



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 December 2021 indicates a value of 24.81 and Equity band for the month of January 2022 will be 40-55%

OUTLOOK

“CY21 was a year of strong earnings growth, driven by cyclical earnings recovery. The earnings upgrades have been broad-based, though some narrowing has been seen in the last 2 quarters. CY22 sees the return of state elections. While elections by themselves may not trigger a market collapse, volatility could be more pronounced in CY22 as compared to earlier years. After the unintended consequence of inflation, as registered by metal and cement companies, more impact of inflation could be felt during CY22. While the last two decades have implanted China as the manufacturing hub for the world, the recent geopolitical tensions provide India with an opportunity to move from the side stage of global supply to an emerging and central player in the global supply chain for the future. CY2022 could be a year where the markets revisit a higher level of volatility, a feature missing through most of the period since April’20.”

“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 December’21)

Category: Dynamic Asset Allocation or Balanced Advantage

Monthly Avg AUM: ₹2,879.86 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): 13.36%

Modified Duration: 1.32 years*

Average Maturity: 1.53 years*

Macaulay Duration: 1.36 years*

Yield to Maturity: 4.44%*

*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): 66.18%

Debt: 33.82%

Net Equity: 44.30%

Market Cap Split:

Large Cap: 68.41%

Mid and Small Cap: 31.58%

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 December 2021)

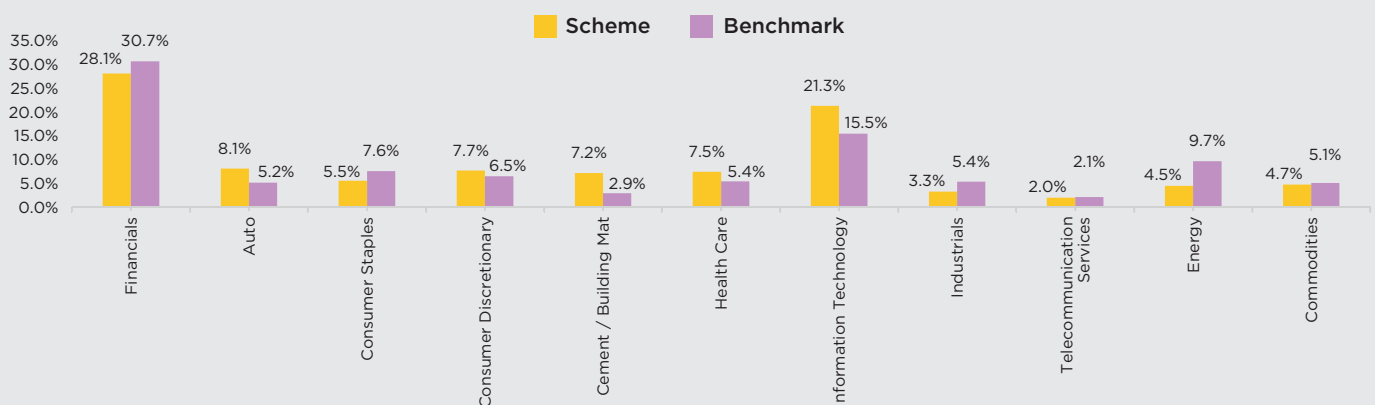


IDFC MUTUAL FUND

Name of the Instrument	Ratings	% to NAV	Name of the Instrument	Ratings	% to NAV
Equity and Equity Related		66.18%	IPCA Laboratories		0.40%
Net Equity Exposure		44.30%	Petroleum Products		1.97%
Software		9.44%	Reliance Industries		4.36%
Infosys		5.50%	Reliance Industries - Equity Futures		-2.39%
Infosys - Equity Futures		-1.71%	Industrial Products		1.73%
Tech Mahindra		3.16%	Carborundum Universal		0.67%
Tech Mahindra - Equity Futures		-3.18%	Shaily Engineering Plastics		0.64%
Coforge		1.55%	Bharat Forge		0.49%
Larsen & Toubro Infotech		1.46%	Bharat Forge - Equity Futures		-0.45%
Tata Consultancy Services		1.06%	Supreme Industries		0.38%
Tata Consultancy Services - Equity Futures		-0.17%	Chemicals		1.21%
Wipro		1.01%	SRF		0.97%
Mphasis		0.76%	SRF - Equity Futures		-0.10%
Banks		6.14%	Clean Science and Technology		0.34%
ICICI Bank		5.45%	Healthcare Services		0.96%
ICICI Bank - Equity Futures		-2.42%	Apollo Hospitals Enterprise		2.67%
HDFC Bank		2.88%	Apollo Hospitals Enterprise - Equity Futures		-1.71%
Axis Bank		0.36%	Insurance		0.94%
Axis Bank - Equity Futures		-0.36%	Bajaj Finserv		1.85%
Suryoday Small Finance Bank		0.23%	Bajaj Finserv - Equity Futures		-0.91%
Finance		4.98%	Consumer Durables		0.93%
Bajaj Finance		2.94%	Bata India		0.93%
Bajaj Finance - Equity Futures		-1.87%	Telecom - Services		0.89%
HDFC		1.33%	Bharti Airtel		3.04%
HDFC - Equity Futures		-0.69%	Bharti Airtel - Equity Futures		-2.15%
Muthoot Finance		1.23%	Industrial Capital Goods		0.49%
Cholamandalam Invnt and Fin Co		1.16%	Honeywell Automation India		0.49%
SBI Cards and Payment Services		0.76%	Financial Technology (FINTECH)		0.38%
Mas Financial Services		0.13%	PB Fintech		0.38%
Auto Ancillaries		3.57%	Construction		0.31%
Minda Industries		1.41%	PNC Infratech		0.31%
Tube Investments of India		0.66%	Pesticides		0.24%
Jamna Auto Industries		0.54%	PI Industries		0.65%
Sandhar Technologies		0.48%	PI Industries - Equity Futures		-0.40%
Endurance Technologies		0.48%	Government Bond		12.31%
Cement & Cement Products		2.81%	5.63% - 2026 G-Sec	SOV	5.90%
UltraTech Cement		1.98%	8.35% - 2022 G-Sec	SOV	2.76%
UltraTech Cement - Equity Futures		-0.61%	5.22% - 2025 G-Sec	SOV	2.02%
JK Cement		0.99%	7.17% - 2028 G-Sec	SOV	1.63%
Ambuja Cements		0.47%	Certificate of Deposit		6.68%
Retailing		2.50%	Axis Bank	A1+	5.01%
Avenue Supermarts		1.03%	Bank of Baroda	A1+	1.68%
Zomato		0.99%	Treasury Bill		3.55%
FSN E-Commerce Ventures		0.49%	364 Days Tbill - 2022	SOV	3.38%
Consumer Non Durables		2.45%	182 Days Tbill - 2022	SOV	0.17%
Hindustan Unilever		2.15%	Corporate Bond		2.09%
Hindustan Unilever - Equity Futures		-1.26%	Power Finance Corporation	AAA	0.87%
Godrej Consumer Products		1.38%	NABARD	AAA	0.69%
Godrej Consumer Products - Equity Futures		-0.32%	REC	AAA	0.52%
Nestle India		0.50%	NTPC	AAA	0.01%
Pharmaceuticals		2.34%	Commercial Paper		1.67%
Divi's Laboratories		2.53%	HDFC	A1+	1.67%
Divi's Laboratories - Equity Futures		-1.18%	Net Cash and Cash Equivalent		7.52%
Gland Pharma		0.59%	Grand Total		100.00%



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

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