

# MONTHLY FACTSHEET

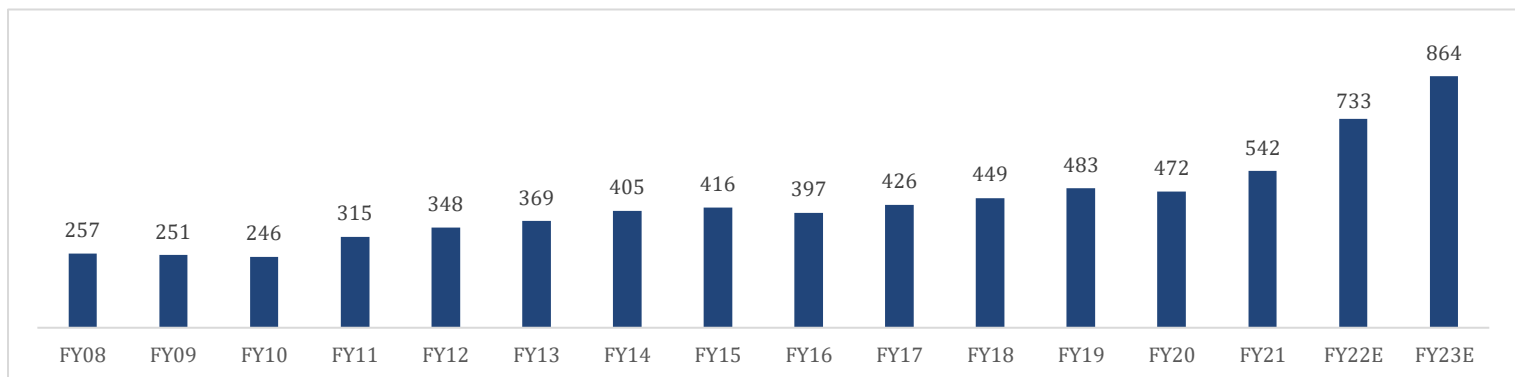
June 2022



## Macro Economy & Event Update

Macro-Economic Indicators	May-22	Apr-22	Mar-22	Feb-22	Jan-22	Dec -21
<b>Consumption</b>						
Two-wheeler sales (units - %YoY)*		-11.2	-20.9	-27.3	-21.1	-10.8
Passenger car sales (units - %YoY)*		-	-12.1	-13.9	-17.3	-23.1
Personal Loans: Credit Card Outstanding (Rs. Mn % YoY)*		18.7	12.6	9.9	9.3	13.0
Nominal Rural wages (% YoY)			4.5	4.3	4.4	5.4
<b>Industrial Sector</b>						
Industrial Output (%YoY)*			1.9	1.5	1.5	1.0
Manufacturing PMI	54.6	54.7	54.0	54.9	54.0	55.5
Railway freight Container Service (Ton Mn - %YoY)*	6.9	9.0	6.8	6.3	7.3	8.9
Energy Consumption (MU - % YoY)*	-	5.9	5.9	4.5	1.1	2.8
Aviation Cargo (in Th Tones - % YoY)*	-	-0.8	0.3	-2.8	0.5	6.9
<b>Inflation</b>						
CPI (%YoY)		7.8	7.0	6.1	6.0	5.7
WPI (%YoY)		15.1	14.5	13.4	13.7	14.3
<b>Deficit</b>						
Fiscal deficit (% of full year target)				82.7	58.9	47.7
Trade Balance (\$ bn)	-23.3	-20.1	-18.5	-20.9	-17.9	-21.0
<b>Services</b>						
Air passenger traffic: Domestic (% YoY)		-0.3	37.3	-1.3	-16.8	52.7
GST collections (Rs. Bn)	1408.9	1675.4	1421.0	1330.3	1383.9	1297.8
E-way Bill (Mn)		75.2	78.2	69.1	68.8	71.6
Direct tax collection (% YoY)*		36.6	35.0	19.5	28.3	41.8
<b>Money &amp; Banking</b>						
Bank Credits (Rs. Tn- %YoY)*		7.5	8.6	8.1	7.1	9.4
Industry Credit (Rs. Mn - %YoY)*		3.9	7.5	6.5	6.4	7.6
Deposits (Rs. Mn- %YoY)*		10.0	8.9	8.6	8.3	12.1
Currency in circulation (Rs. Tn - %YoY)*		13.8	9.9	8.6	8.0	7.6
Forex reserves (\$bn)	601.3	596.7	607.3	631.9	629.9	633.6
INR/USD (month end)	77.6	76.4	75.8	75.5	75.0	74.3
10Y G-Sec yield (%)	7.4	7.1	6.8	6.8	6.7	6.5
<b>Flows</b>						
Net FPI flows: Equity (\$bn)	-5.2	-2.2	-5.4	-4.7	-4.5	-2.5
Net FPI flows: Debt (\$bn)	-0.7	-0.6	-0.7	-0.4	0.7	-1.6
MF flows: Net Equity (\$bn)	2.9	2.9	3.0	1.4	2.2	2.9
DII (\$bn)	6.5	3.9	5.2	5.6	2.6	4.1

## Nifty EPS



Source: Bloomberg, RBI, Motilal Oswal for EPS, Spark Capital. \*For these indicators the data as on end of Apr'22 and May'22 is the last 3 years CAGR

## Equity Market

### Indian Equity Markets: Month gone by

Markets began the month of May'22 on a cautious note and corrected owing to growth concerns amidst high inflation. The government measures on excise duty cut of petrol & diesel, imposed export duty on steel products, and curb on export of sugar towards the second half of the month wrote off the correction to some extent. However, the key benchmark indices S&P BSE-30 and Nifty-50 indices closed the month in red correcting 2.6% and 3% respectively. The indices down the capitalization curve underperformed the key benchmark indices. S&P BSE Mid-cap index and S&P BSE Small cap index registered monthly losses of 5.2% & 7.8% respectively. Amongst the sectoral indices, only Auto and FMCG ended in green. Meanwhile, BSE Metals, Power & Consumer Durables recorded monthly losses of 16.4%, 11.5% and 10.9% respectively. FPIs continued to be net sellers in equities to the tune of \$5.2 bn in May'22 due to concerns on rising bond yields, appreciating dollar, and the possibility of recession. However, DIIs were net buyers to the tune of \$6.5 bn in May'22.

