Services	5.48
Mahindra & Mahindra Limited	Automobile	4.42
Bharti Airtel Limited	Telecom	4.24
Crompton Greaves Consumer Electricals Limited	Consumer Goods	4.13
Larsen & Toubro Infotech Limited	IT	4.05
Dr. Reddy's Laboratories Limited	Pharma	3.98
Axis Bank Limited	Financial Services	3.89
Procter & Gamble Health Limited	Pharma	3.68
Divi's Laboratories Limited	Pharma	3.66
SRF Limited	Industrial Manufacturing	3.30
Reliance Industries Limited	Oil & Gas	2.91
Cyient Limited	IT	2.68
Apollo Tricoat Tubes Limited	Miscellaneous	2.63
Balkrishna Industries Limited	Automobile	2.47
Muthoot Finance Limited	Financial Services	2.46
Bharat Petroleum Corporation Limited	Oil & Gas	2.36
Asian Paints Limited	Consumer Goods	2.10
Aavas Financiers Limited	Financial Services	2.06
Mahanagar Gas Limited	Oil & Gas	2.02
ICICI Lombard General Insurance Company Limited	Financial Services	1.92
Coromandel International Limited	Fertilisers & Pesticides	1.90
EPL Limited	Industrial Manufacturing	1.85
Petronet LNG Limited	Oil & Gas	1.65
Tata Elxsi Limited	IT	1.55
Britannia Industries Limited	Consumer Goods	1.44
INOX Leisure Limited	Media & Entertainment	1.23
Abbott India Limited	Pharma	1.10
Sub Total		**97.09**
TREPS##		3.01
Net Receivables / (Payables)		-0.10
Portfolio Total		**100.00**

Sector Allocation^^



^^Sector allocation as per AMFI classification

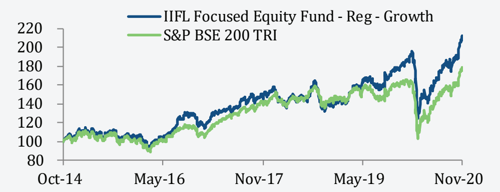
Market Capitalisation wise Exposure^



a. Large Cap Companies: 1st -100th company in terms of full market capitalization
b. Mid Cap Companies: 101st -250th company in terms of full market capitalization
c. Small Cap Companies : 251st company onwards in terms of full market capitalization
The consolidated list of stocks in terms of full market capitalization is as per the list uploaded by AMFI, in terms of SEBI circulars dated October 6, 2017 and December 4, 2017.

^as on November 30, 2020

NAV Movement (Since Inception) Rebased to 100



Scheme Performance

	30-Nov-19 to 30-Nov-20	PTP (₹)	30-Nov-17 to 30-Nov-20	PTP (₹)	30-Nov-15 to 30-Nov-20	PTP (₹)	Since Inception$	PTP (₹)
IIFL Focused Equity Fund - Reg - Growth	18.88%	11,882	11.86%	13,988	14.65%	19,802	13.09%	21,132
IIFL Focused Equity Fund - Dir - Growth	20.53%	12,047	13.50%	14,611	16.14%	21,122	14.55%	22,846
Benchmark*	10.12%	11,009	7.97%	12,581	11.69%	17,376	9.93%	17,786
Additional Benchmark**	9.54%	10,951	11.35%	13,798	12.46%	17,983	9.59%	17,454

Past performance may or may not be sustained in future.
Different plans shall have different expense structure.
As on November 30, 2020 ; 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 11, 2019.
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-Nov-19 to 30-Nov-20	30-Nov-17 to 30-Nov-20	30-Nov-15 to 30-Nov-20	Since Inception
Total Amount Invested (₹)	1,20,000	3,60,000	6,00,000	7,20,000
Total Value as on Nov 30, 2020(₹)	1,49,824	4,83,991	9,00,322	11,34,367
Returns	50.10%	20.31%	16.29%	15.05%
Total Value of Benchmark: S&P BSE 200 TRI (₹)	1,46,682	4,33,865	8,06,691	10,08,750
Benchmark: S&P BSE 200 TRI	44.55%	12.57%	11.82%	11.15%
Total Value of Benchmark: S&P BSE Sensex TRI (₹)	1,46,297	4,44,530	8,41,186	10,46,644
Additional Benchmark: S&P BSE Sensex TRI	43.87%	14.26%	13.52%	12.37%
(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 11, 2019.
The performance of the scheme is benchmarked to the Total Return variant of the Index.

