IIFL ASSET MANAGEMENT

MONTHLY FACTSHEET

FEBRUARY 2021

Macro Economy & Event Update

- Global equity markets wavered during the period under review primarily on concerns that a slower vaccine roll out of the COVID-19 would adversely impact the growth prospects of the global economy which has been severely plagued by the COVID-19 pandemic. Stretched valuations in the equity market coupled with uncertainty surrounding the $1.9 trillion relief package as prescribed by the new U.S. President also soured market sentiments after a group of 10 Republican senators urged the U.S. President to consider a smaller, scaled down COVID-19 relief proposal.

- Equity markets in U.S. fell during the period under review as worries over the impact of new and more contagious coronavirus strains along with uncertainty surrounding the prospects for a new relief package as prescribed by the newly elected U.S. President weighed on the market sentiment. However, further losses were restricted after initial jobless claims in U.S. fell for the week ended Jan 23, 2021.

- European equity markets also witnessed losses during the period under review as increase in coronavirus infection cases renewed concerns of further lockdowns and travel restrictions.

- Asian equity markets on the contrary rose during the month under review after exports from China rose more than expected in Dec 2020. Market sentiments were further boosted after the U.S. President unveiled plans for $1.9 trillion in additional fiscal stimulus to combat the COVID-19 pandemic in U.S.

- Back home, Sensex breached the 50,000-mark for the first time. However, domestic equity market ended the month with modest losses as market participants resorted to profit booking following the record-breaking streak amid rising volatility and expiry of the Jan series of the Futures and Options (F&O) contracts.

- In the domestic debt market, bond yields rose after the Reserve Bank of India (RBI) announced to restore normal liquidity management operations. Increase in global crude oil prices further dampened market sentiments.

- The market sentiment will be dictated by the corporate earning numbers which is expected to be a major catalyst for the domestic equity market performance, going forward. The execution of the proposals made in the Union Budget will also remain in sharp focus. While liquidity in the banking system may remain in surplus over the next few quarters bond yields may continue to remain sticky and under pressure on account of higher supply of government securities scheduled for the next fiscal. New COVID-19 strain led risk of lockdowns and travel restrictions coupled with increase in global crude oil prices may also adversely affect the growth prospects of the domestic economy moving forward.

Key Economic Indicators

Indicators	Current	Previous
WPI (Dec-20)	1.22%	1.55%
IIP (Nov-20)	-1.94%	4.19%
CPI (Dec-20)	4.59%	6.93%

Source: Refinitiv

Event Update

Economic Survey: India's GDP is estimated to contract by 7.7% in FY21

- The Economic Survey projected the gross domestic product (GDP) of the Indian economy to contract by 7.7% in FY21. This composed of a sharp 15.7% decline in first half and a modest 0.1% fall in the second half. However, the real GDP growth for FY22 was estimated at 11%. The V-shaped economic recovery is expected to come on the back of a mega vaccination drive and recovery in the services sector.

India's fiscal deficit target pegged at 9.5% of GDP for FY21

- The Finance Minister in the Union Budget pegged the fiscal deficit target at 9.5% of GDP for FY21 and at 6.8% of GDP for FY22. The Finance Minister also proposed a sharp increase in capital expenditure from Rs. 4.39 lakh crore in FY21 (Revised Estimate) to Rs. 5.54 lakh crore in FY22 (Budget Estimate) in FY22. The Nominal GDP for FY22 was projected at 14.4%. The government also announced to borrow Rs. 80,000 crore in the remaining two months to meet FY21 expenditure.

Finance Minister proposed Rs. 20,000 crore for recapitalisation of state run banks

- The Finance Minister provided an outlay of Rs. 20,000 crore for recapitalisation of state run banks. She also announced the setting up of an Asset Reconstruction Company Limited and Asset Management Company to resolve stressed assets problem of the public sector banks.

Finance Minister in the Union Budget launched the PM Atma Nirbhar Swasth Bharat Yojana

- The Finance Minister in the Union Budget launched the PM AtmaNirbhar Swasth Bharat Yojana with an outlay of about Rs. 64,180 crore for over 6 years. She also provided Rs. 35,000 crore for COVID-19 vaccine in BE 2021-22 (Budget Estimates). The Finance Minister also announced a voluntary vehicle scrapping policy, to phase out old and unfit vehicles.

Finance Minister proposed to increase the permissible limit for FDI from 49% to 74% in insurance companies

- The Finance Minister in the Union Budget proposed to increase the permissible limit for Foreign Direct Investment from 49% to 74% in insurance companies and allow foreign ownership and control with safeguards. Under the new norms, the majority of the Directors on the Board and key management persons would be resident Indians with at least 50% of the Directors being independent directors.

Finance Minister proposed a permanent institutional framework to improve the corporate debt market

- The Finance Minister proposed to create a permanent institutional framework in order to improve the secondary market liquidity in the corporate debt market. The proposed body would purchase investment grade debt securities both during normal times and stressed times and thus aid in the development of the corporate bond market.

Equity Market

- Indian equity markets concluded the first month of 2021 with modest losses although Sensex breached the 50,000-mark for the first time during the period. Bourses went down with investors booking profit after a record-breaking streak and caution ahead of the of the Union Budget 2021. Concerns over new wave of COVID19 cases in different parts of the world loomed large.

- On the BSE sectoral front, majority of the indices closed in the red. S&P BSE Auto was the top gainer, up 6.32%. Auto sector rose during the period under review as upbeat automobile sales data for Dec 2020 boosted market sentiments.

- Majority of the U.S. markets remained under pressure after witnessing initial gains as optimism about ramped up efforts to combat the coronavirus under new U.S. President, supported the upside. Such positive vibes offset concerns about higher taxes and increased regulation under a Democratic administration. Gains were largely erased later with investors assessing the impact of new and more contagious coronavirus strains along with uncertainty about the prospects for a new relief package. The downturn was restricted by value buying and after report from the Labor Department showed bigger than expected decline in first-time claims for U.S. unemployment benefits in the week to Jan 23.

- European markets went down as worries about growth outlook, amid rising coronavirus cases and prospects for tighter lockdown measures in several places, overshadowed buoyancy about additional stimulus from new U.S. administration. Delay in vaccine supplies triggered heavy selling across various sectors. Losses were extended after the International Monetary Fund (IMF) cut its GDP forecasts for the euro zone this year by 1 percentage point. The 19member region, which has been severely hit by the pandemic, is now expected to grow by 4.2% this year. Germany, France, Italy and Spain - the four largest economies in the euro zone - also saw their growth expectations cut for 2021.