Amongst the key developments, (1) MPC held an off-cycle policy meeting and hiked repo rate by 40 bps to 4.40%, followed by another repo rate hike of 50 bps in its Bi-monthly Monetary Policy Meeting in June'22 (cumulative rate hike being 90 bps in CY22) (2) the US Fed raised its benchmark interest rate by 50 bps (cumulative rate hike being 75 bps in CY22), minutes of May FOMC meeting signaled 50 bps rate hikes in next meetings, (3) the Indian government announced measures to control inflation—(a) cut excise duty on petrol by Rs8/litre and on diesel by Rs6/litre, (b) imposed export duty on steel products and raw materials, (c) lowered import duty on key raw materials for steel production, (d) announced a control on the export of sugar beyond 10 mn tons, (4) Moody's cut India's CY22 GDP growth forecast to 8.8% from 9.1% earlier, however the RBI retained its growth forecast for FY23 at 7.2%.

The manufacturing PMI came in at 54.6 for May'22 as against 54.7 in April'22, despite high inflation. Factory output improved due to increase in international orders, which was the highest in over 11 years i.e. since April 2011, as per the survey. Manufacturers continued with their efforts to rebuild stocks and hired extra workers accordingly. The rate of employment growth picked up to the strongest since January 2020. Meanwhile, the gross GST revenue collected in May'22 was down 16% MoM (INR 1.66 trillion in April'22) but was up 44% YoY and stood at INR 1.4 trillion. This is the eleventh month in a row that the total GST collections have been above INR 1 trillion.

### Growth slows albeit not as much as feared

India's real GDP (at market prices) grew by 4.1% YoY in the March'22 quarter and by 8.7% YoY in FY22. On a seasonally adjusted sequential basis, India's real GDP growth was up +0.5% QoQ (SA) versus +3.3% QoQ registered during the previous quarter. The deceleration in growth during the March'22 quarter was due to (1) brief disruption in economic activity especially contact-intensive services consumption due to Omicron wave in the month of January'22, (2) elevated global commodity prices, supply disruptions and slowdown in global growth on account of geopolitical risks (Russia-Ukraine war) and (c) a high base. In nominal terms, GDP growth picked up by 14.9% YoY in the March'22 quarter.

A recovery in demand for contact-intensive services, better income visibility for households dependent on the same, and a back-ended pick-up in private capex is likely to support the growth momentum.

### Inflationary concerns persist, steps to rein in inflation

The uncertainty around the level of inflation and related extent of rate hikes by global central banks will weigh on the overall market performance. Food inflation has increased over the past few months, though the bulk of food inflation is due to seasonal crops. A good monsoon will assuage concerns about further food inflation. Further, India may have some buffer against abnormal monsoons given very high food - stocks but any gap may pose upside risks to food and overall inflation. Oil and gas do not have large weight in the CPI basket but high oil prices will have ripple effect on several downstream industries including freight, which can result in higher overall inflation.

To contain oil's impact on growth and inflation both, the government has cut excise duty on diesel and gasoline twice in the past seven months (November 2021 and May 2022). The underlying objective has been to lessen the impact of high global oil prices on domestic consumers. Diesel and gasoline prices have declined after the last round of price cuts after a period of persistent increase. The current retail prices for gasoline and diesel are still well below market-parity levels.

### Earnings Season

4QFY22 earnings season ended and the results were broadly in line with the estimates. Consumption sector saw moderation in gross and EBIDTA margin due to continued high raw material prices. IT services companies have reported a slight miss in operating performance. Leading banks have reported better than expected asset quality. Few Auto and Cement companies have reported better than expected margins though sustenance of the same is questionable. We may see earnings downgrades which may continue even in the subsequent quarters. The negative impact of the commodity price inflation on corporate margins would reflect more prominently in the first half of this financial year.

### Outlook

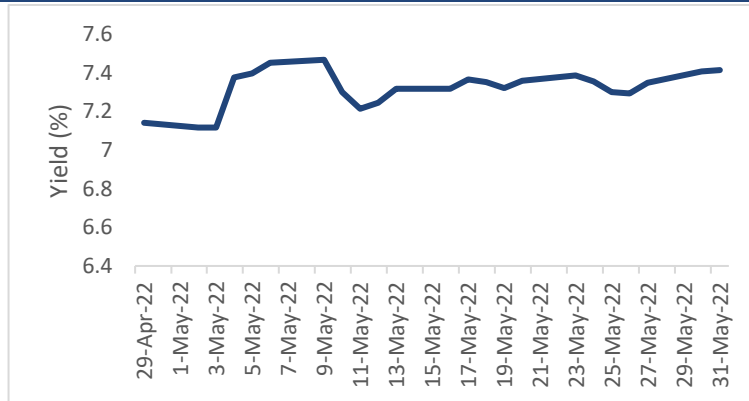
Since the time COVID became a part of our lives, global macro variables have taken many twists and turns. The biggest challenge economies and businesses have been struggling with is the imbalance in demand and supply. Supply chains were initially disrupted with COVID and then further impacted by the Russia-Ukraine war and shutdowns in China. The disequilibrium has manifested itself in inflation, which has become the biggest challenge for central banks. The accommodative/lower interest rate policies of central banks decisively reversed in the last fiscal. The focus has now shifted to bringing demand lower to match the constraints in supply. This has significant repercussions for asset classes across the globe.