Dividend Details

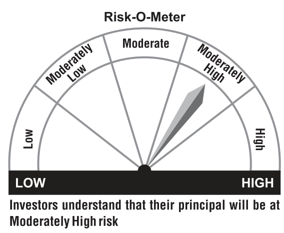
	Record Date	Face Value (₹)	Cum Dividend NAV (₹) As on Feb 15, 2017	Dividend Per Unit
Regular Plan	15-Feb-17	10	12.7777	1.50
Direct Plan	15-Feb-17	10	13.0738	0.17

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 in if 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

Post a strong October where the Nifty 50 Index gained 3.5%, the Sensex and Nifty 50 indices touched all-time-high levels in the month of November. These indices gained 11%, led by positive developments on Covid-19 vaccinations, normalization of economic activity supported by pent-up and festive demand and a better-than-expected 2QFY21 results season. S&P BSE Midcap Index gained 13.5% and S&P BSE Smallcap Index gained 13.3%. Among sector indices, the BSE Metal index gained 24.5%, followed by S&P BSE Bankex Index (+24%) and S&P BSE Capital Goods Index (+20%).

COVID-19 infections appear to have peaked, high-frequency growth indicators are coming in strong, government policy action is beating expectations, and companies are picking up activity through the pandemic. Moreover, there are strong indications that a vaccine or multiple vaccines could hit the market sometime next year. Along with this high frequency data such as manufacturing PMI, power demand, GST collections, rail freight and unemployment numbers all point towards a gradual pick up in the economy.

Inflation is going to be a bit sticky over the next few months and hence we feel that the RBI might pause for some time. Therefore, the downward rate cycle seems to have taken a breather. However, just to keep in mind that since the pandemic and subsequent lockdowns beginning in March, the RBI has eased rates by 115 bps, taking the cumulative easing since 2019 to 250 bps.

Housing finance companies have seen record inquiries and disbursements in the month of October and November. Real estate companies are seeing sales pick up across the length and breadth of the country. With the cost of owning a home coming down by 15-25% on an EMI basis (combination of home prices declining and lowering of lending rates), the average Indian is seeing an opportunity to own a home. This has led to strong momentum in steel and cement demand in the country.

Lastly, just as we did last month, we would like to highlight that markets in India are nicely poised for quality cyclicals to do well. Indian banking system has witnessed a major acid test during the COVID-19 crisis. Most of the private banks as well as SBI have shown remarkable resilience on asset quality both on retail and corporate side. Of course, there will incremental credit costs that will arise due to the pandemic. However, will strong underwriting capabilities and comfortable capital buffer, these banks should ideally come out of this problem largely unscathed. This coupled with reasonable valuations makes a strong case for Financial Services to do well.

Our portfolio and thinking going forward

We reaffirm that time for revival in different sectors and businesses shall be different and that lower ticket discretionary might perform better than large ticket discretionary. With strong earnings momentum in the coming quarters in these sectors we confident of the stock selection we have. Moreover, we have a few rural theme stocks as well in the portfolio that will benefit from increased rural cash flows and faster recovery. With opening of economy, easing supply side constraints and an expected announcement of a stimulus by the government in the coming weeks, positive sentiment towards the Indian equities may draw interest from market participants. As mentioned earlier, our goal is to own a collection of quality portfolio companies. Majority of the portfolio stocks we own have durable business moats, experienced managements, low leverage and prudent capital allocation. As a team, we are constantly trying to scout for stocks that meet the above criterion.

