

# MONTHLY FACTSHEET

November 2021



## Macro Economy & Event Update

- Global equity markets displayed a strong recovery for the month under review as the concerns galore from the previous month were overshadowed by better macroeconomic data and strong US corporate earnings. Although concern over solvency issues of a major property developer in China had dampened market sentiments across the globe in the last month, Chinese markets registered positive performance after the real estate giant made an interest payment on its debt during the month, dispelling the potential default concerns and the wider market spill-over.
- US GDP growth for the third quarter came in at 2.0% YoY, due to continuing supply-side distortions and the adverse effects from Hurricane Ida. However, data release during the month suggested a pick-up in momentum. The US recovery seems to be robust given the inflationary pressures building on account of economy approaching full employment. As a result, there could be a probability of tapering in the coming months.
- Europe started the allocation of the Recovery Fund. The key beneficiaries of European Union (EU) resources viz. Italy and Spain declared their intent to follow expansionary fiscal policies and to defer fiscal consolidation. The European Central Bank (ECB) in its October meeting reiterated that it anticipated the recent rise in inflation to be transitory. The verdict on how to conduct asset purchases subsequent to the end of the Pandemic Emergency Purchase Programme (PEPP) was deferred till December.
- Asian equity markets also followed the global trend and closed the month on a positive note. While positive earnings guidance along with steady decline in the number of new Covid-19 cases in many countries led to gains during the beginning of the month, however, mounting energy prices and higher inflation weighed on the investor sentiment and limited overall gains in the later part of the month. Also, concerns related to cyber security and computer chips affected market returns towards the end of the month.
- Back home, domestic equity markets rose and touched an all-time high level during the month. However, concerns over rising commodity prices, building up of inflationary pressures, liquidity normalization signal by the central bank and steep valuations limited the gains and the benchmark indices ended the month almost flat.
- Market sentiment moving ahead will be a function of how some of the key factors shape up: (1) the earning season for the quarter ended Sep 2021 which shall indicate the stability and sustainability of the recovery of the domestic economy from the COVID-19 pandemic (2) the response from the IPO market given the rush of IPOs in the last few months and (3) how the liquidity tightening pans out in the US and in India.

### Key Economic Indicators

Indicators	Current	Previous
WPI (Sep-21)	10.66%	11.39%
IIP (Aug-21)	11.90%	11.50%
CPI (Sep-21)	4.35%	5.30%

Source: Bloomberg

### Event Update

#### India's Index of Industrial Production (IIP) rose 11.9% in Aug 2021

- IIP rose 11.9% in Aug 2021 as compared to a contraction of 7.1% in Aug 2020. The manufacturing sector grew 9.7% in Aug 2021 as compared to a contraction of 7.6% in Aug 2020. The mining sector grew 23.6% in Aug 2021 as compared to a contraction of 8.7% in Aug 2020 and the electricity sector witnessed a growth of 16.0% in Aug 2021 as compared to a contraction of 1.8% in Aug 2020.

#### Consumer Price Index based inflation (CPI) moderated to 4.35% in Sep 2021

- Consumer Price Index based inflation (CPI) moderated to 4.35% in Aug 2021 from 5.30% rise in Aug 2021 and 7.27% in Sep 2020. The CPI for Sep 2021 stayed well within the Reserve Bank of India's tolerance level (2% - 6%) for third straight month. The Consumer Food Price Index also eased to 0.68% in Sep 2021 from 3.11% in Aug 2021 and 10.68% in Sep 2020.

### Trade Balance

- Record-high exports in first seven months of FY22: On monthly basis, exports grew by 42.3% (over Oct'20) in Oct'21 to \$35.5bn. Imports grew by 62.5% to \$55.4bn in Oct'21 vs. \$34bn in Oct'20. India's imports rose to \$331bn in 7M FY22, the highest-ever for the first seven months of any financial year. India recently used strategic oil reserves to keep trade deficit below \$20bn mark. Trade deficit marginally narrowed to \$19.9bn in Oct'21 from \$22.6bn in Sep'21. Notably, one important takeaway from the analysis is that non-oil & non-gold exports have also surged 36.6% from Oct'19 level. Robust demand from key external markets like Switzerland, Iraq, Saudi Arabia, UAE and US helped boost India's exports. Moreover, the gold imports during the last ten months have already surged to \$46.9bn, which is even higher than the full-year gold imports figure of any year since FY14.

#### India's index of eight core industries grew 4.4% in Sep 2021

- Government data showed that the index of eight core industries grew 4.4% in Sep 2021 as compared to a growth of 11.6% in Aug 2021 and a marginal increase of 0.6% in Sep 2020. The natural gas sector witnessed the maximum growth of 27.5% followed by cement sector and coal sector which grew by 10.8% & 8.1% respectively. All the sectors grew in Sep 2021 barring crude oil which witnessed a contraction of 1.7%, in Sep 2021. For the period from Apr to Sep 2021, the index of eight core industries grew 16.6% as compared to a contraction of 14.5% in the corresponding period of the previous year.

