



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 30th September 2021 indicates a value of 28.0 and Equity band for the month of October will continue to be 30-40%

OUTLOOK

“The most hated bull markets”, as many observers have termed the current market uptrend since Mar’20, is poised at an interesting juncture. Well, the same could have been said at the end of Q1 CY 21 or Q2 CY 21 or as of today. Except for a minor “bump” during H1 CY 20, the Indian equity market has been on a roll.

For many investors waiting on the sidelines, this has been a key grouse. As this “one-way” move sustains, the murmurs get louder. Market corrections are part of a bull market. However, this one seems keen to skip the “tradition” making many grate their teeth (in disbelief and anger).

FY 22 onwards, sales growth may be the key driver for profit growth across most sectors. Banks may be an exception as a large push to their FY 22 PAT may come through “normalised” credit costs rather than loan growth.

“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 September’21)

Category: Dynamic Asset Allocation or Balanced Advantage

Monthly Avg AUM: ₹2,562.04 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: 1.43 years*

Average Maturity: 1.67 years*

Macaulay Duration: 1.47 years*

Yield to Maturity: 4.23%*

*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): 65.62%

Debt: 34.38%

Net Equity: 38.69%

Market Cap Split:

Large Cap: 71.60%

Mid and Small Cap: 28.40%

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, 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

(30 September 2021)

