



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 March 2022 indicates a value of 23.49 and Equity band for the month of April will be 40-55%.

OUTLOOK

Corporates are reporting the lowest ever leverage and as per credit rating agencies, CY21 continued to report more upgrades over downgrades. With interest rates close to their historical lows, Corporates boosted by their balance sheet improvement are expected to announce cap-ex. Government policies like PLI, could be another factor which could spur a cap-ex cycle.

In such a context, the upcoming earnings season assumes greater criticality, as FY23 & FY24 estimates will be reviewed post the results. At first glance, the current commodity induced inflation will play havoc to Q1 FY23 estimates as Gross margins will be sharply impacted. This may have been already factored given the sharp fall during the last fortnight of March'22. What the market will focus on is the management commentary on rest of FY23 - sales growth momentum, price hikes and EBIDTA margin protection going ahead. Unless the commentary from managements underlines despair, FY24 estimates will be largely left untouched, as of now.

For the next couple of quarters, Indian markets could be influenced more by global gyrations rather than domestic news cycle. For investors, investing in periods of higher inflation, declining growth and uncertain geo-politics, caution over aggression may be a better strategy - give up FOMO (Fear of Missing Out) and embrace ALRE (Accept Lower Return Expectations).

"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 March'22)

Category: Dynamic Asset Allocation or Balanced Advantage

Monthly Avg AUM: ₹ 2,985.17 Crores

Inception Date: 10th October 2014

Fund Managers: Equity Portion: Mr. Sachin Relekar (w.e.f. 1st March 2022) & Mr. Sumit Agrawal (w.e.f. 01st March 2017), **Debt Portion:** Mr. Arvind Subramanian (w.e.f. 09th November 2015)

Standard Deviation (Annualized): 13.38%

Modified Duration: 1.43 years*

Average Maturity: 1.65 years*

Macaulay Duration: 1.47 years*

Yield to Maturity: 4.71%*

*Of Debt Allocation Only

Benchmark: NIFTY 50 Hybrid Composite debt 50:50 Index (w.e.f. 1st Dec, 2021)

Asset allocation:

Gross Equity* (Including Arbitrage): 66.78%

Debt: 33.22%

Net Equity: 51.21%

Market Cap Split:

Large Cap: 74.94%

Mid and Small Cap: 25.06%

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	25-Mar-22	0.13	13.0100
	24-Dec-21	0.13	13.4900
	23-Sept-21	0.14	13.7000
DIRECT	25-Mar-22	0.15	14.3000
	24-Dec-21	0.15	14.7900
	23-Sept-21	0.15	14.9600

®Income Distribution cum capital withdrawal

Equity portion: Arpit Kapoor managed this scheme up to 28th February 2022.

PORTFOLIO

(31 March 2022)