Note

$Mr. Mayur Patel, has been designated as Fund Manager for IIFL Focused Equity Fund and Mr. Prashasta Seth ceases to be Fund Manager for IIFL Focused Equity Fund w.e.f Nov 11, 2019

Disclaimer

IIFL Dynamic Bond Fund

(An open ended dynamic debt scheme investing across duration)

IIFL ASSET MANAGEMENT

Investment Objective

The investment objective of the scheme is to generate income and long term gains by investing in a range of debt and money market instruments of various maturities. The scheme will seek to flexibly manage its investment across the maturity spectrum with a view to optimize the risk return proposition for the investors.

Fund Manager Mr. Ankur Parekh

Mr. Ankur Parekh has over 17 years of work experience in the Fixed income securities market. His previous experience include working with SBI DFHI primary Dealership firm and DBS Cholamandalam AMC. Prior to joining IIFL AMC he was associated with Reliance Capital AMC as Fund Manager – EPFO for seven years. He is commerce graduate and has done his Masters in Business Administration from Bharthihar University, Tamilnadu. Mr Parekh has been managing the scheme since March 08, 2017.

Fund Details

Date of Allotment	: June 24, 2013
Bloomberg Code	: IIFDBDBIN
Benchmark Index	: CRISIL Composite Bond Fund Index
Plans Offered	: Regular & Direct
Options Offered	: Growth & Dividend
Minimum Application Amount	:
New Purchase	: ₹10,000 and in multiples of ₹100 thereafter
Additional Purchase	: ₹1,000 and in multiples of ₹100 thereafter
Monthly SIP Option	: ₹1,000 per month for a minimum period of 6 months
Quarterly SIP Option	: ₹1,500 per quarter for a minimum period of 4 quarters
Entry Load	: Nil
Exit Load	: Nil^

^The revised exit load as mentioned above shall be applicable on a prospective basis and will be applicable to all investments made on or after July 6, 2020 ("effective date").

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 November 27, 2020

Regular Plan Growth	: ₹16.7431
#Regular Plan Bonus	: ₹16.7431
Regular Quarterly Dividend	: ₹16.1570
#Regular Half Yearly Dividend	: ₹16.1570
#Regular Monthly Dividend	: ₹11.9825
Direct Plan Growth	: ₹17.4490
Direct Monthly Dividend	: ₹12.5910

#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 November 30, 2020

Net AUM	: ₹ 654.56 crore
Monthly Average AUM	: ₹ 639.38 crore

Total Expense Ratio

Regular Plan	: 1.07% p.a.
Direct Plan	: 0.57% p.a.

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

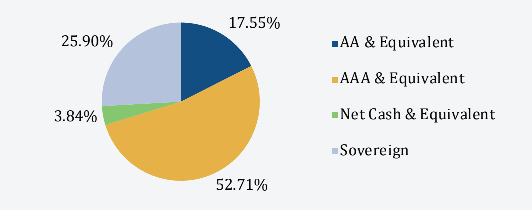
Statistical Debt Indicators

Macaulay Duration	: 2.24 years
Modified Duration	: 2.15 years
Average Maturity	: 2.87 years
Yield to Maturity	: 5.03%