While domestic investors' optimism on local factors has given support to the market, there are certainly emerging signs of worry. The surge in commodity prices has led to a series of price hikes across sectors. This has already started to dent demand on the ground. While nominal revenue growth would remain supported by price hikes, volumes are likely to weaken. The combination of margin pressure and speedbumps in demand recovery can lead to corporate earnings downgrades in the short term. While high growth companies have seen valuation corrections in the markets, profitable companies with strong cash flows are likely to weather the situation well.

While we remain positive on the economic cycle over the medium term, the trajectory of inflation would play a critical role in determining the course of equity markets in the short term.

## Debt Market

### 10 Year Benchmark Bond Movement



### Spread Movement

Spreads	Maturity Period	AAA	AA	A
31-May-22	1 Yr	74	134	325
	3 Yr	35	95	302
	5 Yr	34	105	292
	10 Yr	43	117	301
29-Apr-22	1 Yr	5	73	281
	3 Yr	30	90	296
	5 Yr	3	68	291
	10 Yr	17	90	299

Bond yields inched higher by 50–60 bps across the curve as RBI announced an off-cycle rate hike of 40 bps, along with 50 bps hike in CRR in early May'22. Markets traded with negative bias with buying emerging at intermediate higher levels. In the latter half of the month, 2–4-year tenure saw some relief-rally in yields due to excise duty cuts on fuel. This was, however, short-lived with the front-end yields closing the month ~70 bps wider versus April'22 on back of negative global clues for bond market.

Heavy weekly supply of duration bonds and lack of support from RBI and FPI left the bond investors nervous. However, the monthly primary auctions went through in smooth manner except for small devolvement in 1-year segment indicating that long-term investors are actively participating in this yield curve. Overall, for the month, the long-end tenure bonds out-performed the shorter dated bonds as aggressive rate hikes were discounted resulting in further flattening of the yield curve. Benchmark 10 & 5-year G-secs ended 28 and 46 bps higher than previous month. Liquidity during the month dropped on an average by INR 1.85 lakh crore ending the month at INR 3.20 lakh crore as RBI sucked liquidity through SDF and conducted various VRRRs during the month. Money market rates adjusted to the rate hike and future rate hikes. The primary treasury bills inched higher by 100–115 bps across the tenure.

CPI inflation increased to 7.79% (Mar'22 at 6.98%) in Apr'22 but inflation could soften in May'22 due to cut in duty for petrol and diesel. The food inflation needs to be monitored, as this has remained volatile. In Apr'22, food inflation ascended to 8.4% YoY vs 7.7% in Mar'22 and 2% in Apr'21. While the summer months tend to push perishables inflation higher, the heat wave and extremely hot weather signify upside risks to vegetables prices for the next few months. This coupled with high oil prices, which will get seeped into logistics is likely to intensify these price pressures in the coming months. This in turn would structurally push up prices as input costs are increasing rapidly. Core-CPI (excluding food & fuel) has risen to ~7% YoY. On a sequential basis it spiked 1.2%, MoM. With a view to curb inflationary pressures, the central government announced excise duty cuts in fuel prices and custom duty cuts for coking coal, naphtha, ferro-nickel, propylene oxide, etc. and export duty hikes for select steel products. These measures follow the earlier decision of wheat exports ban. Overall, these measures may lower inflation prints by 40–50 bps going-ahead.

The Russia-Ukraine conflict has gone on for much longer than originally anticipated fuelling fears of higher inflation driven by the rising commodity prices and supply constraints. The resultant uncertainty has triggered a global risk-off which is visible in huge outflows that most emerging markets in general and India in specific have been witnessing. Brent crude oil again crossed USD 120/bbl levels last week, as EU's embargo on Russian oil sparked supply fears in the market. Though OPEC+ decided to front-load its production, it has not comforted the market significantly. In May'22, Brent crude oil prices increased by 9.4%, inflation remained elevated in the US and EU and it rose in Japan and China also. Across the globe, central bankers are concerned about inflationary pressures on the economy. Out of top 30 central bankers, 16 have taken their respective monetary policy rate to above pre-covid levels. Expectations of accelerated rate hikes in the US, has inverted the US yield curve, putting pressure on EM bond yields as well. RBI in its bi-monthly Monetary Policy Meeting, hiked repo rate by 50bps to 4.90%. It removed the accommodating stance on liquidity front which was on the expected lines. No change in CRR, was a breather. India despite a 90 bps hike remains 25 bps below its corresponding pre-covid level of policy rate. The RBI factored in rise in commodity prices and revised the inflation estimates by 100 bps to 6.70% for FY23, taking realistic assumption of crude price at \$105/bbl. We think RBI is cautiously coming to pre-covid levels in rates. It is also keeping a close eye on growth-fall-out, which leaves us with thought that current markets prices are discounting more rate hikes.

On the positive side:

- Global food inflation eased to 22.8% YoY in May'22 from ~30% in the previous month. On a sequential basis, global food prices contracted by 0.67% in May'22 largely led by a correction in vegetable oil prices
- Overall, government's net tax revenues in the first month of this fiscal have jumped to INR 1.8 tn, nearly 1.4x the net tax revenues received during the same period last year. On current trends FY23 GST could be INR 2tn > BE (centre's view is INR 1tn higher)
- In the first month of FY23 (Apr'22), the Central Govt. Capex jumped 67% to INR 789 bn, from INR 471 bn in Apr'21. It is 10.5% of the full-year Capex target of INR 7.5 tn in FY23. It also indicates that the government wants to front-load Capex in 1HFY23 so that it can benefit from enhanced revenues in 2HFY23
- Credit growth improved surprisingly in April'22 month (historically lean month); it stood at 11.3% YoY as compared to 9.7% YoY in March'22. Retail credit & Services segment supported the growth. Export growth was strong at 8% (3Y CAGR +15% YoY), taking rolling 12 months to a new high of \$ 434 bn which can offset the rise in import bill (due to spike in crude prices) to a large extent

