

MONTHLY FACTSHEET

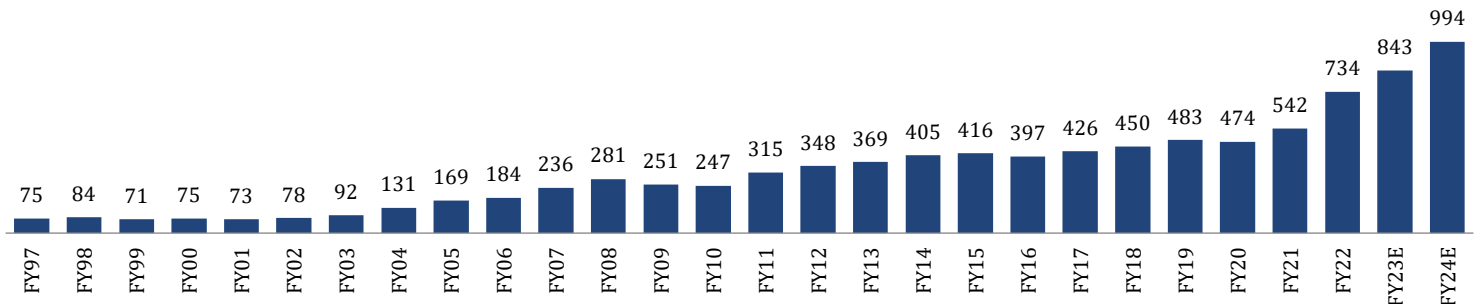
November 2022



Macro Economy & Event Update

Macro-Economic Indicators	Oct-22	Sep-22	Aug-22	Jul-22	Jun-22	May-22
Consumption						
Two-wheeler sales (%YoY)		13.5	17.0	10.2	24.0	255.3
Passenger car sales (%YoY)		74.4	16.4	8.6	8.4	164.5
Credit Card Outstanding (% YoY)		27.2	27.3	28.3	30.7	30.1
Nominal Rural wages (% YoY)		5.7	5.8	6.1	5.7	5.5
Industrial Sector						
Industrial Output (%YoY)			-0.8	2.2	12.7	19.7
Manufacturing PMI	55.3	55.1	56.2	56.4	53.9	54.6
Railway freight Container Service (%YoY)	3.4	1.9	10.4	9.4	5.2	9.6
Energy Consumption (YoY)	0.5	11.3	0.6	2.3	16.2	23.2
Aviation Cargo (% YoY)		-0.5	-1.2	6.1	13.9	13.8
Inflation						
CPI (%YoY)		7.4	7.0	6.7	7.0	7.0
WPI (%YoY)		10.7	12.4	14.1	16.2	16.6
Deficit						
Fiscal deficit (% of full year target)		37.3	32.6	20.5	21.2	12.3
Trade Balance (\$ bn)		-25.7	-28.0	-27.8	-24.0	-24.2
Services						
Air passenger traffic: Domestic (% YoY)		50.1	54.6	98.2	247.2	463.0
GST collections (Rs. Bn)	1517	1477	1436	1490	1446	1409
E-way Bill (Mn)	76.9	84.0	78.2	75.6	74.5	73.6
Direct tax collection (% YoY)		14.5	-42.1	72.6	11.3	51.5
Money & Banking						
Credit Growth (%YoY)	16.1	16.4	14.3	13.4	12.3	11.4
Industry Credit (%YoY)		12.6	11.4	10.5	9.5	8.8
Deposits (%YoY)	8.4	9.2	9.5	9.2	8.6	8.8
Currency in circulation (%YoY)	9.3	8.3	8.1	8.1	8.0	8.8
Forex reserves (\$bn)		533	560	572	589	603
INR/USD (month end)	82.4	81.6	79.7	79.3	78.9	77.6
10Y G-Sec yield (%)	7.4	7.4	7.2	7.3	7.4	7.4
Net FPI flows						
Net FPI flows: Equity (\$bn)	-	-0.9	6.4	0.6	-6.4	-5.2
Net FPI flows: Debt (\$bn)	-0.4	0.5	0.5	-0.3	-0.2	-0.7
DII (\$bn)	1.1	1.7	-0.9	1.3	6.0	6.5

Nifty EPS



Source: Bloomberg, RBI, Motilal Oswal for EPS, Spark Capital.

Equity Market

Indian equity markets closed the month of October'22 in green, with S&P BSE Sensex and Nifty-50 registering monthly gains of 5.8% and 5.4% respectively. Globally equity markets especially US and Europe saw a rally on the back of hope that the Fed Reserve may slow down on rate hikes after its November'22 meeting. FPIs had turned net sellers due to rate hikes and a weak rupee, were seen turning buyers in October'22, however for the month their net flows were flat. DIIs continued to remain net buyers to the tune of \$1.1 bn following the previous month's trend. 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 gains of 2.0% & 1.3% respectively. Amongst the sectoral indices, barring S&P BSE FMCG, all the other indices closed the month in green. S&P BSE Bankex, Capital Goods and S&P BSE TECK were among the top three performers registering monthly gains of 7.3%, 6.6% and 5.9% respectively.

In terms of the key developments during the month, - (1) central banks across the globe continued to hike interest rates (2) IMF and World Bank cut India's GDP growth forecast; (3) China continued to impose further lockdowns and restrictions to contain Covid-19 outbreak, (4) the Indian government announced the minimum support prices (MSPs) for rabi (winter) crops, and (5) 2QFY23 results of the Nifty-50 Index declared so far showed mixed trends.