- Asian markets remained upbeat, largely led by proposal of additional U.S. COVID-19 relief stimulus measures by the new U.S. President-elect and a mass rollout of coronavirus vaccines which is expected to spur a strong economic recovery later in the year. Investors also reacted to higher-than-expected rise in Chinese exports in Dec. Investor sentiments were buoyed as the swear-in of the 46th U.S. President spurred hopes for more U.S. fiscal stimulus to fight the coronavirus-led economic slump and stimulate growth in the world's largest economy. However, gains were restricted by rising COVID-19 cases, vaccine distribution delays and uncertainty over a U.S. stimulus package which flagged concerns over a probable slowdown in the pace of the economic recovery.

- The execution of the proposals made by the government in the Union Budget for FY22, corporate earnings and outcome of RBI's monetary policy meeting will dictate buying interest in the coming days. In addition, infrastructure, agriculture, the social sector and promotion of domestic manufacturing, alongside incentives to boost construction and housing, are likely to be in focus.

Domestic Indices Performance

Indicators	29-Jan-21	31-Dec-20	Chg %	YTD
S&P BSE Sensex	46,286	47,751	-3.07	-3.07
Nifty 50	13,635	13,982	-2.48	-2.48
S&P BSE 200	5,790	5,907	-1.97	-1.97
Nifty Midcap 100	20,910	20,843	0.32	0.32
Nifty Dividend Opportunities 50	2,839	2,857	-0.63	-0.63
S&P BSE Smallcap	17,988	18,098	-0.61	-0.61

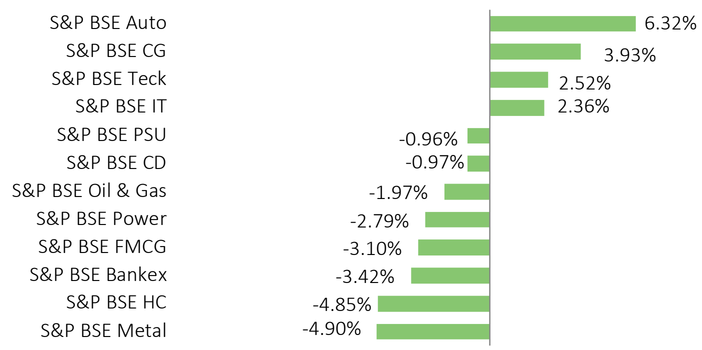
Source: Refinitiv

Global Indices Performance

Global Indices	29-Jan-21	31-Dec-20	Chg %	YTD
Dow Jones	29,983	30,606	-2.04	-2.04
FTSE	6,407	6,461	-0.82	-0.82
CAC	5,399	5,551	-2.74	-2.74
Hang Seng	28,284	27,231	3.87	3.87
SSE Composite Index	3,483	3,473	0.29	0.29

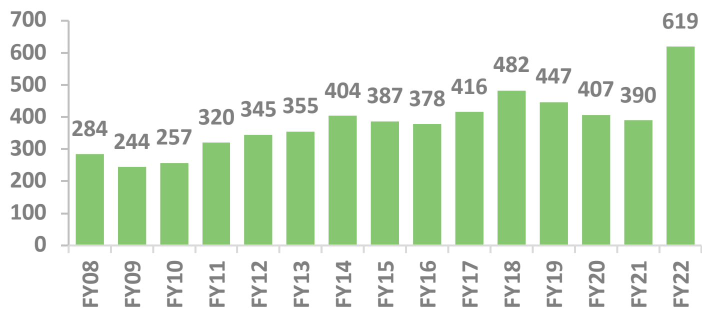
Source: Refinitiv

Sectoral Performance (Monthly Returns %)



Source: Refintiv

Nifty EPS



Institutional Flows (Equity) As on January 29, 2021

(INR Cr)	Purchases	Sales	Net	YTD
FII/FPI Flows	1,68,758	1,49,285	19,473	19,473
MF Flows	71,774	84,754	-12,980	-12,980
DII Flows	1,05,747	1,17,718	-11,971	-11,971

Source:NSDL,NSE & SEBI

Debt Market

- Bond yields rose after moving in a range during the month. Yields rose after RBI announced to restore normal liquidity management operations. RBI restarted variable term rate reverse repo auctions, which was discontinued since Apr 2020 although daily fixed rate reverse repo auctions will continue. Yield rose further following an increase in global crude oil prices, which weighed on the market sentiment. However, losses were limited following purchases by foreign banks as the new financial year of these banks has begun. RBI conducted three auctions to purchase securities through open market operations (OMO), which further restricted upside in bond yields.

- Yield on the 10-year benchmark bond rose 6 bps to close at 5.95% compared with the previous months' close of 5.89%.

- Yield on gilt securities rose across the maturities in the range of 6 to 46 bps, barring 30-year paper which fell 1 bps while 19-year paper was steady. Yield on corporate bonds increased across the maturities in the range of 8 to 23 bps, leaving 1-year paper that fell 7 bps. Difference in spread between corporate bond and gilt securities on 1- to 4-year maturities contracted 20 to 27 bps while on 5- to 7- & 10-year papers expanded in the range of 2 bps to 6 bps. Spread on 15-year paper was steady.

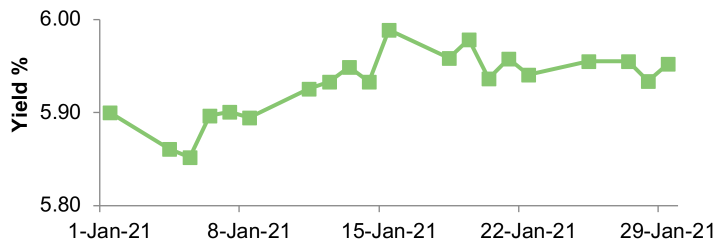
- Bond yields moving ahead will be dictated as to how the RBI goes about in conducting the OMOs and the amount of government securities they are able to absorb. Market participants are expecting consistent OMOs during the remaining part of the current fiscal year due to higher borrowings. Market participants will also be interested to see the trend of retail inflation after falling below 5% in Dec 2020.