### Fiscal Update

- For the period Apr-Sep FY22, the fiscal deficit stood at Rs. 5.27 Lakh Crore as against the budget estimate of Rs. 15.07 Lakh Crore for FY22. Consequently, the fiscal deficit reached 35% of budget estimate, substantially lower than 114.8% in the corresponding period last year. Steady GST collections (Avg monthly collections for Apr-Sep FY22 at Rs. 1.14 Lakh Crore), robust union excise duties and better income and corporation tax, helped the Government to keep the fiscal deficit substantially below the budget estimate for FY22, this should lead to positive multiplier effects in the medium term

## Equity Market

- Domestic equity markets ended the month flat after touching an all-time high during the month. On a positive note, Covid-19 cases during the month remained under control (daily sub-20k) and the vaccine doses crossed the 1bn mark and Moody's changed India's sovereign rating outlook from 'negative' to 'stable'. However, rising crude oil prices, flurry of large upcoming IPOs, mixed earning numbers, liquidity normalization signals by the Central Bank and stretched valuations were some of the reasons that limited the gains.
- U.S. markets ended the month on a positive note. The results on earnings were mostly heartening, with an optimistic update from Caterpillar – which is generally seen as an economic bellwether, thereby setting a positive tone. On the other hand, there were prominent disappointments from Amazon and Apple. While Amazon suggested that shortage on the labour front was adding to its cost, Apple mentioned supply disruption (regarding chip availability) as the reason for softer revenues. Meanwhile, economic data showed moderation in the economic activity wherein US GDP growth came in at 2%YoY for Q3, down from 6.7% in Q2. However, the data also suggested an improvement in the consumer confidence.
- Eurozone shares also recorded gains in October. The Q3 corporate earnings reflected an economic recovery, even though the cost pressures are also being felt. The annual inflation for Euro zone was estimated at 4.1% for October, up from 3.4% in September. However, the European Central Bank (ECB) restated that it expects the current spike in inflation to be temporary. Further, Q3 GDP growth was 2.2%, compared to 2.1% in Q2. Some of the forward-looking data points indicated that supply bottlenecks are beginning to affect growth.
- Asian equity markets also followed the overall global trend and closed the month on a positive note. While positive earnings guidance along with steady decline in the number of new Covid-19 cases in many countries led to gains during the beginning of the month, however, mounting energy prices and higher inflation weighed on the investor sentiment and limited overall gains in the later part of the month. Also, concerns related to cyber security and computer chips affected market returns towards the end of the month.
- On the global front, economic growth in Europe is yet to pick up steam. This is most prominent in Germany wherein the industrial production has got affected on account of semi-conductor shortages which in turn has affected the automotive sector. However, it is noteworthy that excluding the auto sector, the course of eurozone industrial production is back above pre-pandemic levels. The US Federal Reserve has indicated they will start decreasing the rate at which they are purchasing securities (tapering) which is likely to start in November or December. With the inoculation improving in many countries, investors' attention is now shifting from Covid19 towards the post-pandemic course of normalisation. However, continuing supply chain constraints and inflationary pressures are weighing on the economic recovery. Back home, how the liquidity situation pans out in US and India, response from the IPO market and earning season for quarter ending September are likely to weigh on the market sentiments.

### Domestic Indices Performance

Indicators	29-Oct-21	30-Sep-21	Chg. %	YTD
S&P BSE Sensex	59,307	59,126	0.31	24.20
Nifty 50	17,672	17,618	0.30	26.39
S&P BSE 200	7,639	7,617	0.29	29.32
Nifty Midcap 100	30,470	30,384	0.28	46.19
Nifty Dividend Opportunities 50	3,646	3,747	-2.70	27.59
S&P BSE Small cap	27,983	28,082	-0.35	54.62

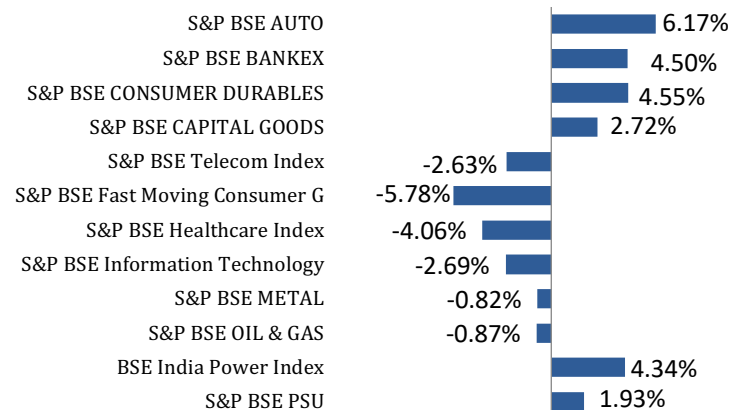
Source: NSE BSE

### Global Indices Performance

Global Indices	29-Oct-21	30-Sep-21	Chg. %	YTD
Dow Jones	35,820	33,844	5.84	17.03
FTSE	7,238	7,086	2.13	12.03
CAC	6,830	6,520	4.76	23.04
Hang Seng	25,377	24,576	3.26	-6.81
SSE Composite Index	3,547	3,568	-0.58	2.14

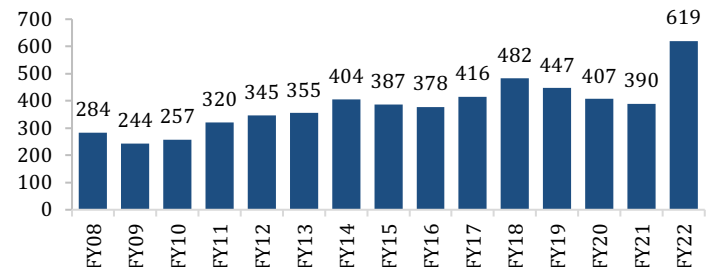
Source: Bloomberg

### Sectoral Performance (Monthly Returns %)



Source: BSE

### Nifty EPS



### Institutional Flows (Equity) As on October 29, 2021

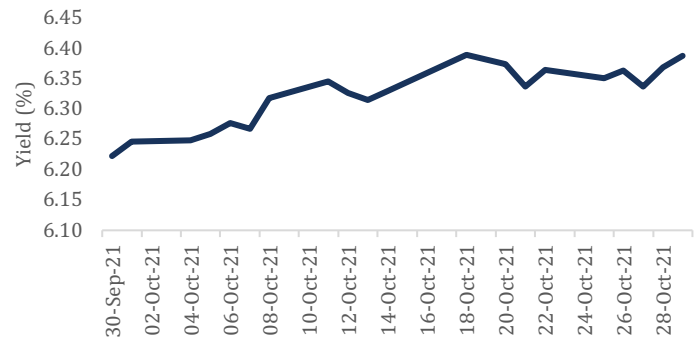
(INR Cr)	Purchases	Sales	Net	YTD
FII Flows	191471	207856	-17034	45245
MF Flows	108828	109627	5866	33393
DII Flows	151608	147137	4471	32526