The manufacturing recovered a bit in October'22 and came in at 55.3 as against 55.1 in September'22. Despite losing growth momentum, the Indian manufacturing industry showed signs of resilience, with factory orders and production rising strongly. Manufacturers expected demand buoyancy to be sustained in coming months and hence continued to loosen the purse strings. There was a marked rise in input purchasing, with firms adding to their inventories to better align with client purchasing. Meanwhile, the gross GST revenue collected in October'22 was up 16.6%YoY and stood at ₹1.52 trillion, second highest monthly collection next to collection in April'22. This is the eighth month in a row that the total GST collections have crossed ₹1.4 trillion mark and hence are likely to provide more headroom on the fiscal front. Despite the slowdown in rate of growth, GST collections are expected to exceed the budgetary targets set for this fiscal. Given that government has additional spending on fertiliser, food and fuel subsidies, revenue growth is crucial for the fiscal arithmetic this year.

Credit Growth picking up

The data released by Reserve Bank of India (RBI) on sector-wise bank credit growth, showed that despite the increase in lending rates the credit offtake continued to remain robust across all sectors - farming, industry, services, and retail. The data reflected that the total bank credit growth was higher in September'22 as compared to pre-pandemic times (September'19) on a year-on-year (YoY) basis, supported by higher non-food credit demand. Total bank credit grew by 16.4% on YoY basis as of September'22, compared with 6.7% growth as of September'21 and 8.2% as of September'19 (pre-pandemic). On a YoY basis, non-food bank credit registered a growth of 16.9% in September'22 as compared with 6.8% a year ago, as per the RBI data. Within this, the credit to services sector surged to 20% from 1.2% in September'21, while the personal loans segment grew by 19.6% as against 13.2% in the same period last year.

As per the monthly report, credit growth to the services segment was led by improved credit offtake to NBFCs and trade sectors, whereas increase in retail loans was largely aided by housing and vehicle loan segments.

Trend in Consumer Demand

There were lot of expectations regarding the pick-up in demand during the festive season. Based on the available trends, the following has been inferred

- Overall, the festive season demand trends appear varied, especially on a 3-year CAGR basis. The last couple of years have been impacted by Covid-19 (impact differs across segments); hence, only looking at data on a YoY basis may not give an accurate picture
- Consumer demand segments that appear to have done relatively well, on both YoY as well as pre-Covid-19 basis, are urban and mid/premium segments centric (PVs, e-commerce, jewellery, mid and premium product segments across consumer electricals/apparels). This is in line with the urban doing better than rural and premium scoring over mass trends as seen in the recent past

Outlook

Given Fed's hawkish stance leading to rise in interest rates and slowdown in major economies, the stagflation/recession scenario is not inconceivable. As a result, this could impact the global market performance and the ripple effect is likely to be felt in Indian equities as well. Global risk aversion could also lead to flight of capital from risk assets including emerging markets such as India. At home, CPI remains elevated owing to large supply shocks, spillovers from the global economy and improving demand. While there are concerns on the rising trade deficit, we believe that Indian economy seems to be better placed driven by supply side reforms and prudent monetary & fiscal policy.

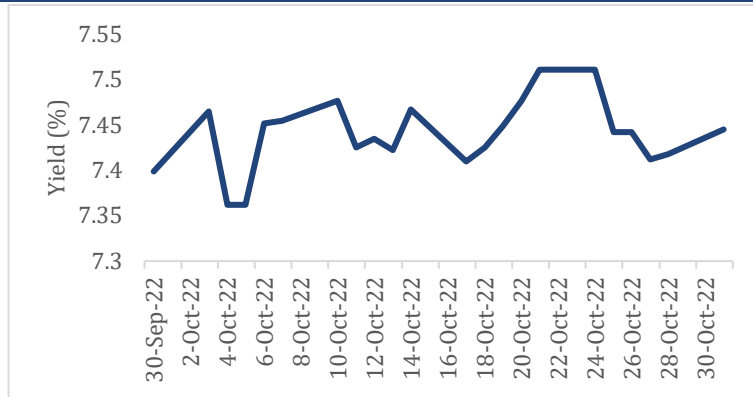
Even though the markets are currently trading slightly above the long-term valuations, India's position as a growing economy in a year of economic distress is attracting FPI flows (higher than what other emerging markets are seeing), though the trend in the flows has not been secular. Even with a weak rupee and the current account deficit situation, our inflation has remained relatively benign in comparison to global economies. An interesting thing to note is that in the MSCI Asia-Pacific ex-Japan index, India stands at the third position in terms of weightage after China and Australia. Since most global funds are underweight these nations, India may benefit in case of an improved risk appetite amongst overseas investors.

In the current scenario, the most important unknown which is constantly fuelling the uncertainty (with respect to a clear directional trend in the equity market) is the impact of a potential global stagflation/recession on the Indian economy and subsequently the corporate earnings. We believe that rising credit growth, shift from unorganised to organised, rise in demand and good traction in discretionary spends will help in providing some cushion to the downside. Further, Indian exports is also witnessing a rise in market share with rising global customer preference aided by China+1 and other factors.

Our long-term view on economic cycle remains positive led by pick up in private sector capex, government's resolve on infrastructure spending, opportunities arising from shift of global supply chains, and a rebound in housing cycle. Also, low corporate and housing leverage coupled with strong banking sector are likely to augur well for economic growth in the medium to long term. From a long-term performance standpoint, we believe that identifying companies having sound managements and potential for sustainable long-term earnings growth would be the key.