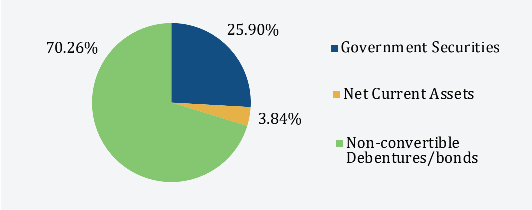
Portfolio as on November 30, 2020

Name of the Instrument	Rating	% to Net Assets
Debt Instruments		
Sovereign Securities		**25.90**
9.15% Government of India	SOVEREIGN	8.78
7.32% Government of India	SOVEREIGN	7.46
6.18% Government of India	SOVEREIGN	4.01
7.35% Government of India	SOVEREIGN	1.66
5.75% State Government Securities	SOVEREIGN	1.57
5.6% State Government Securities	SOVEREIGN	1.56
8.4% Government of India	SOVEREIGN	0.86
Non-Convertible Debentures/Bonds		**70.26**
6.72% Power Finance Corporation Limited	CRISIL AAA	7.59
8.75% Axis Bank Limited	CRISIL AA+	7.08
8.9% State Bank of India	CRISIL AAA	6.77
Embassy Office Park REIT	CRISIL AAA	5.46
7.12% REC Limited	CRISIL AAA	4.98
9.15% ICICI Bank Limited	ICRA AA+	4.89
6.4% National Bank For Agriculture and Rural Development	ICRA AAA	4.80
Tata Capital Housing Finance Limited	CRISIL AAA	3.86
7.2% Sikka Ports and Terminals Limited	CRISIL AAA	3.22
7.25% Embassy Office Park REIT	CRISIL AAA	3.14
8.95% Jamnagar Utilities & Power Private Limited	CRISIL AAA	2.49
7.75% LIC Housing Finance Limited	CRISIL AAA	2.46
6.99% Housing Development Finance Corporation Limited	CRISIL AAA	2.40
6.92% REC Limited	CRISIL AAA	2.40
8.4% India Grid Trust InvIT Fund	CRISIL AAA	2.34
8.55% ICICI Bank Limited	ICRA AA+	1.59
9.2% ICICI Bank Limited	ICRA AA+	1.59
8.15% State Bank of India	CRISIL AA+	1.58
8.85% HDFC Bank Limited	CRISIL AA+	0.80
8.85% India Grid Trust InvIT Fund	CRISIL AAA	0.80
9.35% IDFC First Bank Limited	ICRA AA	0.02
TREPS## / Reverse Repo		
TREPS##		5.68
Net Current Assets		-1.84
Portfolio Total		**100.00**

Composition by Rating^



Instrument Wise Composition^



Dividend Declared - Monthly Dividend Plan

Date	Gross Dividend (₹) (Per Unit)	Regular Plan NAV (₹) (Ex-Dividend)	Direct Plan NAV (₹) (Ex-Dividend)
24-Nov-20	0.05	12.0051	12.6115
27-Oct-20	0.05	11.9269	12.5221
29-Sep-20	0.05	11.8323	12.4156
Quarterly Dividend Plan			
04-Jun-15	0.4	11.4678	11.5708
Half Yearly Dividend Plan			
04-Jun-15	0.4	11.4678	

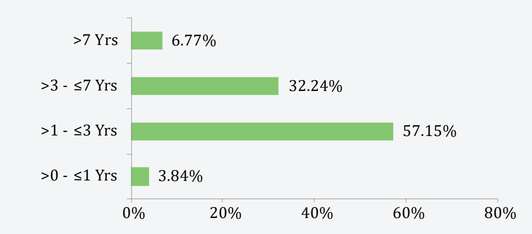
Dividend is gross dividend.To arrive at the net dividend payable for corporate and non-corporate investors applicable dividend distribution tax, if any, needs to be adjusted respectively. Past performance may or may not be sustained in future. After payment of dividend the NAV has fallen to the extent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

Scheme Performance

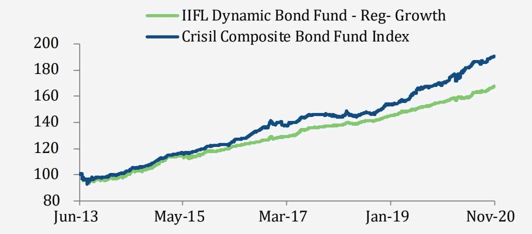
	30-Nov-19 to 30-Nov-20	PTP (₹)	30-Nov-17 to 30-Nov-20	PTP (₹)	30-Nov-15 to 30-Nov-20	PTP (₹)	Since Inception$	PTP (₹)
IIFL Dynamic Bond Fund - Reg - Growth	8.23%	10,821	6.95%	12,229	7.31%	14,227	7.18%	16,743
IIFL Dynamic Bond Fund - Dir - Growth	8.88%	10,885	7.63%	12,463	7.94%	14,649	7.78%	17,452
Benchmark*	12.02%	11,199	9.31%	13,055	9.30%	15,595	8.99%	18,962
Additional Benchmark**	8.51%	10,849	7.91%	12,560	8.07%	14,738	7.20%	16,766

Past performance may or may not be sustained in future
Different plans shall have different expense structure
As on November 30, 2020* 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^