Currency and Commodity Market

- The Indian rupee rose earlier during the month against the U.S. dollar following initial gains in domestic equity market. U.S. dollar sales by foreign banks likely for their custodian clients further added to the gains. Rise in foreign inflows into domestic equity market also strengthened rupee. However, gains were capped following importers demand for greenback. Rupee also declined as sharp selloff in global equity market pushed market participants to the safety of the greenback.

- Brent crude prices remained at elevated levels after weekly data from the Energy Information Administration and American Petroleum Institute showed that crude inventories in U.S. remained low. Oil prices found additional support after Saudi Arabia unilaterally agreed to cut output over the next two months. Nonetheless, gains were restricted on persisting concerns over COVID-19 pandemic due to surging coronavirus infection cases in Europe and new lockdowns in China.

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



Source: Refinitiv

Spread Movement

Spreads		AAA	AA	A
29-Jan-21	1 Yr	70	333	342
	3 Yr	71	243	358
	5 Yr	102	298	325
31-Dec-20	1 Yr	92	334	320
	3 Yr	95	253	406
	5 Yr	113	299	334

Source: Refinitiv

Yield (%)	29-Jan-21	31-Dec-20
10 Year G-Sec	5.95	5.89
5 Year G-Sec	5.30	5.10
Certificate of Deposit		
3-Month	3.34	3.00
6-Month	3.55	3.70
9-Month	3.86	3.49
12-Month	3.97	3.78
Commercial Papers		
3-Month	3.90	3.28
6-Month	4.20	3.80
12-Month	4.55	4.15

Source: Refinitiv

Treasury Bill	29-Jan-21	31-Dec-20
91 Days	3.34	3.01
364 Days	3.25	3.42

Source: Refinitiv

Event Calendar

Release Date	Event	Country
04-Feb-21	Bank of England Monetary Policy Review	U.K.
05-Feb-21	Nonfarm Payrolls (Dec)	U.S.
22-Feb-21	People's Bank of China Monetary Policy	China
22-Feb-21	GDP Annualized (Q4) PREL	U.S.
26-Feb-21	Durable Goods Orders (Jan)	U.S.

Source: FXSTREET

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[1] 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)	:	0.53 times

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

NAV as on January 31, 2021

Regular - Growth	:	₹ 22.5723
Regular - Dividend	:	₹ 19.9706
Direct - Growth	:	₹ 24.4541
Direct - Dividend	:	₹ 24.2044

AUM as on January 31, 2021

Net AUM	:	₹ 1421.77 crore
Monthly Average AUM	:	₹ 1433.15 crore

Total Expense Ratio

Regular Plan	:	2.13% p.a.
Direct Plan	:	1.06% p.a.

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

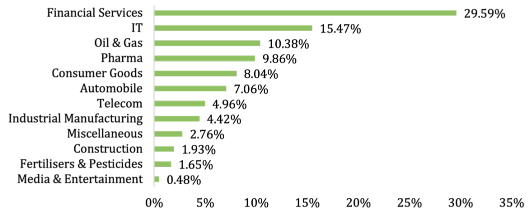
Volatility Measures

	Fund	Benchmark
Std. Dev (Annualised)	19.79%	19.50%
Sharpe Ratio	0.58	0.46
Portfolio Beta	1.03	1.04
R Squared	0.91	NA
Treynor	0.12	0.09

Portfolio as on January 31, 2021

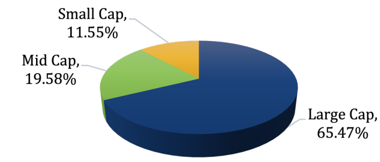
Company Name	Sector	% to Net Assets
Equity & Equity Related Total		
ICICI Bank Limited	Financial Services	9.32
Infosys Limited	IT	6.31
HDFC Bank Limited	Financial Services	5.50
Mahindra & Mahindra Limited	Automobile	5.05
Bharti Airtel Limited	Telecom	4.96
Crompton Greaves Consumer Electricals Limited	Consumer Goods	4.92
Axis Bank Limited	Financial Services	4.89
Larsen & Toubro Infotech Limited	IT	4.26
Bajaj Finance Limited	Financial Services	4.00
Cyient Limited	IT	3.41
Divi'S Laboratories Limited	Pharma	3.38
Procter & Gamble Health Limited	Pharma	3.25
Reliance Industries Limited	Oil & Gas	3.23
Dr. Reddy'S Laboratories Limited	Pharma	3.23
Bharat Petroleum Corporation Limited	Oil & Gas	2.98
SRF Limited	Industrial Manufacturing	2.94
Mahanagar Gas Limited	Oil & Gas	2.84
Apollo Tricoat Tubes Limited	Miscellaneous	2.76
Muthoot Finance Limited	Financial Services	2.27
Balkrishna Industries Limited	Automobile	2.01
Aavas Financiers Limited	Financial Services	1.97
Asian Paints Limited	Consumer Goods	1.94
Kajaria Ceramics Limited	Construction	1.93
Coromandel International Limited	Fertilisers & Pesticides	1.65
ICICI Lombard General Insurance Company Limited	Financial Services	1.64
Tata Elxsi Limited	IT	1.49
EPL Limited	Industrial Manufacturing	1.48
Petronet Lng Limited	Oil & Gas	1.33
Britannia Industries Limited	Consumer Goods	1.18
Inox Leisure Limited	Media & Entertainment	0.48
Sub Total		**96.6**
TREPS##		3.21
Net Receivables / (Payables)		0.19
Portfolio Total		**100**

Sector Allocation^^



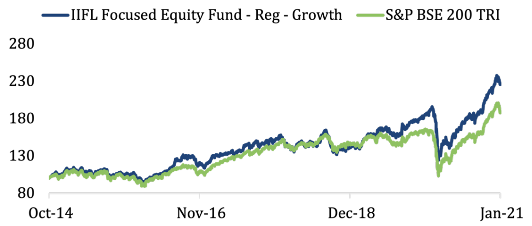
^^Sector allocation as per AMFI classification