Debt Market

10 Year Benchmark Bond Movement



Spread Movement

Spreads	Maturity Period	AAA	AA	A
31-Oct-22	1 Yr	67	128	314
	3 Yr	51	121	310
	5 Yr	38	111	298
	10 Yr	33	114	300
30-Sep-22	1 Yr	64	119	343
	3 Yr	28	94	300
	5 Yr	24	96	299
	10 Yr	38	108	301

The Indian markets were practically insulated despite global market developments. G-sec and corporate bonds were practically flat with shallow volumes as bond yields inched higher by an average 5bps. US global yields and geo-political events captured highlights during the month with Indian macros outperformance as consumption in various sectors exceeded pre-Covid-19 levels leading to record tax revenues.

Event:

The minutes of the RBI Monetary Policy Committee (MPC) meeting held during 28-30 September 2022 (where MPC raised repo rate by 50 bps to 5.90) indicate a shift in the members thinking about slowing down the pace of tightening going forward. MPC members emphasized that Monetary policy operates with lags and possibly enough tightening has been done to guide inflation closer towards the target level in the coming quarters.

Macros:

CPI Inflation scaled to 7.4% YoY. The rise in food inflation (weight of 45.9%) from 7.6% in August to 8.4% in September was the main trigger for higher CPI inflation. On a MoM basis, CPI paced slightly higher at 57bps MoM vs. 52bps in the last month. Core CPI marginally higher at 6.3% YoY with 32bps MoM build-up vs. 46bps increase in the previous month.

The fiscal position of the Central Government has been comfortable during the first half of the current fiscal despite global headwinds. The Central government's fiscal deficit up to the first six months of FY23 stood at Rs 6.2 lakh crore, at 37.3% of the budget estimate. The central government has pegged the fiscal deficit at 6.4% of the GDP in FY23. Based on the assumption of 13.6% nominal GDP growth (higher than the budgeted 11.1%) and given the possibility of additional expenditure being partially offset by higher revenue realisations and no shortfall in the disinvestment proceeds we expect the fiscal deficit to rise slightly to 6.5% of the GDP.

Gross tax collections registered 15% YoY growth vs. 8% decline in the previous month due to robust income tax, corporate tax and GST collections. Capital goods imports in H1 FY23 were upbeat recording a 23% growth over H1 FY20. Rising capacity utilisation level, production and import of capital goods signal encouraging prospects for investments improving fiscal maths. Credit growth continued its strong growth momentum in September'22 month; it stood at 16.9% YoY as compared to 16.0% YoY in Aug. Services and Industry credit led the credit growth in September'22 followed by support from Retail credit growth. Non-food credit growth for September'22 increased further to 15.7% - highest since November'19. Incremental Credit to Deposit ratio simplifies and quantifies the strong growth of lending book. While overall Credit to Deposits ratio is at 74%, FY23 Credit to Deposits at the end of 6 months stands at an unparalleled 120%.

Markets:

Bond yields widened by 5-7bps across the curve post 50bps rate hike by RBI in fag end of September'22. 10-year benchmark paper closed at 7.45%. Higher than expected September CPI print and rise in US Treasury yields almost through the month on account of hawkish Fed added to the negative sentiments. There was 5-7bps yield hardening across the yield curve with cautious sentiments mainly due to external factors.

Durable Liquidity continue to deplete at significantly fast pace on back of currency leakage and slimming forex reserve. Banking system liquidity remained deficit in October resulting in volatility and widening of front-end bond yields up to 3 year while 5- and 10-year segments spreads remained range bound. Also due to holidays and festive season, there was comparatively lower primary issuance (80% concentrated in AAA segment) in form of CP and CD resulting in range bound yield movement. The liquidity conditions are expected to tighten further with pick-up in government expenditure, strong credit growth and higher Balance of Payment deficit.

Global:

Rate hikes by Central banks and strength in US Dollar kept the major and emerging market currencies under pressure. Global commodity prices have shown some signs of easing. The Bloomberg Commodity Price Index fell by nearly 4% in the last three months. Inflation slightly moderated in the US and remained stable in Japan. Price pressure increased in EU and China. USD dollar index has continued to appreciate as Risk off environment has spurred post Fed policy. US 10-year yield has moved up by 20bps to 4.0% in October'22 while the 2-year yield crossed 4.60% factoring further rate actions.

No surprises from the Federal Reserve after delivering a fourth 75bps interest rate increase in a row, bringing the cumulative policy tightening to 375bps since March'22 and the Fed funds target range up to 3.75-4%. As Fed Chair Jerome Powell has repeatedly admitted, monetary policy works with "long and varied lags" and after having hiked rates 375bps, it makes sense to hike a little less aggressively. Mirroring the same expect for more hawkish commentary, ECB raised key interest rates by 75bps the third major policy rate increase in a row, with the expectation to raise interest rate further.

Importantly right now, financial markets seem to be thinking the Fed is indeed signalling the prospect of slower paced hikes and a slightly lower terminal rate. Futures markets are pricing in around 130bps of additional Federal Reserve interest rate increases from here. About 50bps is priced for mid-December, 35bps priced for early February 2023 and 25bps each priced for the March and May meetings.

Outlook:

Going forward, even though India looks well poised, global factors continue to remain major roadblocks to tackle. RBI has delivered a cumulative rate hike of 190bps so far. Upward pressures on food and energy inflation continue to loom but if domestic inflation is headed towards a decline, RBI need not necessarily go the Fed way and be as aggressive given the two-year time frame of getting inflation within the target. We think RBI will aim to keep a 175-200bps differential with the Fed funds rate. We believe the terminal wave will settle at 6.25%-6.50% of policy rate.

