MONTHLY FACTSHEET

SEPTEMBER 2021

Macro Economy & Event Update

- Global equity markets largely closed on a positive note during the month under review. While U.S. and European equity markets rose, equity markets in Asia witnessed a mixed trend. Upbeat economic data and approval of COVID-19 vaccines in U.S. kept market sentiments upbeat. Gains were extended after the U.S. Federal Reserve at the Jackson Hole Symposium indicated that there is no hurry in raising interest rates. However, persisting concerns over the spread of delta variant of COVID-19 weighed on the sentiment to some extent.

- U.S. equity markets rose after the U.S. Federal Reserve Chief at the Jackson Hole symposium indicated that it is in no hurry in raising interest rates. Approval of Pfizer/BioNTech COVID-19 vaccines also contributed to the upside.

- European equity markets rose primarily on the back of upbeat economic data. The U.S. nonfarm payroll employment data for Jul 2021 came better than market expectations while the U.K. economy recovered strongly in the second quarter of 2021. However, persisting concerns over COVID-19 pandemic capped the gains.

- Asian equity markets closed the fortnight on a mixed note. Persisting concerns over spread of the delta variant of COVID-19 fueled concerns of a slowdown in global growth which dampened sentiments while expectations that interest hike in U.S. will be delayed provided support.

- Back home, domestic equity markets rallied with benchmark indices scaling new closing highs. Strong domestic and global cues contributed to the upside.

- In domestic debt market, bond yields inched up after the Monetary Policy Committee (MPC) in its monetary policy review raised its full year inflation forecast for FY22 and announced withdrawal of liquidity through variable rate reverse repo (VRRR) auctions. However, most of the losses were neutralized after the U.S. Federal Reserve Chief at the Jackson Hole Symposium did not commit to a taper timeline but added that it could be appropriate to begin reducing the pace of asset purchases this year if the recovery of the U.S. economy came along market expectations.

- Moving ahead, domestic equity market will be dictated as to how the ongoing COVID-19 situation in the country evolves. Concerns of a third wave of COVID-19 pandemic very much remains and even though the pace of economic recovery and vaccination is on the rise markets will be dictated as to how market participants respond if and when such a scenario arises. The festive season is knocking on the door and it remains to be seen whether the domestic economy can sustain its recovery momentum on the back of pent-up demand which will also have its influence on the market sentiment to some extent.

Key Economic Indicators

Indicators	Current	Previous
WPI (Jul-21)	11.16%	12.07%
IIP (Jun-21)	13.60%	28.60%
CPI (Jul-21)	5.59%	6.26%

Source: Refinitiv

Event Update

Indian economy witnessed a growth of 20.1% in Q1FY22

- Government data showed that the growth of the Indian economy witnessed a growth of 20.1% in the first quarter of FY22 as compared to a contraction of 24.4% in the same period of the previous year. On the sectoral front, the construction sector witnessed the maximum growth of 68.3% as compared to a contraction of 49.5% in the same period of the previous year. The manufacturing sector witnessed a growth of 49.6% as compared to a contraction of 36.0% in Q1FY21. The agriculture sector grew 4.5% as compared to a growth of 3.5% in the same period of the previous fiscal.

MPC in its monetary policy review kept key policy repo rate unchanged at 4.0%

- MPC in its monetary policy review kept key policy repo rate unchanged at 4.0%. The reverse repo rate thus remained unchanged at 3.35% and the marginal standing facility rate and the bank rate also stood unchanged at 4.25%. The MPC also decided to "continue with its accommodative stance as long as necessary to revive and sustain growth on a durable basis and continue to mitigate the impact of COVID-19 on the economy, while ensuring that inflation remains within the target going forward".

India's Index of Industrial Production (IIP) rose 13.6% YoY in Jun 2021

- Index of Industrial Production (IIP) rose 13.6% YoY in Jun 2021 as compared to a contraction of 16.6% in the same period of the previous year. On the sectoral front, the manufacturing sector grew 13.0% in Jun 2021 as compared to a contraction of 17.0% in Jun 2020. The mining sector grew 23.1% in Jun 2021 as compared to a contraction of 19.5% in Jun 2020 and the electricity sector witnessed a growth of 8.3% in Jun 2021 as compared to a contraction of 10.0% in the same period of the previous year.

Consumer Price Index based inflation (CPI) eased to 5.59% YoY in Jul 2021

- Consumer Price Index based inflation (CPI) eased to 5.59% YoY in Jul 2021 from 6.26% in Jun 2021 and 6.73% in Jul 2020. The CPI came back within the Reserve Bank of India's (RBI) tolerance level (2% - 6%) after staying above the upper band for two straight months. The Consumer Food Price Index also eased to 3.96% in Jul 2021 from 5.15% in the previous month and 9.27% in Jul 2020.

India's trade deficit widened to $10.97 billion in Jul 2021

- Government data showed that India's trade deficit widened to $10.97 billion in Jul 2021 from $4.83 billion in Jul 2020. The trade deficit thus widened by 127.37%. Exports grew 49.85% on a yearly basis to $35.43 billion in Jul 2021 from $23.64 billion in the same period of the previous year. Imports rose 62.99% over the year to $46.40 billion in Jul 2021 from $28.47 billion in the same period of the previous year. Oil imports in Jul 2021 stood at $12.89 billion which was higher by 97.45% in dollar terms compared to Jul 2020. Non-oil imports were estimated at $33.51 billion in Jul 2021 which was 52.73% higher in dollar terms compared to the same period of the previous year.

Equity Market

- Indian equity markets rallied with benchmark indices scaling new closing highs. Market sentiments remained upbeat amid a host of positive domestic and global cues. On the domestic front, encouraging GST revenue collection, robust corporate earning numbers and easing inflationary pressure boosted the risk appetite. Among the global cues, signs of global economic recovery, coupled with dovish stance of the U.S. Federal Reserve on the interest rate hike provided additional support to the buying interest. Nonetheless, worries over rise in the cases of Delta variant of COVID-19 in the Asian region kept investors wary.

- On the BSE sectoral front, S&P BSE Power was the top gainer, up 11.65%, followed by S&P BSE Teck and S&P BSE IT, which rose 10.92% and 10.81%, respectively. In the power sector space, coal ministry said that state-run Coal India has raised coal supply to 1.7 million tons per day to address the shortage of raw material to fuel power. The average off-take recorded in Aug last year was 1.4 million tons per day. Of the 1.7 million tons this time around, 1.4 million tons was dispatched to the power sector daily.