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 of January 31, 2021

NAV Movement (Since Inception) Rebased to 100



Scheme Performance

Scheme / Benchmark	31-Jan-20 to 31-Jan-21	PTP (₹)	31-Jan-18 to 31-Jan-21	PTP (₹)	31-Jan-16 to 31-Jan-21	PTP (₹)	Since Inception	PTP (₹)
IIFL Focused Equity Fund - Reg - Growth	20.76%	12,082	14.51%	15,021	17.45%	22,389	13.89%	22,574
IIFL Focused Equity Fund - Dir - Growth	22.36%	12,243	16.18%	15,688	18.97%	23,879	15.35%	24,448
Benchmark*	16.41%	11,646	7.73%	12,505	14.09%	19,358	10.61%	18,800
Additional Benchmark**	15.00%	11,505	10.06%	13,335	14.63%	19,822	10.14%	18,306

Past performance may or may not be sustained in future.
Different plans shall have different expense structure.
Point to Point (PTP) returns in $ is based on standard investment of $10,000; Since Inception date is 30 October 2014; *S&P BSE 200 TRI; **S&P BSE Sensex TRI; Managed by the fund manager since 11 November 2019.
The performance of the scheme is benchmarked to the Total Return variant of the Index.
As of January 31, 2021

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

Scheme / Benchmark	31-Jan-20 to 31-Jan-21	31-Jan-18 to 31-Jan-21	31-Jan-16 to 31-Jan-21	Since Inception
Total Amount Invested (₹)	1,20,000	3,60,000	6,00,000	7,40,000
Total Value as on Jan 31,2021(₹)	1,55,475	5,07,580	9,40,071	12,32,086
Returns	58.81%	23.59%	17.98%	16.35%
Total Value of Benchmark: S&P BSE 200 TRI (₹)	1,49,470	4,48,818	8,27,629	10,79,895
Benchmark: S&P BSE 200 TRI	57.61%	15.61%	13.20%	12.40%
Total Value of Benchmark: S&P BSE Sensex TRI (₹)	1,48,113	4,53,051	8,55,264	11,11,213
Additional Benchmark: S&P BSE Sensex TRI	54.77%	16.30%	14.57%	13.34%
(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

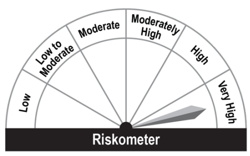
	Record Date	Face Value (₹)	Cum Dividend NAV (₹) As on Feb 15, 2017	Dividend Per Unit
Regular Plan	15 February 2017	10	12.7777	1.50
Direct Plan	15 February 2017	10	13.0738	0.17

THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING*
• Capital appreciation over long term;
• Investment predominantly in equity and equity related instruments.

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

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

Risk-O-Meter



Investors understand that their principal will be at Very High Risk

Fund Commentary

Dear Investor,
The first month of the year 2021 turned out to be challenging for global equities as major developed markets remained under pressure from slower than expected vaccine roll out and rising cases of new strains of the virus. While majority of the Eurozone struggled with further lockdowns, US equities paled as uncertainties surrounded the $ 1.9 tn COVID relief package.
Back at home, after Sensex briefly touched record high of 50,000, broader indices closed the month in the red. At the sectoral front, the month was mixed bag with S&P BSE Auto closing with gains of 6.32%, S&P BSE Metal was at the bottom of the table, falling by 4.9%.

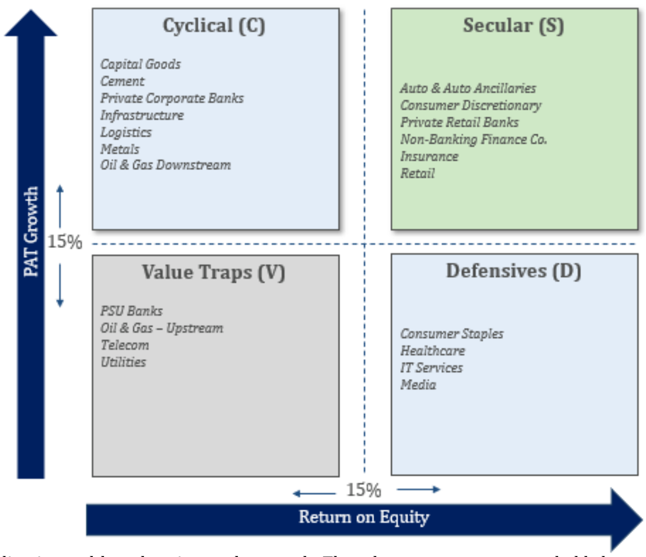
Union Budget 2020
Hon'ble Finance Minister of India (FM) delivered a bold budget, marking a clear shift from fiscal conservatism to expansion. FM surprised the street by unveiling aggressive capex targets of Rs 4.39tn (+31% yoy) for FY21 and Rs 5.54tn (+26% yoy) for FY22. Such an aggressive spending trajectory amidst tepid revenues resulted in decade high fiscal deficits estimates of 9.5% in FY21 and 6.8% in FY22. Also, this would entail a massive government borrowing of Rs 9.7tn in FY22. Given the background of surplus liquidity, benign interest rates, tolerable inflation levels and robust forex reserves, government decided to take some risk on fiscal and press the pedal on growth. Unlike the previous budgets seen over the last decade, this budget is aimed at taking difficult and aggressive decisions on infrastructure spend, stable taxation, asset monetisation, and privatisation of state-owned entities to stimulate animal spirits and kick start the cycle. We believe the budget was in the right direction with focus on investment led growth recovery while taking some risks on the fiscal side.

Key highlights:

- **Growth:** GDP for FY22 has been projected to grow at 14.4% after contracting by 7.7% in FY21
- **Expenditure:** Government spending will be frontloaded (+ 55-60% yoy) in the final quarter of FY21. Capex is slated to inch up to 2.5% of GDP in FY22 (+26.2% yoy) - levels last seen in the early 2000s.
- **Fiscal Deficit:** Target of 9.5% of GDP in FY21 and 6.8% in FY22. Never seen such levels in the past decade.
- **Borrowings:** An aggressive deficit target would entail a net government borrowing of Rs 9.7tn in FY22 and Rs 12.7tn in FY21. These are significantly higher than the levels seen over last five years. Hence, it would create pressure on yields especially when corporate credit growth revives in FY22.
- **Infrastructure:** Maximum increase in allocation seen in Drinking water, Road, Metro projects, Power and Swachh Bharat Mission. Government has provided Rs. 200bn to create a Development Finance Institution (DFI), aimed at providing infrastructure financing with a targeted lending portfolio of Rs. 5tn in three years.
- **Asset monetisation:** Government will embark on an asset monetisation program including Infrastructure investment trust for NHAI and PGCIL, monetisation of DFC, sale of airports, pipelines, railway assets etc.
- **Divestment:** IDBI Bank, along with two other public sector banks and one public sector general insurance company, will be taken up for privatisation in FY22. LIC's IPO would be launched in FY22. Overall divestment target of Rs. 1.75tn has been set for FY22
- **The Bad Bank:** Government has announced setting up of an ARC/AMC that would consolidate and take over the existing stressed debts with the objective of disposing the assets to potential investors for eventual value realisation.
- **Insurance:** FDI Limit in Insurance increased from 49% to 74%
- **Health**: Substantial increase in investment in Health Infrastructure. Budget outlay for Health and Wellbeing is Rs. 2.24tn in FY22 (+137% yoy). Provision of Rs. 350bn made for Covid-19 vaccine in FY22.

