



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

Bloomberg Nifty P/E data as on 30th April 2020 indicates a value of 18.4 and correspondingly we will change our equity band from 75-90% to 65-75% for the month of May'20.

OUTLOOK

Indian equity markets witnessed a sharp rebound from four year lows in March. The RBI announced a slew of measures in mid-April to counter the ensuing economic downturn from COVID-19 with the Governor reinforcing the notion that the RBI will do “whatever it takes”. After hitting a low of 7,610 on 23rd Mar'20, the Nifty bounced back more than 29% from its lows. The April up move in the markets may not last given the ground realities – stagnant earnings, at best for FY21 and valuations at long term average. With companies continuing to report numbers for March ended fiscal FY20, estimates for the coming year could get further downgraded. Clearly, while looking at companies, FY22 will be the year of reckoning rather than FY21. This could easily make the earnings season till December'20, a “hotspot” of volatility. To “contain” these “hotspots”, markets expects a regular dose of Government Stimuli packages aimed at different strata of societies and businesses; an agile and able administration at the ground level and more holistic planning at the Centre.

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).

Fund Features:

Category: Dynamic Asset Allocation or Balanced Advantage

Monthly Avg AUM: ₹819.61 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): 13.31%

Modified Duration: 2.70 years*

Average Maturity: 3.80 years*

Yield to Maturity: 6.21%*

*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: 75.31%

Debt: 24.69%

Gross Equity[^] (Including Arbitrage): 75.31%

Market Cap Split:

Large Cap: 75.32%

Mid and Small Cap: 24.68%

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

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

*The allocation mentioned is as per current strategy and market conditions; this is however subject to change without notice.

PORTFOLIO

(30 April 2020)

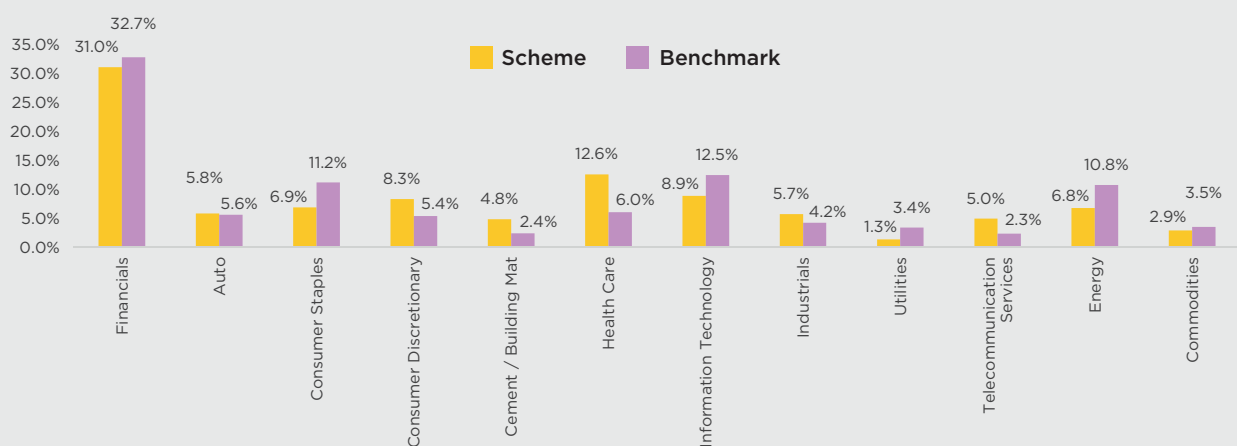


IDFC MUTUAL FUND

Name of the Instrument	Ratings	% to NAV	Name of the Instrument	Ratings	% to NAV
Equity and Equity related Instruments		75.31%	Shaily Engineering Plastics		0.36%
Net Equity Exposure		75.31%	Auto Ancillaries		3.05%
Banks		13.86%	Minda Industries		1.04%
HDFC Bank		5.28%	Sandhar Technologies		0.63%
ICICI Bank		4.61%	Balkrishna Industries		0.59%
Axis Bank		2.25%	Tube Investments of India		0.41%
Kotak Mahindra Bank		1.72%	Asahi India Glass		0.38%
Pharmaceuticals		8.88%	Construction Project		2.50%
IPCA Laboratories		1.92%	Larsen & Toubro		2.07%
Aurobindo Pharma		1.89%	KEC International		0.43%
Divi's Laboratories		1.75%	Cement		2.46%
Lupin		1.74%	UltraTech Cement		1.22%
Alkem Laboratories		1.50%	JK Cement		1.03%
Dishman Carbogen Amcis		0.08%	Sagar Cements		0.20%
Finance		8.03%	Retailing		1.99%
Muthoot Finance		2.09%	Avenue Supermarts		1.65%
ICICI Lombard General Insurance Company		1.09%	Aditya Birla Fashion and Retail		0.33%
Bajaj Finserv		1.06%	Consumer Durables		1.49%
ICICI Securities		0.85%	Titan Company		0.78%
Bajaj Finance		0.80%	Voltas		0.58%
HDFC		0.77%	Khadim India		0.12%
SBI Life Insurance Company		0.76%	Auto		1.05%
Mas Financial Services		0.61%	Maruti Suzuki India		1.05%
Consumer Non Durables		7.05%	Gas		0.94%
Nestle India		2.48%	Indraprastha Gas		0.94%
Hindustan Unilever		2.03%	Pesticides		0.90%
Asian Paints		1.52%	PI Industries		0.90%
Jubilant Foodworks		0.65%	Construction		0.41%
Prataap Snacks		0.36%	PNC Infratech		0.41%
Software		6.25%	Hotels, Resorts And Other Recreational Activities		0.23%
Infosys		3.31%	The Indian Hotels Company		0.23%
Tata Consultancy Services		1.63%	Corporate Bond		14.82%
Tech Mahindra		1.32%	Reliance Industries	AAA	4.30%
Petroleum Products		4.78%	Indian Railway Finance Corporation	AAA	2.94%
Reliance Industries		4.78%	LIC Housing Finance	AAA	2.93%
Index		4.68%	HDFC	AAA	2.90%
Nifty 50 Index - Equity Futures		4.68%	REC	AAA	1.72%
Telecom - Services		3.51%	NTPC	AAA	0.03%
Bharti Airtel		3.51%	Certificate of Deposit		2.85%
Industrial Products		3.23%	ICICI Bank	A1+	2.85%
AIA Engineering		1.11%	Net Cash and Cash Equivalent		7.02%
Supreme Industries		0.95%	Grand Total		100.00%
SRF		0.82%			



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.

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