In order to anchor inflation and inflation expectations, the rising interest rate environment globally, and the pressure on the FX amid dollar strengthening, we expect the RBI to increase the policy Repo rate by another 35-50 basis points in the December'22 meeting and then pause, contingent on data trends. The 10-year yield is expected to trade within the range of 7.30%-7.60% in the near term while the sweet spot remains the medium-term yield curve. A much flatter yield curve gives an opportunity to investors to cut down on duration risk and continue to maintain high accrual. The 2 to 4-year segment of the yield remains well placed from carry perspective for medium to long investors, as it has already priced in more aggressive rate hikes and also lesser impacted by the rate volatility.

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

Fund Details

Date of Allotment	: October 30, 2014
Bloomberg Code	: IIFGRRG IN
Benchmark Index	: S&P BSE 500 TRI
Plans Offered	: Regular & Direct
Options Offered	: Growth & IDCW
Minimum Application	:
New Purchase	: ₹1,000 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	: ₹1,000 per quarter for a minimum period of 6 quarters
Entry Load	: NIL
Exit Load	: 1% - if redeemed/switched out, on or before 12 months from the date of allotment w.e.f April 02, 2019.
Dematerialization	: D-Mat Option Available
Portfolio Turnover Ratio (based on 1 year monthly data)	: 0.22 times

NAV as on October 31, 2022

Regular - Growth	: ₹ 30.6555
Regular - IDCW	: ₹ 27.1227
Direct - Growth	: ₹ 33.836
Direct - IDCW	: ₹ 33.491

AUM as on October 31, 2022

Net AUM	: ₹ 3405.99 crore
Monthly Average AUM	: ₹ 3305.91 crore

Total Expense Ratio

Regular Plan	: 1.93% p.a.
Direct Plan	: 0.90% p.a.

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

Volatility Measures

	Fund	Benchmark
Std. Dev (Annualised)	23.99%	24.22%
Sharpe Ratio	0.22	0.20
Portfolio Beta	0.97	1.00
R Squared	0.89	NA
Treynor	1.61	1.45

Portfolio as on October 31, 2022

Company Name	Sector	SCDV	% to Net Assets
Equity & Equity Related Total			
ICICI Bank Limited	Financial Services	C	8.77
HDFC Bank Limited	Financial Services	S	7.64
Infosys Limited	Information Technology	D	6.28
Bharti Airtel Limited	Telecommunication	V	4.93
Larsen & Toubro Limited	Construction	C	4.66
Axis Bank Limited	Financial Services	C	4.49
State Bank of India	Financial Services	V	4.38
Tata Motors Limited	Automobile and Auto Components	V	3.20
SRF Limited	Chemicals	S	3.00
Cummins India Limited	Capital Goods	D	3.00
Bajaj Finance Limited	Financial Services	S	2.97
NTPC Limited	Power	V	2.85
Dr. Reddy's Laboratories Limited	Healthcare	V	2.84
Apollo Tricoat Tubes Limited	Capital Goods	S	2.76
Coal India Limited	Oil, Gas & Consumable Fuels	D	2.72
Data Patterns (India) Limited	Capital Goods	S	2.70
CCL Products (India) Limited	Fast Moving Consumer Goods	D	2.70
Crompton Greaves Consumer Electricals Limited	Consumer Durables	S	2.64
Bajaj Auto Limited	Automobile and Auto Components	D	2.62
Larsen & Toubro Infotech Limited	Information Technology	S	2.39
Motherson Sumi Wiring India Limited	Automobile and Auto Components	S	2.33
Bank of Baroda	Financial Services	V	2.16
VIP Industries Limited	Consumer Durables	D	2.09
Aavas Financiers Limited	Financial Services	S	2.07
Cyient Limited	Information Technology	S	1.95
Max Healthcare Institute Limited	Healthcare	V	1.82
Divi's Laboratories Limited	Healthcare	D	1.61
Muthoot Finance Limited	Financial Services	D	1.53
Sansera Engineering Limited	Automobile and Auto Components	C	1.17
Bharat Petroleum Corporation Limited	Oil, Gas & Consumable Fuels	D	0.47
Bharti Airtel Limited	Telecommunication	V	0.13
Sub Total			94.86
TREPS**			5.47
Net Receivables / (Payables)			-0.34
Portfolio Total			100

Scheme Performance

Scheme / Benchmark	31-Oct-21 to 31-Oct-22	PTP (₹)	31-Oct-19 to 31-Oct-22	PTP (₹)	31-Oct-17 to 31-Oct-22	PTP (₹)	Since Inception	PTP (₹)
IIFL Focused Equity Fund - Reg - Growth	0.72%	10,071	20.61%	17,554	15.56%	20,617	15.01%	30,656
IIFL Focused Equity Fund - Dir - Growth	1.80%	10,179	22.05%	18,190	17.08%	22,011	16.44%	33,836
Benchmark*	3.89%	10,387	18.38%	16,599	12.56%	18,072	12.73%	26,101
Additional Benchmark**	3.70%	10,368	16.13%	15,668	14.15%	19,391	11.87%	24,561

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-Oct-21 to 31-Oct-22	31-Oct-19 to 31-Oct-22	31-Oct-17 to 31-Oct-22	Since Inception
Total Amount Invested (₹)	1,20,000	3,60,000	6,00,000	9,50,000
Total Value as on October 31, 2022(₹)	1,26,480	4,96,139	9,83,719	19,06,646
Returns	10.14%	21.98%	19.87%	17.12%
Total Value of Benchmark: S&P BSE 500 TRI (₹)	1,27,081	4,98,098	9,20,058	17,41,968
Benchmark: S&P BSE 500 TRI	11.09%	22.27%	17.12%	14.92%
Total Value of Benchmark: S&P BSE Sensex TRI (₹)	1,27,906	4,83,263	9,06,487	17,34,717
Additional Benchmark: S&P BSE Sensex TRI	12.41%	20.09%	16.52%	14.82%

(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.