Portfolio positioning:
We have been increasing our exposure to stocks which are poised well to benefit from the cyclical recovery within our SCDV framework (as mentioned below). This budget has increased our conviction on the cyclical uptick ahead. Sectors such as Financial Services, Industrial Manufacturing, and Cement & Cement Products are best placed to benefit from the acceleration in the growth trajectory. We continue to focus on bottom up security selection while having a positive bias towards cyclical recovery.

SCDV Investment framework



Sectors stated in SCDV investment framework are indicative and based on internal research. The scheme may or may not hold the securities in all the sectors as mentioned in the investment framework above. S- Secular – Companies with consistent ROE & PAT growth > 15%, C- Cyclical – Companies with PAT growth > 15% but ROE < 15%, D- Defensive – Companies with ROE > 15% but PAT growth < 15%, V- Value Traps – Companies with both ROE & PAT growth < 15%

Note:

1. 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

IIFL DYNAMIC BOND FUND

(An Open Ended dynamic debt scheme investing across duration)

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[1] Mr. Rahul K. Nambiar

Mr. Nambiar has over 8 years of experience in the fixed income market. Prior to joining IIFL Asset Management Limited, he was a part of the Wealth Management industry as Product Manager – Bonds. He has worked in this capacity with Yes Bank Ltd and ICICI Securities Ltd. He has also worked in the Wholesale Debt Market(WDB) broking industry for 4 years.

[1]Mr. Rahul K. Nambiar, has been designated as Fund Manager for IIFL Dynamic Bond Fund (An open ended dynamic debt scheme investing across duration) and IIFL Liquid Fund (An open ended liquid scheme). Mr. Ankur Parekh ceases to be Fund Manager for IIFL Dynamic Bond Fund and IIFL Liquid Fund w.e.f Jan 19, 2021

Fund Details

Date of Allotment	: July 24, 2013
Bloomberg Code	: IIFDBDBIN
Benchmark Index^	: Crisil Composite Bond Fund Index
Plans Offered	: Regular & Direct
Options Offered	: Growth & Dividend
Minimum Application	:
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	: 0% to 100%
Money Market	: 0% to 100%
REITs & InvITs	: 0% to 10%

NAV as on January 31, 2021

Regular Plan Growth	:	₹ 16.7669
#Regular Plan Bonus	:	₹ 16.7669
Regular Quarterly Dividend	:	₹ 16.1801
#Regular Half Yearly Dividend	:	₹ 16.1801
#Regular Monthly Dividend	:	₹ 11.8996
Direct Plan Growth	:	₹ 17.4889
Direct Monthly Dividend	:	₹ 12.5198

#Note: Bonus plan and Monthly & Half yearly Dividend payout options are discontinued no new investors can invest in the said option ,existing investors remain invested in the said options.

AUM as on January 31, 2021

Net AUM	:	₹ 725.36 crore
Monthly Average AUM	:	₹ 716.93 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.

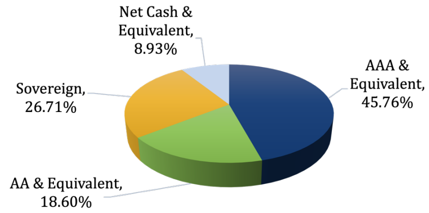
Statistical Debt Indicators

Macaulay Duration	:	2.18 years
Modified Duration	:	2.10 years
Average Maturity	:	2.75 years
Yield to Maturity	:	5.34%

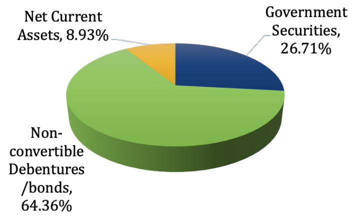
Portfolio as on January 31, 2021

Name of the Instrument	Rating	% to Net Assets
Debt Instruments		
Sovereign Securities		**26.71**
9.15% GOVERNMENT OF INDIA	SOVEREIGN	7.85
6.18% GOVERNMENT OF INDIA	SOVEREIGN	7.18
7.32% GOVERNMENT OF INDIA	SOVEREIGN	6.65
7.35% GOVERNMENT OF INDIA	SOVEREIGN	1.48
5.75% STATE GOVERNMENT SECURITIES	SOVEREIGN	1.4
5.6% STATE GOVERNMENT SECURITIES	SOVEREIGN	1.39
8.4% Government of India	SOVEREIGN	0.76
Non-Convertible Debentures/Bonds		**64.36**
8.75% AXIS BANK LIMITED	CRISIL AA+	7.78
6.72% POWER FINANCE CORPORATION LIMITED	CRISIL AAA	6.78
8.9% STATE BANK OF INDIA	CRISIL AAA	6.02
9.15% ICICI BANK LIMITED	ICRA AA+	5.81
EMBASSY OFFICE PARKS REIT	CRISIL AAA	4.96
7.12% REC LIMITED	CRISIL AAA	4.45
6.4% NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT	ICRA AAA	4.27
7.25% EMBASSY OFFICE PARKS REIT	CRISIL AAA	3.51
Tata Capital Housing Finance Limited	CRISIL AAA	3.5
7.2% Sikka Ports and Terminals Limited	CRISIL AAA	2.88
8.95% Jamnagar Utilities & Power Private Limited	CRISIL AAA	2.22
7.75% LIC Housing Finance Limited	CRISIL AAA	2.2
6.92% REC Limited	CRISIL AAA	2.14
8.4% India Grid Trust InvIT Fund	CRISIL AAA	2.11
8.55% ICICI Bank Limited	ICRA AA+	1.43
9.2% ICICI Bank Limited	ICRA AA+	1.43
8.15% State Bank of India	CRISIL AA+	1.42
8.85% HDFC Bank Limited	CRISIL AA+	0.72
8.85% India Grid Trust InvIT Fund	CRISIL AAA	0.72
9.35% IDFC First Bank Limited	ICRA AA	0.01
TREPS## / Reverse Repo		
TREPS##		4.27
Net Current Assets		4.66
Portfolio Total		**100**

