



## 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 Jan 2022 indicates a value of 24.24 and Equity band for the month of February will be 40-55%.

### OUTLOOK

During the month of January'22, equity markets across the globe were largely impacted by US Fed utterances regarding interest rates and balance sheet contraction. Markets roiled at the prospects of tightening liquidity and a phase of rising interest rates. On domestic front, the Union Budget 2022-23 was largely viewed as a positive by equity markets. The equity markets took solace from the conservative assumptions for revenue collections going in to FY23 and modest expenditure growth with a clear tilt on capital spending across, roads; railways & affordable housing sectors. The early birds in the earnings season have reported a mixed bag – robust sales growth and outlook, shrinking margin due to higher input prices and inability to completely pass on these cost surges. Unseasonal rains had also dampened demand in certain segments/sectors. As a result FY22 & 23 estimates may be downgraded marginally, though analysts seemed to be re-assured by management commentary and FY24 estimates remain largely unchanged.

"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 January'22)  
**Category:** Dynamic Asset Allocation or Balanced Advantage  
**Monthly Avg AUM:** ₹2,970.20 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):** 13.44%  
**Modified Duration:** 1.57 years\*  
**Average Maturity:** 1.80 years\*  
**Macaulay Duration:** 1.61 years\*  
**Yield to Maturity:** 4.73%\*  
 \*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):** 66.59%  
**Debt:** 33.41%  
**Net Equity:** 46.83%  
**Market Cap Split:**  
**Large Cap:** 72.05%  
**Mid and Small Cap:** 27.95%  
**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	24-Dec-21	0.13	13.4900
	23-Sept-21	0.14	13.7000
	29-Jun-21	0.13	12.9000
DIRECT	24-Dec-21	0.15	14.7900
	23-Sept-21	0.15	14.9600
	29-Jun-21	0.14	14.0300

®Income Distribution cum capital withdrawal

# PORTFOLIO

(31 January 2022)