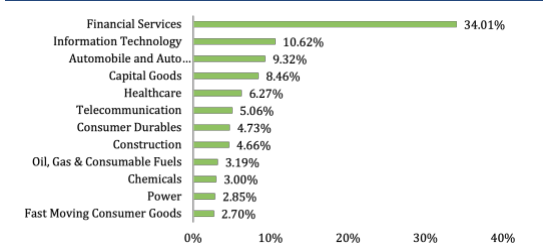
THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING*

- 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.

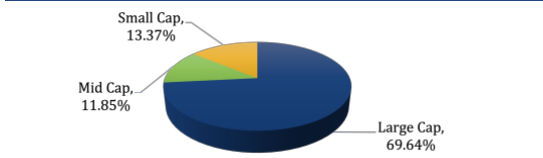
**With effect from November 05, 2018, Triparty Repo has replaced CBLOs for all schemes with provisions to invest in CBLO.

Sector Allocation**



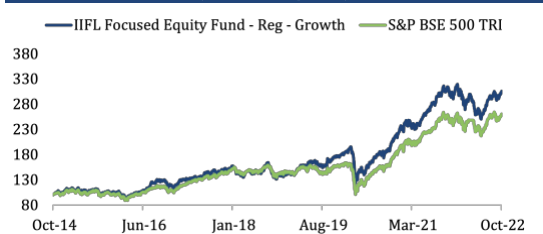
**Sector allocation as per AMFI classification

Market Capitalisation wise Exposure*



- Large Cap Companies: 1st -100th company in terms of full market capitalization
 - Mid Cap Companies: 101st -250th company in terms of full market capitalization
 - 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 Form of SEBI circulars dated October 6, 2017 and December 4, 2017. As of October 31, 2022

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

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 15 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

Date of Allotment	: November 29, 2021
Bloomberg Code	: -
Benchmark Index	: S&P BSE 200 TRI
Plans Offered	: Regular & Direct
Options Offered	: Growth & IDCW
Minimum Application	:
New Purchase	: ₹1,000 and in multiples of ₹1 thereafter
Additional Purchase	: ₹1,000 and in multiples of ₹1 thereafter
Monthly SIP Option	: ₹1,000 per month for a minimum period of 6 months
Quarterly SIP Option	: ₹1,000 per quarter for a minimum period of 6 quarters
Entry Load	: NIL
Exit Load	: 1% - if redeemed/switched out, on or before 12 months from the date of allotment
Dematerialization	: D-Mat Option Available

NAV as on October 31, 2022

Regular - Growth	: ₹ 10.4833
Regular - IDCW	: ₹ 10.4833
Direct - Growth	: ₹ 10.5952
Direct - IDCW	: ₹ 10.5952

AUM as on October 31, 2022

Net AUM	: ₹ 100.73 crore
Monthly Average AUM	: ₹ 99.12 crore

Total Expense Ratio

Regular Plan	: 1.58% p.a.
Direct Plan	: 0.43% p.a.

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

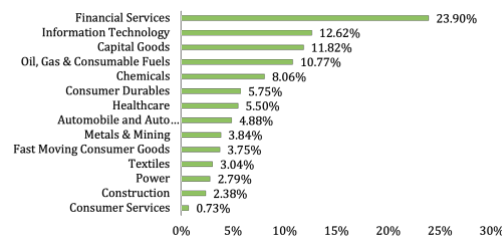
Volatility Measures

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

Portfolio as on October 31, 2022

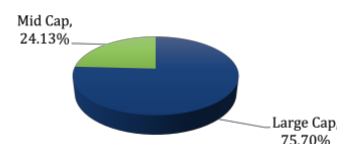
Company Name	Sector	% to Net Assets
Equity & Equity Related Total		
TVS Motor Company Limited	Automobile and Auto Components	4.88
Hindustan Aeronautics Limited	Capital Goods	4.42
Adani Total Gas Limited	Oil, Gas & Consumable Fuels	4.10
Coal India Limited	Oil, Gas & Consumable Fuels	3.75
Bharat Electronics Limited	Capital Goods	3.75
ITC Limited	Fast Moving Consumer Goods	3.75
Cummins India Limited	Capital Goods	3.65
IndusInd Bank Limited	Financial Services	3.26
SBI Life Insurance Company Limited	Financial Services	3.19
Bajaj Finserv Limited	Financial Services	3.16
Titan Company Limited	Consumer Durables	3.13
Sun Pharmaceutical Industries Limited	Healthcare	3.05
Page Industries Limited	Textiles	3.04
HDFC Bank Limited	Financial Services	3.02
Bajaj Finance Limited	Financial Services	2.99
Pidilite Industries Limited	Chemicals	2.97
Power Grid Corporation of India Limited	Power	2.79
Infosys Limited	Information Technology	2.74
Larsen & Toubro Infotech Limited	Information Technology	2.73
Cholamandalam Investment and Finance Company Ltd	Financial Services	2.68
MindTree Limited	Information Technology	2.67
Bata India Limited	Consumer Durables	2.62
Atul Limited	Chemicals	2.61
UPL Limited	Chemicals	2.48
GlaxoSmithKline Pharmaceuticals Limited	Healthcare	2.45
Nippon Life India Asset Management Limited	Financial Services	2.38
Larsen & Toubro Limited	Construction	2.38
Tech Mahindra Limited	Information Technology	2.36
Bharat Petroleum Corporation Limited	Oil, Gas & Consumable Fuels	2.34
Muthoot Finance Limited	Financial Services	2.30
Wipro Limited	Information Technology	2.12
Vedanta Limited	Metals & Mining	1.92
NMDC Limited	Metals & Mining	1.52
Housing Development Finance Corporation Limited	Financial Services	0.92
Avenue Supermarts Limited	Consumer Services	0.73
Petronet LNG Limited	Oil, Gas & Consumable Fuels	0.58
Sub Total		99.43
Unlisted Equity		
NMDC Steel Limited	Metals & Minerals Trading	0.40
Sub Total		0.40
TREPS##		0.21
Net Receivables / (Payables)		-0.05
Portfolio Total		100.00

