



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 28th February 2022 indicates a value of 22.15 and Equity band for the month of March will be 40-55%.

OUTLOOK

Q3 FY22 results have been largely encouraging, demand remained strong while, EBIDTA margin has compressed largely on account of the inflation across commodities. However, lower finance costs and robust cash generation has boosted profitability. Indian corporates, including Banks, enter FY23 with the strongest balance sheet probably since FY12.

Near term worries post the Ukraine-Russia conflict have stoked fears of further dislocation in supply chain, especially Gas, key industrial Metals and Agri Commodities. As a result, commodity prices have soared, with Brent crossing \$110/barrel levels. This could affect inflation in the coming months. In this context, a swift resolution to peace could be critical, as levers to boost supply of these commodities from RoW remain limited. The ferocity of the move in inflation could dampen investor sentiments. For equity investors, conflicts and wars have been phases of mixed emotion – during the crisis, regret of being fully invested (RoFI) and once past the crisis, regret of missed opportunities (FOMO). Looking back, continuing with one's equity investments through such crisis generally has been the ideal strategy.

"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 28th February'22)

Category: Dynamic Asset Allocation or Balanced Advantage

Monthly Avg AUM: ₹ 2,980.81 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): 13.51%

Modified Duration: 1.57 years*

Average Maturity: 1.81 years*

Macaulay Duration: 1.61 years*

Yield to Maturity: 4.77%*

*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): 68.10%

Debt: 31.90%

Net Equity: 55.58%

Market Cap Split:

Large Cap: 75.10%

Mid and Small Cap: 24.90%

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

Equity portion: Arpit Kapoor managed this scheme up to 28th February 2022. W.e.f. from 1st March 2022 Sachin Relekar will be managing this scheme.

PORTFOLIO

(28 February 2022)