- U.S. markets ended the month in the green after witnessing initial jitteriness after minutes of U.S. Federal Reserve meeting showed there was still some disagreement about the timing of tapering the asset purchases which led to some ambiguity on the Wall Street. Investor sentiments were buoyed by optimism that the approval of Pfizer/BioNTech COVID-19 vaccines could improve vaccination rates in the U.S. and boost economic growth. Additionally, U.S. Federal Reserve Chief's remarks at the Jackson Hole Symposium eased worries over imminent rate hike.

- European markets closed in the green as initial jitteriness over the spread of the COVID-19 Delta variant was put to rest after U.S. employment data for Jul 2021 came in stronger than expected, reinforcing the global economic recovery. Risk appetite increased after quarterly estimates from the Office for National Statistics revealed that U.K. economy recovered strongly in the second quarter, following the easing of coronavirus restrictions. Gross domestic product grew 4.8% sequentially in the second quarter, reversing a 1.6% fall in the first quarter.

- Asian markets witnessed a mixed trend during the month. Worries about slow-down in global growth and uncertainty over Federal Reserve's policy stance kept investors worried initially. The downturn was restricted as investor sentiments were boosted by U.S. Federal Reserve Chairman's remarks at the Jackson Hole Symposium eased worries of an imminent rate hike.

- India's position as a global investment hub has improved materially, given improved corporate balance sheets, focus on reforms, record foreign exchange reserves, and a good momentum on tax collections. The improved outlook augurs well for the domestic equity markets, given the fund inflows from foreign portfolio investors. The gradual reopening of the economy and the consequent impact on corporate profits in the next couple of quarters is likely to keep investors' interest high in well-managed stocks. Meanwhile, the progress of the monsoon in India this year is somewhat slower than expected, and inflation might be an area of concern in the next few quarters. One of the prominent global rating agencies has retained India's growth forecast for the 2021 calendar year at 9.6% and 7% for 2022.

Domestic Indices Performance

Indicators	31-Aug-21	30-Jul-21	Chg. %	YTD
S&P BSE Sensex	57,552	52,587	9.44	20.53
Nifty 50	17,132	15,763	8.69	22.53
S&P BSE 200	7,386	6,879	7.38	25.05
Nifty Midcap 100	28,417	27,815	2.16	36.34
Nifty Dividend Opportunities 50	3,636	3,403	6.84	27.23
S&P BSE Small cap	26,920	26,787	0.50	48.74

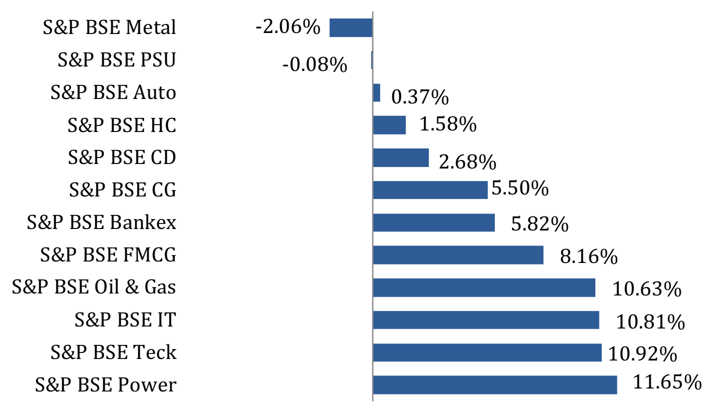
Source: Refinitiv

Global Indices Performance

Global Indices	31-Aug-21	30-Jul-21	Chg. %	YTD
Dow Jones	35,361	34,935	1.22	15.53
FTSE	7,120	7,032	1.24	10.20
CAC	6,680	6,613	1.02	20.33
Hang Seng	25,879	25,961	-0.32	-4.97
Shanghai	3,544	3,397	4.31	2.04

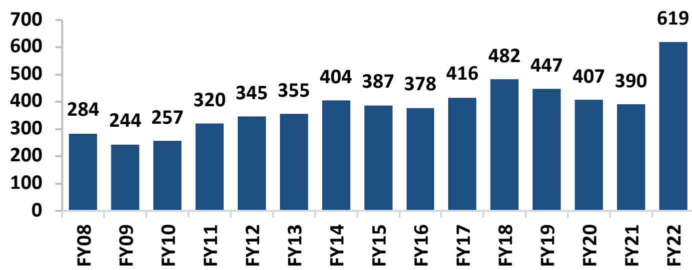
Source: Refinitiv

Sectoral Performance (Monthly Returns %)



Source: BSE

Nifty EPS



Institutional Flows (Equity) As on August 31, 2021

(INR Cr)	Purchases	Sales	Net	YTD
FII Flows	173,648	171,565	2,083	51,117
MF Flows	85,556	75,261	10,295	19,672
DII Flows	131,185	124,290	6,895	20,690

Source: CDSL, NSE & SEBI

* As on Aug 26, 2021

Debt Market

- Bond yields were little changed after moving in a narrow range during the month. Yields rose after MPC in its monetary policy review raised its full year inflation forecast for FY22 to 5.7% from 5.1%. Market sentiments were further dampened after MPC announced withdrawal of liquidity through variable rate reverse repo (VRRR) auctions. However, further losses were restricted as bond yields came down after the U.S. Federal Reserve Chief at the Jackson Hole Symposium did not commit to a taper timeline but added that it could be appropriate to begin reducing the pace of asset purchases this year if the recovery of the U.S. economy came along market expectations. Yields also eased on an expected fall in consumer inflation in Jul 2021.

- Yield on the 10-year benchmark bond rose 2 bps to close at 6.22% compared with the previous months' close of 6.20%.