Composition by Rating^



Instrument Wise Composition^



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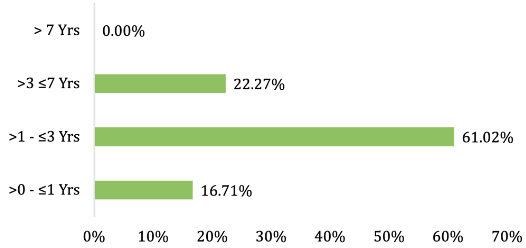
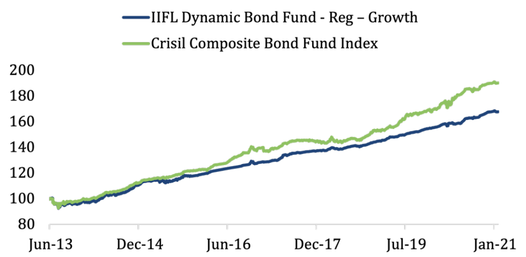
Maturity Profile^



^ As of January 31, 2021

NAV Movement (Since Inception) Rebased to 100



Dividend Declared - Monthly Dividend Plan

Date	Gross Dividend (₹) (Per Unit)	Regular Plan NAV (₹) (Ex-Dividend)	Direct Plan NAV (₹) (Ex-Dividend)
27-Jan-21	0.05	11.8939	12.5135
29-Dec-20	0.05	12.0155	12.6311
24-Nov-20	0.05	12.0051	12.6115
Quarterly Dividend Plan			
04-Jun-15	0.40	11.4678	11.5708
HalfYearly Dividend Plan			
04-Jun-15	0.40	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

Scheme / Benchmark	31-Jan-20 to 31-Jan-21	PTP (₹)	31-Jan-18 to 31-Jan-21	PTP (₹)	31-Jan-16 to 31-Jan-21	PTP (₹)	Since Inception	PTP (₹)
IIFL Dynamic Bond Fund - Reg – Growth	7.19%	10,721	6.82%	12,191	7.06%	14,075	7.03%	16,767
IIFL Dynamic Bond Fund - Dir - Growth	7.81%	10,783	7.49%	12,421	7.68%	14,489	7.62%	17,489
Benchmark*	11.27%	11,131	9.65%	13,187	9.11%	15,479	8.81%	19,009
Additional Benchmark**	9.03%	10,906	9.00%	12,953	7.91%	14,644	7.12%	16,879

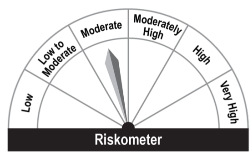
Past performance may or may not be sustained in future
Different plans shall have different expense structure
As on December 31, 2020* Crisil Composite Bond Fund Index,** Crisil 10yr Gilt Index; Point to Point (PTP) returns in ₹ is based on standard investment of ₹ 10,000 made on the inception date; 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.

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.

Risk-O-Meter



Investors understand that their principal will be at Moderate Risk

Mutual fund investments are subject to market risks, read all scheme related documents carefully.

Fund Commentary

System liquidity for the month of Jan 21 continued to remain in surplus mode and the overnight rates were in the range of 3.10% to 3.30%. The average liquidity was in range of Rs 5tn to Rs 6tn during the month. The 10Y benchmark yield traded in the 5.90% - 5.99% band during Jan 21 due to lack of fresh triggers and most of the market participants chose to stay on the side-lines before the event heavy first week of Feb 21. The shorter end of the curve was stable, other than a brief up swing over liquidity concerns. Post the announcement of Variable Rate Reverse Repo Operations, which could have been an attempt to bring the overnight rates closer to the reverse repo rate, yields had spiked by 5-10bps in a day. The Economic Survey 2021 sees the economy reverting to pre-pandemic levels in 2 years. The survey argues that growth is the answer to debt sustainability which when coupled with negative interest rate and a pro-growth fiscal policy would lower debt burden. It has projected real GDP growth at 11% and nominal GDP growth has been pegged at 15.4% for FY22.

Dec 20 CPI inflation mellowed down to 4.59% as against 6.93% in Nov 20, amid falling momentum and favourable base effects. Food inflation came down to 3.4% (9.5% in Nov) led by vegetables, milk and milk products, and cereals. Rural inflation has turned lower than urban inflation due to lower food prices. Core inflation moderated mildly to 5.5% (5.7% in Nov). The correction in vegetable prices could continue in January, keeping headline inflation low. For 9MFY21, CPI inflation has averaged to 6.6% and persistently breached the upper-limit of 2%-6% band. The upsurge in CPI inflation has pushed real rates deep into the negative. The Economic Survey 2021, has recommended a change in the base year of the CPI inflation considering the change in food habits (since food basket has the highest weight) and emphasized on using core-CPI inflation. Nov 20 IIP fell 1.9% as against a growth of 4.2% in Oct 20. On a sectoral basis, mining and manufacturing productions were down 7.3% and 1.7%, respectively, while electricity production registered a strong growth of 3.5%. As per the use-based classification, production of consumer durables fell marginally by 0.7%. Growth in the production of consumer non-durables and capital goods fell 0.7% and 7.1% respectively, while production of infrastructure/construction rose marginally by 0.7%. The loss of momentum in industrial production indicates an uneven path of economic recovery.