Source: CDSL, NSE & SEBI, Bloomberg

## Debt Market

- Bond yields inched higher during the October month as yield curve flattened with major impact on the money market and very short-term yield curve rising by 25-35bps. Yield on the 10-year benchmark bond moved higher by 15bps to 6.37% compared with the previous months' close. Yield on gilt securities rose in the range of 10 to 20 bps across the maturities, barring 30-year, 1-2 year papers rose by up to 20 bps. Yield on corporate bonds rose in the range of 10 to 25 bps across the curve, leaving 15year papers that rose by 3 bps. Yield on rose the most on 1-3year segment with fear of normalization of rates and higher cut-offs in VRRRs. Difference in spread between corporate bond and gilt securities expanded by 5bps in the 2-5-year segment while yields compressed by 3-4bps in the 10-year segment.
- Successful vaccination and festive season impacted Google mobility trends for both workplaces and retail & recreation are now merely 5% below the Feb'20 benchmark while the daily airline passengers and departures have crossed the pandemic peaks seen in Feb'21. While there are reasons to remain optimistic about the recovery, inflation concerns could counteract some of this positivity to slow the pace of growth down the line. Fortunately, the government has stepped in to share a part of the rising cost burden. Petrol prices have been reduced by INR 6 to 14/ litre and diesel by INR 10 to 20/ litre across states. The CPI impact from fuel tax cuts should be about 17 bps since diesel is not a big part of CPI weight. Recent tax cut in edible oil and now retail fuel provides some buffer room in CPI projections in case input price pass-through is stronger than expected. Tax cut impact on FY22 central government finances is about INR 450 bn (0.2% of GDP) which the government can easily absorb and still outperform on FY22 fiscal consolidation with targeted 6.8% fiscal deficit for the full year which also includes some disappointment on disinvestments.
- We think the process of normalization of liquidity and rates in the short-term yield curve will continue in near future keeping a close watch on crude oil price, global yields, growth numbers and third wave impact (in some of the developed countries) will continue. RBI and central government have been ahead of the curve in the pandemic period as fiscal slippage concerns fade, the steeper yield curve is likely to attract longer-term investors, global factors and disinvestment proceeds remains the key monitorable.

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



### Spread Movement

Spreads	Maturity Period	AAA	AA	A
29-Oct-21	1 Yr	29	106	303
	3 Yr	42	117	299
	5 Yr	37	122	307
	10 Yr	61	143	300
30-Sep-21	1 Yr	18	99	296
	3 Yr	38	125	297
	5 Yr	32	111	303
	10 Yr	64	148	296

Source: Bloomberg

Yield (%)	29-Oct-21	30-Sep-21
10 Year G-Sec	6.37	6.22
5 Year G-Sec	5.74	5.66

Certificate of Deposit		
3-Month	3.58	3.53
6-Month	3.93	3.73
12-Month	4.18	3.98

Commercial Papers		
3-Month	4.45	3.48
6-Month	4.70	3.60
12-Month	4.90	3.95

Source: Bloomberg

Treasury Bill	29-Oct-21	30-Sep-21
91 Days	3.52	3.44
364Days	4.02	3.75

Source: Bloomberg

# IIFL FOCUSED EQUITY FUND

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



## Investment Objective

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

## Fund Manager **Mr. 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

<b>Date of Allotment</b>	: October 30, 2014
<b>Bloomberg Code</b>	: IIFGRRG IN
<b>Benchmark Index</b>	: S&P BSE 200 TRI
<b>Plans Offered</b>	: Regular & Direct
<b>Options Offered</b>	: Growth & IDCW
<b>Minimum Application</b>	:
<b>New Purchase</b>	: ₹5,000 and in multiples of ₹100 thereafter
<b>Additional Purchase</b>	: ₹1,000 and in multiples of ₹100 thereafter
<b>Monthly SIP Option</b>	: ₹1,000 per month for a minimum period of 6 months
<b>Quarterly SIP Option</b>	: ₹1,500 per quarter for a minimum period of 4 quarters
<b>Entry Load</b>	: NIL
<b>Exit Load</b>	: 1% - if redeemed/switched out, on or before 12 months from the date of allotment w.e.f April 02, 2019.
<b>Dematerialization</b>	: D-Mat Option Available
<b>Portfolio Turnover Ratio (based on 1 year monthly data)</b>	: 0.37 times

## NAV as on October 31, 2021

<b>Regular - Growth</b>	: ₹ 30.4356
<b>Regular - IDCW</b>	: ₹ 26.9269
<b>Direct - Growth</b>	: ₹ 33.2352
<b>Direct - IDCW</b>	: ₹ 32.896

## AUM as on October 31, 2021

<b>Net AUM</b>	: ₹ 2480.04 crore
<b>Monthly Average AUM</b>	: ₹ 2480.47 crore

## Total Expense Ratio

<b>Regular Plan</b>	: 1.99% p.a.
<b>Direct Plan</b>	: 0.90% p.a.

