



## 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 February 2021 indicates a value of 32.3 and equity band for the month of March will continue to be 30-40%.

### OUTLOOK

From Indian equities point of view, the solid December'20 quarter earnings were clearly a key highlight. Few, if any, would have been able to forecast, at the start of the current fiscal in April'20, that December'20 quarter would deliver the highest ever quarterly profits for the BSE200 set of companies!

Domestic equity markets continued to trend higher in February. Rally was majorly broad based and across the sectors. For the month, Small cap (12%) and Mid cap (10%) delivered the highest returns followed by Large cap (7%).

Globally, however, the worries on inflation and the unsettling moves on the US 10-year yield gave a glimpse, a "trailer" of reality - valuations could compress; economic growth could get stunted, if bonds yields sustained and moved ahead.

For the current economic recovery to sustain, containing bond yields, not through "yield curve management" but through moderating inflation expectation will be a key variable to track for the rest of the year.

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 28th February'21)

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

**Monthly Avg AUM:** ₹1,562.62 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):** 13.94%

**Modified Duration:** 2.04 years\*

**Average Maturity:** 2.53 years\*

**Macaulay Duration:** 2.12 years\*

**Yield to Maturity:** 4.65%\*

\*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):** 64.81%

**Debt:** 35.19%

**Net Equity:** 35.50%

#### Market Cap Split:

**Large Cap:** 73.60%

**Mid and Small Cap:** 26.40%

**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	18-Dec-20	0.12	12.1700
	15-Jun-20	0.10	10.4300
	28-Jan-20	0.15	11.3200
DIRECT	18-Dec-20	0.13	13.1400
	15-Jun-20	0.11	11.1900
	28-Jan-20	0.16	12.0800

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

(28 February 2021)