The overall exports of India grew by 5.37% ($ 1.4bn) in Jan 21. The highest growth in exports has been observed in the engineering goods which is 18.7%, followed by a surge in the export of drugs and pharmaceutical products at 16.4%. Export sectors which recorded negative growth include petroleum products, ready-made garments of all textiles and leather. When it comes to overall imports, there has been an increase of $ 842mn during Jan 21, which is just 2% growth from Jan 20. Overall imports plunged due to the sharp decline in imports of petroleum products by 27.7%. Imports of gold jumped by about 155% to $ 2.45bn. However, cumulatively exports during Apr-Jan contracted by 13.66% to $ 228bn as against $ 264bn during the same period last year. Similarly, imports too dipped by about 26% to $ 301bn during Apr-Jan this fiscal. Putting together the export and import data, a trade deficit of $ 14.75bn has been observed for Jan 21.

The Union Budget 2021-22 focusses on higher spending on health and infrastructure while simultaneously confirming a substantial slippage in the fiscal deficit. The Govt has set fiscal deficit for FY22 at 6.8% of GDP. The fiscal deficit for FY21 is pegged at 9.5% of GDP. Govt's FY22 fiscal deficit target of 6.8% aims to provide adequate support to the economy and has accordingly deviated from its fiscal glide path. As such, the Govt has relaxed its FRBM commitments and for now, aims to reach 4.5% of GDP by FY26. In absolute terms, the fiscal deficit is estimated at Rs 18.5tn for FY21 and Rs 15.1tn for FY22. Gross borrowing target for FY22 is Rs 12tn and net borrowing target is Rs 9.2tn. The budget has assumed nominal GDP growth of 14.4% for FY22. Gross capital expenditure is budgeted to rise by a considerable 26.2% to Rs 5.5tn in FY22 from Rs 4.4tn in FY21, driven by the enhanced allocation towards the Ministry of Road Transport and Highways as well as fresh capital support to National Bank for Financing Infrastructure and Development. Govt's capital expenditure stood at Rs 3.1tn for 9MFY21 (70.4% of FY21) which would require an increase of 62.3% YoY in Q4. A large part of the additional expenditure is an account of the government's desire to use the crisis as an opportunity to clean up its balance sheet and clear up the Food Corporation of India's dues to the National Small Savings fund. Of the total food subsidies of Rs 4.2tn in FY21, a significant portion will be used to clear the dues of Rs 2.6tn to the NSSF. The government has now included the amount pertaining to procurement of various food items and resultant subsidy directly in the budget. It used to exclude the same in the previous years as the FCI used to directly borrow from NSSF to fund the subsidy. Consequently, what was earlier a below the line budget adjustment, now appears as a direct revenue expenditure under the allocation of food subsidy. Govt's revenue receipts are estimated to rise by 15% in FY22. The Govt has assumed 17% growth in gross tax revenues buoyed by 22% growth in direct taxes and 11% growth in indirect taxes. CGST collections are budgeted to expand by 23.0% to Rs 5.3tn in FY22 from Rs 4.3tn in FY21.

In terms of the state governments, the 15th Finance Commission has recommended a higher net market borrowing limit of 4% of GSDP for FY22, compared to the 3% earlier. A portion of this ceiling will be earmarked to be spent on incremental capital expenditure. Additional borrowing ceiling of 0.5% will also be provided subject to meeting target conditions and States are expected to reach a fiscal deficit of 3% of GSDP by FY24. This also implies that SDL supply would remain elevated in FY22 as well. The creation of an asset reconstruction company and an asset management company to acquire stressed assets of PSBs and offload the same, could help realise better value of stressed assets for PSBs, thereby reducing their provisioning requirements. This will also reduce the need for Govt to infuse more capital in these banks. The proposal to privatise 2 PSBs is a positive step along with capital infusion of Rs 200bn in PSBs will help them to meet their regulatory capital requirements. An agency that can invest in investment grade bonds with the intention of further broadening the bond markets is much appreciated. There is a thrust on privatisation and the divestment target at Rs 1.75tn is ambitious. Additionally, to address the funding challenges associated with infrastructure projects, asset monetisation schemes and debt financing through REITs and InvITs are clear paths to bring in fresh funds.

Financial markets have chosen to look beyond the global resurgence of COVID-19 cases. Announcements and rollout of vaccines have boosted hopes of a global economic recovery in 2021. The speed of the recovery will depend crucially on production, distribution networks, and access to vaccines. Policymakers ideally should continue to provide support until a sustainable recovery takes hold and accordingly remain accommodative. The FOMC kept its monetary policy unchanged citing the moderation seen in economic recovery and employment levels. It reiterated that it would continue with its bond buying program until substantial progress is made towards its employment and inflation goals. With expectations that new fiscal stimulus will boost economic growth along with lack of Fed buying in longer dated bonds, the 10yr UST yield broke the 1% mould in Jan 2021, going as high as 1.17% and ending at 1.10%. Euro zone tightened lockdown measures further in Jan 2021, crippling the already beleaguered economies. ECB has stated that they are ready to adjust all their instruments, as appropriate, to ensure that inflation moves towards their target. The German 10yr bond yield ended at -0.52% and UK 10yr bond at 0.32%. Euro zone economy dropped by 5.10% in Q4, annual GDP contracted by 6.80% in 2020. BoJ's Mar 2021 meeting will be keenly watched for any further action and guidance, after its Jan 2021 policy warned of escalating risks to economic outlook as the new state of emergency measures rolled out hit consumption. As a result, Japan's 10yr bond yields bounced up ending at 0.05%. Core consumer prices fell 1.00% in Dec 2020 marking the biggest annual decline in a decade, in a sign of intensifying deflationary pressure.

The RBI has maintained repo, reverse repo, MSF and bank rates at 4.00% 3.35%, 4.25% and 4.25%, respectively in their Feb 21 MPC meeting. RBI has decided to restore CRR across two phases starting Mar 21 and the increased HTM limit has been extended by a year to Mar 23, which will be restored back to normal starting Jun 23. The TLTRO on tap scheme will now include NBFCs, in order to facilitate incremental lending to specific identified sectors. Broadening the universe of participants, RBI will enable retail investors to directly open securities account with them and provide online access to GSec markets. RBI has projected FY21 GDP at 10.5% and CPI for H1FY21 & Q3FY21 at 5%-5.2% & 4.3% respectively. The Central Bank has made it amply clear that their stance on rates and liquidity remains accommodative and has promised a non-disruptive completion of the Govts borrowing plan. RBI seems to have kept the management of yield curve, be it the money market or the longer end of the curve, open ended for the meanwhile.