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

## Volatility Measures

	Fund	Benchmark
<b>Std. Dev (Annualised)</b>	14.37%	17.46%
<b>Sharpe Ratio</b>	0.60	0.54
<b>Portfolio Beta</b>	0.94	1.00
<b>R Squared</b>	0.96	NA
<b>Treynor</b>	0.10	0.10

## Portfolio as on October 31, 2021

Company Name	Sector	SCDV	% to Net Assets
<b>Equity &amp; Equity Related Total</b>			
Bharti Airtel Limited **	TELECOM	V	0.12
ICICI Bank Limited	FINANCIAL SERVICES	C	9.82
Infosys Limited	IT	D	7.07
HDFC Bank Limited	FINANCIAL SERVICES	S	6.31
Larsen & Toubro Limited	CONSTRUCTION	C	4.48
Axis Bank Limited	FINANCIAL SERVICES	S	4.47
State Bank of India	FINANCIAL SERVICES	V	4.17
Larsen & Toubro Infotech Limited	IT	S	4.07
Bharti Airtel Limited	TELECOM	V	3.93
SRF Limited	CHEMICALS	S	3.89
Crompton Greaves Consumer Electricals Limited	CONSUMER GOODS	S	3.87
Bajaj Finance Limited	FINANCIAL SERVICES	S	3.87
Divi's Laboratories Limited	PHARMA	D	3.16
Mahindra & Mahindra Limited	AUTOMOBILE	V	3.09
Cyient Limited	IT	S	3.06
Bharat Petroleum Corporation Limited	OIL & GAS	D	2.85
Tata Motors Limited	AUTOMOBILE	C	2.61
Apollo Tricoat Tubes Limited	Miscellaneous	S	2.52
Sona BLW Precision Forgings Limited	AUTOMOBILE	S	2.46
Dr. Reddy's Laboratories Limited	PHARMA	S	2.23
CCL Products (India) Limited	CONSUMER GOODS	D	2.12
Aavas Financiers Limited	FINANCIAL SERVICES	S	1.75
Muthoot Finance Limited	FINANCIAL SERVICES	S	1.72
Coforge Limited	IT	D	1.71
Zomato Limited	CONSUMER SERVICES	V	1.71
Sansara Engineering Limited	AUTOMOBILE	C	1.67
Kajaria Ceramics Limited	CONSUMER GOODS	S	1.63
Tata Communications Limited	TELECOM	V	1.54
Mahanagar Gas Limited	OIL & GAS	D	1.45
Asian Paints Limited	CONSUMER GOODS	D	1.43
<b>Sub Total</b>			<b>94.78</b>
<b>Unlisted</b>			
FSN E-Commerce Ventures Limited	RETAILING		0.22
TREPS#			4.83
Net Receivables / (Payables)			0.17
<b>Portfolio Total</b>			<b>100</b>

## Scheme Performance

Scheme / Benchmark	31-Oct-20 to 31-Oct-21	PTP (₹)	31-Oct-18 to 31-Oct-21	PTP (₹)	31-Oct-16 to 31-Oct-21	PTP (₹)	Since Inception	PTP (₹)
IIFL Focused Equity Fund - Reg - Growth	62.35%	16,235	29.92%	21,912	18.70%	23,582	17.23%	30,436
IIFL Focused Equity Fund - Dir - Growth	64.14%	16,414	31.66%	22,804	20.32%	25,241	18.71%	33,235
Benchmark*	57.34%	15,734	21.33%	17,853	16.69%	21,658	14.01%	25,051
Additional Benchmark**	51.23%	15,123	21.26%	17,821	17.60%	22,514	13.10%	23,680

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-Oct-20 to 31-Oct-21	31-Oct-18 to 31-Oct-21	31-Oct-16 to 31-Oct-21	Since Inception
Total Amount Invested (₹)	1,20,000	3,60,000	6,00,000	8,30,000
Total Value as on October 31, 2021(₹)	1,50,171	6,03,776	11,24,795	17,68,243
Returns	49.56%	36.60%	25.40%	21.49%
Total Value of Benchmark: S&P BSE 200 TRI (₹)	1,46,227	5,52,230	10,02,369	15,51,549
Benchmark: S&P BSE 200 TRI	42.76%	29.82%	20.63%	17.77%
Total Value of Benchmark: S&P BSE Sensex TRI (₹)	1,44,208	5,37,454	10,03,968	15,48,785
Additional Benchmark: S&P BSE Sensex TRI	39.31%	27.80%	20.69%	17.72%

(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.

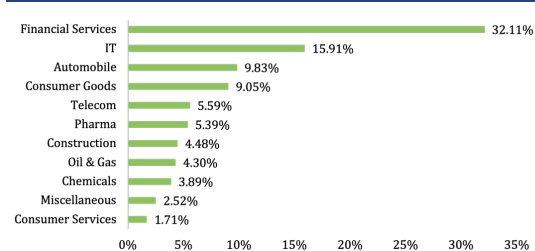
THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING\*

- 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.

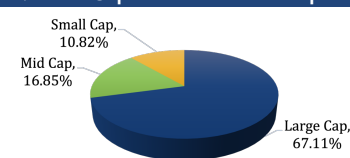
\*\*With effect from November 05, 2018, Triparty Repo has replaced CBOs for all schemes with provisions to invest in CBO.

## Sector Allocation^^



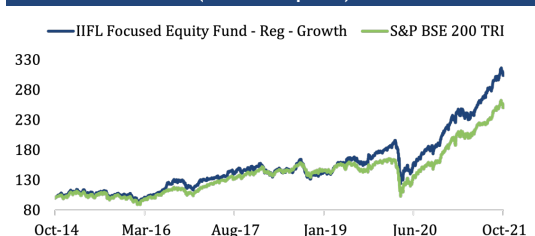
\*\*Sector allocation as per AMFI classification

## Market Capitalisation wise Exposure^

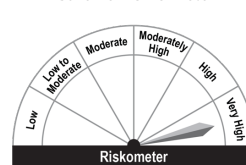


a. Large Cap Companies: 1st-100th company in terms of full market capitalization  
b. Mid Cap Companies: 101st-250th company in terms of full market capitalization  
c. Small Cap Companies: 251st company onwards in terms of full market capitalization  
The consolidated list of stocks in terms of full 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 October 31, 2021

