



IDFC DYNAMIC EQUITY FUND

An open ended dynamic asset allocation fund

FUND PHILOSOPHY*

IDFC Dynamic Equity Fund is a hybrid fund with active equity allocation changing based on the trailing P/E of Nifty 50 index. The fund has a pre-defined model which indicates the range of active equity allocation based on P/E levels, and there are 6 different range of equity allocation possible. Higher the P/E band, lower will be the active equity allocation and vice versa.

Change of bands happen once a month while changes within the band happen dynamically on a day to day basis. The active equity portfolio is managed like a diversified fund. Active stock selection philosophy combines quality stocks with good growth potential. The quality filters for the fund are - conversion of EBIDTA to operating cash - OCF as % of EBIDTA > 33%; Moderate leverage: Debt EBIDTA < 3x; Profitability: EBIDTA / Net operating Assets > 30%. Thus, companies which qualify these parameters and have higher visibility of growth versus peers will form the core portfolio. Depending on P/E levels, the fund can have more large or mid/small cap names. The fund will also use Nifty futures to dynamically manage active equity allocation within a month.

The debt portion of the fund is actively managed. The portfolio emphasizes on maintaining high credit quality and currently has 100% in AAA or equivalent instruments. Further the portfolio is oriented towards short-to-medium duration strategies.

Bloomberg Nifty P/E data as of 28th November 2020 indicates a value of 30.6 and equity band for the month of December will continue to be 30-40%.

OUTLOOK

In line with global equities, Indian equities saw a sharp rally in November. Domestically, the focus was on 2QFY21 earnings and a gradual reopening of the economy. Q2 FY21 earnings season was much better than expected, with broad-based beats and upgrades. Nifty50 and BSE200 FY22 earnings were upgraded for the first time in 23 quarters.

In India, the economic devastation from the pandemic has been at a scale much lower than earlier predicted with a healthy recovery expected for FY22. Thus, the chance of a “melt up” rather than a “meltdown” appear to have a higher possibility.

Going forward, at current levels, the possibility of a near term upside, yielding to a “correction” remains the highest probability course for the near term - next 3-month and 6-month period. For the longer term (1 year +), the effectiveness of the vaccine and the speed of its roll out helping bring back the “old” normal will decide the course of the market.

Large Cap stocks may offer greater stability, while small caps will have edge on the valuation front.

The above mentioned is the current strategy of the Fund Manager. However, asset allocation and investment strategy shall be within broad parameters of Scheme Information Document.

Ratios calculated on the basis of 3 years history of monthly data.

Fund Features: (Data as on 27th November'20)

Category: Dynamic Asset Allocation or Balanced Advantage

Monthly Avg AUM: ₹1,148.36 Crores

Inception Date: 10th October 2014

Fund Managers:

Equity Portion: Mr. Arpit Kapoor and Mr. Sumit Agrawal (w.e.f. 01/03/17)

Debt Portion: Mr. Arvind Subramanian (w.e.f. 09/11/2015)

Standard Deviation (Annualized): 13.85%

Modified Duration: 3.11 years*

Average Maturity: 3.91 years*

Macaulay Duration: 3.24 years*

Yield to Maturity: 4.84%*

*Of Debt Allocation Only

Benchmark: 50% S&P BSE 200 TRI + 50%

NIFTY AAA Short Duration Bond Index (w.e.f 11/11/2019)

Asset allocation:

Gross Equity* (Including Arbitrage): 66.70%

Debt: 33.30%

Net Equity: 37.47%

Market Cap Split:

Large Cap: 74.68%

Mid and Small Cap: 25.32%

Minimum Application Amount: ₹5,000/- and any amount thereafter.

Exit Load: In respect of each purchase of Units:

- For 10% of investment: Nil

- For remaining investment: 1% if redeemed/switched out within 1 year from the date of allotment (w.e.f. July 5, 2017)

SIP Frequency: Monthly (Investor may choose any day of the month except 29th, 30th and 31st as the date of instalment.)

Options Available: Growth, Dividend (Payout, Reinvestment and Sweep (from Equity Schemes to Debt Schemes only))

PLAN	DIVIDEND RECORD DATE	₹/UNIT	NAV
REGULAR	15-Jun-20	0.10	10.4300
	28-Jan-20	0.15	11.3200
	23-Oct-19	0.14	11.0300
DIRECT	15-Jun-20	0.11	11.1900
	28-Jan-20	0.16	12.0800
	23-Oct-19	0.15	11.7300

Face Value per Unit (in ₹) is 10
Dividend is not guaranteed and past performance may or may not be sustained in future. Pursuant to payment of dividend, the NAV of the scheme would fall to the extent of payout and statutory levy (as applicable).

PORTFOLIO

(27 November 2020)