Sector Allocation**



**Sector allocation as per AMFI classification

Market Capitalisation wise Exposure^



a. Large Cap Companies: 1st -100th company in terms of full market capitalization
 b. Mid Cap Companies: 101st -250th company in terms of full market capitalization
 c. Small Cap Companies : 251st company onwards in terms of full market capitalization The consolidated list of stocks in terms of full market capitalization is as per the list uploaded by AMFI, in terms of SEBI circulars dated October 6, 2017 and December 4, 2017.
 ^As of October 31, 2022

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

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.

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

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

NAV as on October 31, 2022

Regular Plan Growth	: ₹ 18.1917
#Regular Plan Bonus	: ₹ 18.1917
Regular Quarterly IDCW	: ₹ 17.5549
#Regular Half Yearly IDCW	: ₹ 17.5549
#Regular Monthly IDCW	: ₹ 11.8261
Direct Plan Growth	: ₹ 19.0646
Direct Monthly IDCW	: ₹ 12.5605

#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, 2022

Net AUM	: ₹ 507.03 crore
Monthly Average AUM	: ₹ 526.31 crore

Total Expense Ratio

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

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

Statistical Debt Indicators

Macaulay Duration	: 3.52 years
Modified Duration	: 3.77 years
Average Maturity	: 7.17 years
Yield to Maturity	: 7.84%

Maturity is based on yield to call.

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

Portfolio as on October 31, 2022

Name of the Instrument	Rating	% to Net Assets
REIT/InvIT Instruments		6.22
Embassy Office Parks REIT	Realty	3.23
Powergrid Infrastructure Investment Trust	Power	2.99
Debt Instruments		
Sovereign Securities		14.77
7.84% STATE GOVERNMENT SECURITIES	SOVEREIGN	4.98
9.15% GOVERNMENT OF INDIA	SOVEREIGN	3.07
5.74% GOVERNMENT OF INDIA	SOVEREIGN	2.80
7.17% GOVERNMENT OF INDIA	SOVEREIGN	1.95
7.69% STATE GOVERNMENT SECURITIES	SOVEREIGN	0.99
7.1% GOVERNMENT OF INDIA	SOVEREIGN	0.97
Non-Convertible Debentures/Bonds		73.08
6.6861% MINDSPACE BUSINESS PARKS	CRISIL AAA	9.65
9.15% ICICI BANK LIMITED*	ICRA AA+	7.95
6.4% JAMNAGAR UTILITIES & POWER PRIVATE LIMITED	CRISIL AAA	6.58
7.75% LIC HOUSING FINANCE LIMITED	CRISIL AAA	5.91
TATA CAPITAL HOUSING FINANCE LIMITED	CRISIL AAA	5.40
8.99% BANK OF BARODA*	CRISIL AA+	5.07
8.1% REC LIMITED	CRISIL AAA	4.97
7.25% EMBASSY OFFICE PARKS REIT	CRISIL AAA	4.91
6.75% Sikka Ports and Terminals Limited	CRISIL AAA	4.78
6.95% Power Finance Corporation Limited	CRISIL AAA	4.70
5.78% Housing Development Finance Corporation Limited	CRISIL AAA	4.66
8.3% Indian Railway Finance Corporation Limited	CRISIL AAA	3.06
8.4% India Grid Trust InvIT Fund	CRISIL AAA	2.97
8.5% State Bank of India*	CRISIL AA+	2.00
6.72% Power Finance Corporation Limited	CRISIL AAA	0.49
TREPS## / Reverse Repo		
TREPS##		3.00
Net Current Assets		2.93
Portfolio Total		100.00

* 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)
25-Oct-22	10	0.05	11.7979	12.5300
27-Sep-22	10	0.05	11.8039	12.5309
30-Aug-22	10	0.05	11.8915	12.6183

Quarterly IDCW Plan

04-Jun-15	10	0.40	11.4678	11.5708
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Half Yearly IDCW Plan

04-Jun-15	10	0.40	11.4678	
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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-21 to 31-Oct-22	PTP (₹)	31-Oct-19 to 31-Oct-22	PTP (₹)	31-Oct-17 to 31-Oct-22	PTP (₹)	Since Inception	PTP (₹)
IIFL Dynamic Bond Fund - Reg - Growth	3.32%	10,336	5.73%	11,820	5.91%	13,327	6.60%	18,192
IIFL Dynamic Bond Fund - Dir - Growth	3.58%	10,362	6.15%	11,963	6.44%	13,665	7.14%	19,065
Benchmark*	6.75%	10,684	11.96%	14,040	8.61%	15,113	9.54%	23,457
Additional Benchmark**	-0.98%	9,903	3.10%	10,961	4.59%	12,517	5.72%	16,835