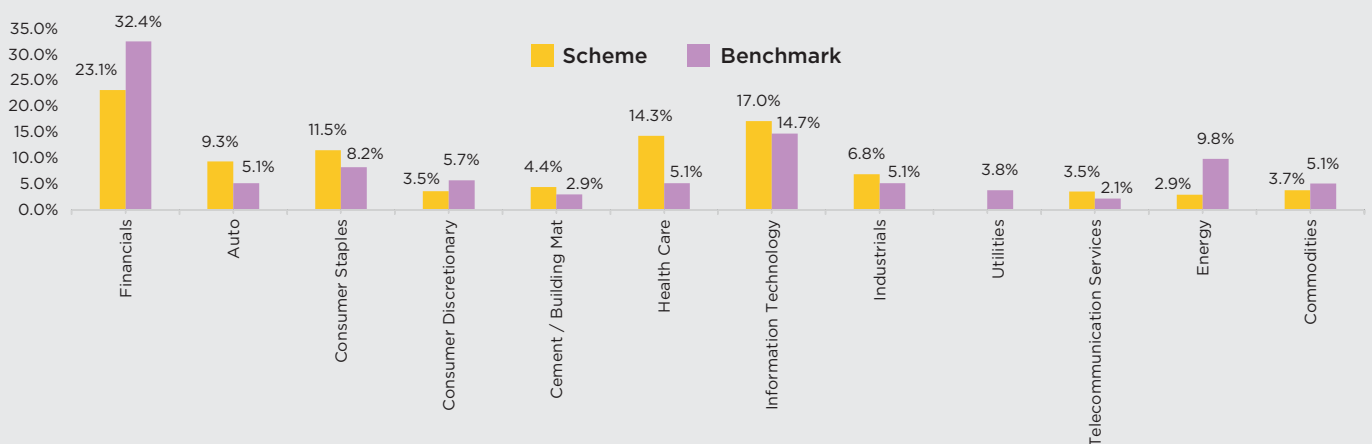


IDFC MUTUAL FUND

Name of the Instrument	Ratings	% to NAV	Name of the Instrument	Ratings	% to NAV
Equity and Equity related Instruments		65.62%	Divi's Laboratories - Equity Futures		-1.55%
Net Equity Exposure		38.69%	Gland Pharma		0.43%
Software		7.93%	IPCA Laboratories		0.42%
Infosys		5.12%	IPCA Laboratories - Equity Futures		-0.18%
Infosys - Equity Futures		-1.80%	Insurance		1.70%
Tech Mahindra		2.76%	Bajaj Finserv		2.27%
Tech Mahindra - Equity Futures		-2.77%	Bajaj Finserv - Equity Futures		-1.11%
Coforge		1.56%	HDFC Life Insurance Company		1.69%
Coforge - Equity Futures		-0.08%	HDFC Life Insurance Company - Equity Futures		-1.15%
Larsen & Toubro Infotech		1.30%	Industrial Products		1.67%
Tata Consultancy Services		1.01%	Shaily Engineering Plastics		0.74%
Wipro		0.83%	Carborundum Universal		0.48%
Banks		5.38%	Supreme Industries		0.45%
ICICI Bank		5.84%	Bharat Forge		0.21%
ICICI Bank - Equity Futures		-3.24%	Bharat Forge - Equity Futures		-0.21%
HDFC Bank		3.39%	Telecom - Services		1.00%
HDFC Bank - Equity Futures		-0.92%	Bharti Airtel		3.44%
Suryoday Small Finance Bank		0.32%	Bharti Airtel - Equity Futures		-2.44%
Finance		3.76%	Chemicals		0.83%
Bajaj Finance		3.66%	SRF		0.87%
Bajaj Finance - Equity Futures		-2.80%	SRF - Equity Futures		-0.46%
Cholamandalam Invt and Fin Co		1.42%	Clean Science and Technology		0.31%
Cholamandalam Invt and Fin Co - Equity Futures		-0.40%	Chemcon Speciality Chemicals		0.11%
Muthoot Finance		1.35%	Healthcare Services		0.57%
Muthoot Finance - Equity Futures		-0.45%	Apollo Hospitals Enterprise		1.67%
SBI Cards and Payment Services		0.79%	Apollo Hospitals Enterprise - Equity Futures		-1.11%
Mas Financial Services		0.18%	Industrial Capital Goods		0.54%
Auto Ancillaries		3.04%	Honeywell Automation India		0.54%
Minda Industries		0.94%	Construction		0.51%
Sandhar Technologies		0.59%	PNC Infratech		0.51%
Tube Investments of India		0.54%	Gas		0.37%
Jamna Auto Industries		0.53%	Indraprastha Gas		0.37%
Endurance Technologies		0.44%	Pesticides		0.29%
Consumer Non Durables		2.45%	PI Industries		0.77%
Hindustan Unilever		2.32%	PI Industries - Equity Futures		-0.48%
Hindustan Unilever - Equity Futures		-1.40%	Treasury Bill		11.85%
Godrej Consumer Products		1.66%	182 Days Tbill - 2021	SOV	11.85%
Godrej Consumer Products - Equity Futures		-0.68%	Government Bond		10.87%
Nestle India		0.56%	5.63% - 2026 G-Sec	SOV	6.71%
Cement & Cement Products		2.30%	5.22% - 2025 G-Sec	SOV	2.30%
UltraTech Cement		1.87%	7.17% - 2028 G-Sec	SOV	1.87%
UltraTech Cement - Equity Futures		-1.02%	Commercial Paper		3.77%
JK Cement		0.90%	HDFC	A1+	2.82%
Ambuja Cements		0.56%	LIC Housing Finance	A1+	0.95%
Retailing		2.17%	Corporate Bond		2.38%
Zomato		1.11%	Power Finance Corporation	AAA	0.99%
Avenue Supermarkets		1.06%	NABARD	AAA	0.79%
Petroleum Products		2.15%	REC	AAA	0.59%
Reliance Industries		4.82%	NTPC	AAA	0.01%
Reliance Industries - Equity Futures		-2.68%	Net Cash and Cash Equivalent		5.50%
Pharmaceuticals		2.05%	Grand Total		100.00%
Divi's Laboratories		2.93%			



SECTOR ALLOCATION



Scheme risk-o-meter	This product is suitable for investors who are seeking*	Benchmark risk-o-meter
<p>Investors understand that their principal will be at Moderately High risk</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>50% S&P BSE 200 TRI + 50% NIFTY AAA Short Duration Bond Index</p>

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