



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 29th Oct 2021 indicates a value of 26.7 and equity band for the month of November will continue to be 30-40%.

OUTLOOK

Three key drivers of Equity markets are 1) Earnings 2) Interest Rates and 3) Valuations.

Earnings - For the first time since the 2008 GFC, India has seen 4 consecutive quarters where BSE200 2-year Forward EPS has been upgraded. Sustained momentum in earnings resulting in a cycle of earnings upgrades can help drives markets higher.

Interest Rates - Interest Rates, both in India and globally are trending upwards on account of higher inflation and faster than expected economic recovery. Higher interest rates are generally negative for Valuations.

Valuation - Indian markets have significantly outperformed global markets since the pandemic bottom. The scope for valuation rerating driven market move is limited.

“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 31st October'21)

Category: Dynamic Asset Allocation or Balanced Advantage

Monthly Avg AUM: ₹2,698.73 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): 13.48%

Modified Duration: 1.63 years*

Average Maturity: 1.89 years*

Macaulay Duration: 1.68 years*

Yield to Maturity: 4.44%*

*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): 65.46%

Debt: 34.54%

Net Equity: 37.15%

Market Cap Split:

Large Cap: 71.48%

Mid and Small Cap: 28.52%

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	23-Sept-21	0.14	13.7000
	29-Jun-21	0.13	12.9000
	22-Mar-21	0.13	12.4700
DIRECT	23-Sept-21	0.15	14.9600
	29-Jun-21	0.14	14.0300
	22-Mar-21	0.14	13.5100

®Income Distribution cum capital withdrawal

PORTFOLIO

(31 October 2021)

