



## IDFC BALANCED ADVANTAGE FUND

(previously known as IDFC Dynamic Equity Fund)

An open ended dynamic asset allocation fund

### FUND PHILOSOPHY\*

IDFC Balanced Advantage 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 30<sup>th</sup> April 2021 indicates a value of 32.2 and equity band for the month of April will continue to be 30-40%.

### OUTLOOK

The ferocity of the second wave has caught most by surprise. Not only the numbers – roughly 5-6x daily cases of the 1st wave, it is the speed with which the virus spread to the hinterlands, which is an added cause for worry. The length of the second wave, will surely have a direct impact on FY2022 earnings. Equally important factor which may impact profitability across sectors is the commodity price rise – from Hot Rolled (HR) coils to PVC (Polyvinyl chloride), from Cotton yarn to rare metals (used in catalytic converters in passenger vehicles) the price rise over the last six months has been stupendous ranging from 40-80%. Passing on these cost push could impact a nascent consumer recovery or severely dent the bottom line of the user industries. Such a factor may also cause, the nascent cycle of upgrade, which was strongest after Dec quarter 2020 results, to take a pause.

Since Q1 FY2021 was a historic low in terms of corporate earnings, any blow arising from a decline in activity caused by the second wave would be softened by this low base effect. Hopefully, a normal monsoon and some positive news on the Covid front – vaccine supply ramping up – from July onwards could help revive economic activity around the festival season.

“IDFC Dynamic Equity Fund” has been renamed as “IDFC Balanced Advantage Fund” with effect from May 03, 2021. Refer the addendum issued in this regard, in the Download center i.e. <https://idfcmf.com/download-centre/notices>

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.

Face Value per Unit (in ₹) is 10

Income Distribution cum capital withdrawal is not guaranteed and past performance may or may not be sustained in future. Pursuant to payment of Income Distribution cum capital withdrawal, the NAV of the scheme would fall to the extent of payout and statutory levy (as applicable).

#### Fund Features: (Data as on 30th April'21)

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

**Monthly Avg AUM:** ₹1,797.32 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):** 13.80%

**Modified Duration:** 1.37 years\*

**Average Maturity:** 1.64 years\*

**Macaulay Duration:** 1.42 years\*

**Yield to Maturity:** 4.09%\*

\*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):** 65.52%

**Debt:** 34.48%

**Net Equity:** 34.82%

#### Market Cap Split:

**Large Cap:** 73.11%

**Mid and Small Cap:** 26.89%

**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, IDCW® (Payout, Reinvestment and Sweep (from Equity Schemes to Debt Schemes only))

PLAN	IDCW® RECORD DATE	₹/UNIT	NAV
REGULAR	22-Mar-21	0.13	12.4700
	18-Dec-20	0.12	12.1700
	15-Jun-20	0.10	10.4300
DIRECT	22-Mar-21	0.14	13.5100
	18-Dec-20	0.13	13.1400
	15-Jun-20	0.11	11.1900

®Income Distribution cum capital withdrawal

# PORTFOLIO

(30 April 2021)