## NAV Movement (Since Inception) Rebased to 100

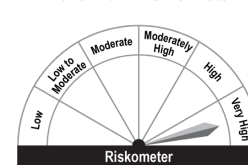


## Scheme Risk-O-Meter



Investors understand that their principal will be at Very High Risk

## Benchmark 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 an all-time high during October'21, but the benchmark indices BSE-30 and Nifty-50 indices ended the month flat with a marginal 0.3% gain (over last month). The indices down the capitalization curve underperformed the benchmark indices with BSE Mid-cap and BSE Small-cap indices recording gains of 0.1% and -0.4% respectively. Amongst the sectoral indices, auto (BSE Auto up 6.2%) and consumer durables stocks (BSE Consumer Durables up 4.5%) soared in the anticipation of stronger recovery in those sectors post opening up of economy. Meanwhile, stocks in the FMCG space (BSE FMCG down 5.8%) corrected due to inflationary pressures building up and stocks in the healthcare space (BSE Healthcare down 4.1%) bore the brunt of flagged product delays.

FPIs reversed their trend and were net sellers of Indian equities to the tune of US\$1.8 bn in October'21. The YTD flows at US\$7.1 bn continue to remain robust. While rising inflation and tapering of monetary stimulus could dampen investor sentiments, we believe that there could be continued investor interest towards higher risk participation.

### Indian Equity Markets: Holding up well amidst the valuation and taper concern!

Domestic equity markets ended the month flat after touching an all-time high during the month. On a positive note, Covid-19 cases during the month remained under control (daily sub-20k) and the vaccine doses crossed the 1bn mark and Moody's changed India's sovereign rating outlook from 'negative' to 'stable'. However, rising crude oil prices, flurry of large upcoming IPOs, mixed earning numbers, liquidity normalization signals by the Central Bank and stretched valuations were some of the reasons that limited the gains.

Amongst the key developments during the month, the IMF retained India's GDP growth forecast for the current fiscal (FY22) at 9.5% (in-line with RBI forecast) and 8.5% for FY23, Moody's changed India's sovereign rating outlook from 'negative' to 'stable', PM launched GatiShakti to lift India's infra development and the minutes of the FOMC's September meeting highlighted that the Federal Reserve may start reducing asset purchases as soon as mid-November.

The manufacturing PMI recorded 55.9 in October'21, an eight-month high as companies increased production in anticipation of improvement in demand. Along with an increase in new orders Indian companies saw a notable pick-up in international demand for their goods which led to the up move in the headline index.

The GST revenue collected in October'21 was second highest ever since introduction of GST at INR 1.3 trillion on the back of recovery in Indian economy. Even the e-way bills generated showed an encouraging trend, efforts of the State and Central tax administration resulting in increased compliance which have in turn contributed to the increase in the revenue.

### What lies ahead - Road to Recovery or Reasons to Ponder?

The road to recovery also has reasons to ponder especially when there are conflicting trends seen in two of the largest economies of the world. On one hand US is moving towards normalization in order to combat the inflationary pressures and on the other hand China is grappling with the growth slowdown which may have a deflationary effect. The uncertainty arising out of this may increase volatility in global markets which in turn could have an impact on the near-term equity market performance.

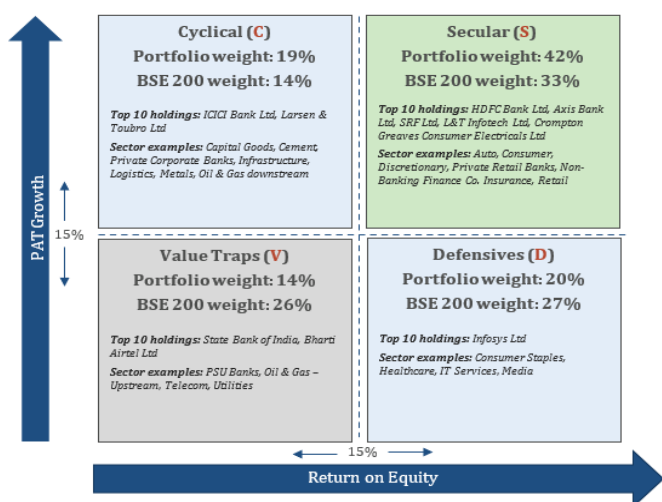
Although there are near term challenges, however, rapid vaccination drive has been instrumental in boosting confidence of economy as well as the masses. Further, the government continues to focus on infrastructure investment, which we believe will provide the necessary impetus to the core sectors of the economy. Also, since the credit growth was muted for some time now, the capacity utilization is likely to improve, which will in turn pave the way for revival of investment demand in the corporate sector.

### Long term drivers intact!

While the concern on valuation raises eyebrows, we believe that having the structural drivers of the economy intact matters in the long run. With the GDP growth estimates for FY22 and FY23 at 9.5% and 8.5% respectively, India will be among the fastest growing economies. Further, in our opinion there is a strong correlation between GDP growth, corporate earnings and equity market returns. The anticipated rise in nominal GDP growth will in turn boost corporate earnings. As long as the corporate India continues to grow, the equity markets are likely to remain buoyant. That said, in times of frenzy when the market is swarmed with IPOs and the valuations at times seem stretched, it is even more important to exercise caution in terms of businesses that one should invest and that should be based on detailed research.

### Portfolio Positioning

With various macroeconomic parameters especially optimism on the GDP growth, we believe that cyclical recovery has already begun. In terms of sectors, we see interesting opportunities in Private Sector Financials, Consumer Discretionary and Industrials and Materials to play the domestic economic recovery. However, we believe that defensive sectors like Indian IT services would continue to perform irrespective of the domestic economy returning back to normalcy. Hence, it is advisable to have a balanced mix - the defensive segments where new growth drivers have emerged due to pandemic and cyclical sectors to benefit from 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 October 29, 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.