NAV Movement (Since Inception) Rebased to 100



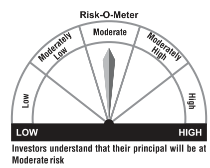
^As on November 30, 2020

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

During the month of November system liquidity surplus remained in excess of Rs 5 trn. The surplus improved due to likely FX intervention by RBI, and a reduction in CRR balance. Owing to the comfortable liquidity conditions, average overnight rates remain low at around 2.80%. Meanwhile, short-term money market rates continue to be well supported by mutual funds. 3M CPs are currently trading around 3-3.20%, while in the secondary market, 3M CP rates were even quoted at 2.95-3.10%. In near term system liquidity surplus is likely to improve as inflows from government spending, redemptions, and coupons are likely to offset auction-related outflows and CIC leakages. Liquidity conditions shall further be supported by RBI's FX intervention on the back of risk-on sentiment. Bond markets traded in a narrow range as investors remained cautious ahead of 2QFY21 GDP reading and MPC meet in first week of December. While yields at the long end have been supported by special OMOs, bond markets remain rangebound owing to elevated inflation and normalizing economic activity, which will make it challenging for the MPC members to continue with the accommodative stance. Overall, the old 10-year benchmark (5.77% GS 2030) ended at 5.91%, even though the shorter end of the curve saw a rally of 4-6 bps given the abundant liquidity surplus. The short end of the corporate bond yield curve continues to rally on the back of demand from mutual funds. Yields at the long end (10-year bond) also moderated by 8 bps, in contrast to a rise of 2-3 bps in 10-year G-Sec yield, owing to a favorable spread. The 10-year corporate bond yield is currently around 6.51%. The MPC as widely expected kept the repo rate unchanged at 4% while maintaining the policy corridor at 65bp, with reverse repo at 3.35%. It reiterated its accommodative stance to continue till it is necessary - at least during the current financial year and into the next financial year. MPCs mentioned its objective is to support growth while ensuring that financial stability is maintained and preserved at all times. The MPC also revised up its inflation projections and growth projections.

Corporate bond yields broadly tracked the movements in G-Sec yield and witnessed some profit booking, due to narrow spreads over G-Sec. Yields of the generic AAA 3-year corporate bond rose by 3 bps during the month but settled on bullish note to end ~ 4.70%. We expect that OMOs in G-Sec and SDLs should provide the needed respite to the bond markets.

October CPI inflation rose to 7.6% as against 7.34% in September amid unseasonal rain led spike in vegetable and pulses prices. Core CPI inched up to 5.8% from 5.4% in September reflecting lockdown-related in elasticities of demand and supply. At the same time, IIP growth marked at 0.2% in September positively for the first time after March 2020. The trend is however encouraging for October and a gradual normalization in economic activity is expected, although recovery may remain uneven. It is expected that October to mark the inflation peak, and if current food price trends persist, November and December should see some cooling off in inflation pressures. The MPC noted that there is some evidence of price pressures spreading and the inflation outlook has turned adverse relative to expectations in the last two months. However, the same is on account of supply-side bottlenecks and large margins being charged to the consumer. MPC expects the Government to cool down price pressure by proactive supply management strategies to break the inflation spiral being fuelled by supply chain disruptions, excessive margins and indirect taxes. Also, MPC feels the signs of recovery are far from being broad-based and are dependent on sustained policy support.

India's GDP growth contracted to a better-than-expected -7.5% y-o-y in Q2 FY21, a sharp rebound from the lockdown-induced decline of -23.9% in Q2. The rebound was led by fixed investment (on the demand side) and agriculture and industrial GVA growth (on the supply side). Real GDP in 2QFY21 contracted at a slower pace led by easing of lockdown restrictions. Economic activity normalization has continued into 3QFY21, supported by pent-up and festive demand. Several high frequency indicators saw a robust positive growth, fuelling expectations of a V-shaped economic recovery. The RBI staff estimated in its monthly bulletin that if economic activity retained the momentum seen in October over the next two months, GDP growth may turn positive in 3QFY21. The recovery in rural demand is expected to strengthen further, while urban demand is also gaining momentum as unlocking spurs activity and employment, especially of labour displaced by COVID-19. Fiscal stimulus is increasingly moving beyond being supportive of consumption and liquidity to supporting growth-generating investment. The risk or headwinds to growth would emanate from a second wave of pandemic.