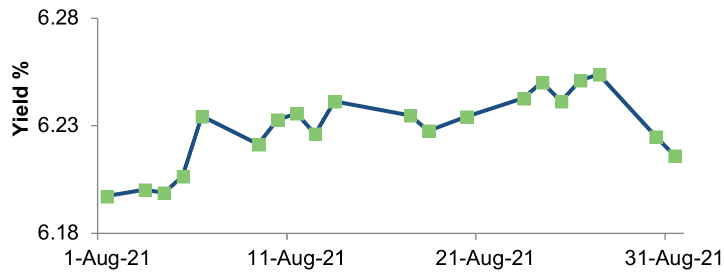
- Going forward RBI's selection of variable rate reverse repo tenors and amounts may provide important cues about pace of rate normalization. Nonetheless, market is expecting bond yields to rise on a higher side as monetary policy normalization begins amid an economic recovery and inflation risks. Meanwhile, Indian economic growth surged in Jun quarter of 2021 due to low base effect but was better than market expectations. Bond buying by RBI under G-SAT 2.0 has helped absorb the central government's planned borrowing of Rs. 12.06 lakh crore, which is also reflected in no devolvement on primary dealers during the reported month. On the other hand, global crude oil prices will be tracked closely by market participants after OPEC and its allies agreed to continue to lower production looking at the global economic revival.

Currency and Commodity

- The Indian rupee rose against the U.S. dollar as the RBI's absence from the market prompted sporadic culling of long positions on the greenback. Gains in domestic equity market due to inflows related to initial public offerings also led to rise in the domestic currency. Rupee rose further against the greenback as the latter fell after the market perceived a highly anticipated speech by U.S. Federal Reserve Chief to be dovish, even as he indicated tapering the U.S. central bank's massive support to the economy could start by the end of 2021. However, gains were capped slightly due to oil-related dollar buying from some state-run banks.

- Brent crude prices went down on worries that travel restrictions to curb the spread of the Delta variant of COVID-19 will derail the global recovery in energy demand. The downturn was restricted amid concerns about supply disruptions as energy companies began shutting production in the Gulf of Mexico ahead of a possible hurricane forecast on Aug 27 which subsequently weakened to tropical storm.

10-Year Benchmark Bond (06.10% GS 2031) Movement



Source: Refinitiv

Spread Movement

Spreads	Maturity Period	AAA	AA	A
31-Aug-21	1 Yr	98	213	1520
	3 Yr	31	202	110
	5 Yr	44	225	--
30-Jul-21	1 Yr	51	211	1657
	3 Yr	71	234	74
	5 Yr	60	196	--

Source: Refinitiv

Yield (%)	31-Aug-21	30-Jul-21
10 Year G-Sec	6.22	6.20
5 Year G-Sec	5.65	5.73
Certificate of Deposit		
3-Month	3.37	3.41
6-Month	3.50	3.70
9-Month	3.54	3.88
12-Month	4.22	4.02
Commercial Papers		
3-Month	3.53	3.70
6-Month	3.95	3.95
12-Month	4.30	4.40

Source: Refinitiv

Treasury Bill	31-Aug-21	30-Jul-21
91 Days	3.10	3.38
364Days	3.63	3.66

Source: CCIL

Event Calendar

Release	Event	Country
9-Sep-21	ECB Monetary Policy Review	Euro Zone
20-Sep-21	People's Bank of China Monetary Policy	China
22-Sep-21	Bank of Japan Monetary Policy Review	Japan
22-Sep-21	U.S. Federal Reserve Monetary Policy	U.S.
23-Sep-21	Bank of England Monetary Policy Review	U.K.

Source: FXSTREET, Daily FX

IIFL FOCUSED EQUITY 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 15 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 & IDCW
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)	:	0.37 times

NAV as on August 31, 2021

Regular - Growth	:	₹ 29.251
Regular - IDCW	:	₹ 25.8789
Direct - Growth	:	₹ 31.885
Direct - IDCW	:	₹ 31.5595

AUM as on August 31, 2021

Net AUM	:	₹ 2287.34 crore
Monthly Average AUM	:	₹ 2197.68 crore

Total Expense Ratio

Regular Plan	:	2.02% p.a.
Direct Plan	:	0.90% p.a.

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

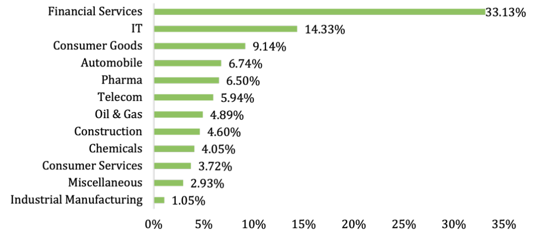
Volatility Measures

	Fund	Benchmark
Std. Dev (Annualised)	17.45%	17.46%
Sharpe Ratio	0.99	0.54
Portfolio Beta	0.94	1.00
R Squared	0.95	NA
Treynor	0.20	0.10

Portfolio as on August 31, 2021

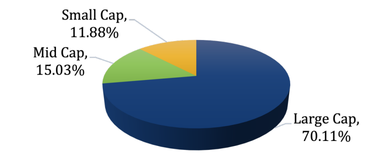
Company Name	Sector	SCDV	% to Net Assets
Equity & Equity Related Total			
ICICI Bank Limited	FINANCIAL SERVICES	C	9.28
Infosys Limited	IT	D	7.34
HDFC Bank Limited	FINANCIAL SERVICES	S	6.58
Axis Bank Limited	FINANCIAL SERVICES	S	5.15
Larsen & Toubro Limited	CONSTRUCTION	C	4.60
Bharti Airtel Limited	TELECOM	V	4.13
SRF Limited	CHEMICALS	S	4.05
Bajaj Finance Limited	FINANCIAL SERVICES	S	3.96
Larsen & Toubro Infotech Limited	IT	S	3.95
State Bank of India	FINANCIAL SERVICES	V	3.84
Crompton Greaves Consumer Electricals Limited	CONSUMER GOODS	S	3.77
Zomato Limited	CONSUMER SERVICES	V	3.72
Divi's Laboratories Limited	PHARMA	D	3.23
Bharat Petroleum Corporation Limited	OIL & GAS	D	3.10
Cyient Limited	IT	S	3.04
Mahindra & Mahindra Limited	AUTOMOBILE	V	3.00
Apollo Tricoat Tubes Limited	Miscellaneous	S	2.93
Dr. Reddy's Laboratories Limited	PHARMA	S	2.25
Sona BLW Precision Forgings Limited	AUTOMOBILE	S	2.06
CCL Products (India) Limited	CONSUMER GOODS	D	2.05
Muthoot Finance Limited	FINANCIAL SERVICES	S	1.93
Tata Communications Limited	TELECOM	V	1.81
Mahanagar Gas Limited	OIL & GAS	D	1.79
Kajaria Ceramics Limited	CONSUMER GOODS	S	1.71
Tata Motors Limited	AUTOMOBILE	C	1.68
Aavas Financiers Limited	FINANCIAL SERVICES	S	1.63
Asian Paints Limited	CONSUMER GOODS	D	1.61
EPL Limited	INDUSTRIAL MANUFACTURING	V	1.05
Procter & Gamble Health Limited	PHARMA	D	1.02
ICICI Lombard General Insurance Company Limited	FINANCIAL SERVICES	D	0.76
Sub Total			**97.02**
TREPS##			3.02
Net Receivables / (Payables)			-0.04
Portfolio Total			**100**

