



## 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 on 29<sup>th</sup> May 2020 indicates a value of 17.9 and the equity band for the month of June'20 is 65-75%, same as previous month.

### OUTLOOK

The protracted Q4 FY20 earnings season has still not ended. Q1 FY21, is poised to create several economic historical milestones – 1st negative GDP print; an alarming fiscal deficit situation and an earnings season like never before.

While, investors might be bracing themselves for such an eventuality, the possibility of the actual being more sombre than what was forecasted is a factor which one should not overrule. On the other hand, March “Mayhem” – just as 9th March'09 has been underlined as the turning point during the GFC, could 23rd March'20 become the low point of this downward spiral? However, a downward plunge from current levels should not be ruled out in the coming weeks. Though, breaching March lows, may not be driven by disappointing June quarter results alone. So, don't overlook the virus even when Unlock 1.0 is in full swing!

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:** (all data as on 29th May' 20)

**Category:** Dynamic Asset Allocation or Balanced Advantage

**Monthly Avg AUM:** ₹823.66 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):** 13.34%

**Modified Duration:** 2.80 years\*

**Average Maturity:** 3.70 years\*

**Yield to Maturity:** 5.59%\*

\*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:**

**Net Equity:** 68.71%

**Debt:** 31.29%

**Gross Equity\* (Including Arbitrage):** 68.71%

**Market Cap Split:**

**Large Cap:** 76.32%

**Mid and Small Cap:** 23.68%

**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	28-Jan-20	0.15	11.3200
	23-Oct-19	0.14	11.0300
	24-Jul-19	0.06	10.6500
DIRECT	28-Jan-20	0.16	12.0800
	23-Oct-19	0.15	11.7300
	24-Jul-19	0.06	11.2900

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

(29 May 2020)

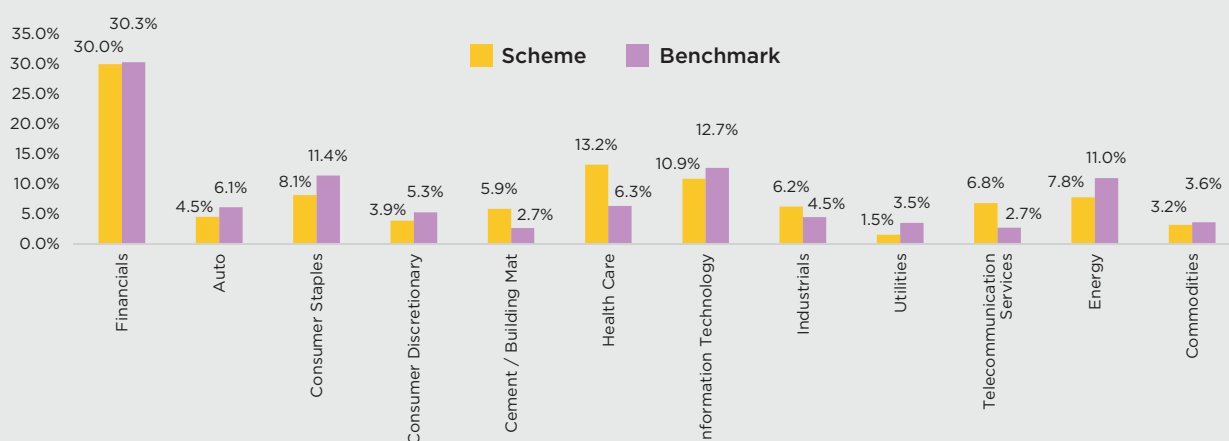


IDFC MUTUAL FUND

Name of the Instrument	Ratings	% to NAV	Name of the Instrument	Ratings	% to NAV
<b>Equity and Equity related Instruments</b>		<b>68.71%</b>	Shaily Engineering Plastics		0.35%
<b>Net Equity Exposure</b>		<b>68.71%</b>	<b>Cement</b>		<b>3.11%</b>
<b>Banks</b>		<b>12.62%</b>	UltraTech Cement		1.65%
HDFC Bank		5.23%	JK Cement		1.27%
ICICI Bank		3.91%	Sagar Cements		0.19%
Axis Bank		1.86%	<b>Auto Ancillaries</b>		<b>3.11%</b>
Kotak Mahindra Bank		1.62%	Minda Industries		1.05%
<b>Pharmaceuticals</b>		<b>9.06%</b>	Balkrishna Industries		0.72%
Aurobindo Pharma		2.24%	Sandhar Technologies		0.55%
Divi's Laboratories		1.87%	Tube Investments of India		0.42%
IPCA Laboratories		1.85%	Asahi India Glass		0.38%
Lupin		1.68%	<b>Construction Project</b>		<b>2.70%</b>
Alkem Laboratories		1.36%	Larsen & Toubro		2.25%
Dishman Carbogen Amcis		0.06%	KEC International		0.45%
<b>Finance</b>		<b>7.97%</b>	<b>Retailing</b>		<b>2.15%</b>
Muthoot Finance		2.51%	Avenue Supermarts		1.64%
SBI Life Insurance Company		1.30%	Aditya Birla Fashion and Retail		0.51%
ICICI Lombard General Insurance Company		1.18%	<b>Gas</b>		<b>1.05%</b>
Bajaj Finserv		0.96%	Indraprastha Gas		1.05%
ICICI Securities		0.74%	<b>Pesticides</b>		<b>0.91%</b>
Bajaj Finance		0.71%	PI Industries		0.91%
Mas Financial Services		0.59%	<b>Construction</b>		<b>0.36%</b>
<b>Software</b>		<b>7.48%</b>	PNC Infratech		0.36%
Infosys		3.33%	<b>Consumer Durables</b>		<b>0.10%</b>
Tech Mahindra		1.85%	Khadim India		0.10%
Tata Consultancy Services		1.43%	<b>Index</b>		<b>-1.29%</b>
HCL Technologies		0.86%	Nifty 50 Index - Equity Futures		-1.29%
<b>Consumer Non Durables</b>		<b>5.98%</b>	<b>Corporate Bond</b>		<b>15.79%</b>
Nestle India		2.64%	Reliance Industries	AAA	4.65%
Hindustan Unilever		2.55%	Indian Railway Finance Corporation	AAA	3.17%
Prataap Snacks		0.38%	LIC Housing Finance	AAA	3.10%
Asian Paints		0.20%	HDFC	AAA	3.02%
Jubilant Foodworks		0.20%	REC	AAA	1.82%
<b>Petroleum Products</b>		<b>5.35%</b>	NTPC	AAA	0.03%
Reliance Industries		5.35%	<b>Certificate of Deposit</b>		<b>5.97%</b>
<b>Telecom - Services</b>		<b>4.66%</b>	ICICI Bank	A1+	2.99%
Bharti Airtel		4.66%	Axis Bank	A1+	2.98%
<b>Industrial Products</b>		<b>3.40%</b>	<b>Net Cash and Cash Equivalent</b>		<b>9.53%</b>
AIA Engineering		1.20%	<b>Grand Total</b>		<b>100.00%</b>
SRF		0.92%			
Supreme Industries		0.92%			



## 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.