On the global front with new COVID waves and US political changes the Fed minutes suggest that the Committee may soon enhance guidance on asset purchases. There is a high risk of economic setbacks and the need for further policy support. In the weakening eurozone, ECB minutes painted a grim outlook, pointing to growth outlook as 'bumpier than previously projected'. Some ECB members were uneasy at the prospect of ultra-loose monetary policy and higher stimulus, expressing concerns over side-effects and diminishing returns in the current environment. And highlighted weakening of structural deficits and damage to the long-term sustainability of public finances in case governments are not prudent. China's economy has a good comeback, driven by pent-up demand world over, a catch-up in production, a surge in exports of medical and work from-home products, and stimulus in both China and other major economies. However, it is unlikely to rush to roll out fresh stimulus measures and boost credit growth as it did in H1. In Japan, the overall picture of a rebound from April-June, when it declared a state of emergency that restricted economic activity, is unchanged. The level of economic activity is still far below where it was prior to the pandemic. In India, reduced pandemic fears have led to increased mobility, especially with the onset of the festive season, contributing to a faster recovery. Despite this improvement, there is a risk of a flare-up in infection rates during the festive season and the upcoming Bihar elections. Also, the labour market and balance sheets (of both corporate and banks) remain weak. Overall, GDP growth is to remain in negative territory for next few quarters.

Going forward, the inflation-growth trajectory would shape the policy rate outcome but at this juncture it appears that the MPC would stay put in FY21. With inflation running high the elbow room to reduce policy rates might be closing down. The RBI is thus likely to walk the unconventional path to keep rates benign rather than the conventional route of tweaking policy rates to support economic agents as well as the governments' (increased) borrowing program, for it to sail through smoothly at these rates. we expect the RBI to maintain interest rates benign in 2021 as well such that the borrowing program for the Centre & the State sail through smoothly without disrupting the rates. Thus, liquidity measures and use of instruments such as the OMOs/special OMOs should continue in the ensuing months as well so as to absorb increased government paper supply. All in all, from debt market perspective, even as the risks from higher inflation and increased fiscal deficit would continue to linger on, the liquidity measures of the RBI would continue to shape the sovereign yield curve. 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-quality superior bonds and moderate duration, to benefit out of the steep yield curve. However, any changes in the macro-economic environment is being continuously tracked for change of stance if the situation requires so.

Disclaimer

IIFL Liquid Fund
(An Open Ended Liquid Scheme)

IIFL ASSET MANAGEMENT

Investment Objective

To provide liquidity with reasonable returns commensurate with low risk through a portfolio of money market and debt securities with residual maturity of up to 91 days. However, there can be no assurance that the investment objective of the scheme will be achieved.

Fund Manager Mr. Ankur Parekh

Mr. Ankur Parekh has over 17 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 : NIL

Exit Load$:

Investor exit upon subscription	Exit load as a % of redemption proceeds
Day 1	0.0070%
Day 2	0.0065%
Day 3	0.0060%
Day 4	0.0055%
Day 5	0.0050%
Day 6	0.0045%
Day 7 onwards	0.0000%

$The revised exit load as mentioned above shall be applicable on a prospective basis to all fresh investments (purchase or switch-ins) made on or after October 20, 2019 (Effective Date). Redemption/Switch out of units would be done on First in First out basis. Please refer addendum notice dated Oct 18, 2019 for more details.