- After adjusting for all the extra spend and shortfall in revenue, the overall fiscal slippage in FY23E is likely to be INR 941 bn (0.35% of GDP). Thus, we expect the fiscal deficit to be under control at 6.7% of the GDP in FY23E vs. 6.7% in FY22
- We think RBI might have to perform certain unconventional monetary actions to support government borrowing program in order to maintain orderly movement of yield curve during second half of the year when inflation softens, and liquidity is near 1.75% of NDTL
- Bond prices are already discounting 175 bps rate hike in coming one year as seen from OIS yield curve which is trading at historic spreads. Historically, spread between 1-year G-sec and repo is ~40-50 bps. At present, 1 year forward G-sec curve is at 6.95% which indicates market expectation of terminal repo rate of ~6.5% after 1 year. Similarly, 1-year G-sec rate after 2 years could be ~7.46%

## Outlook:

We pencil in further repo rate hikes of 75 bps to 5.50-5.65% and 50 bps of CRR hike to 5% by end of FY23. Revenue losses from the recent measures even with upsides to budgeted direct tax revenues could push up the GFD/GDP to 6.7% (FY23BE: 6.4%). We estimate additional borrowing of INR 1.3 tn (INR 770 bn of G-Sec and INR 500 bn of T-bills). External sector risks remain high to the INR. It may depreciate but is likely to be in line with EM currencies.

Yield curve as explained above is pricing in a terminal repo rate of 6.00 – 6.25% already. The 3-to-5-year space offers the best risk adjusted return on the yield curve. The rates are expected to remain volatile, bringing opportunities for investors having 2–3-year horizon. The longer end of the yield curve will remain under check due to key risks such as inflation surprises and heavy supply of G-sec. The medium-term curve is likely to mirror the fast-changing global factors like commodity prices, global yields, and geo-political events. What can change the medium-term scenario is the possibility of a global recession or a hard landing translating into an early financial market capitulation and collapse in global commodity prices.

# 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 500 TRI
<b>Plans Offered</b>	: Regular & Direct
<b>Options Offered</b>	: Growth & IDCW
<b>Minimum Application</b>	:
<b>New Purchase</b>	: ₹1,000 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>	: ₹1,000 per quarter for a minimum period of 6 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>	: 0.27 times

## NAV as on May 31, 2022

<b>Regular - Growth</b>	: ₹ 27.1978
<b>Regular - IDCW</b>	: ₹ 24.0635
<b>Direct - Growth</b>	: ₹ 29.8884
<b>Direct - IDCW</b>	: ₹ 29.5837

## AUM as on May 31, 2022

<b>Net AUM</b>	: ₹ 2813.21 crore
<b>Monthly Average AUM</b>	: ₹ 2730.09 crore

## Total Expense Ratio

<b>Regular Plan</b>	: 1.96% 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>	23.99%	24.22%
<b>Sharpe Ratio</b>	0.19	0.16
<b>Portfolio Beta</b>	0.97	1.00
<b>R Squared</b>	0.88	NA
<b>Treynor</b>	1.39	1.15

## Portfolio as on May 31, 2022

Company Name	Sector	SCDV	% to Net Assets
<b>Equity &amp; Equity Related Total</b>			
ICICI Bank Limited	Financial Services	C	8.19
HDFC Bank Limited	Financial Services	S	7.12
Infosys Limited	Information Technology	D	5.90
Bharti Airtel Limited	Telecommunication	V	4.73
Larsen & Toubro Limited	Construction	C	4.61
State Bank of India	Financial Services	V	4.33
Axis Bank Limited	Financial Services	C	4.11
SRF Limited	Chemicals	S	3.70
Dr. Reddy's Laboratories Limited	Healthcare	V	3.39
Crompton Greaves Consumer Electricals Limited	Consumer Durables	S	3.19
Tata Motors Limited	Automobile and Auto Components	V	3.09
Bajaj Finance Limited	Financial Services	S	3.07
NTPC Limited	Power	V	2.89
CCL Products (India) Limited	Fast Moving Consumer Goods	D	2.86
Apollo Tricoat Tubes Limited	Capital Goods	D	2.81
Larsen & Toubro Infotech Limited	Information Technology	S	2.60
Coal India Limited	Oil, Gas & Consumable Fuels	D	2.58
Bharat Petroleum Corporation Limited	Oil, Gas & Consumable Fuels	D	2.50
Cyient Limited	Information Technology	S	2.27
Muthoot Finance Limited	Financial Services	S	1.94
Divi's Laboratories Limited	Healthcare	D	1.94
Aavas Financiers Limited	Financial Services	S	1.88
Bank of Baroda	Financial Services	V	1.78
Motherson Sumi Wiring India Limited	Automobile and Auto Components	S	1.77
Data Patterns (India) Limited	Capital Goods	V	1.73
Bajaj Auto Limited	Automobile and Auto Components	D	1.45
Coforge Limited	Information Technology	D	1.41
Sansera Engineering Limited	Automobile and Auto Components	C	1.26
Kajaria Ceramics Limited	Consumer Durables	S	1.24
Mahanagar Gas Limited	Oil, Gas & Consumable Fuels	D	0.96
Bharti Airtel Limited	Telecommunication	V	0.12
<b>Sub Total</b>			<b>91.44</b>
TREPS#			8.48
Net Receivables / (Payables)			0.08
<b>Portfolio Total</b>			<b>100</b>