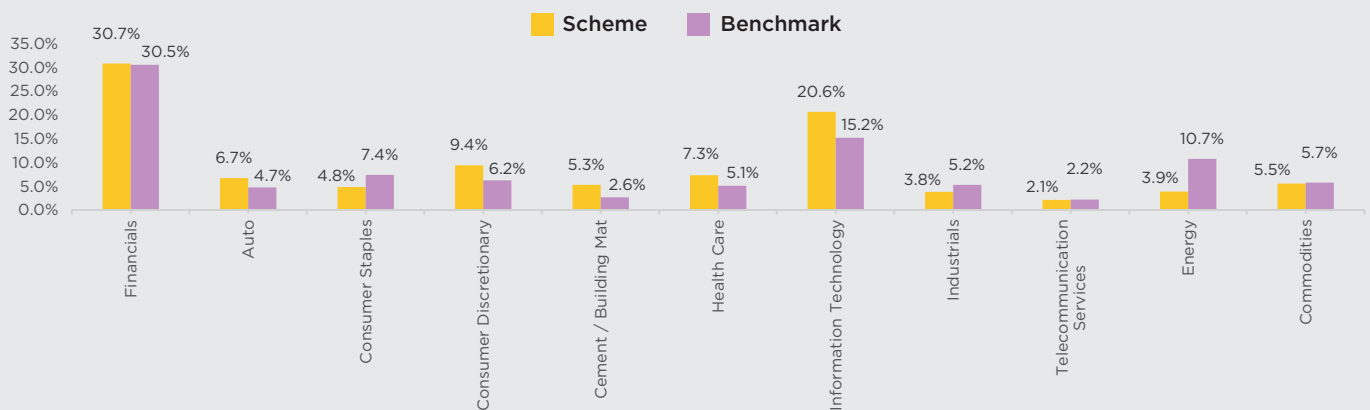


IDFC MUTUAL FUND

Name of the Instrument	Ratings	% to NAV	Name of the Instrument	Ratings	% to NAV
Equity and Equity related Instruments		66.78%	Petroleum Products		1.98%
Net Equity Exposure		51.21%	Reliance Industries		4.44%
Software		10.05%	Reliance Industries - Equity Futures		-2.45%
Infosys		5.72%	Industrial Products		1.72%
Infosys - Equity Futures		-1.03%	Shaily Engineering Plastics		0.70%
Larsen & Toubro Infotech		1.77%	Carborundum Universal		0.65%
Mphasis		1.61%	Bharat Forge		0.47%
Coforge		1.13%	Bharat Forge - Equity Futures		-0.43%
Tata Consultancy Services		1.01%	Supreme Industries		0.33%
Tata Consultancy Services - Equity Futures		-0.16%	Chemicals		1.28%
Tech Mahindra		0.71%	SRF		1.27%
Tech Mahindra - Equity Futures		-0.72%	SRF - Equity Futures		-0.25%
Wipro		0.005%	Clean Science and Technology		0.26%
Banks		8.76%	Industrial Capital Goods		1.12%
ICICI Bank		5.18%	ABB India		0.68%
ICICI Bank - Equity Futures		-1.04%	Honeywell Automation India		0.44%
HDFC Bank		3.02%	Telecom - Services		1.09%
State Bank of India		1.46%	Bharti Airtel		3.23%
Axis Bank		0.48%	Bharti Airtel - Equity Futures		-2.14%
Axis Bank - Equity Futures		-0.48%	Healthcare Services		0.97%
Suryoday Small Finance Bank		0.13%	Apollo Hospitals Enterprise		2.31%
Finance		6.00%	Apollo Hospitals Enterprise - Equity Futures		-1.34%
Bajaj Finance		3.41%	Insurance		0.94%
Cholamandalam Invt and Fin Co		1.80%	Bajaj Finserv		1.85%
HDFC		1.54%	Bajaj Finserv - Equity Futures		-0.91%
HDFC - Equity Futures		-0.84%	Auto		0.85%
Mas Financial Services		0.08%	Tata Motors		0.85%
Pharmaceuticals		2.81%	Paper		0.54%
Divi's Laboratories		2.85%	Century Textiles & Industries		0.54%
Divi's Laboratories - Equity Futures		-1.48%	Pesticides		0.36%
Gland Pharma		0.86%	PI Industries		0.58%
IPCA Laboratories		0.58%	PI Industries - Equity Futures		-0.22%
Retailing		2.69%	Financial Technology (FINTECH)		0.24%
Avenue Supermarts		1.38%	PB Fintech		0.24%
Zomato		0.57%	Construction		0.19%
FSN E-Commerce Ventures		0.50%	PNC Infratech		0.19%
Vedant Fashions		0.24%	Government Bond		14.18%
Auto Ancillaries		2.56%	5.63% - 2026 G-Sec	SOV	8.06%
Minda Industries		1.04%	8.35% - 2022 G-Sec	SOV	2.63%
Tube Investments of India		0.64%	5.22% - 2025 G-Sec	SOV	1.94%
Jamna Auto Industries		0.59%	7.17% - 2028 G-Sec	SOV	1.55%
Endurance Technologies		0.30%	Corporate Bond		5.31%
Consumer Non Durables		2.48%	Reliance Industries	AAA	3.31%
Hindustan Unilever		1.97%	Power Finance Corporation	AAA	0.83%
Hindustan Unilever - Equity Futures		-1.05%	NABARD	AAA	0.66%
Godrej Consumer Products		1.02%	REC	AAA	0.50%
Godrej Consumer Products - Equity Futures		-0.18%	NTPC	AAA	0.01%
United Spirits		0.85%	Certificate of Deposit		4.85%
United Spirits - Equity Futures		-0.56%	Axis Bank	A1+	3.24%
Nestle India		0.43%	HDFC Bank	A1+	1.61%
Cement & Cement Products		2.40%	Treasury Bill		1.96%
UltraTech Cement		1.66%	364 Days Tbill - 2022	SOV	1.96%
UltraTech Cement - Equity Futures		-0.29%	Commercial Paper		1.62%
JK Cement		0.68%	HDFC	A1+	1.62%
Ambuja Cements		0.36%	Mutual Fund Units		0.82%
Consumer Durables		2.18%	IDFC Cash Fund -Direct Plan -Growth		0.82%
Bata India		0.93%	Net Cash and Cash Equivalent		4.48%
Titan Company		0.70%	Grand Total		100.00%
Volta		0.55%			



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 Very 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>NIFTY 50 Hybrid Composite debt 50:50 Index</p>

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