# 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

**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 Zyn Research Pvt. Ltd. He has done MBA Finance and B.Com.

## Fund Details

<b>Date of Allotment</b>	: June 24, 2013
<b>Bloomberg Code</b>	: IIFDBBIN
<b>Benchmark Index</b>	: Crisil Composite Bond Fund Index
<b>Plans Offered</b>	: Regular & Direct
<b>Options Offered</b>	: Growth & IDCW
<b>Minimum Application</b>	:
<b>New Purchase</b>	: ₹10,000 and in multiples of ₹100 thereafter
<b>Additional Purchase</b>	: ₹1,000 and in multiples of ₹100 thereafter
<b>Monthly SIP Option</b>	: ₹1,000 per month for a minimum period of 6 months
<b>Quarterly SIP Option</b>	: ₹1,500 per quarter for a minimum period of 4 quarters
<b>Entry Load</b>	: NIL
<b>Exit Load</b>	: 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").
<b>Dematerialization</b>	: D-Mat Option Available
<b>Asset Allocation</b>	:
<b>Debt Market</b>	: 0% to 100%
<b>Money Market</b>	: 0% to 100%
<b>REITs &amp; InvTs</b>	: 0% to 10%

## NAV as on October 31, 2021

<b>Regular Plan Growth</b>	: ₹ 17.6035
<b>#Regular Plan Bonus</b>	: ₹ 17.6035
<b>Regular Quarterly IDCW</b>	: ₹ 16.9873
<b>#Regular Half Yearly IDCW</b>	: ₹ 16.9873
<b>#Regular Monthly IDCW</b>	: ₹ 12.0329
<b>Direct Plan Growth</b>	: ₹ 18.4019
<b>Direct Monthly IDCW</b>	: ₹ 12.7123

#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 October 31, 2021

<b>Net AUM</b>	: ₹ 722.96 crore
<b>Monthly Average AUM</b>	: ₹ 745.32 crore

## Total Expense Ratio

<b>Regular Plan</b>	: 0.52% p.a.
<b>Direct Plan</b>	: 0.27% p.a.

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

## Statistical Debt Indicators

<b>Macaulay Duration</b>	: 3.76 years
<b>Modified Duration</b>	: 3.55 years
<b>Average Maturity</b>	: 4.73 years
<b>Yield to Maturity</b>	: 6.35%

## Portfolio as on October 31, 2021

Name of the Instrument	Rating	% to Net Assets
<b>REIT/InvIT Instruments</b>		<b>3.81</b>
Powergrid Infrastructure Investment Trust	Power	2.47
Embassy Office Parks REIT	Construction	1.34
<b>Debt Instruments</b>		
<b>Sovereign Securities</b>		<b>13.84</b>
9.15% GOVERNMENT OF INDIA	SOVEREIGN	4.54
7.84% STATE GOVERNMENT SECURITIES	SOVEREIGN	3.64
7.17% GOVERNMENT OF INDIA	SOVEREIGN	2.15
7.59% GOVERNMENT OF INDIA	SOVEREIGN	1.46
6.1% GOVERNMENT OF INDIA	SOVEREIGN	1.34
7.69% STATE GOVERNMENT SECURITIES	SOVEREIGN	0.71
<b>Non-Convertible Debentures/Bonds</b>		<b>75.97</b>
6.6861% MINDSPACE BUSINESS PARKS	CRISIL AAA	9.60%
8.9% STATE BANK OF INDIA*	CRISIL AAA	5.80%
9.15% ICICI BANK LIMITED*	ICRA AA+	5.73%
7.75% LIC HOUSING FINANCE LIMITED	CRISIL AAA	4.29%
5.85% REC LIMITED	CRISIL AAA	4.07%
8.99% BANK OF BARODA*	CRISIL AA+	3.63%
TATA CAPITAL HOUSING FINANCE LIMITED	CRISIL AAA	3.61%
7.17% POWER FINANCE CORPORATION LIMITED	CRISIL AAA	3.55%
6.88% REC Limited	CRISIL AAA	3.52%
7.25% Embassy Office Parks REIT	CRISIL AAA	3.48%
7.6% Muthoot Finance Limited	CRISIL AA+	3.45%
6.75% Sikka Ports and Terminals Limited	CRISIL AAA	3.45%
6.95% Power Finance Corporation Limited	CRISIL AAA	3.41%
5.78% Housing Development Finance Corporation Limited	CRISIL AAA	3.39%
6.4% Jamnagar Utilities & Power Private Limited	CRISIL AAA	3.39%
7.62% Export Import Bank of India	CRISIL AAA	2.18%
8.4% India Grid Trust InvIT Fund	CRISIL AAA	2.13%
5.58% Cholamandalam Investment and Finance Company Limited	ICRA AA+	2.04%
8.5% State Bank of India*	CRISIL AA+	1.43%
8.55% ICICI Bank Limited*	ICRA AA+	1.40%
6.92% Indian Railway Finance Corporation Limited	CRISIL AAA	1.36%
8.85% India Grid Trust InvIT Fund	CRISIL AAA	0.71%
6.72% Power Finance Corporation Limited	CRISIL AAA	0.35%
<b>TREPS## / Reverse Repo</b>		
TREPS##		3.51
Net Current Assets		2.87
<b>Portfolio Total</b>		<b>100.00</b>