Dematerialization : D-Mat Option Available

Asset Allocation :

Money market and debt instruments with residual maturity up to 91 days : 0% to 100%

NAV as on November 30, 2020

Regular Plan Growth : ₹1570.0844
Regular Plan Weekly Dividend : ₹1005.4084
Regular Plan Daily Dividend: ₹1000.0849
Direct Plan Growth : ₹1575.6360
Direct Plan Dividend : ₹1000.0849
Direct Plan Weekly Dividend : ₹1005.4116

AUM As on November 30, 2020

Net AUM : ₹ 81.69 crore
Monthly Average AUM : ₹ 84.26 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

Macaulay Duration : 32 days
Modified Duration : 32 days
Average Maturity : 32 days
Yield to Maturity : 2.90%

Portfolio as on November 30, 2020

Name of the Instrument	Rating	% to Net Assets
Money Market Instruments		
Treasury Bill		
91 Days Tbill	SOVEREIGN	30.50%
182 Days Tbill	SOVEREIGN	30.47%
Sub Total		**60.97%**

Name of the Instrument	Rating	% to Net Assets
TREPS## / Reverse Repo		
TREPS##		33.05%
Sub Total		**33.05%**
Net Receivables / (Payables)		**5.98%**
Portfolio Total		**100.00%**

Scheme Performance

	30-Nov-19 to 30-Nov-20	PTP(₹)	30-Nov-17 to 30-Nov-20	PTP(₹)	30-Nov-15 to 30-Nov-20	PTP(₹)	Since Inception$	PTP (₹)
IIFL Liquid Fund - Reg - Growth	3.60%	10,362	5.48%	11,737	5.98%	13,374	6.61%	15,705
IIFL Liquid Fund - Dir - Growth	3.66%	10,368	5.54%	11,758	6.04%	13,412	6.66%	15,757
Benchmark*	4.81%	10,484	6.43%	12,058	6.70%	13,835	7.31%	16,447
Additional Benchmark**	4.66%	10,466	6.07%	11,937	6.32%	13,588	7.00%	16,117

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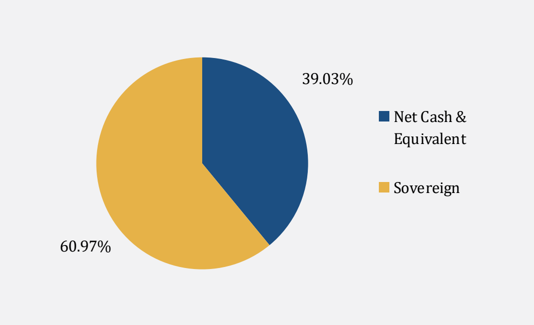
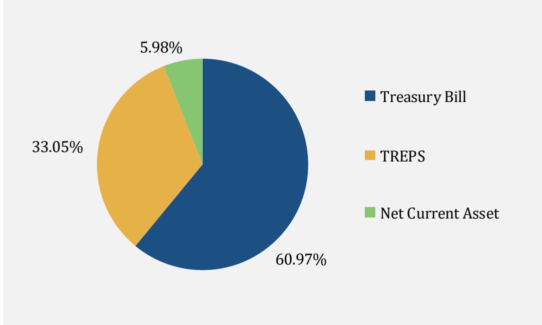
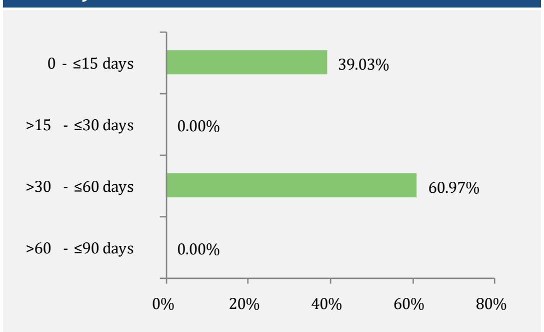
Composition by Rating^



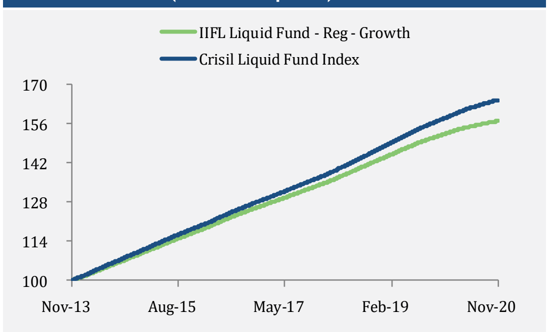
Instrument Wise Composition^



Maturity Profile^



NAV Movement (Since Inception) Rebased to 100



^As on November 30, 2020

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- Investments in money market and short term debt instruments, with maturity not exceeding 91 days