Past performance may or may not be sustained in future

Different plans shall have different expense structure

* Crisil Dynamic Bond Fund CIII 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

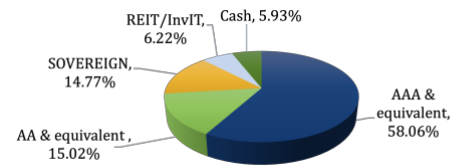
SEEKING*

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

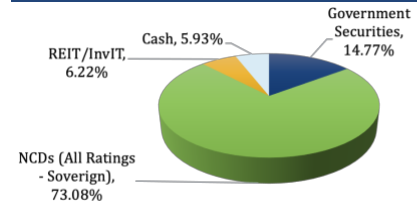
* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

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

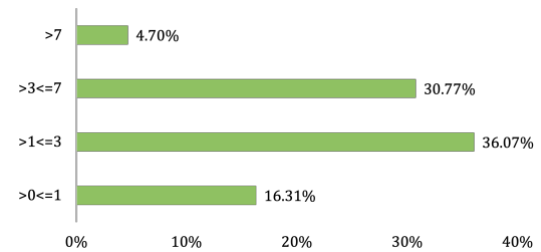
Composition by Rating[^]



Instrument Wise Composition[^]

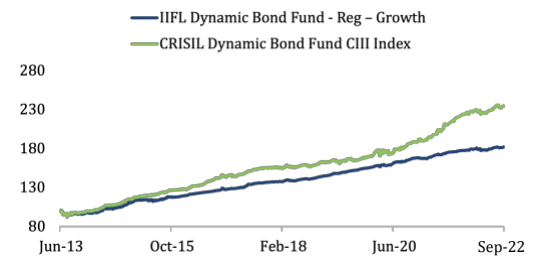


Maturity Profile[^]



[^] As of October 31, 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 Zyn Research Pvt. Ltd. He has done MBA Finance and B.Com.

Fund Details

Date of Allotment : November 13, 2013
Benchmark Index : CRISIL Liquid Fund BI 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, 2022

Regular Plan Growth : ₹ 1678.9069
Regular Plan Weekly IDCW : ₹ 1006.0101
Regular Plan Daily IDCW : ₹ 1000.0701
Direct Plan Growth : ₹ 1686.4585
Direct Plan IDCW : ₹ 1000.0427
Direct Plan Weekly IDCW : ₹ 1006.0166

AUM as on October 31, 2022

Net AUM : ₹ 798.65 crore
Monthly Average AUM : ₹ 719.66 crore

Total Expense Ratio

Regular Plan : 0.25% p.a.
Direct Plan : 0.20% p.a.

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

Statistical Debt Indicators

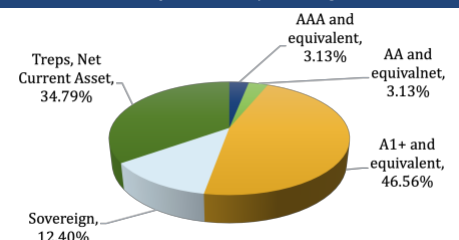
Macaulay Duration : 25.3 days
Modified Duration : 23.2 days
Average Maturity : 25.6 days
Yield to Maturity : 6.39%

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

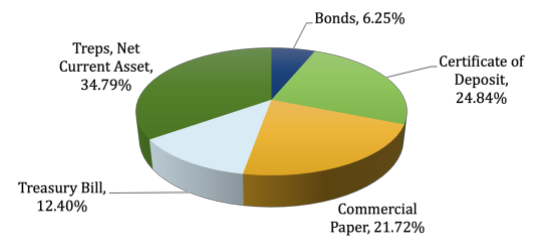
Portfolio as on October 31, 2022

Name of the Instrument	Rating	% to Net Assets
Debt Instruments		
Bonds		
7.45% REC Limited	CRISIL AAA	3.13
7.15% Muthoot Finance Limited	CRISIL AA+	3.13
Sub Total		6.25
Certificate of Deposit		
IndusInd Bank Limited	CRISIL A1+	6.23
Canara Bank	CRISIL A1+	6.21
Punjab National Bank	ICRA A1+	3.11
Punjab National Bank	ICRA A1+	3.11
Axis Bank Limited	CRISIL A1+	3.09
Indian Bank	CRISIL A1+	3.08
Sub Total		24.84
Commercial Paper		
Godrej Industries Limited	CRISIL A1+	6.23
Reliance Jio Infocomm Limited	CRISIL A1+	6.20
Hindustan Petroleum Corporation Limited	CRISIL A1+	3.12
Export Import Bank of India	CRISIL A1+	3.09
Bajaj Finance Limited	CRISIL A1+	3.08
Sub Total		21.72
Treasury Bill		
91 Days Tbill	SOVEREIGN	6.21
91 Days Tbill	SOVEREIGN	6.19
Sub Total		12.40
TREPS** / Reverse Repo		
TREPS**		37.38
Sub Total		37.38
Net Receivables/(Payables)		(2.59)
Portfolio Total		100.00

Composition by Rating[^]



Instrument Wise Composition[^]