\* BASEL III Compliant

## Dividend Declared - Monthly IDCW Plan

Date	Face Value (₹)	Gross Dividend (₹) (Per Unit)	Regular Plan NAV (₹) (Ex-Dividend)	Direct Plan NAV (₹) (Ex-Dividend)
26-Oct-21	10	0.05	12.0277	12.7065
30-Sep-21	10	0.05	12.0512	12.7261
31-Aug-21	10	0.05	12.0755	12.7466
<b>Quarterly IDCW Plan</b>				
04-Jun-15	10	0.40	11.4678	11.5708
<b>Halfyearly IDCW Plan</b>				
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-Oct-20 to 31-Oct-21	PTP (₹)	31-Oct-18 to 31-Oct-21	PTP (₹)	31-Oct-16 to 31-Oct-21	PTP (₹)	Since Inception	PTP (₹)
IIFL Dynamic Bond Fund - Reg - Growth	6.37%	10,637	7.50%	12,425	6.86%	13,932	7.00%	17,604
IIFL Dynamic Bond Fund - Dir - Growth	6.74%	10,674	8.08%	12,626	7.45%	14,322	7.57%	18,402
Benchmark*	3.87%	10,387	9.69%	13,200	7.58%	14,406	8.36%	19,548
Additional Benchmark**	1.65%	10,165	8.19%	12,666	5.85%	13,286	6.56%	16,999

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

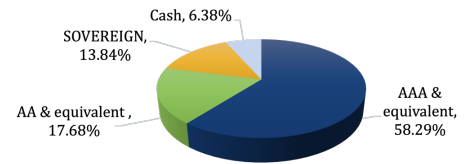
SEEKING\*

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

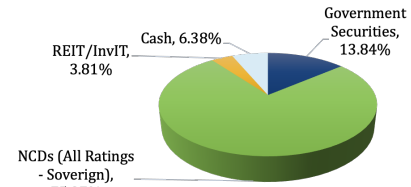
\* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

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

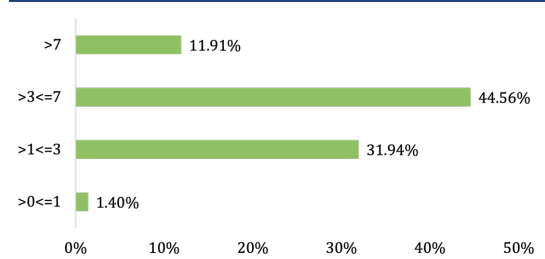
## Composition by Rating^



## Instrument Wise Composition^

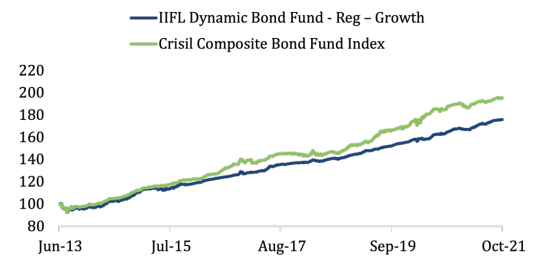


## Maturity Profile^



^ As of October 31, 2021

## NAV Movement (Since Inception) Rebased to 100



## Scheme Risk-O-Meter



Investors understand that their principal will be at Moderate Risk

## Benchmark Risk-O-Meter



Investors understand that their principal will be at Moderate Risk

## Fund Commentary

### What moved the bond yield during the October month?

The hardening of commodity prices and the unabated build up in inflationary pressures as economies emerge from the pandemic led recession has seen central banks adopting a hawkish tone and moving towards reversing the emergency support measures. Bond yields in October rose to multi-month highs across economies with markets pricing in the tightening of monetary policy by central banks earlier than initially signalled. RBI isn't behind the curve with economy recovery insight and better fiscal performance by government.

G-sec yields inched higher; benchmark 10-year settled at 6.39% from 6.22% of previous month. Yields in the shorter-end of the curve rose higher while the longer-end remained relatively firm within a small range making an outperformance for the month with bear flattening as the front-end bond yields widened by 20-25bps and yields in back-end of the curve sold-off by 10-15bps. The term premium i.e., yield gap between 10-year G-sec and 1-year G-sec narrowed to 219bps vs. 247bps in August. Corporate bond spread in the 3Y AAA Corp segment compressed ~10bps as Sovereigns underperformed, while 10Y spreads traded range bound.

During the month, MPC retained accommodative stance with a 5-1 vote and in unanimity decided to leave policy rates unchanged while the minutes of the MPC meeting shows almost all members cited concerns on global growth and inflation which faces headwinds from supply-side disruptions and energy crisis. Members' views converged on the point that the supply side factors are responsible for higher inflation.

Crude oil movement is likely to be crucial as direct and indirect impact of rising energy prices will put burden on all macro numbers of India e.g., according to estimates a 10% rise in crude further till March 2021 will impact CPI inflation by 50 bps. Overall, we expect headline CPI is likely to return to ~5.5-5.8% levels by Q4FY22 and core-CPI to remain highly sticky and average to 5.9% in Q3FY22 vs 5.8% seen in Q2FY22. Key risk to estimate is negative surprises arising from fuel inflation, due to crude oil price surge.

On the global front, various central banks in the developed and emerging economies have raised interest rates in recent months beginning the unwinding of extraordinary steps taken, these include Brazil, Hungary, S Korea, New Zealand and Russia. The FED has formally acknowledged the U.S. economic progress and announced the "taper" with monthly asset purchases slowing from \$120bn to \$105bn by reducing 15bn each month until the program is concluded in May 2022. Further during the meeting, there was no further guidance/discussion around the Fed lift-off even though interest rate markets are now pricing in 60-70% chance of two hikes in 2022. In our view, Fed's tapering is unlikely to cause 2013-like tantrums in the financial markets

Local banking liquidity moderated due to longer-term VRRRRs and by elimination of G-SAP for Q3 FY22 by RBI. The VRRRR auctions are already witnessing higher cut-off rates at the auction owing to the quantum and maturity of the VRRRRs. Nonetheless, since the previous VRRRRs keep unwinding, the overall liquidity absorption is gradual; the system surplus as of 21<sup>st</sup> Oct'21 has come down to INR 7.4 lakh crore from INR 9.3 lakh crore seen as of 1<sup>st</sup> Oct'21. Money market rates saw yields inched higher by average 25-35 bps on shrinking liquidity abundance whereas the long end of the curve remained range-bound subjected to volatility of crude oil prices and global yields.