Sector Allocation^^



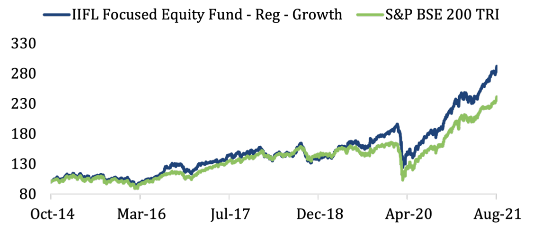
^^Sector allocation as per AMFI classification

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 August 31, 2021

NAV Movement (Since Inception) Rebased to 100



Scheme Performance

Scheme / Benchmark	31-Aug-20 to 31-Aug-21	PTP (₹)	31-Aug-18 to 31-Aug-21	PTP (₹)	31-Aug-16 to 31-Aug-21	PTP (₹)	Since Inception	PTP (₹)
IIFL Focused Equity Fund - Reg - Growth	61.73%	16,173	21.08%	17,753	17.95%	22,831	16.99%	29,251
IIFL Focused Equity Fund - Dir - Growth	63.57%	16,357	22.74%	18,489	19.55%	24,418	18.47%	31,885
Benchmark*	55.45%	15,545	14.96%	15,193	15.82%	20,844	13.77%	24,175
Additional Benchmark**	50.55%	15,055	15.49%	15,406	16.48%	21,442	12.90%	22,940

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.

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

Scheme / Benchmark	31-Aug-20 to 31-Aug-21	31-Aug-18 to 31-Aug-21	31-Aug-16 to 31-Aug-21	Since Inception
Total Amount Invested (₹)	1,20,000	3,60,000	6,00,000	8,10,000
Total Value as on August 31, 2021(₹)	1,56,266	6,00,144	11,07,583	16,78,852
Returns	60.40%	36.18%	24.78%	21.28%
Total Value of Benchmark: S&P BSE 200 TRI (₹)	1,52,166	5,46,268	9,90,117	14,77,517
Benchmark: S&P BSE 200 TRI	53.17%	29.05%	20.14%	17.53%
Total Value of Benchmark: S&P BSE Sensex TRI (₹)	1,49,806	5,34,126	9,96,826	14,80,995
Additional Benchmark: S&P BSE Sensex TRI	49.05%	27.38%	20.41%	17.60%
(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 IDCW Plan	15 February 2017	10	12.7777	1.50
Direct IDCW Plan	15 February 2017	10	13.0738	0.17

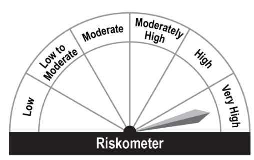
Dividend is gross dividend. Past performance may or may not be sustained in future. After payment of dividend the NAV has fallen to the extent of payout and distribution taxes if applicable. Dividend is not assured and is subject to availability of distributable surplus.

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,

Indian equity indices had a strong run and touched record highs. The benchmark indices, BSE-30 and Nifty-50 indices registered monthly gains of 9.4% and 8.7% (over last month). The indices down the capitalization curve reversed their last month trend and underperformed the benchmark indices with BSE Mid-cap and BSE Small-cap indices recording gains of 3.3% and 0.5% respectively. Amongst the sectoral indices, power stocks soared (BSE Power 11.6%) on account of pick up in power consumption. Meanwhile, demand recovery augured well for stocks in the technology space (BSE Teck up 10.9%). Meanwhile, stocks in the real estate space corrected (BSE Realty down 3.1%) and uncertainty regarding global growth along with concerns over Chinese steel production weighed on the metals sector (BSE Metals down 2.1%).

FPIs turned net buyers of Indian equities to the tune of US$284 mn in August'21, reversing their last month trend. The YTD flows at US$7.1 bn continue to remain decent. As the global economy recovers from the Covid-19 led slowdown, we believe there could be investor interest towards higher risk participation even though rising inflation and tapering of monetary stimulus from central banks of a few major economies could have an overhang on investor sentiments.

Indian Equity Markets: Power packed performance, but persistence is something to watch out for!

The month of August'21 began on an optimistic note with strong macro-economic data, strong July auto volumes and RBI keeping the repo rate unchanged. Amongst the key developments during the month, China and Hong Kong stock markets fell after market regulator issued draft rules banning unfair competition, the US Fed chairman specified that the Fed may begin tapering provided the economic conditions shape up in the manner as expected and Indian government launched the National Monetization Pipeline to monetize INR 6 tn of brownfield infrastructure assets over a period of four years.

The manufacturing PMI which had printed 55.3 in July'21 declined a bit and recorded 52.3 in August'21. An increase in input costs and concerns owing to the economic impact of Covid-19 on demand and finances of the firms, affected the business confidence. Nevertheless, it remained in the expansionary zone. Some of the other macroeconomic indicators such as power consumption, e-way bill collection and rail freight were robust for August'21 indicating a pick-up in the economic activity. Power demand touched 129.51 billion units (BU) in August'21 and over 45 mn e-way bills were generated in August'21. Even the railway network, achieved its highest freight figures in terms of loading of 110.5 MT in the month of August'21. The GST revenues collected in August'21 remained above INR 1 lakh crore akin to last month levels on the back of recovery in Indian economy. Meanwhile, robust tax collections and subdued government spending has kept the centre's finances in control. For now, the centre's fiscal situation seems to be comfortable.

Looking beyond the GDP number!

While GDP number for Q1FY22 has cheered the markets, it is also important to dig a bit deeper and analyse what lies ahead. The output (despite a 20.2%YoY growth in Q1FY22) was lower than that of corresponding period in fiscal year 2019-20. The latest data on government finances highlights a lag in capex. We believe that higher capex by the government will be instrumental in boosting demand and will also encourage private sector investments. The actual impact of investment by government on productivity has not been as per expectations given that capacity utilization remains low and the cost of production has increased due to multiple factors. We believe initiation of a review of delayed projects is a step in the right direction. This coupled with strengthening of Bankruptcy & Insolvency codes and banking sector reforms will set the stage for next leg of economic recovery.