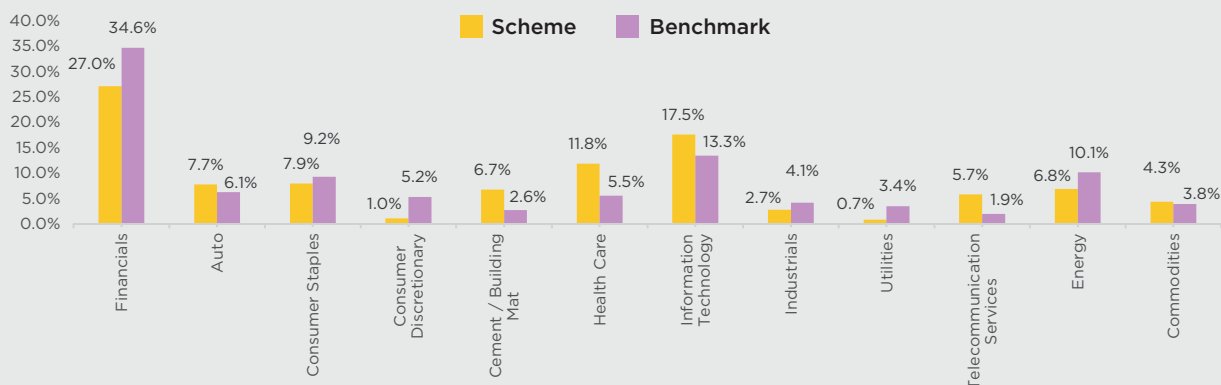


IDFC MUTUAL FUND

Name of the Instrument	Ratings	% to NAV	Name of the Instrument	Ratings	% to NAV
Equity and Equity related Instruments		66.70%	MRF		0.65%
Net Exposure		37.47%	Tube Investments of India		0.62%
Software		8.28%	Endurance Technologies		0.53%
Infosys		6.12%	Petroleum Products		3.22%
Tata Consultancy Services		2.26%	Reliance Industries		5.73%
Tech Mahindra		1.84%	Reliance Industries - Equity Futures		-2.51%
Wipro		1.00%	Telecom - Services		2.72%
HCL Technologies		0.69%	Bharti Airtel		2.84%
Larsen & Toubro Infotech		0.40%	Bharti Airtel - Equity Futures		-0.12%
Majesco		0.40%	Cement		2.49%
Tech Mahindra - Equity Futures		-0.80%	JK Cement		1.28%
Infosys - Equity Futures		-1.37%	UltraTech Cement		1.21%
Tata Consultancy Services - Equity Futures		-2.28%	Ambuja Cements		0.55%
			Ambuja Cements - Equity Futures		-0.56%
Banks		7.14%	Industrial Products		2.15%
ICICI Bank		4.49%	SRF		0.86%
ICICI Bank - Equity Futures		-1.13%	SRF - Equity Futures		-0.54%
HDFC Bank		3.79%	Supreme Industries		0.69%
Axis Bank		1.00%	Shaily Engineering Plastics		0.58%
Axis Bank - Equity Futures		-1.01%	ALA Engineering		0.56%
Finance		5.66%	Pesticides		0.74%
Muthoot Finance		2.08%	PI Industries		0.74%
Muthoot Finance - Equity Futures		-0.18%	Healthcare Services		0.59%
Bajaj Finserv		1.25%	Gland Pharma		0.59%
Bajaj Finserv - Equity Futures		-0.37%	Chemicals		0.40%
HDFC Life Insurance Company	0.87%		Chemcon Speciality Chemicals		0.40%
SBI Life Insurance Company		0.85%	Retailing		0.38%
SBI Life Insurance Company - Equity Futures		-0.86%	Avenue Supermarts		0.38%
Cholamandalam Invt and Fin Co		0.72%	Construction		0.37%
Mas Financial Services		0.55%	PNC Infratech		0.37%
Aavas Financiers		0.41%	Construction Project		0.36%
ICICI Securities		0.28%	Larsen & Toubro		1.69%
ICICI Lombard General Insurance Company		0.06%	KEC International		0.36%
			Larsen & Toubro - Equity Futures		-1.69%
Pharmaceuticals		4.97%	Gas		0.34%
Cipla		2.00%	Indraprastha Gas		0.75%
Cipla - Equity Futures		-1.94%	Indraprastha Gas - Equity Futures		-0.40%
Divi's Laboratories		1.97%	Consumer Durables		0.11%
Aurobindo Pharma		1.64%	Titan Company		0.71%
Aurobindo Pharma - Equity Futures		-0.43%	Khadim India		0.11%
Alkem Laboratories		1.10%	Titan Company - Equity Futures		-0.71%
IPCA Laboratories		0.64%	Index		-9.84%
Lupin		0.57%	Nifty 50 Index - Equity Futures		-9.84%
Lupin - Equity Futures		-0.57%	Corporate Bond		10.89%
Consumer Non Durables		3.72%	Reliance Industries	AAA	3.40%
Hindustan Unilever		1.91%	LIC Housing Finance	AAA	2.20%
Hindustan Unilever - Equity Futures		-0.06%	Power Finance Corporation	AAA	2.20%
Nestle India		1.88%	NABARD	AAA	1.76%
Dabur India		0.68%	REC	AAA	1.32%
Dabur India - Equity Futures		-0.69%	NTPC	AAA	0.02%
Tata Consumer Products		0.40%	Government Bond		8.39%
Tata Consumer Products - Equity Futures		-0.40%	5.22% - 2025 G-Sec	SOV	4.22%
Asian Paints		0.17%	7.17% - 2028 G-Sec	SOV	4.17%
Asian Paints - Equity Futures		-0.17%	Treasury Bill		7.96%
Auto Ancillaries		3.66%	182 Days Tbill - 2020	SOV	5.88%
Minda Industries		1.01%	182 Days Tbill - 2021	SOV	2.08%
Sandhar Technologies		0.76%	Commercial Paper		2.10%
Balkrishna Industries		0.70%	NABARD	A1+	2.10%
Balkrishna Industries - Equity Futures		-0.61%	Net Cash and Cash Equivalent		3.96%
			Grand Total		100.00%



SECTOR ALLOCATION



This product is suitable for investors who are seeking*:

- To create wealth over long term
- Dynamic allocation towards equity, derivatives, debt and money market instruments

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

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.