After an 8-10 bp uptick in bond yields post MPC meeting, prices had seen some stability as market expects RBI to arrest any immediate rise in yields beyond 6.40%. Across tenors (1 – 5 years) swap rates have risen by 35-40 bps since mid-September. We expect bond yields to continue drift higher in with flattening bias, currently pricing in a 40bp reverse repo hike. This seems to be market's warning that even as it expects the Fed to start normalizing sooner than earlier expected i.e. market is now pricing in 2 rate hikes next year. We expect the 10Y benchmark paper to trade within a range of 6.25-6.35% in the near term. We continue our stance on accrual strategy (due to steepness in the yield curve) mixed with assertive duration management keeping duration of 3.00-3.50 years favouring intermediate maturity 4 – 5 years, this curve 4-6-year point seems attractive as its pricing in removal of liquidity and hike in rates. This segment enjoys higher natural demand over supply, hence it likely to be less volatile.

## Disclaimer

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## 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%

## NAV as on October 31, 2021

**Regular Plan Growth** : ₹ 1611.811  
**Regular Plan Weekly IDCW** : ₹ 1005.4114  
**Regular Plan Daily IDCW** : ₹ 1000.0701  
**Direct Plan Growth** : ₹ 1618.2522  
**Direct Plan IDCW** : ₹ 1000.0427  
**Direct Plan Weekly IDCW** : ₹ 1005.4038

## AUM as on October 31, 2021

**Net AUM** : ₹ 143.95 crore  
**Monthly Average AUM** : ₹ 338.23 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.

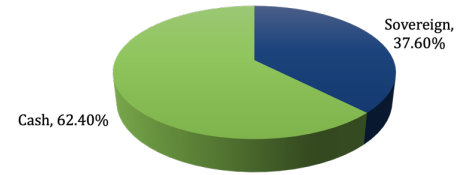
## Total Expense Ratio

**Macaulay Duration** : 12 days  
**Modified Duration** : 11.7 days  
**Average Maturity** : 12 days  
**Yield to Maturity** : 3.62%

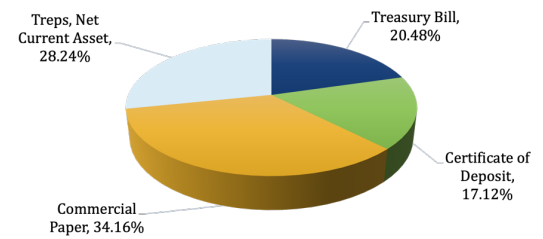
## Portfolio as on October 31, 2021

Name of the Instrument	Rating	% to Net Assets
<b>Debt Instruments</b>		
<b>Bonds</b>		
8.79% Government of India	SOVEREIGN	17.12
<b>Sub Total</b>		<b>17.12</b>
<b>Certificate of Deposit</b>		
182 Days Tbill	SOVEREIGN	17.07
182 Days Tbill	SOVEREIGN	3.41
<b>Sub Total</b>		<b>20.48</b>
<b>Commercial Paper</b>		
Reliance Industries Limited	CRISIL A1+	17.11
Axis Finance Limited	CRISIL A1+	17.05
<b>Sub Total</b>		<b>34.16</b>
<b>TREPS## / Reverse Repo</b>		
TREPS##		25.15
<b>Sub Total</b>		<b>25.15</b>
<b>Net Receivables/(Payables)</b>		<b>3.09</b>
<b>Portfolio Total</b>		<b>100.00</b>

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



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



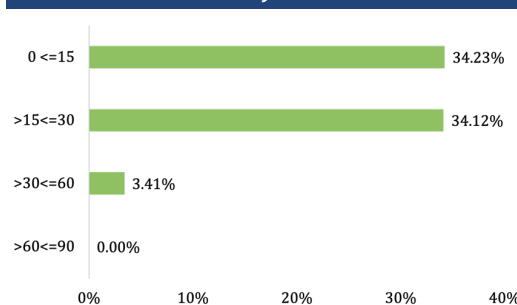
<sup>^</sup> As of October 31, 2021

## Scheme Performance

Scheme / Benchmark	31-Oct-20 to 31-Oct-21	PTP (₹)	31-Oct-18 to 31-Oct-21	PTP (₹)	31-Oct-16 to 31-Oct-21	PTP (₹)	Since Inception	PTP (₹)
IIFL Liquid Fund - Reg - Growth	2.89%	10,291	4.29%	11,343	5.16%	12,864	6.17%	16,114
IIFL Liquid Fund - Dir - Growth	2.94%	10,296	4.34%	11,360	5.21%	12,896	6.22%	16,179
Benchmark*	3.56%	10,358	5.24%	11,658	5.95%	13,351	6.87%	16,980
Additional Benchmark**	3.50%	10,352	6.01%	11,915	6.01%	13,391	6.80%	16,893

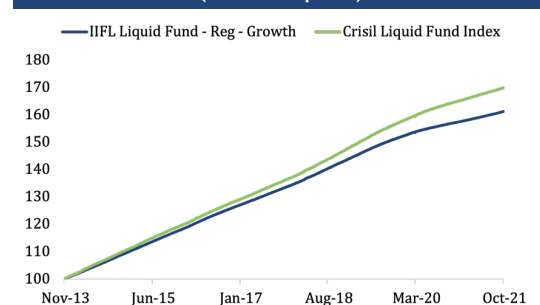
Past performance may or may not be sustained in future. Different plans shall have different expense structure. \* Crisil Liquid Fund Index, \*\* Crisil 1 Year T-Bill Index; Point to Point (PTP) returns in ₹ is based on standard investment of ₹10,000 made on the inception date 13-Nov-2013;

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



<sup>^</sup> As of October 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.

## Scheme Risk-O-Meter



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

## Benchmark Risk-O-Meter



Investors understand that their principal will be at Moderate Risk

## GLOSSARY OF TERMS

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