## Scheme Performance

Scheme / Benchmark	31-May-21 to 31-May-22	PTP (%)	31-May-19 to 31-May-22	PTP (%)	31-May-17 to 31-May-22	PTP (%)	Since Inception	PTP (%)
IIFL Focused Equity Fund - Reg - Growth	7.86%	10,786	17.61%	16,275	15.23%	20,322	14.09%	27,198
IIFL Focused Equity Fund - Dir - Growth	9.06%	10,906	19.09%	16,896	16.80%	21,749	15.52%	29,888
Benchmark*	8.30%	10,830	14.65%	15,077	12.68%	18,169	12.06%	23,730
Additional Benchmark**	8.39%	10,839	13.22%	14,518	13.69%	18,997	11.17%	22,343

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 500 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-May-21 to 31-May-22	31-May-19 to 31-May-22	31-May-17 to 31-May-22	Since Inception
Total Amount Invested (₹)	1,20,000	3,60,000	6,00,000	9,00,000
Total Value as on May 31, 2022(₹)	1,13,110	4,74,907	9,20,439	16,43,222
Returns	-10.49%	18.87%	17.16%	15.70%
Total Value of Benchmark: S&P BSE 500 TRI (₹)	1,17,928	4,83,176	8,75,522	15,34,989
Benchmark: S&P BSE 500 TRI	-3.19%	20.11%	15.12%	13.93%
Total Value of Benchmark: S&P BSE Sensex TRI (₹)	1,18,720	4,65,425	8,68,419	15,28,969
Additional Benchmark: S&P BSE Sensex TRI	-1.98%	17.44%	14.78%	13.83%

(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.

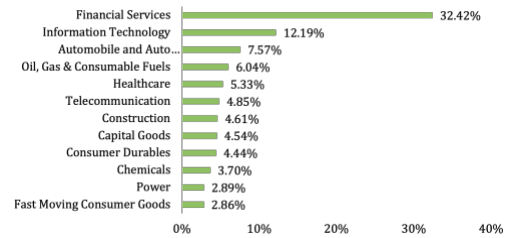
THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING\*

- 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.

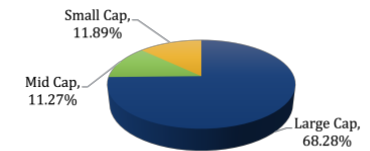
\*\*With effect from November 05, 2018, Triparty Repo has replaced CBLOs for all schemes with provisions to invest in CBLO.

## Sector Allocation\*\*



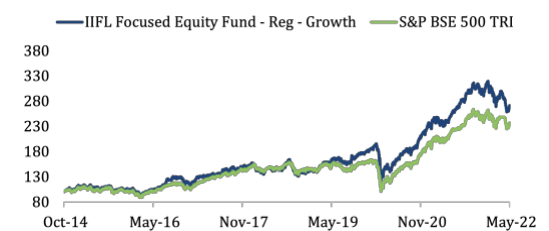
\*\*Sector allocation as per AMFI classification

## 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 May 31, 2022

## NAV Movement (Since Inception) Rebased to 100



## 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 based on a quant theme. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.

## Fund Manager **Mr. Parijat Garg**

Mr. Parijat has over 13 years of experience in the financial services industry including algorithmic trading, stock broking and financial data services. Prior to joining IIFL Asset Management Limited, he was associated with Quadeye Securities LLP as a portfolio manager an prior to that, he has worked with Tower Research Capital (India) as a quant analyst.

Mr. Garg is a computer science engineer from IIT Bombay and a CFA charter holder.

## Fund Details

<b>Date of Allotment</b>	: November 29, 2021
<b>Bloomberg Code</b>	: -
<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>	: ₹1,000 and in multiples of ₹100 thereafter
<b>Additional Purchase</b>	: ₹1,000 and in multiples of ₹1 thereafter
<b>Monthly SIP Option</b>	: ₹1,000 per month for a minimum period of 6 months
<b>Quarterly SIP Option</b>	: ₹1,000 per quarter for a minimum period of 6 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
<b>Dematerialization</b>	: D-Mat Option Available

## NAV as on May 31, 2022

<b>Regular - Growth</b>	: ₹ 9.2874
<b>Regular - IDCW</b>	: ₹ 9.2874
<b>Direct - Growth</b>	: ₹ 9.3414
<b>Direct - IDCW</b>	: ₹ 9.3414

## AUM as on May 31, 2022

<b>Net AUM</b>	: ₹ 95.32 crore
<b>Monthly Average AUM</b>	: ₹ 93.84 crore

## Total Expense Ratio

<b>Regular Plan</b>	: 1.58% p.a.
<b>Direct Plan</b>	: 0.43% p.a.

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

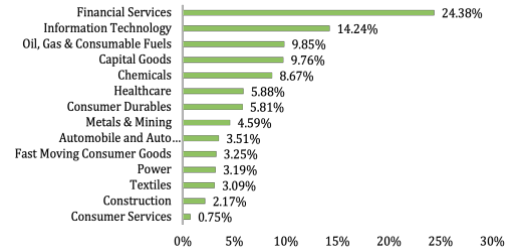
## Volatility Measures

	Fund	Benchmark
<b>Std. Dev (Annualised)</b>	NA	NA
<b>Sharpe Ratio</b>	NA	NA
<b>Portfolio Beta</b>	NA	NA
<b>R Squared</b>	NA	NA
<b>Treynor</b>	NA	NA