Treading through the fog of pandemic!

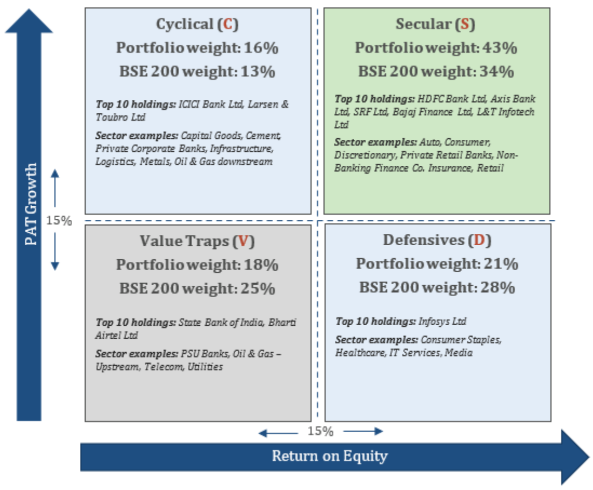
There are prevailing concerns from high unemployment to rising inflation to workforce in the unorganised sector bearing the brunt of income reduction. This has affected the consumer confidence as reflected by Reserve Bank of India surveys. Bank credit expansion has moderated, and companies' profitability may get affected if there is no revenue growth. Even the valuation premium of Indian equities has been high compared to their emerging market peers. Amidst the prevailing risks, there is also a rising optimism as the vaccination program at home is picking up pace, with more than half the eligible population having received at least one dose of vaccine. Therefore, another spike in the infection is likely to have much lesser burden on the health infrastructure. Besides this, the growth momentum seems to have returned as indicated by the continued growth in some of the core sectors of economy - power, construction, steel consumption and sale of commercial vehicles have shown growth trends. The trend ahead will be a function of how well this recovery could be sustained, pick up in the investment cycle and government spending.

The silver lining amidst the fog – Technology Sector tailwind and its knock-on effect on the economy

The Indian IT sector is experiencing a significant tailwind. Managements of multiple companies, big and small, are upbeat about business prospects, hiring and ability to sign large TCV deals. The pandemic has enhanced demand for skilled experienced IT talent. As per a report RGF International Recruitment's Salary Watch 2021: India, Tech talent employed in roles like software development, artificial intelligence, robotics and data science are expected to command some of the highest salaries in the region, averaging between ₹50 and 80 lakh per annum and salary increments up to 40% when changing jobs. We believe there may be 0.5% addition to GDP, US$8 bn addition to the BoP surplus and support for residential real-estate markets in Bangalore, Hyderabad, Pune and Chennai (which account for three-fourth of IT employment) & corporate real estate. The sector with 1.5% of India's total wages, may have an impact on discretionary demand in a positive manner leading to consumption picking up. Real Estate, cement, consumer durables and Autos (2W and 4W) are just some of the sectors which could benefit from this incremental wealth generated.

Portfolio Positioning

We are always overweight the secular quadrant and underweight the value traps quadrant. Tactically we are overweight cyclicals and underweight defensives given our positive view on the economic recovery. In terms of sectors, we see interesting opportunities in Private Sector Financials, Consumer Discretionary and Industrials to play the domestic economic recovery. However, defensive sectors like Indian Healthcare and Indian IT services would continue to perform irrespective of the reopening of the economy. Global pharmaceutical giants have started to reduce dependence on China for supply of Key Starting Materials (KSMs) and increase the share of Indian players. This is widely known as China + 1 phenomenon. Also, Indian IT services sector is set to witness a robust growth cycle owing to acceleration of digital transformation spending by global clients, quick adoption of work from home, and increased off-shoring. Hence, it is advisable to have a balanced mix – the defensive plays where new growth drivers have emerged due to pandemic and cyclical sectors to play the reopening theme.



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%. The portfolio weights mentioned in SCDV investment framework are of IIFL Focused Equity Fund as of August 31, 2021. The weights are rounded off to the nearest decimal.

Disclaimer

The above commentary/opinions/in house views/strategy incorporated herein is provided solely to enhance the transparency about the investment strategy / theme of the Scheme and should not be treated as endorsement of the views / opinions or as an investment advice. The above commentary should not be construed as a research report or a recommendation to buy or sell any security. The information / data herein alone is not sufficient and shouldn't be used for the development or implementation of an investment strategy. The above commentary has been prepared on the basis of information, which is already available in publicly accessible media or developed through analysis of IIFL Mutual Fund. The information/ views / opinions provided is for informative purpose only and may have ceased to be current by the time it may reach the recipient, which should be taken into account before interpreting this commentary. The recipient should note and understand that the information provided above may not contain all the material aspects relevant for making an investment decision and the stocks may or may not continue to form part of the scheme's portfolio in future. The decision of the Investment Manager may not always be profitable; as such decisions are based on the prevailing market conditions and the understanding of the Investment Manager. Actual market movements may vary from the anticipated trends. The statements made herein may include statements of future expectations and other forward-looking statements that are based on our current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alterations to this statement as may be required from time to time. Neither IIFL Mutual Fund / IIFL Asset Management Ltd, its associates, directors or representatives shall be liable for any damages whether direct or indirect, incidental, punitive special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information.

Investment Objective

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. Milan Mody

Mr. Milan Mody has over 18 years of work experience in the Fixed Income market. Prior to joining IIFL Asset Management Limited, he was associated with ITI Asset Management Limited as Fixed Income Fund Manager for three years. His previous experience includes working with Darashaw, Birla Sun-life Securities, Sahara Life Insurance and Zyin Research Pvt. Ltd. He has done MBA Finance and B.Com.

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 & IDCW
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 August 31, 2021

Regular Plan Growth	: ₹ 17.52
#Regular Plan Bonus	: ₹ 17.52
Regular Quarterly IDCW	: ₹ 16.9068
#Regular Half Yearly IDCW	: ₹ 16.9068
#Regular Monthly IDCW	: ₹ 12.0755
Direct Plan Growth	: ₹ 18.3073
Direct Monthly IDCW	: ₹ 12.7466

#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 August 31, 2021

Net AUM	: ₹ 723.88 crore
Monthly Average AUM	: ₹ 701.8 crore

Total Expense Ratio

Regular Plan	: 0.52% p.a.
Direct Plan	: 0.27% p.a.