Higher than expected borrowing of Rs 800bn in FY21 and a higher than consensus FY22 borrowing, had already put pressure on yields. The lack of any clear indication or specification by RBI regarding measures to absorb this enhanced market borrowing has spooked the markets further. The unilateral decision to revive growth on the part of Govt and RBI, while necessary, will make the bond markets to be heavily dependent on any kind of OMO/operation twist or other market making measures that might be taken by RBI. Moreover, high growth and inflation projections could indicate the end of the rate cut cycle. The last few days may lead us to believe that the sudden elevation in the yield curve could be the new normal. In this scenario of changing market conditions, we continue our view of positioning at the front-end of the curve with a defensive outlook as rate trajectory is likely to be volatile. The incremental positioning may be executed in certain pockets of yield curve if it offers value in terms of attractive spreads between low duration high carry bonds and overnight funding rates. The scheme aims to maintain relatively high running yields and moderate to low duration, to benefit out of the steep yield curve. However, any changes in the macro-economic environment is being continuously tracked for change of stance if the situation requires so.

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[1] Mr. Rahul K. Nambiar

Mr. Nambiar has over 8 years of experience in the fixed income market. Prior to joining IIFL Asset Management Limited, he was a part of the Wealth Management industry as Product Manager – Bonds. He has worked in this capacity with Yes Bank Ltd and ICICI Securities Ltd. He has also worked in the Wholesale Debt Market(WDB) broking industry for 4 years.

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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 Load	: 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%
Dematerialization	: D-Mat Option Available
Asset Allocation	:
Money market and debt instruments with residual maturity up to 91 days	: 0% to 100%

^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.

NAV as on January 31, 2021

Regular Plan Growth	: ₹ 1577.035
Regular Plan Weekly Dividend	: ₹ 1005.3925
Regular Plan Daily Dividend	: ₹ 1000.0701
Direct Plan Growth	: ₹ 1582.7456
Direct Plan Dividend	: ₹ 1000.0427
Direct Plan Weekly Dividend	: ₹ 1005.3937

AUM as on January 31, 2021

Net AUM	: ₹ 101.34 crore
Monthly Average AUM	: ₹ 140.17 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.

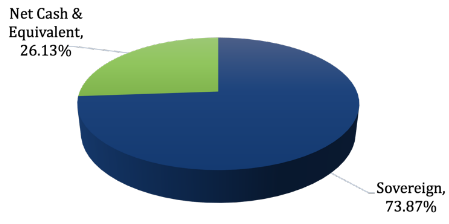
Total Expense Ratio

Macaulay Duration	: 18 days
Modified Duration	: 18 days
Average Maturity	: 18 days
Yield to Maturity	: 3.24%

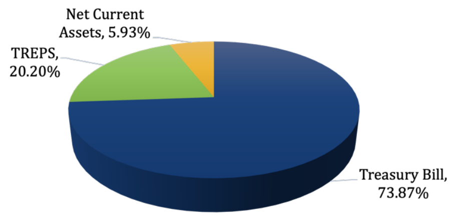
Portfolio as on January 31, 2021

Name of the Instrument	Rating	% to Net Assets
Money Market Instruments		
Treasury Bill		
364 DAYS TBILL	SOVEREIGN	24.65
182 DAYS TBILL	SOVEREIGN	24.62
182 Days Tbill	SOVEREIGN	24.60
Sub Total		**73.87**
TREPS## / Reverse Repo		
TREPS##		20.20
Sub Total		**20.20**
Net Receivables/(Payables)		**5.93**
Portfolio Total		**100**

Composition by Rating^



Instrument Wise Composition^



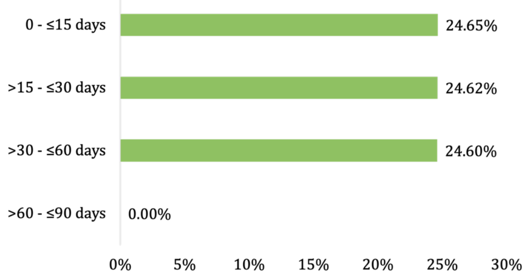
^ As of January 31, 2021

Scheme Performance

Scheme / Benchmark	31-Jan-20 to 31-Jan-21	PTP (₹)	31-Jan-18 to 31-Jan-21	PTP (₹)	31-Jan-16 to 31-Jan-21	PTP (₹)	Since Inception	PTP (₹)
IIFL Liquid Fund - Reg - Growth	3.26%	10,327	5.28%	11,671	5.82%	13,274	6.51%	15,767
IIFL Liquid Fund - Dir - Growth	3.31%	10,332	5.33%	11,689	5.87%	13,307	6.56%	15,824
Benchmark*	4.40%	10,441	6.24%	11,994	6.57%	13,752	7.21%	16,538
Additional Benchmark**	4.29%	10,430	5.88%	11,870	6.16%	13,488	6.90%	16,194

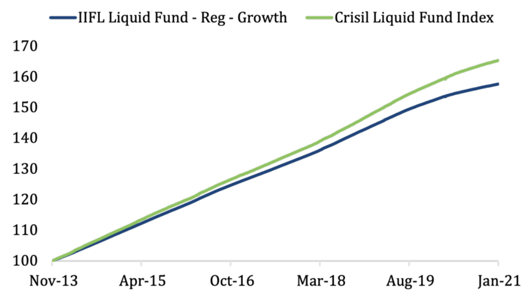
Past performance may or may not be sustained in future. Different plans shall have different expense structure. As on December 31, 2020* Crisil Liquid Fund Index,** Crisil 91 Day T-Bill Index; Point to Point (PTP) returns in ₹ is based on standard investment of ₹10,000 made on the inception date 13-Nov-2013; Effective March 08 2017, Mr. Ankur Parekh has been appointed as Fund Manager of the scheme. The Scheme was managed till March 07, 2017 by Mr Ritesh Jain.

Maturity Profile^



^ As of January 31, 2021

NAV Movement (Since Inception) Rebased to 100

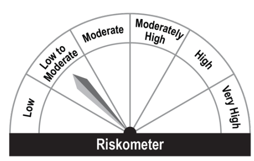


THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING*
- Income over short term horizon
- Investments in money market and short term debt instruments, with maturity not exceeding 91 days

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

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

Risk-O-Meter



Investors understand that their principal will be at Low to Moderate Risk

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.