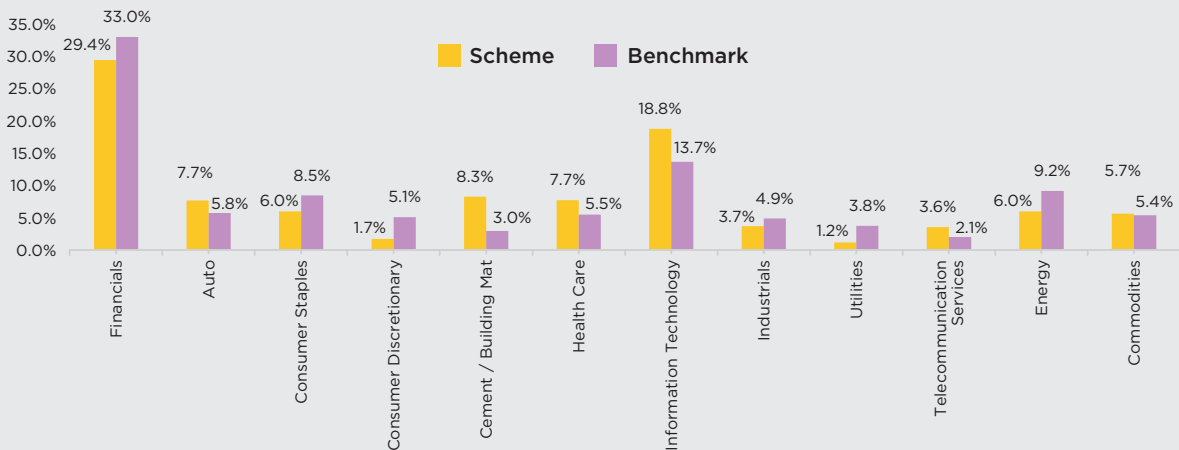


IDFC MUTUAL FUND

Name of the Instrument	Ratings	% to NAV	Name of the Instrument	Ratings	% to NAV
<b>Equity and Equity related Instruments</b>		<b>65.52%</b>	Hindustan Unilever - Equity Futures		-0.78%
<b>Net Equity Exposure</b>		<b>34.82%</b>	Nestle India		1.11%
<b>Software</b>		<b>7.52%</b>	Dabur India		0.58%
Infosys		5.87%	Dabur India - Equity Futures		-0.58%
Infosys - Equity Futures		-2.08%	Tata Consumer Products		0.32%
Tata Consultancy Services		3.24%	Tata Consumer Products - Equity Futures		-0.33%
Tata Consultancy Services - Equity Futures		-3.26%	<b>Petroleum Products</b>		<b>2.40%</b>
Tech Mahindra		2.21%	Reliance Industries		4.37%
Tech Mahindra - Equity Futures		-1.22%	Reliance Industries - Equity Futures		-1.97%
Coforge		1.15%	<b>Insurance</b>		<b>1.59%</b>
Coforge - Equity Futures		-0.66%	Bajaj Finserv		1.55%
Wipro		0.91%	Bajaj Finserv - Equity Futures		-0.53%
Larsen & Toubro Infotech		0.85%	HDFC Life Insurance Company		1.25%
Larsen & Toubro Infotech - Equity Futures		-0.07%	HDFC Life Insurance Company - Equity Futures		-0.68%
HCL Technologies		0.59%	<b>Industrial Products</b>		<b>1.59%</b>
<b>Banks</b>		<b>6.41%</b>	Shaily Engineering Plastics		0.73%
ICICI Bank		5.11%	Supreme Industries		0.56%
ICICI Bank - Equity Futures		-1.95%	AIA Engineering		0.30%
HDFC Bank		2.59%	<b>Telecom - Services</b>		<b>1.44%</b>
Axis Bank		1.15%	Bharti Airtel		2.89%
Axis Bank - Equity Futures		-1.15%	Bharti Airtel - Equity Futures		-1.45%
Suryoday Small Finance Bank		0.67%	<b>Chemicals</b>		<b>1.00%</b>
<b>Finance</b>		<b>3.80%</b>	SRF		0.70%
Bajaj Finance		1.69%	SRF - Equity Futures		-0.13%
Bajaj Finance - Equity Futures		-1.04%	Chemcon Speciality Chemicals		0.27%
Muthoot Finance		1.35%	Laxmi Organic Industries		0.17%
Muthoot Finance - Equity Futures		-0.59%	<b>Construction Project</b>		<b>0.71%</b>
Cholamandalam Invt and Fin Co		1.24%	Larsen & Toubro		1.41%
Cholamandalam Invt and Fin Co - Equity Futures		-0.23%	Larsen & Toubro - Equity Futures		-0.71%
SBI Cards and Payment Services		0.73%	<b>Pesticides</b>		<b>0.55%</b>
Aavas Financiers		0.37%	PI Industries		0.55%
Mas Financial Services		0.27%	<b>Gas</b>		<b>0.50%</b>
<b>Pharmaceuticals</b>		<b>3.09%</b>	Indraprastha Gas		0.50%
Divi's Laboratories		2.57%	<b>Construction</b>		<b>0.48%</b>
Divi's Laboratories - Equity Futures		-0.92%	PNC Infratech		0.48%
Aurobindo Pharma		1.53%	<b>Leisure Services</b>		<b>0.39%</b>
Aurobindo Pharma - Equity Futures		-1.53%	Burger King India		0.39%
Cipla		1.53%	<b>Retailing</b>		<b>0.31%</b>
Cipla - Equity Futures		-1.54%	Avenue Supermarts		0.31%
Dr. Reddy's Laboratories		0.98%	<b>Index</b>		<b>-5.25%</b>
Dr. Reddy's Laboratories - Equity Futures		-0.28%	Nifty 50 Index - Equity Futures		-5.25%
Alkem Laboratories		0.56%	<b>Treasury Bill</b>		<b>16.00%</b>
Alkem Laboratories - Equity Futures		-0.56%	364 Days Tbill - 2021	SOV	9.22%
Gland Pharma		0.45%	182 Days Tbill - 2021	SOV	4.06%
IPCA Laboratories		0.30%	91 Days Tbill - 2021	SOV	2.72%
<b>Auto Ancillaries</b>		<b>3.08%</b>	<b>Government Bond</b>		<b>8.71%</b>
Minda Industries		0.89%	5.22% - 2025 G-Sec	SOV	2.70%
MRF		0.72%	7.17% - 2028 G-Sec	SOV	2.64%
MRF - Equity Futures		-0.73%	7.27% - 2026 G-Sec	SOV	2.02%
Sandhar Technologies		0.61%	5.15% - 2025 G-Sec	SOV	1.35%
Tube Investments of India		0.60%	<b>Corporate Bond</b>		<b>3.39%</b>
Endurance Technologies		0.51%	Power Finance Corporation	AAA	1.41%
Jamna Auto Industries		0.48%	NABARD	AAA	1.12%
Balkrishna Industries		0.48%	REC	AAA	0.84%
Balkrishna Industries - Equity Futures		-0.48%	NTPC	AAA	0.01%
<b>Cement &amp; Cement Products</b>		<b>2.78%</b>	<b>Commercial Paper</b>		<b>2.66%</b>
JK Cement		1.15%	LIC Housing Finance	A1+	1.33%
UltraTech Cement		1.03%	HDFC	A1+	1.33%
Ambuja Cements		0.61%	<b>Net Cash and Cash Equivalent</b>		<b>3.72%</b>
<b>Consumer Non Durables</b>		<b>2.42%</b>	<b>Grand Total</b>		<b>100.00%</b>
Hindustan Unilever		2.09%			



## 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.