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

Statistical Debt Indicators

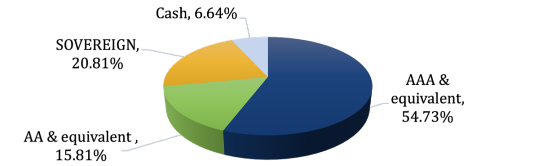
Macaulay Duration	: 3.61 years
Modified Duration	: 3.43 years
Average Maturity	: 4.52 years
Yield to Maturity	: 6.04%

Portfolio as on August 31, 2021

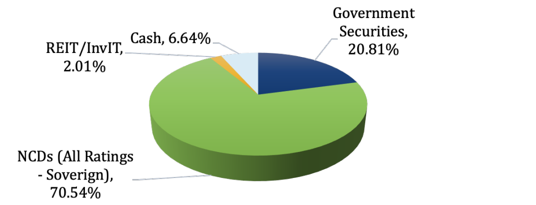
Name of the Instrument	Rating	% to Net Assets
REIT/InvIT Instruments		
Powergrid Infrastructure Investment Trust	Power	1.36
Embassy Office Parks REIT	Construction	0.02
Debt Instruments		
Sovereign Securities		**20.81**
9.15% GOVERNMENT OF INDIA	SOVEREIGN	7.74
7.84% STATE GOVERNMENT SECURITIES	SOVEREIGN	3.71
6.97% GOVERNMENT OF INDIA	SOVEREIGN	2.9
7.17% GOVERNMENT OF INDIA	SOVEREIGN	2.19
6.79% GOVERNMENT OF INDIA	SOVEREIGN	2.16
6.1% GOVERNMENT OF INDIA	SOVEREIGN	1.37
7.69% STATE GOVERNMENT SECURITIES	SOVEREIGN	0.74
Non-Convertible Debentures/Bonds		**70.54**
6.6861% MINDSPACE BUSINESS PARKS	CRISIL AAA	9.76
7.17% POWER FINANCE CORPORATION LIMITED	CRISIL AAA	7.24
8.9% STATE BANK OF INDIA*	CRISIL AAA	5.98
9.15% ICICI BANK LIMITED*	ICRA AA+	5.8
5.85% REC LIMITED	CRISIL AAA	4.14
8.99% BANK OF BARODA*	CRISIL AA+	3.64
TATA CAPITAL HOUSING FINANCE LIMITED	CRISIL AAA	3.64
6.88% REC LIMITED	CRISIL AAA	3.59
7.25% Embassy Office Parks REIT	CRISIL AAA	3.54
6.75% Sikka Ports and Terminals Limited	CRISIL AAA	3.52
7.6% Muthoot Finance Limited	CRISIL AA+	3.49
5.78% Housing Development Finance Corporation Limited	CRISIL AAA	3.45
7.62% Export Import Bank of India	CRISIL AAA	2.23
8.95% Jamnagar Utilities & Power Private Limited	CRISIL AAA	2.21
7.75% LIC Housing Finance Limited	CRISIL AAA	2.2
8.4% India Grid Trust InvIT Fund	CRISIL AAA	2.15
8.55% ICICI Bank Limited*	ICRA AA+	1.45
8.5% State Bank of India*	CRISIL AA+	1.43
8.85% India Grid Trust InvIT Fund	CRISIL AAA	0.72
6.72% Power Finance Corporation Limited	CRISIL AAA	0.36
TREPS## / Reverse Repo		
TREPS##		3.91
Net Current Assets		2.73
Portfolio Total		**100.00**

* BASEL III Compliant

Composition by Rating^



Instrument Wise Composition^



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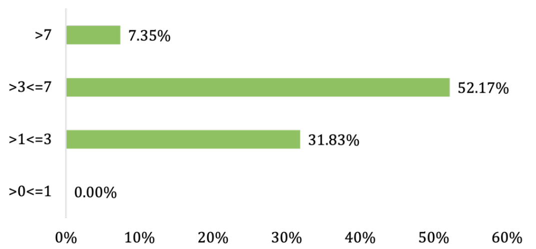
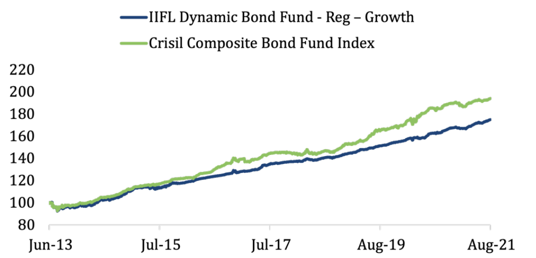
Maturity Profile^



^ As of August 31, 2021

NAV Movement (Since Inception) Rebased to 100



Dividend Declared - Monthly IDCW Plan

Date	Face Value (₹)	Gross Dividend (₹) (Per Unit)	Regular Plan NAV (₹) (Ex-Dividend)	Direct Plan NAV (₹) (Ex-Dividend)
31-Aug-21	10	0.05	12.0755	12.7466
27-Jul-21	10	0.05	11.9942	12.655
29-Jun-21	10	0.05	11.9569	12.6105
Quarterly IDCW Plan				
04-Jun-15	10	0.40	11.4678	11.5708
HalfYearly IDCW Plan				
04-Jun-15	10	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-Aug-20 to 31-Aug-21	PTP (₹)	31-Aug-18 to 31-Aug-21	PTP (₹)	31-Aug-16 to 31-Aug-21	PTP (₹)	Since Inception	PTP (₹)
IIFL Dynamic Bond Fund - Reg – Growth	7.49%	10,749	7.44%	12,405	7.02%	14,038	7.09%	17,520
IIFL Dynamic Bond Fund - Dir - Growth	7.90%	10,790	8.04%	12,615	7.61%	14,436	7.66%	18,307
Benchmark*	5.55%	10,555	9.85%	13,260	7.90%	14,626	8.45%	19,437
Additional Benchmark**	4.68%	10,468	9.10%	12,987	6.42%	13,652	6.73%	17,050