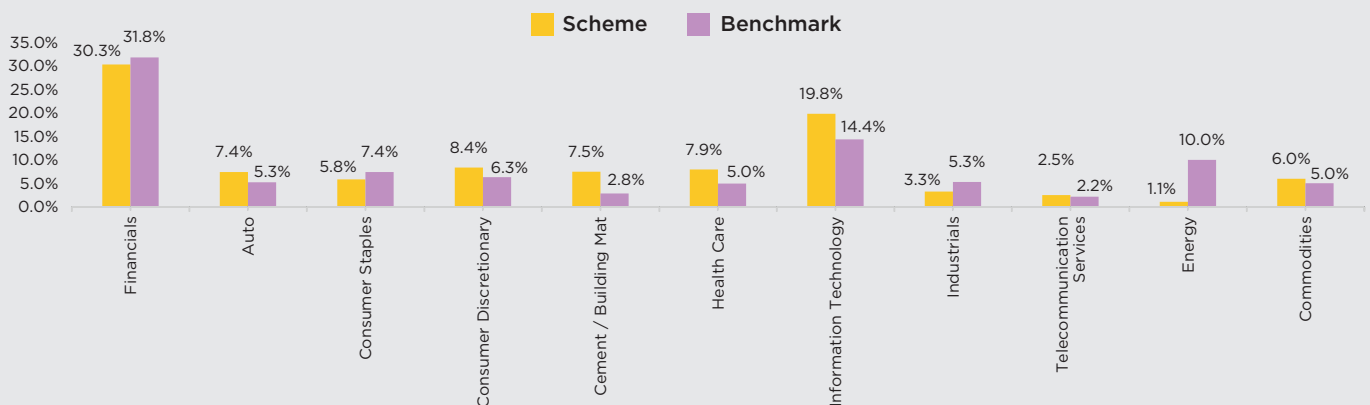


IDFC MUTUAL FUND

Name of the Instrument	Ratings	% to NAV	Name of the Instrument	Ratings	% to NAV
<b>Equity and Equity related Instruments</b>		<b>66.59%</b>	FSN E-Commerce Ventures		0.50%
<b>Net Equity Exposure</b>		<b>46.83%</b>	<b>Industrial Products</b>		<b>1.60%</b>
<b>Software</b>		<b>8.70%</b>	Shaily Engineering Plastics		0.61%
Infosys	5.38%		Carborundum Universal		0.60%
Infosys - Equity Futures	-1.56%		Bharat Forge		0.51%
Tech Mahindra	2.73%		Bharat Forge - Equity Futures		-0.47%
Tech Mahindra - Equity Futures	-2.73%		Supreme Industries		0.35%
Coforge	1.26%		<b>Consumer Durables</b>		<b>1.49%</b>
Larsen & Toubro Infotech	1.24%		Bata India		1.01%
Tata Consultancy Services	1.05%		Titan Company		0.48%
Tata Consultancy Services - Equity Futures	-0.17%		<b>Chemicals</b>		<b>1.25%</b>
Wipro	0.81%		SRF		1.18%
Mphasis	0.69%		SRF - Equity Futures		-0.23%
<b>Banks</b>		<b>6.93%</b>	Clean Science and Technology		0.30%
ICICI Bank	5.78%		<b>Telecom - Services</b>		<b>1.09%</b>
ICICI Bank - Equity Futures	-2.09%		Bharti Airtel		3.22%
HDFC Bank	3.02%		Bharti Airtel - Equity Futures		-2.13%
Axis Bank	0.50%		<b>Healthcare Services</b>		<b>0.99%</b>
Axis Bank - Equity Futures	-0.50%		Apollo Hospitals Enterprise		2.36%
Suryoday Small Finance Bank	0.22%		Apollo Hospitals Enterprise - Equity Futures		-1.36%
<b>Finance</b>		<b>5.15%</b>	<b>Insurance</b>		<b>0.90%</b>
Bajaj Finance	3.40%		Bajaj Finserv		1.76%
Bajaj Finance - Equity Futures	-1.73%		Bajaj Finserv - Equity Futures		-0.86%
HDFC	1.68%		<b>Industrial Capital Goods</b>		<b>0.49%</b>
HDFC - Equity Futures	-0.92%		Honeywell Automation India		0.49%
Cholamandalam Invnt and Fin Co	1.40%		<b>Petroleum Products</b>		<b>0.47%</b>
Muthoot Finance	1.23%		Reliance Industries		4.37%
SBI Cards and Payment Services	0.71%		Reliance Industries - Equity Futures		-3.90%
SBI Cards and Payment Services - Equity Futures	-0.71%		<b>Paper</b>		<b>0.47%</b>
Mas Financial Services	0.10%		Century Textiles & Industries		0.47%
<b>Auto Ancillaries</b>		<b>3.20%</b>	<b>Construction</b>		<b>0.35%</b>
Minda Industries	1.27%		PNC Infratech		0.35%
Tube Investments of India	0.69%		<b>Pesticides</b>		<b>0.32%</b>
Jamna Auto Industries	0.66%		PI Industries		0.52%
Endurance Technologies	0.45%		PI Industries - Equity Futures		-0.20%
Sandhar Technologies	0.14%		<b>Financial Technology (FINTECH)</b>		<b>0.31%</b>
<b>Cement &amp; Cement Products</b>		<b>2.95%</b>	PB Fintech		0.31%
UltraTech Cement	1.87%		<b>Government Bond</b>		<b>14.70%</b>
UltraTech Cement - Equity Futures	-0.32%		5.63% - 2026 G-Sec	SOV	8.36%
JK Cement	0.95%		8.35% - 2022 G-Sec	SOV	2.73%
Ambuja Cements	0.45%		5.22% - 2025 G-Sec	SOV	2.00%
<b>Index</b>		<b>2.93%</b>	7.17% - 2028 G-Sec	SOV	1.61%
Nifty 50 Index - Equity Futures	2.93%		<b>Certificate of Deposit</b>		<b>6.67%</b>
<b>Consumer Non Durables</b>		<b>2.55%</b>	Axis Bank	A1+	4.99%
Hindustan Unilever	2.25%		Bank of Baroda	A1+	1.67%
Hindustan Unilever - Equity Futures	-1.21%		<b>Treasury Bill</b>		<b>4.20%</b>
Godrej Consumer Products	1.26%		364 Days Tbill - 2022	SOV	4.20%
Godrej Consumer Products - Equity Futures	-0.22%		<b>Corporate Bond</b>		<b>3.79%</b>
Nestle India	0.47%		Reliance Industries	AAA	1.72%
<b>Pharmaceuticals</b>		<b>2.49%</b>	Power Finance Corporation	AAA	0.86%
Divi's Laboratories	2.70%		NABARD	AAA	0.69%
Divi's Laboratories - Equity Futures	-1.39%		REC	AAA	0.51%
Gland Pharma	0.69%		NTPC	AAA	0.01%
IPCA Laboratories	0.49%		<b>Commercial Paper</b>		<b>1.66%</b>
<b>Retailing</b>		<b>2.19%</b>	HDFC	A1+	1.66%
Avenue Supermarts	1.04%		<b>Net Cash and Cash Equivalent</b>		<b>2.39%</b>
Zomato	0.65%		<b>Grand Total</b>		<b>100.00%</b>



## 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"> <li>To create wealth over long term.</li> <li>Dynamic allocation towards equity, derivatives, debt and money market instruments.</li> </ul> <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.