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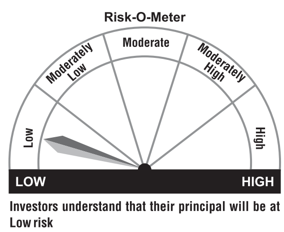

GLOSSARY OF TERMS

FUND MANAGER	An employee of the asset management company such as a mutual fund or life insurer, who manages investments of the scheme. He is usually part of a larger team of fund managers and research analysts.
APPLICATION AMOUNT FOR FRESH SUBSCRIPTION	This is the minimum investment amount for a new investor in a mutual fund scheme.
MINIMUM ADDITIONAL AMOUNT	This is the minimum investment amount for an existing investor in a mutual fund scheme.
YIELD TO MATURITY	The Yield to Maturity or the YTM is the rate of return anticipated on a bond if held until maturity. YTM is expressed as an annual rate. The YTM factors in the bond's current market price, par value, coupon interest rate and time to maturity.
SIP	SIP or systematic investment plan works on the principle of making periodic investments of a fixed sum. It works similar to a recurring bank deposit. For instance, an investor may opt for an SIP that invests ₹ 500 every 15th of the month in an equity fund for a period of three years.
NAV	The NAV or the net asset value is the total asset value per unit of the mutual fund after deducting all related and permissible expenses. The NAV is calculated at the end of every business day. It is the value at which the investor enters or exits the mutual fund.
BENCHMARK	A group of securities, usually a market index, whose performance is used as a standard or benchmark to measure investment performance of mutual funds, among other investments. Some typical benchmarks include the Nifty, Sensex, BSE200, BSE500, 10-Year Gsec.
ENTRY LOAD	A mutual fund may have a sales charge or load at the time of entry and/or exit to compensate the distributor/agent. Entry load is charged at the time an investor purchases the units of a mutual fund. The entry load is added to the prevailing NAV at the time of investment. For instance, if the NAV is ₹ 100 and the entry load is 1 %, the investor will enter the fund at ₹ 101.
EXIT LOAD	Exit load is charged at the time an investor redeems the units of a mutual fund. The exit load is deducted from the prevailing NAV at the time of redemption. For instance, if the NAV is ₹ 100 and the exit load is 1%, the redemption price would be ₹99 per unit.
MODIFIED DURATION	Modified duration is the price sensitivity and the percentage change in price for a unit change in yield.
STANDARD DEVIATION	Standard deviation is a statistical measure of the range of an investment's performance. When a mutual fund has a high standard deviation, its means its range of performance is wide, implying greater volatility.
SHARPE RATIO	The Sharpe Ratio, named after its founder, the Nobel Laureate William Sharpe, is a measure of risk-adjusted returns. It is calculated using standard deviation and excess return to determine reward per unit of risk.
BETA	Beta is a measure of an investment's volatility vis-a-vis the market. Beta of less than 1 means that the security will be less volatile than the market. A beta of greater than 1 implies that the security's price will be more volatile than the market.
AUM	AUM or assets under management refers to the recent I updated cumulative market value of investments managed by a mutual fund or any investment firm.
HOLDINGS	The holdings or the portfolio is a mutual fund's latest or updated reported statement of investments/securities. These are usually displayed in terms of percentage to net assets or the rupee value or both. The objective is to give investors an idea of where their money is being invested by the fund manager.
NATURE OF SCHEME	The investment objective and underlying investments determine the nature of the mutual fund scheme. For instance, a mutual fund that aims at generating capital appreciation by investing in stock markets is an equity fund or growth fund. Likewise, a mutual fund that aims at capital preservation by investing in debt markets is a debt fund or income fund. Each of these categories may have sub-categories.
RATING PROFILE	Mutual funds invest in securities after evaluating their creditworthiness as disclosed by the ratings. A depiction of the mutual fund in various investments based on their ratings becomes the rating profile of the fund. Typically, this is a feature of debt funds.

Note: SEBI, vide circular dated June 30, 2009 has abolished entry load and mandated that the upfront commission to distributors will be paid by the investor directly to the distributor, based on his assessment of various factors including the service rendered by the distributor.