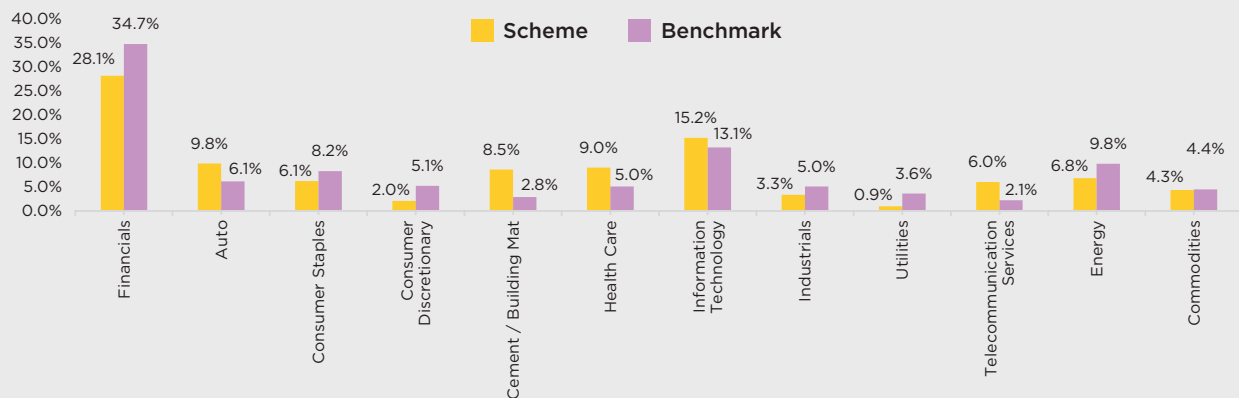


IDFC MUTUAL FUND

Name of the Instrument	Ratings	% to NAV	Name of the Instrument	Ratings	% to NAV
<b>Equity and Equity related Instruments</b>		<b>64.81%</b>	Dabur India - Equity Futures		-0.62%
<b>Net Equity Exposure</b>		<b>35.50%</b>	Burger King India		0.48%
<b>Banks</b>		<b>6.44%</b>	Tata Consumer Products		0.33%
ICICI Bank		5.76%	Tata Consumer Products - Equity Futures		-0.34%
ICICI Bank - Equity Futures		-2.50%	<b>Cement</b>		<b>2.99%</b>
HDFC Bank		3.18%	JK Cement		1.24%
Axis Bank		1.32%	UltraTech Cement		1.13%
Axis Bank - Equity Futures		-1.33%	Ambuja Cements		0.61%
<b>Software</b>		<b>6.40%</b>	<b>Petroleum Products</b>		<b>2.85%</b>
Infosys		5.58%	Reliance Industries		4.55%
Infosys - Equity Futures		-1.61%	Reliance Industries - Equity Futures		-1.69%
Tata Consultancy Services		3.22%	<b>Telecom - Services</b>		<b>2.52%</b>
Tata Consultancy Services - Equity Futures		-3.23%	Bharti Airtel		3.40%
Tech Mahindra		2.40%	Bharti Airtel - Equity Futures		-0.87%
Tech Mahindra - Equity Futures		-1.60%	<b>Industrial Products</b>		<b>1.94%</b>
Wipro		0.86%	SRF		0.67%
HCL Technologies		0.67%	SRF - Equity Futures		-0.29%
HCL Technologies - Equity Futures		-0.11%	Supreme Industries		0.63%
Coforge		0.35%	Shaily Engineering Plastics		0.60%
Coforge - Equity Futures		-0.35%	AIA Engineering		0.34%
Larsen & Toubro Infotech		0.22%	<b>Construction Project</b>		<b>0.59%</b>
<b>Finance</b>		<b>5.44%</b>	Larsen & Toubro		1.72%
Muthoot Finance		1.72%	Larsen & Toubro - Equity Futures		-1.37%
Muthoot Finance - Equity Futures		-0.45%	KEC International		0.24%
Bajaj Finserv		1.53%	<b>Pesticides</b>		<b>0.54%</b>
Bajaj Finserv - Equity Futures		-0.64%	PI Industries		0.54%
HDFC Life Insurance Company		1.49%	<b>Healthcare Services</b>		<b>0.50%</b>
HDFC Life Insurance Company - Equity Futures		-0.81%	Gland Pharma		0.50%
Cholamandalam Invt and Fin Co		1.28%	<b>Construction</b>		<b>0.47%</b>
Bajaj Finance		0.55%	PNC Infratech		0.47%
Aavas Financiers		0.42%	<b>Gas</b>		<b>0.37%</b>
Mas Financial Services		0.34%	Indraprastha Gas		0.54%
<b>Auto Ancillaries</b>		<b>4.16%</b>	Indraprastha Gas - Equity Futures		-0.17%
Minda Industries		1.08%	<b>Retailing</b>		<b>0.37%</b>
MRF		0.86%	Avenue Supermarts		0.37%
Endurance Technologies		0.64%	<b>Chemicals</b>		<b>0.31%</b>
Tube Investments of India		0.60%	Chemcon Speciality Chemicals		0.31%
Sandhar Technologies		0.53%	<b>Index</b>		<b>-6.74%</b>
Balkrishna Industries		0.48%	Nifty 50 Index - Equity Futures		-6.74%
Balkrishna Industries - Equity Futures		-0.48%	<b>Treasury Bill</b>		<b>10.15%</b>
Jamna Auto Industries		0.45%	182 Days Tbill - 2021	SOV	3.39%
<b>Pharmaceuticals</b>		<b>3.27%</b>	91 Days Tbill - 2021	SOV	3.38%
Divi's Laboratories		2.24%	364 Days Tbill - 2021	SOV	3.38%
Divi's Laboratories - Equity Futures		-0.89%	<b>Government Bond</b>		<b>7.49%</b>
Aurobindo Pharma		1.53%	5.22% - 2025 G-Sec	SOV	3.03%
Aurobindo Pharma - Equity Futures		-0.52%	7.17% - 2028 G-Sec	SOV	2.96%
Cipla		1.50%	5.15% - 2025 G-Sec	SOV	1.50%
Cipla - Equity Futures		-1.50%	<b>Corporate Bond</b>		<b>6.22%</b>
Alkem Laboratories		0.63%	Reliance Industries	AAA	2.40%
Dr. Reddy's Laboratories		0.41%	Power Finance Corporation	AAA	1.58%
Dr. Reddy's Laboratories - Equity Futures		-0.41%	NABARD	AAA	1.26%
IPCA Laboratories		0.30%	REC	AAA	0.95%
<b>Consumer Non Durables</b>		<b>3.07%</b>	NTPC	AAA	0.02%
Hindustan Unilever		2.15%	<b>Commercial Paper</b>		<b>2.98%</b>
Hindustan Unilever - Equity Futures		-0.80%	LIC Housing Finance	A1+	1.49%
Nestle India		1.24%	HDFC	A1+	1.49%
Dabur India		0.61%	<b>Net Cash and Cash Equivalent (including Fixed Deposit)</b>		<b>8.35%</b>
			<b>Grand Total</b>		<b>100.00%</b>



## 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.