## Portfolio as on May 31, 2022

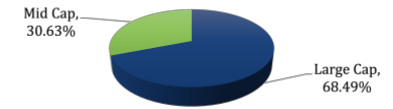
Company Name	Sector	% to Net Assets
<b>Equity &amp; Equity Related Total</b>		
Hindustan Aeronautics Limited	Capital Goods	3.59
TVS Motor Company Limited	Automobile and Auto Components	3.51
SBI Life Insurance Company Limited	Financial Services	3.31
Coal India Limited	Oil, Gas & Consumable Fuels	3.28
ITC Limited	Fast Moving Consumer Goods	3.25
Power Grid Corporation of India Limited	Power	3.19
HDFC Bank Limited	Financial Services	3.13
Cummins India Limited	Capital Goods	3.10
Page Industries Limited	Textiles	3.09
Bharat Electronics Limited	Capital Goods	3.06
Adani Total Gas Limited	Oil, Gas & Consumable Fuels	3.05
Bata India Limited	Consumer Durables	3.00
GlaxoSmithKline Pharmaceuticals Limited	Healthcare	3.00
Infosys Limited	Information Technology	2.99
IndusInd Bank Limited	Financial Services	2.96
UPL Limited	Chemicals	2.95
Wipro Limited	Information Technology	2.93
Tech Mahindra Limited	Information Technology	2.92
Pidilite Industries Limited	Chemicals	2.89
Sun Pharmaceutical Industries Limited	Healthcare	2.89
Cholamandalam Investment and Finance Company Ltd	Financial Services	2.87
Bajaj Finance Limited	Financial Services	2.84
Atul Limited	Chemicals	2.83
Muthoot Finance Limited	Financial Services	2.82
Titan Company Limited	Consumer Durables	2.81
Bharat Petroleum Corporation Limited	Oil, Gas & Consumable Fuels	2.80
Nippon Life India Asset Management Limited	Financial Services	2.79
Larsen & Toubro Infotech Limited	Information Technology	2.74
Bajaj Finserv Limited	Financial Services	2.70
MindTree Limited	Information Technology	2.67
Vedanta Limited	Metals & Mining	2.45
Larsen & Toubro Limited	Construction	2.17
NMDC Limited	Metals & Mining	2.14
Housing Development Finance Corporation Limited	Financial Services	0.96
Avenue Supermarts Limited	Consumer Services	0.75
Petronet LNG Limited	Oil, Gas & Consumable Fuels	0.72
<b>Sub Total</b>		<b>99.12</b>
TREPS##		0.88
Net Receivables / (Payables)		0.00
<b>Portfolio Total</b>		<b>100.00</b>

## 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 May 31, 2022

THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING\*

- Capital appreciation over long term;
- Investment predominantly in equity and equity related instruments based on quant model

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

### 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

# IIFL DYNAMIC BOND FUND

(An open ended dynamic debt scheme investing across duration. A relatively high interest rate risk and relatively high credit risk.)



## 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>	: IIFDBDBIN
<b>Benchmark Index</b>	: Crisil Dynamic Bond Fund CII 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
<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; InvITs</b>	: 0% to 10%

## NAV as on May 31, 2022

<b>Regular Plan Growth</b>	: ₹ 17.8562
<b>#Regular Plan Bonus</b>	: ₹ 17.8561
<b>Regular Quarterly IDCW</b>	: ₹ 17.2311
<b>#Regular Half Yearly IDCW</b>	: ₹ 17.2311
<b>#Regular Monthly IDCW</b>	: ₹ 11.8556
<b>Direct Plan Growth</b>	: ₹ 18.6934
<b>Direct Monthly IDCW</b>	: ₹ 12.5634

#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 May 31, 2022

<b>Net AUM</b>	: ₹ 618.55 crore
<b>Monthly Average AUM</b>	: ₹ 632.53 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>	: 3.70 years
<b>Modified Duration</b>	: 3.47 years
<b>Average Maturity</b>	: 5.53 years
<b>Yield to Maturity</b>	: 7.35%

Maturity is based on yield to call.

Note: For PRC Matrix of the fund please refer to page 9.

## Portfolio as on May 31, 2022

Name of the Instrument	Rating	% to Net Assets
<b>REIT/InvIT Instruments</b>		<b>4.11</b>
Powergrid Infrastructure Investment Trust	Power	2.59
Embassy Office Parks REIT	Realty	1.52
<b>Debt Instruments</b>		
<b>Sovereign Securities</b>		<b>15.34</b>
9.15% GOVERNMENT OF INDIA	SOVEREIGN	5.06
7.84% STATE GOVERNMENT SECURITIES	SOVEREIGN	4.06
7.17% GOVERNMENT OF INDIA	SOVEREIGN	2.40
5.74% GOVERNMENT OF INDIA	SOVEREIGN	1.52
7.69% STATE GOVERNMENT SECURITIES	SOVEREIGN	0.81
6.54% GOVERNMENT OF INDIA	SOVEREIGN	0.75
6.1% GOVERNMENT OF INDIA	SOVEREIGN	0.73
<b>Non-Convertible Debentures/Bonds</b>		<b>75.19</b>
6.6861% MINDSPACE BUSINESS PARKS	CRISIL AAA	11.11
8.9% STATE BANK OF INDIA*	CRISIL AAA	6.63
9.15% ICICI BANK LIMITED*	ICRA AA+	6.57
7.75% LIC HOUSING FINANCE LIMITED	CRISIL AAA	4.87
TATA CAPITAL HOUSING FINANCE LIMITED	CRISIL AAA	4.29
8.99% BANK OF BARODA*	CRISIL AA+	4.18
7.25% EMBASSY OFFICE PARKS REIT	CRISIL AAA	4.02
7.17% POWER FINANCE CORPORATION LIMITED	CRISIL AAA	4.00
6.88% REC Limited	CRISIL AAA	3.98
6.75% Sikka Ports and Terminals Limited	CRISIL AAA	3.93
6.4% Jamnagar Utilities & Power Private Limited	CRISIL AAA	3.85
5.78% Housing Development Finance Corporation Limited	CRISIL AAA	3.82
6.95% Power Finance Corporation Limited	CRISIL AAA	3.79
8.3% Indian Railway Finance Corporation Limited	CRISIL AAA	2.49
8.4% India Grid Trust InvIT Fund	CRISIL AAA	2.44
5.58% Cholamandalam Investment and Finance Company Ltd	ICRA AA+	2.37
8.5% State Bank of India*	CRISIL AA+	1.64
8.85% India Grid Trust InvIT Fund	CRISIL AAA	0.81
6.72% Power Finance Corporation Limited	CRISIL AAA	0.40
<b>TREPS** / Reverse Repo</b>		
TREPS**		3.31
Net Current Assets		2.06
<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)
31-May-22	10	0.05	11.8556	12.5634
26-Apr-22	10	0.05	11.9844	12.6938
29-Mar-22	10	0.05	12.0542	12.7623
<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-May-21 to 31-May-22	PTP (₹)	31-May-19 to 31-May-22	PTP (₹)	31-May-17 to 31-May-22	PTP (₹)	Since Inception	PTP (₹)
IIFL Dynamic Bond Fund - Reg - Growth	3.99%	10,399	6.16%	11,967	6.25%	13,546	6.70%	17,856
IIFL Dynamic Bond Fund - Dir - Growth	4.25%	10,425	6.65%	12,133	6.81%	13,904	7.25%	18,693
Benchmark*	13.78%	11,378	11.51%	13,870	8.75%	15,211	9.59%	22,683
Additional Benchmark**	-3.88%	9,612	4.08%	11,276	4.31%	12,350	5.71%	16,431

