



## 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 31st Aug 2021 indicates a value of 27.3 and equity band for the month of September will continue to be 30-40%.

### OUTLOOK

- A focus on macros, especially global will gain more traction going ahead. Currently, the Indian economy's macro is far superior to May-Sept 2013, while facing the "original" taper tantrums.
- Indian equity markets escaping unscathed during such an event does not appear to be a completely realistic thought. Indian markets will get caught in the turmoil of tapering whenever it commences.
- However, India joining an unsavory "club" - remember Fragile Five, appears to have a low possibility.

"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 August'21)

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

**Monthly Avg AUM:** ₹2,377.19 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:** 1.58 years\*

**Average Maturity:** 1.85 years\*

**Macaulay Duration:** 1.63 years\*

**Yield to Maturity:** 4.19%\*

\*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):** 66.78%

**Debt:** 33.22%

**Net Equity:** 39.33%

#### Market Cap Split:

**Large Cap:** 71.45%

**Mid and Small Cap:** 28.55%

**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	29-Jun-21	0.13	12.9000
	22-Mar-21	0.13	12.4700
	18-Dec-20	0.12	12.1700
DIRECT	29-Jun-21	0.14	14.0300
	22-Mar-21	0.14	13.5100
	18-Dec-20	0.13	13.1400

®Income Distribution cum capital withdrawal

# PORTFOLIO

(31 August 2021)