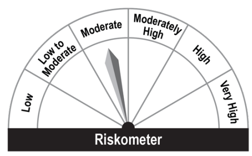
Past performance may or may not be sustained in future
Different plans shall have different expense structure
* Crisil Composite Bond Fund Index,** Crisil 10yr Gilt Index; Point to Point (PTP) returns in ₹ is based on standard investment of ₹ 10,000 made on the inception date; Inception date 24-June-2013;

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, Tripary 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

Fund Commentary

Fixed Income Market Review for the Month

On Economic Recovery: Robust revenue mobilisation on the back of buoyant tax and non-tax collections coupled with re-prioritisation of revenue expenditure has kept fiscal deficit in check at 21.3% of the full-year target. The recovery from the second wave has been faster as evident from the recent economic data. Various high frequency indicators have been regaining traction since June'21 which has bode well for the government finances. Electricity generation is now well above pre-pandemic levels. Electricity consumption in India surged by 18.6% YoY to 129.51 billion units (BU) in August' 21, and up from 111.52BU in July'21. GST collection in August'21 was up 30% YoY although it was down by 3.8% MoM. E-way bill generation picked up in August'21. Up to 30th August'21, daily average e-way bills raised stood at 2.1mn, which is ~2% more than what was seen in July '21.

The Centre has already raised nearly 34.6% of its budgeted full-year receipts by the July'21 end which is 193.4% higher than the total amount mobilised in the corresponding period last year. Whereas the expenditure rationalisation resulted in marginal decline (-14.7%) in total expenditure against the last year's level, prompting a lower fiscal deficit so far. India's GDP growth Q1FY22 came-in at to 20.1% YoY, in nominal terms, India's output at ~INR 51tn has shrunk QoQ, however, it still runs higher than that seen during the pandemic levels and is partly attributed to the higher price levels.

The latest initiative by central government on monetisation of PSU assets by focusing on infrastructure and innovative ways to enhance investments and mobilize savings into productive assets most certainly bodes well from the standpoint of resource allocation as well as medium to long-term growth prospects. These top 5 sectors include: Roads (27%) followed by Railways (25%), Power (15%), Oil & Gas pipelines (8%) and Telecom (6%). The assets and transactions identified under the National Monetization Pipeline (NMP) are expected to be rolled out through a range of instruments. These include direct contractual instruments such as public private partnership concessions and capital market instruments such as Infrastructure Investment Trusts (InvIT) among others. However, the challenge in this approach could be that of the implementation because the NMP is basically purely monetization and the ownership remains with the government. The government focus and efforts of raising money for infrastructure investments outside of the budget bodes well from the fiscal spending as well as fiscal financing aspects – as it reduces the overall fiscal burden.

Bond Investors keenly observed the MPC minutes released during the month which had key common points by the MPC members at this policy were to keep the policy repo rate unchanged and maintain accommodative stance as long as necessary to revive and sustain growth on a durable basis and continue to mitigate the impact of COVID-19 on the economy, while ensuring that inflation remains within the target going forward. Prof. Varma had a different view to anchor inflation and inflation expectations at the earliest by changing the stance and narrowing the policy rates corridor. Mostly all members see inflation hovering closer to the MPC's upper tolerance band of 6% and above its mid-point target of 4%. As mentioned in last month's note we think this is a tactful move from RBI's side in-order to prepare markets for the normalization of rates which we think is a healthy process and not a major concern.

Bond rally was seen during the end of the month driven by optimism that H2 borrowing calendar will ease the supply at the longer end due better monthly revenue numbers resulting in a 10 to 20 bps rally in yields across the yield curve. The fear of early normalization of liquidity mixed with the reinflation trade had kept bond investors on the side-lines during past couple of months but as the growth begin to taper-off in the developed markets (seen in various macro-points) along with the Delta variant of the Corona virus we have seen yields across globe easing. Yields were also supported at lower levels by the persistent bond purchases by the major central banks during the month. FPI inflows into debt stood at US$1.6bn in the second fortnight of August'21, the highest since the start of the pandemic and outpacing equity flows of US$0.2bn. We believe the intensity of the normalisation shock this time i.e. globally tapering liquidity could be less sharp than in the previous instances since markets are better prepared and majorly priced inn.

Persistent local surplus liquidity, support from global factors, stable inflation and better revenue generation prompted good primary cut-offs not only in corporate bonds across the curve but also for G-sec & SDLs as there was no devolvement during the month. In addition to the low credit demand, the various liquidity infusion measures being undertaken by the RBI (OMO purchases and the LTRO and TLTRO) coupled with their foreign currency purchases has contributed significantly to the liquidity surplus in the banking system over time. The liquidity is the banking system continued to be in sizeable surplus standing on an average 7.37 lakh crores against previous month's 5.86 lakh crores prompting 15-20 bps easing in money market yield curve despite the increase in VRRR to 3 lakh crores. We believe the reverse repo will remain the operative rate in the short-term combined with small volatility in rates as RBI will manage liquidity and allocate it across the yield curve. We think the 3-6-year yield curve provides enough cover for normalization of rates and decent accrual as articulated in our previous outlook.

While inflation has remained elevated, particularly core-CPI which is now averaging ~6%, the MPC would take a very calibrated approach to monetary policy setting. The key factors to watch out for are crude price trajectory and sowing through the rest of the monsoon season. The monsoon precipitation has been weak in August and the cumulative rainfall is at 6% deficient from its long period average. Given that credit demand is weak, pace of economic recovery is slow coupled with the RBI's outlook & comments regarding inflation and a calibrated approach to sucking out 'excess' liquidity (so as to support growth), we expect the policy rates and stance to remain unchanged through FY22. We expect the RBI to retain its focus on growth in the near term with only tweak in the regular tools of liquidity management. We continue to be cautiously positive on rates having a nimble strategy with timely opportunities across the yield curve since we believe staying in cash doesn't justify in the time when RBI has an accommodative stance and range-bound yield curve movement specially with such steepness in the yield curve.

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. Milan Mody

Mr. Milan Mody has over 18 years of work experience in the Fixed Income market. Prior to joining IIFL Asset Management Limited, he was associated with ITI Asset Management Limited as Fixed Income Fund Manager for three years. His previous experience includes working with Darashaw, Birla Sun-life Securities, Sahara Life Insurance and Zyin Research Pvt. Ltd. He has done MBA Finance and B.Com.