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

\* Crisil Dynamic Bond Fund CII 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;

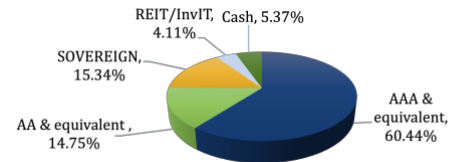
THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING\*

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

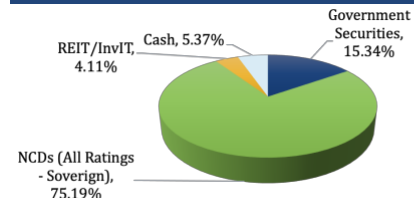
\* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

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

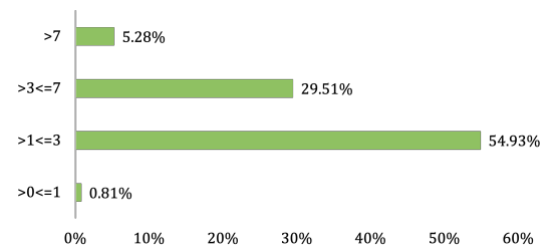
## Composition by Rating<sup>^</sup>



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

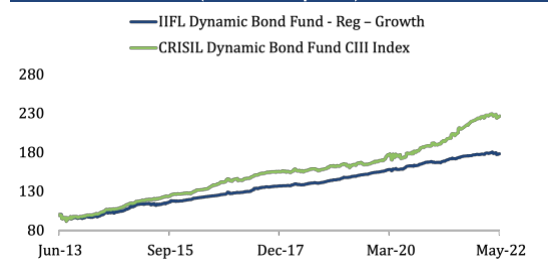


## Maturity Profile<sup>^</sup>



<sup>^</sup> As of May 31, 2022

## 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 high risk



## 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

<b>Date of Allotment</b>	: November 13, 2013
<b>Benchmark Index</b>	: CRISIL Liquid Fund BI Index
<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>	:
<b>Investor exit upon Subscription</b>	: Exit load as a % of redemption proceeds
<b>Day 1</b>	: 0.0070%
<b>Day 2</b>	: 0.0065%
<b>Day 3</b>	: 0.0060%
<b>Day 4</b>	: 0.0055%
<b>Day 5</b>	: 0.0050%
<b>Day 6</b>	: 0.0045%
<b>Day 7 Onwards</b>	: 0.0000%
<b>Dematerialization</b>	: D-Mat Option Available
<b>Asset Allocation</b>	:
<b>Money market and debt instruments with residual maturity up to 91 days</b>	: 0% to 100%

## NAV as on May 31, 2022

<b>Regular Plan Growth</b>	: ₹ 1643.7323
<b>Regular Plan Weekly IDCW</b>	: ₹ 1005.
<b>Regular Plan Daily IDCW</b>	: ₹ 1000.0701
<b>Direct Plan Growth</b>	: ₹ 1650.7805
<b>Direct Plan IDCW</b>	: ₹ 1000.0427
<b>Direct Plan Weekly IDCW</b>	: ₹ 1005.

## AUM as on May 31, 2022

<b>Net AUM</b>	: ₹ 1096.11 crore
<b>Monthly Average AUM</b>	: ₹ 1000.98 crore

## Total Expense Ratio

<b>Regular Plan</b>	: 0.25% p.a.
<b>Direct Plan</b>	: 0.20% p.a.

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

## Total Expense Ratio

<b>Macaulay Duration</b>	: 26.2 days
<b>Modified Duration</b>	: 25.0 days
<b>Average Maturity</b>	: 26.6 days
<b>Yield to Maturity</b>	: 4.63%

Note: For PRC Matrix of the fund please refer to page 9.

