



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 30th September 2020 indicates a value of 25.9 and equity band for the month will remain same as 40-55%. The month end active equity allocation for the fund was 40.2%.

OUTLOOK

Domestic markets have been broad-based with broader markets outperforming the Nifty 50, first time after 2 years. Since the bottom in March, the Small Cap Index has moved up significantly higher than the Large and Mid Cap indices.

Going forward, given uncertainty on the duration and severity of the pandemic, economic recovery in FY22 remains uncertain. This is also reflected in the earnings estimates across sectors. The speed of catchup in earnings to FY20 levels will be the key factor that will be tracked by markets. On the other hand, the move from Mar'20 till now has seen a long stretch of the market upmove, with only one correction, which has happened quite early in the bull market. Investors should be ready for a correction and use it to their advantage.

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 30th September'20)
Category: Dynamic Asset Allocation or Balanced Advantage
Monthly Avg AUM: ₹998.34 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): 13.84%
Modified Duration: 2.58 years*
Average Maturity: 3.38 years*
Macaulay Duration: 2.70 years*
Yield to Maturity: 4.98%*
 *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): 66.09%
Debt: 33.91%
Net Equity: 40.18%
Market Cap Split:
Large Cap: 75.95%
Mid and Small Cap: 24.05%
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

(30 September 2020)

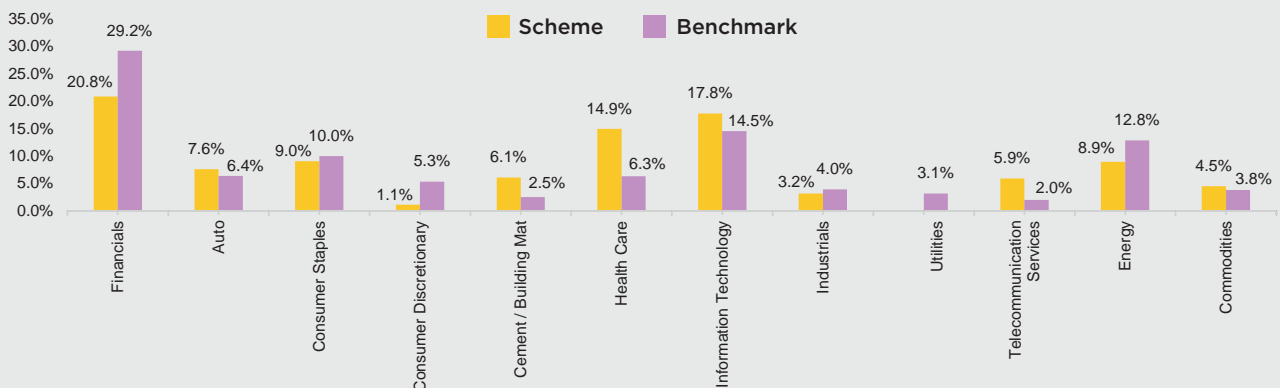


IDFC MUTUAL FUND

Name of the Instrument	Ratings	% to NAV	Name of the Instrument	Ratings	% to NAV
Equity and Equity related Instruments		66.09%	Reliance Industries - Equity Futures		-2.00%
Net Exposure		40.18%	Auto Ancillaries		3.72%
Software		8.69%	Minda Industries		1.02%
Infosys		6.07%	Sandhar Technologies		0.81%
Infosys - Equity Futures		-1.15%	Balkrishna Industries		0.73%
Tech Mahindra		1.94%	Balkrishna Industries - Equity Futures		-0.35%
Wipro		1.60%	MRF		0.59%
Wipro - Equity Futures		-0.85%	Tube Investments of India		0.53%
Tata Consultancy Services		1.46%	Endurance Technologies		0.40%
Tata Consultancy Services - Equity Futures		-1.43%	Telecom - Services		2.89%
HCL Technologies		0.64%	Bharti Airtel		2.89%
Majesco		0.41%	Industrial Products		2.50%
Pharmaceuticals		7.31%	SRF		0.81%
Cipla		2.09%	SRF - Equity Futures		-0.41%
Cipla - Equity Futures		-1.24%	AIA Engineering		0.76%
Divi's Laboratories		1.95%	Supreme Industries		0.69%
Aurobindo Pharma		1.76%	Shaily Engineering Plastics		0.65%
Aurobindo Pharma - Equity Futures		-0.20%	Cement		2.30%
IPCA Laboratories		1.70%	UltraTech Cement		1.19%
Alkem Laboratories		1.26%	JK Cement		1.11%
Lupin		0.75%	Pesticides		0.77%
Lupin - Equity Futures		-0.75%	PI Industries		0.77%
Banks		5.44%	Retailing		0.43%
ICICI Bank		3.92%	Avenue Supermarts		0.43%
ICICI Bank - Equity Futures		-1.50%	Construction Project		0.40%
HDFC Bank		3.61%	Larsen & Toubro		1.58%
HDFC Bank - Equity Futures		-0.58%	Larsen & Toubro - Equity Futures		-1.59%
Axis Bank		0.83%	KEC International		0.41%
Axis Bank - Equity Futures		-0.83%	Construction		0.40%
Kotak Mahindra Bank		0.08%	PNC Infratech		0.40%
Kotak Mahindra Bank - Equity Futures		-0.08%	Chemicals		0.38%
Finance		4.75%	Chemcon Speciality Chemicals		0.38%
Muthoot Finance		2.39%	Consumer Durables		0.12%
Muthoot Finance - Equity Futures		-0.58%	Titan Company		0.73%
Bajaj Finserv		0.98%	Titan Company - Equity Futures		-0.74%
Bajaj Finserv - Equity Futures		0.96%	Khadim India		0.13%
SBI Life Insurance Company		0.89%	Gas		-0.004%
ICICI Lombard General Insurance Company		0.49%	Indraprastha Gas		0.68%
Mas Financial Services		0.34%	Indraprastha Gas - Equity Futures		-0.68%
ICICI Securities		0.08%	Index		-8.71%
Bajaj Finance		-0.08%	Nifty 50 Index - Equity Futures		-8.71%
Bajaj Finance - Equity Futures		-0.72%	Corporate Bond		12.56%
Consumer Non Durables		4.41%	Reliance Industries	AAA	3.89%
Hindustan Unilever		2.09%	LIC Housing Finance	AAA	2.57%
Nestle India		1.95%	Power Finance Corporation	AAA	2.53%
Dabur India		0.81%	NABARD	AAA	2.03%
Dabur India - Equity Futures		-0.82%	REC	AAA	1.53%
Tata Consumer Products		0.44%	NTPC	AAA	0.03%
Tata Consumer Products - Equity Futures		-0.44%	Treasury Bill		4.88%
Britannia Industries		0.37%	182 Days Tbill - 2020	SOV	4.88%
Asian Paints		0.18%	Government Bond		4.80%
Asian Paints - Equity Futures		-0.18%	7.17% - 2028 G-Sec	SOV	4.80%
Petroleum Products		4.37%	Commercial Paper		2.44%
Reliance Industries		6.37%	NABARD	A1+	2.44%
			Net Cash and Cash Equivalent (including Margin FD)		9.23%
			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.