Fund Details

Date of Allotment	: November 13, 2013
Benchmark Index	: Crisil Liquid Fund Index
Plans Offered	: Regular & Direct
Options Offered	: Growth & IDCW
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 August 31, 2021

Regular Plan Growth	: ₹ 1603.6297
Regular Plan Weekly IDCW	: ₹ 1005.
Regular Plan Daily IDCW	: ₹ 1000.0701
Direct Plan Growth	: ₹ 1609.904
Direct Plan IDCW	: ₹ 1000.0427
Direct Plan Weekly IDCW	: ₹ 1005.

AUM as on August 31, 2021

Net AUM	: ₹ 325.54 crore
Monthly Average AUM	: ₹ 230.24 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.

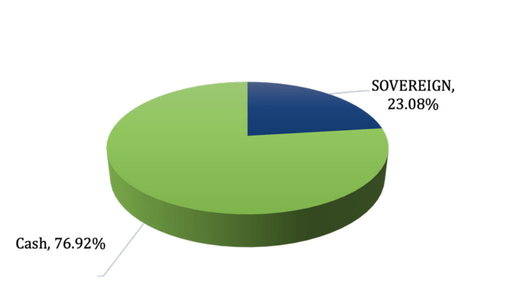
Total Expense Ratio

Macaulay Duration	: 18 days
Modified Duration	: 17.4 days
Average Maturity	: 17.7 days
Yield to Maturity	: 3.15%

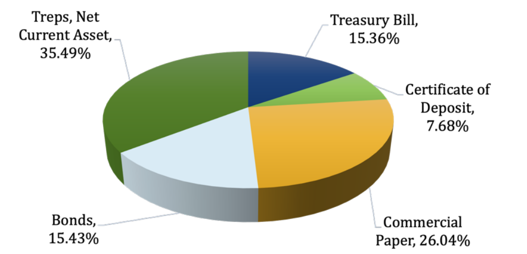
Portfolio as on August 31, 2021

Name of the Instrument	Rating	% to Net Assets
Debt Instruments		
Bonds		
7.03% State Government Securities	SOVEREIGN	7.72
Tata Capital Financial Services Limited	CRISIL AAA	4.01
9.38% Export Import Bank of India	CRISIL AAA	1.54
8.75% Kotak Mahindra Prime Limited	CRISIL AAA	1.54
7.4% Power Finance Corporation Limited	CRISIL AAA	0.62
Sub Total		**15.43**
Certificate of Deposit		
Axis Bank Limited	ICRA A1+	7.68
Sub Total		**7.68**
Commercial Paper		
Housing Development Finance Corporation Limited	ICRA A1+	7.64
Reliance Industries Limited	CRISIL A1+	4.61
Export Import Bank of India	CRISIL A1+	4.60
LIC Housing Finance Limited	CRISIL A1+	4.59
National Bank For Agriculture and Rural Development	ICRA A1+	3.07
NTPC Limited	CRISIL A1+	1.53
Sub Total		**26.04**
Treasury Bill		
91 DAYS TBILL	SOVEREIGN	15.36
Sub Total		**15.36**
TREPS## / Reverse Repo		
TREPS##		30.65
Sub Total		**30.65**
Net Receivables/(Payables)		**4.84**
Portfolio Total		**100.00**

Composition by Rating^



Instrument Wise Composition^



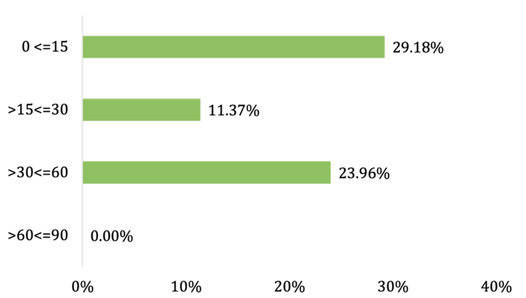
^ As of August 31, 2021

Scheme Performance

Scheme / Benchmark	31-Aug-20 to 31-Aug-21	PTP (₹)	31-Aug-18 to 31-Aug-21	PTP (₹)	31-Aug-16 to 31-Aug-21	PTP (₹)	Since Inception	PTP (₹)
IIFL Liquid Fund - Reg - Growth	2.84%	10,284	4.50%	11,413	5.28%	12,935	6.24%	16,033
IIFL Liquid Fund - Dir - Growth	2.89%	10,289	4.55%	11,430	5.33%	12,967	6.29%	16,095
Benchmark*	3.64%	10,364	5.48%	11,737	6.06%	13,425	6.95%	16,886
Additional Benchmark**	3.92%	10,392	6.35%	12,029	6.21%	13,515	6.90%	16,833

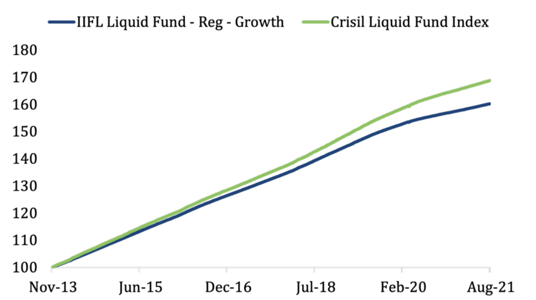
Past performance may or may not be sustained in future. Different plans shall have different expense structure. * Crisil Liquid Fund Index,** Crisil 1 Year T-Bill Index; Point to Point (PTP) returns in ₹ is based on standard investment of ₹10,000 made on the inception date 13-Nov-2013;

Maturity Profile^



^ As of August 31, 2021

NAV Movement (Since Inception) Rebased to 100



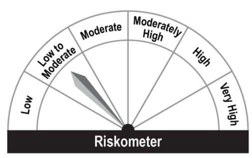
THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING*

- Income over short term horizon
- Investments in money market and short term debt instruments, with maturity not exceeding 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.
R-SQUARED	R-squared measures the relationship between a portfolio and its benchmark index. It measures the correlation of the portfolio's returns to the benchmark's returns.
TREYNOR RATIO	Developed by Jack Treynor, the Treynor ratio (also known as the "reward-to-volatility ratio") attempts to measure how well an investment has compensated its investors given its level of risk. The Treynor ratio relies on beta, which measures an investment's sensitivity to market movements, to gauge risk.
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.
IDCW	Dividend option is renamed as Income Distribution cum Capital Withdrawal (IDCW) option for all Schemes effective from April 1, 2021

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.