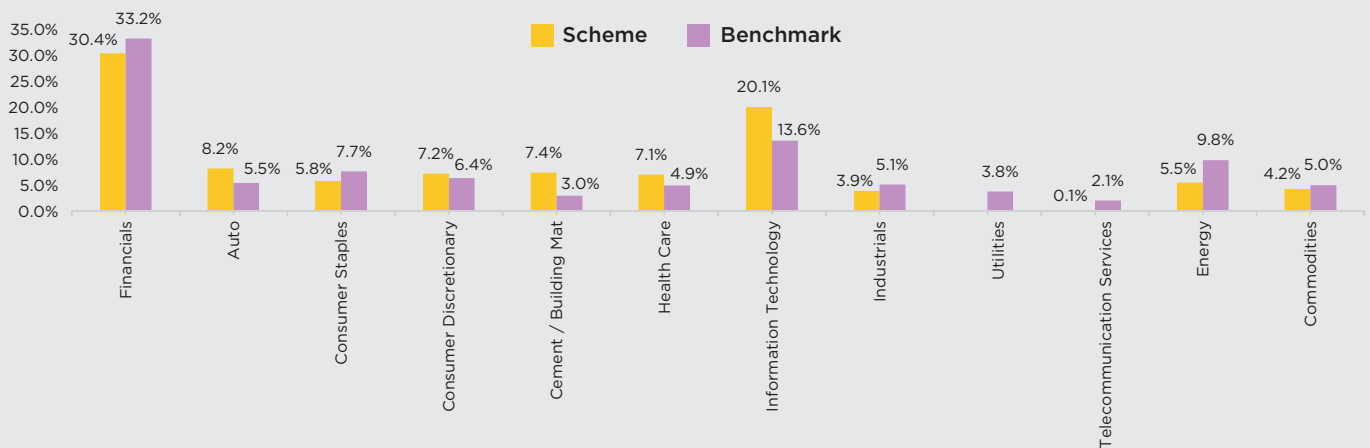


IDFC MUTUAL FUND

Name of the Instrument	Ratings	% to NAV	Name of the Instrument	Ratings	% to NAV
Equity and Equity Related		65.46%	Gland Pharma		0.40%
Net Equity		37.15%	IPCA Laboratories		0.35%
Software		7.47%	IPCA Laboratories - Equity Futures		-0.15%
Infosys	4.84%		Petroleum Products		2.04%
Infosys - Equity Futures	-1.71%		Reliance Industries		4.61%
Tech Mahindra	2.80%		Reliance Industries - Equity Futures		-2.57%
Tech Mahindra - Equity Futures	-2.79%		Industrial Products		1.63%
Larsen & Toubro Infotech	1.43%		Shaily Engineering Plastics		0.65%
Coforge	1.38%		Carborundum Universal		0.55%
Coforge - Equity Futures	-0.07%		Supreme Industries		0.42%
Wipro	0.98%		Bharat Forge		0.21%
Wipro - Equity Futures	-0.26%		Bharat Forge - Equity Futures		-0.21%
Tata Consultancy Services	0.87%		Insurance		1.10%
Banks		6.14%	Bajaj Finserv		2.16%
ICICI Bank	6.34%		Bajaj Finserv - Equity Futures		-1.06%
ICICI Bank - Equity Futures	-3.17%		HDFC Life Insurance Company		1.50%
HDFC Bank	3.31%		HDFC Life Insurance Company - Equity Futures		-1.51%
HDFC Bank - Equity Futures	-0.65%		Chemicals		0.66%
Suryoday Small Finance Bank	0.31%		SRF		0.77%
Finance		4.06%	SRF - Equity Futures		-0.41%
Bajaj Finance	3.35%		Clean Science and Technology		0.30%
Bajaj Finance - Equity Futures	-2.56%		Healthcare Services		0.51%
Cholamandalam Invt and Fin Co	1.47%		Apollo Hospitals Enterprise		2.25%
Cholamandalam Invt and Fin Co - Equity Futures	-0.29%		Apollo Hospitals Enterprise - Equity Futures		-1.74%
Muthoot Finance	1.30%		Industrial Capital Goods		0.47%
Muthoot Finance - Equity Futures	-0.23%		Honeywell Automation India		0.47%
HDFC	0.89%		Construction		0.41%
HDFC - Equity Futures	-0.89%		PNC Infratech		0.41%
SBI Cards and Payment Services	0.85%		Consumer Durables		0.40%
Mas Financial Services	0.16%		Bata India		0.59%
Auto Ancillaries		3.06%	Bata India - Equity Futures		-0.20%
Minda Industries	0.97%		Pesticides		0.26%
Sandhar Technologies	0.55%		PI Industries		0.69%
Jamna Auto Industries	0.55%		PI Industries - Equity Futures		-0.43%
Tube Investments of India	0.51%		Telecom - Services		0.08%
Endurance Technologies	0.48%		Bharti Airtel		3.24%
Cement & Cement Products		2.32%	Bharti Airtel - Equity Futures		-3.16%
UltraTech Cement	1.83%		Treasury Bill		11.44%
UltraTech Cement - Equity Futures	-1.00%		182 Days Tbill - 2021	SOV	11.44%
JK Cement	0.96%		Government Bond		10.28%
Ambuja Cements	0.54%		5.63% - 2026 G-Sec	SOV	6.35%
Retailing		2.30%	5.22% - 2025 G-Sec	SOV	2.17%
Avenue Supermarkets	1.10%		7.17% - 2028 G-Sec	SOV	1.76%
Zomato	1.01%		Commercial Paper		3.59%
FSN E-Commerce Ventures	0.18%		HDFC	A1+	2.68%
Consumer Non Durables		2.14%	LIC Housing Finance	A1+	0.91%
Hindustan Unilever	1.95%		Corporate Bond		2.25%
Hindustan Unilever - Equity Futures	-1.19%		Power Finance Corporation	AAA	0.94%
Godrej Consumer Products	1.46%		NABARD	AAA	0.75%
Godrej Consumer Products - Equity Futures	-0.60%		REC	AAA	0.56%
Nestle India	0.52%		NTPC	AAA	0.01%
Pharmaceuticals		2.11%	Net Cash and Cash Equivalent (incl. Fixed Deposit)		6.97%
Divi's Laboratories	2.99%		Grand Total		100.00%
Divi's Laboratories - Equity Futures	-1.49%				



SECTOR ALLOCATION



<p>Scheme risk-o-meter</p> <p>Investors understand that their principal will be at Moderately High risk</p>	<p>This product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> To create wealth over long term. Dynamic allocation towards equity, derivatives, debt and money market instruments. <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<p>Benchmark risk-o-meter</p> <p>50% S&P BSE 200 TRI + 50% NIFTY AAA Short Duration Bond Index</p>
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MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.