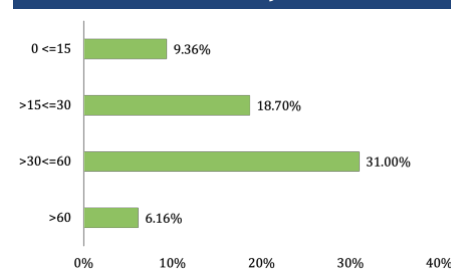
[^] As of October 31, 2022

Scheme Performance

Scheme / Benchmark	31-Oct-21 to 31-Oct-22	PTP (₹)	31-Oct-19 to 31-Oct-22	PTP (₹)	31-Oct-17 to 31-Oct-22	PTP (₹)	Since Inception	PTP (₹)
IIFL Liquid Fund - Reg - Growth	4.16%	10,416	3.61%	11,122	4.75%	12,616	5.95%	16,785
IIFL Liquid Fund - Dir - Growth	4.21%	10,421	3.66%	11,139	4.80%	12,647	6.00%	16,861
Benchmark*	4.61%	10,461	4.34%	11,360	5.39%	13,008	6.53%	17,639
Additional Benchmark**	3.40%	10,340	4.37%	11,370	5.50%	13,075	6.41%	17,461

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 October 31, 2022

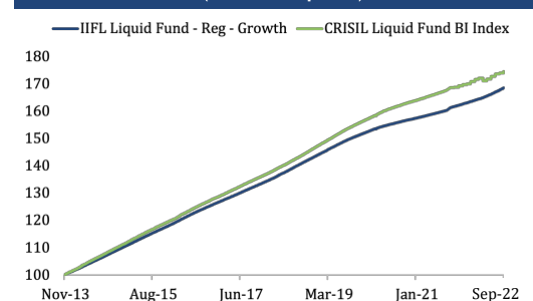
THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING*

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

* 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.

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

FUND MANAGER	An employee of the asset management company such as a mutual fund or life insurer, who manages investments of the scheme. He is usually part of a larger team of fund managers and research analysts.
APPLICATION AMOUNT FOR FRESH SUBSCRIPTION	This is the minimum investment amount for a new investor in a mutual fund scheme.
MINIMUM ADDITIONAL AMOUNT	This is the minimum investment amount for an existing investor in a mutual fund scheme.
YIELD TO MATURITY	The Yield to Maturity or the YTM is the rate of return anticipated on a bond if held until maturity. YTM is expressed as an annual rate. The YTM factors in the bond's current market price, par value, coupon interest rate and time to maturity.
SIP	SIP or systematic investment plan works on the principle of making periodic investments of a fixed sum. It works similar to a recurring bank deposit. For instance, an investor may opt for an SIP that invests ₹ 500 every 15th of the month in an equity fund for a period of three years.
NAV	The NAV or the net asset value is the total asset value per unit of the mutual fund after deducting all related and permissible expenses. The NAV is calculated at the end of every business day. It is the value at which the investor enters or exits the mutual fund.
BENCHMARK	A group of securities, usually a market index, whose performance is used as a standard or benchmark to measure investment performance of mutual funds, among other investments. Some typical benchmarks include the Nifty, Sensex, BSE200, BSE500, 10-Year Gsec.
ENTRY LOAD	A mutual fund may have a sales charge or load at the time of entry and/or exit to compensate the distributor/agent. Entry load is charged at the time an investor purchases the units of a mutual fund. The entry load is added to the prevailing NAV at the time of investment. For instance, if the NAV is ₹ 100 and the entry load is 1 %, the investor will enter the fund at ₹ 101.
EXIT LOAD	Exit load is charged at the time an investor redeems the units of a mutual fund. The exit load is deducted from the prevailing NAV at the time of redemption. For instance, if the NAV is ₹ 100 and the exit load is 1%, the redemption price would be ₹99 per unit.
MODIFIED DURATION	Modified duration is the price sensitivity and the percentage change in price for a unit change in yield.
STANDARD DEVIATION	Standard deviation is a statistical measure of the range of an investment's performance. When a mutual fund has a high standard deviation, it means its range of performance is wide, implying greater volatility.
SHARPE RATIO	The Sharpe Ratio, named after its founder, the Nobel Laureate William Sharpe, is a measure of risk-adjusted returns. It is calculated using standard deviation and excess return to determine reward per unit of risk.
BETA	Beta is a measure of an investment's volatility vis-a-vis the market. Beta of less than 1 means that the security will be less volatile than the market. A beta of greater than 1 implies that the security's price will be more volatile than the market.
R-SQUARED	R-squared measures the relationship between a portfolio and its benchmark index. It measures the correlation of the portfolio's returns to the benchmark's returns.
TREYNOR RATIO	Developed by Jack Treynor, the Treynor ratio (also known as the "reward-to-volatility ratio") attempts to measure how well an investment has compensated its investors given its level of risk. The Treynor ratio relies on beta, which measures an investment's sensitivity to market movements, to gauge risk.
AUM	AUM or assets under management refers to the recent I updated cumulative market value of investments managed by a mutual fund or any investment firm.
HOLDINGS	The holdings or the portfolio is a mutual fund's latest or updated reported statement of investments/securities. These are usually displayed in terms of percentage to net assets or the rupee value or both. The objective is to give investors an idea of where their money is being invested by the fund manager.
NATURE OF SCHEME	The investment objective and underlying investments determine the nature of the mutual fund scheme. For instance, a mutual fund that aims at generating capital appreciation by investing in stock markets is an equity fund or growth fund. Likewise, a mutual fund that aims at capital preservation by investing in debt markets is a debt fund or income fund. Each of these categories may have sub-categories.
RATING PROFILE	Mutual funds invest in securities after evaluating their creditworthiness as disclosed by the ratings. A depiction of the mutual fund in various investments based on their ratings becomes the rating profile of the fund. Typically, this is a feature of debt funds.
IDCW	Dividend option is renamed as Income Distribution cum Capital Withdrawal (IDCW) option for all Schemes effective from April 1, 2021

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

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.