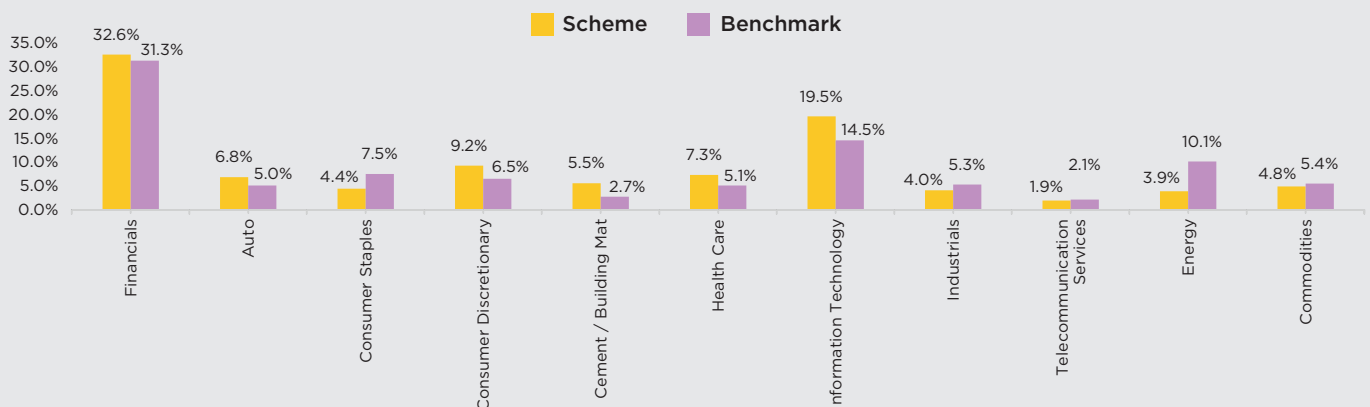


IDFC MUTUAL FUND

Name of the Instrument	Ratings	% to NAV	Name of the Instrument	Ratings	% to NAV
Equity and Equity related Instruments		68.10%	Titan Company		0.72%
Net Equity Exposure		55.58%	Voltas		0.57%
Software		10.42%	Petroleum Products		2.06%
Infosys	5.31%		Reliance Industries		4.32%
Infosys - Equity Futures	-0.95%		Reliance Industries - Equity Futures		-2.25%
Larsen & Toubro Infotech	1.73%		Industrial Products		1.64%
Mphasis	1.53%		Carborundum Universal		0.68%
Coforge	1.19%		Shaily Engineering Plastics		0.58%
Tata Consultancy Services	1.00%		Bharat Forge		0.47%
Tata Consultancy Services - Equity Futures	-0.16%		Bharat Forge - Equity Futures		-0.43%
Wipro	0.78%		Supreme Industries		0.34%
Tech Mahindra	0.69%		Chemicals		1.18%
Tech Mahindra - Equity Futures	-0.69%		SRF		1.17%
Banks		9.03%	SRF - Equity Futures		-0.23%
ICICI Bank	5.43%		Clean Science and Technology		0.25%
ICICI Bank - Equity Futures	-1.09%		Industrial Capital Goods		1.17%
HDFC Bank	3.02%		ABB India		0.70%
State Bank of India	1.48%		Honeywell Automation India		0.47%
Axis Bank	0.48%		Healthcare Services		1.07%
Axis Bank - Equity Futures	-0.48%		Apollo Hospitals Enterprise		2.54%
Suryoday Small Finance Bank	0.19%		Apollo Hospitals Enterprise - Equity Futures		-1.46%
Finance		7.16%	Telecom - Services		1.02%
Bajaj Finance	3.39%		Bharti Airtel		3.02%
Cholamandalam Invnt and Fin Co	1.79%		Bharti Airtel - Equity Futures		-2.00%
HDFC	1.57%		Auto		0.92%
HDFC - Equity Futures	-0.86%		Tata Motors		0.92%
Muthoot Finance	1.15%		Insurance		0.92%
Mas Financial Services	0.11%		Bajaj Finserv		1.79%
Pharmaceuticals		2.81%	Bajaj Finserv - Equity Futures		-0.88%
Divi's Laboratories	2.85%		Paper		0.50%
Divi's Laboratories - Equity Futures	-1.47%		Century Textiles & Industries		0.50%
Gland Pharma	0.88%		Pesticides		0.32%
IPCA Laboratories	0.55%		PI Industries		0.52%
Retailing		2.73%	PI Industries - Equity Futures		-0.20%
Avenue Supermarkets	1.54%		Construction		0.31%
Zomato	0.57%		PNC Infratech		0.31%
FSN E-Commerce Ventures	0.39%		Financial Technology (FINTECH)		0.26%
Vedant Fashions	0.23%		PB Fintech		0.26%
Auto Ancillaries		2.65%	Government Bond		14.65%
Minda Industries	1.05%		5.63% - 2026 G-Sec	SOV	8.33%
Jamna Auto Industries	0.62%		8.35% - 2022 G-Sec	SOV	2.72%
Tube Investments of India	0.61%		5.22% - 2025 G-Sec	SOV	2.00%
Endurance Technologies	0.37%		7.17% - 2028 G-Sec	SOV	1.60%
Cement & Cement Products		2.61%	Certificate of Deposit		6.68%
UltraTech Cement	1.70%		Axis Bank	A1+	5.00%
UltraTech Cement - Equity Futures	-0.29%		Bank of Baroda	A1+	1.68%
JK Cement	0.82%		Corporate Bond		3.78%
Ambuja Cements	0.38%		Reliance Industries	AAA	1.71%
Consumer Non Durables		2.34%	Power Finance Corporation	AAA	0.86%
Hindustan Unilever	2.15%		NABARD	AAA	0.69%
Hindustan Unilever - Equity Futures	-1.15%		REC	AAA	0.51%
Godrej Consumer Products	1.08%		NTPC	AAA	0.01%
Godrej Consumer Products - Equity Futures	-0.19%		Treasury Bill		3.70%
Nestle India	0.45%		364 Days Tbill - 2022	SOV	3.70%
Index		2.26%	Commercial Paper		1.67%
Nifty 50 Index - Equity Futures	2.26%		HDFC	A1+	1.67%
Consumer Durables		2.19%	Net Cash and Cash Equivalent		1.43%
Bata India	0.89%		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 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.