## Portfolio as on May 31, 2022

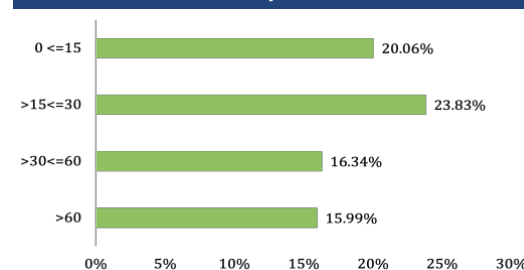
Name of the Instrument	Rating	% to Net Assets
<b>Debt Instruments</b>		
<b>Bonds</b>		
6.9% REC Limited	CRISIL AAA	6.39
Sundaram Finance Limited	CRISIL AAA	2.88
HDB Financial Services Limited	CRISIL AAA	2.45
7.62% Housing & Urban Development Corporation Limited	ICRA AAA	2.29
8.15% Government of India	SOVEREIGN	0.46
<b>Sub Total</b>		<b>14.47</b>
<b>Certificate of Deposit</b>		
Bank of Baroda	FITCH A1+	4.56
Indian Bank	FITCH A1+	4.54
Canara Bank	CRISIL A1+	4.51
Canara Bank	CRISIL A1+	2.72
Indian Bank	CRISIL A1+	2.28
Axis Bank Limited	CRISIL A1+	2.27
HDFC Bank Limited	CARE A1+	2.26
IDFC First Bank Limited	CRISIL A1+	2.26
Axis Bank Limited	CRISIL A1+	2.26
HDFC Bank Limited	CARE A1+	0.91
<b>Sub Total</b>		<b>28.59</b>
<b>Commercial Paper</b>		
Small Industries Dev Bank of India	CARE A1+	4.56
Housing Development Finance Corporation Limited	CRISIL A1+	4.54
Cholamandalam Investment and Finance Company Ltd	CRISIL A1+	3.19
Kotak Securities Limited	CRISIL A1+	2.28
Sikka Ports and Terminals Limited	CRISIL A1+	2.28
Sikka Ports and Terminals Limited	CRISIL A1+	2.27
Hindustan Petroleum Corporation Limited	CRISIL A1+	2.27
NTPC Limited	CRISIL A1+	2.26
Cholamandalam Investment and Finance Company Ltd	CRISIL A1+	2.26
L&T Finance Limited	CRISIL A1+	2.26
Housing Development Finance Corporation Limited	CRISIL A1+	2.26
<b>Sub Total</b>		<b>30.43</b>
<b>Treasury Bill</b>		
91 Days Tbill	SOVEREIGN	2.74
<b>Sub Total</b>		<b>2.74</b>
<b>TREPS## / Reverse Repo</b>		
TREPS##		22.96
<b>Sub Total</b>		<b>22.96</b>
<b>Net Receivables/(Payables)</b>		<b>0.82</b>
<b>Portfolio Total</b>		<b>100.00</b>

## Scheme Performance

Scheme / Benchmark	31-May-21 to 31-May-22	PTP (₹)	31-May-19 to 31-May-22	PTP (₹)	31-May-17 to 31-May-22	PTP (₹)	Since Inception	PTP (₹)
IIFL Liquid Fund - Reg - Growth	3.27%	10,327	3.68%	11,147	4.84%	12,665	5.98%	16,434
IIFL Liquid Fund - Dir - Growth	3.32%	10,332	3.73%	11,163	4.89%	12,697	6.03%	16,504
Benchmark*	3.78%	10,378	4.47%	11,405	5.47%	13,055	6.58%	17,243
Additional Benchmark**	2.78%	10,278	4.80%	11,513	5.60%	13,132	6.49%	17,119

Past performance may or may not be sustained in future. Different plans shall have different expense structure. \* CRISIL Liquid Fund BI 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 May 31, 2022

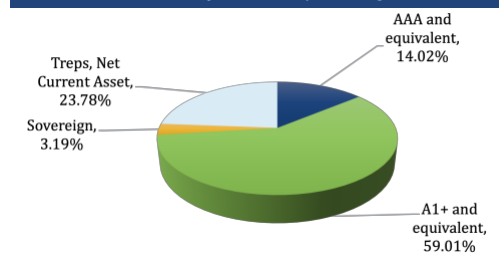
THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING\*

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

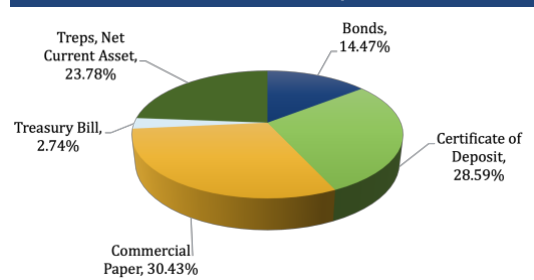
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\*\*\*With effect from November 05, 2018, Triparty Repo has replaced CBLOs for all schemes with provisions to invest in CBLO.

## Composition by Rating^

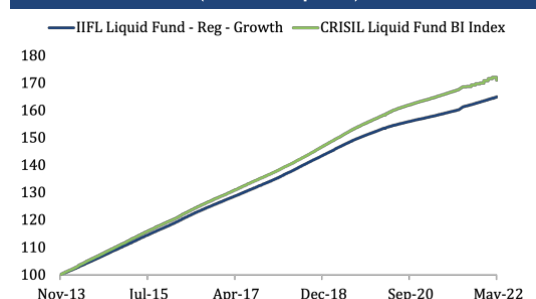


## Instrument Wise Composition^

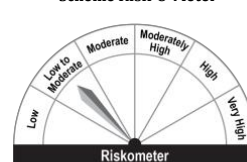


^ As of May 31, 2022

## NAV Movement (Since Inception) Rebased to 100

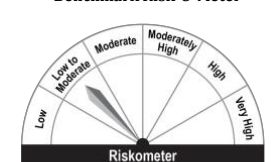


## Scheme Risk-O-Meter



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

## Benchmark Risk-O-Meter



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

## POTENTIAL RISK CLASS OF A SCHEME

IIFL Asset Management Limited has positioned its debt schemes in terms of PRC matrix consisting of parameters based on maximum interest rate risk (measured by Macaulay Duration of the scheme) and maximum credit risk (measured by Credit Risk Value of the scheme). Accordingly, the debt schemes of the Mutual Fund shall be placed in PRC matrix as follows:

Credit Risk of scheme → Interest Rate Risk of the Scheme ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Relatively Low (Class I)	A - I NIL	B - I IIFL Liquid Fund	C - I NIL
Moderate (Class II)	A - II NIL	B - II NIL	C - II NIL
Relatively High (Class III)	A - III NIL	B - III NIL	C - III IIFL Dynamic Bond Fund

## 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.

## Disclaimer

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