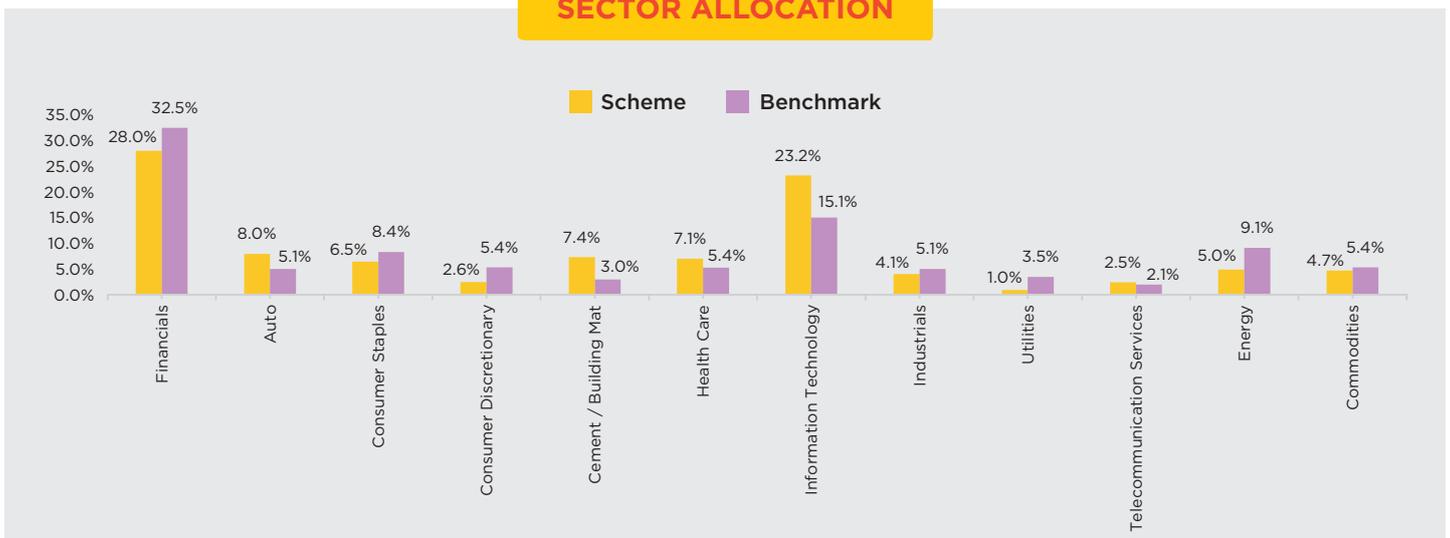


IDFC MUTUAL FUND

Name of the Instrument	Ratings	% to NAV	Name of the Instrument	Ratings	% to NAV
<b>Equity and Equity related Instruments</b>		<b>66.78%</b>	Reliance Industries - Equity Futures		-2.53%
<b>Net Equity Exposure</b>		<b>39.33%</b>	<b>Industrial Products</b>		<b>1.86%</b>
<b>Software</b>		<b>8.31%</b>	Shaily Engineering Plastics		0.70%
Infosys		5.49%	Carborundum Universal		0.47%
Infosys - Equity Futures		-1.94%	Supreme Industries		0.44%
Tech Mahindra		3.12%	AIA Engineering		0.25%
Tech Mahindra - Equity Futures		-3.13%	Bharat Forge		0.23%
Coforge		1.64%	Bharat Forge - Equity Futures		-0.23%
Coforge - Equity Futures		-0.08%	<b>Insurance</b>		<b>1.75%</b>
Larsen & Toubro Infotech		1.26%	Bajaj Finserv		2.30%
Tata Consultancy Services		1.07%	Bajaj Finserv - Equity Futures		-1.12%
Wipro		0.88%	HDFC Life Insurance Company		1.74%
			HDFC Life Insurance Company - Equity Futures		-1.18%
<b>Banks</b>		<b>5.70%</b>	<b>Telecom - Services</b>		<b>1.02%</b>
ICICI Bank		5.71%	Bharti Airtel		3.44%
ICICI Bank - Equity Futures		-2.89%	Bharti Airtel - Equity Futures		-2.42%
HDFC Bank		3.18%	<b>Chemicals</b>		<b>0.91%</b>
HDFC Bank - Equity Futures		-0.60%	SRF		0.82%
State Bank of India		1.50%	SRF - Equity Futures		-0.44%
State Bank of India - Equity Futures		-1.50%	Chemcon Speciality Chemicals		0.28%
Suryoday Small Finance Bank		0.30%	Clean Science and Technology		0.25%
<b>Finance</b>		<b>3.97%</b>	<b>Healthcare Services</b>		<b>0.56%</b>
Bajaj Finance		3.05%	Apollo Hospitals Enterprise		1.23%
Bajaj Finance - Equity Futures		-2.15%	Apollo Hospitals Enterprise - Equity Futures		-0.67%
Muthoot Finance		1.47%	<b>Industrial Capital Goods</b>		<b>0.50%</b>
Muthoot Finance - Equity Futures		-0.48%	Honeywell Automation India		0.50%
Cholamandalam Invnt and Fin Co		1.06%	<b>Construction</b>		<b>0.44%</b>
SBI Cards and Payment Services		0.83%	PNC Infratech		0.44%
Mas Financial Services		0.18%	<b>Gas</b>		<b>0.39%</b>
<b>Auto Ancillaries</b>		<b>3.25%</b>	Indraprastha Gas		0.39%
Minda Industries		0.95%	<b>Pesticides</b>		<b>0.32%</b>
Sandhar Technologies		0.70%	PI Industries		0.82%
Jamna Auto Industries		0.56%	PI Industries - Equity Futures		-0.50%
Tube Investments of India		0.55%	<b>Index</b>		<b>-1.39%</b>
Endurance Technologies		0.48%	Nifty 50 Index - Equity Futures		-1.39%
<b>Consumer Non Durables</b>		<b>2.66%</b>	<b>Treasury Bill</b>		<b>12.05%</b>
Hindustan Unilever		2.46%	182 Days Tbill - 2021	SOV	5.61%
Hindustan Unilever - Equity Futures		-1.50%	182 Days Tbill - 2021	SOV	3.02%
Godrej Consumer Products		1.13%	182 Days Tbill - 2021	SOV	1.20%
Godrej Consumer Products - Equity Futures		-0.03%	182 Days Tbill - 2021	SOV	1.00%
Nestle India		0.98%	182 Days Tbill - 2021	SOV	0.81%
Nestle India - Equity Futures		-0.40%	364 Days Tbill - 2021	SOV	0.40%
<b>Cement &amp; Cement Products</b>		<b>2.56%</b>	<b>Government Bond</b>		<b>11.46%</b>
UltraTech Cement		1.47%	5.63% - 2026 G-Sec	SOV	7.07%
UltraTech Cement - Equity Futures		-0.52%	5.22% - 2025 G-Sec	SOV	2.42%
JK Cement		0.99%	7.17% - 2028 G-Sec	SOV	1.97%
Ambuja Cements		0.62%	<b>Corporate Bond</b>		<b>2.52%</b>
<b>Pharmaceuticals</b>		<b>2.31%</b>	Power Finance Corporation	AAA	1.05%
Divi's Laboratories		3.33%	NABARD	AAA	0.84%
Divi's Laboratories - Equity Futures		-1.76%	REC	AAA	0.62%
Gland Pharma		0.47%	NTPC	AAA	0.01%
IPCA Laboratories		0.27%	<b>Commercial Paper</b>		<b>2.00%</b>
<b>Retailing</b>		<b>2.19%</b>	LIC Housing Finance	A1+	1.00%
Zomato		1.15%	HDFC	A1+	1.00%
Avenue Supermarts		1.04%	<b>Net Cash and Cash Equivalent</b>		<b>5.19%</b>
<b>Petroleum Products</b>		<b>2.02%</b>	<b>Grand Total</b>		<b>100.00%</b>
Reliance Industries		4.55%			



## 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.