



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 29th April 2022 indicates a value of 22.61 and Equity band for the month of May will be 40-55%.

OUTLOOK

The outperformance of Indian markets relative to global markets continued in Apr'22. Since Jan'21 the divergence in performance between US and India has been eye-popping. Given that Apr'22 witnessed large FII outflows, the strength of Indian retail flows - direct as well as through Mutual Funds was the fulcrum on which this performance was achieved. Over the longer term, earnings growth usually sets the pattern for the market. On that front, the early results, though a mixed bag, are not reporting anything alarming. While earning estimates may be cut for FY23, estimates for FY24 are still largely intact. Aggregate earnings may not appear to have changed much, as upgrades will be limited to a few sectors - Oil & Gas; Metals; Coal & Autos (maybe) the quantum of these upgrades will be equal to or higher than the cuts across a swathe of sectors like consumer staples; discretionary; pharmaceuticals; engineering; EPC, in short users of commodities.

We continue to believe that the elevated commodity prices could lead to either or both of these conditions - a) demand shrinkage, and or b) producers ramping up production, a combination of both should lead to a cooling-off price during the Second half of FY23! Whether this hypothesis works or we have a full-blown inflation scare, will have a material impact on the market move, going forward.

"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 30th April'22)

Category: Dynamic Asset Allocation or Balanced Advantage

Monthly Avg AUM: ₹ 3,050.05 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): 13.49%

Modified Duration: 1.48 years*

Average Maturity: 1.70 years*

Macaulay Duration: 1.52 years*

Yield to Maturity: 5.12%*

*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): 67.48%

Debt: 33.22%

Net Equity: 51.15%

Market Cap Split:

Large Cap: 75.85%

Mid and Small Cap: 24.15%

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

(30 April 2022)

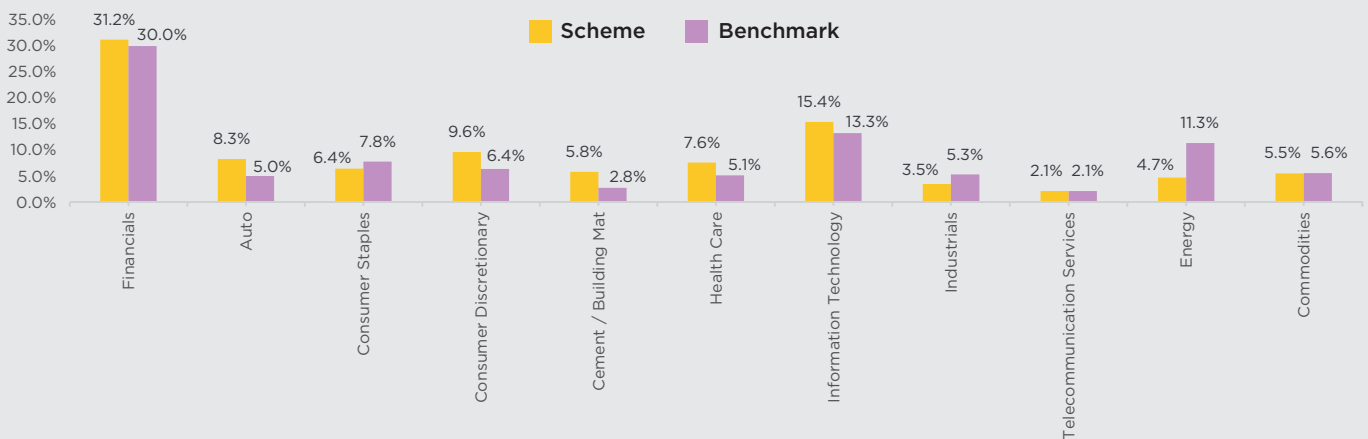


IDFC MUTUAL FUND

Name of the Instrument	Ratings	% to NAV	Name of the Instrument	Ratings	% to NAV
Equity and Equity related Instruments		67.48%	Bharat Forge - Equity Futures		-0.44%
Net Equity Exposure		51.15%	Supreme Industries		0.32%
Banks		8.94%	Automobiles		1.36%
ICICI Bank		5.83%	Tata Motors		0.88%
ICICI Bank - Equity Futures		-1.29%	Mahindra & Mahindra		0.48%
HDFC Bank		3.78%	Chemicals & Petrochemicals		1.23%
HDFC Bank - Equity Futures		-0.88%	SRF		1.21%
State Bank of India		1.49%	SRF - Equity Futures		-0.24%
Axis Bank		0.46%	Clean Science and Technology		0.26%
Axis Bank - Equity Futures		-0.47%	Telecom - Services		1.07%
IT - Software		7.77%	Bharti Airtel		3.19%
Infosys		4.78%	Bharti Airtel - Equity Futures		-2.12%
Infosys - Equity Futures		-1.02%	Diversified FMCG		1.01%
Larsen & Toubro Infotech		1.41%	Hindustan Unilever		2.18%
Mphasis		1.38%	Hindustan Unilever - Equity Futures		-1.17%
Tata Consultancy Services		0.97%	Healthcare Services		0.97%
Tata Consultancy Services - Equity Futures		-0.16%	Apollo Hospitals Enterprise		2.32%
Tech Mahindra		0.61%	Apollo Hospitals Enterprise - Equity Futures		-1.34%
Tech Mahindra - Equity Futures		-0.61%	Personal Products		0.90%
Coforge		0.41%	Godrej Consumer Products		1.09%
Wipro		0.004%	Godrej Consumer Products - Equity Futures		-0.19%
Finance		6.57%	Beverages		0.86%
Bajaj Finance		3.18%	United Spirits		1.41%
Bajaj Finserv - Equity Futures		-0.80%	United Spirits - Equity Futures		-0.55%
Cholamandalam Invnt and Fin Co		1.88%	Index		0.70%
Bajaj Finserv		1.64%	Nifty 50 Index - Equity Futures		0.70%
HDFC		1.46%	Electrical Equipment		0.67%
HDFC - Equity Futures		-0.80%	ABB India		0.67%
Mas Financial Services		0.001%	Paper, Forest & Jute Products		0.54%
Pharmaceuticals & Biotechnology		2.84%	Century Textiles & Industries		0.54%
Divi's Laboratories		2.96%	Food Products		0.46%
Divi's Laboratories - Equity Futures		-1.53%	Nestle India		0.46%
Gland Pharma		0.85%	Industrial Manufacturing		0.45%
IPCA Laboratories		0.56%	Honeywell Automation India		0.45%
Auto Components		2.77%	Fertilizers & Agrochemicals		0.37%
Minda Industries		1.03%	PI Industries		0.59%
Tube Investments of India		0.74%	PI Industries - Equity Futures		-0.23%
Jamna Auto Industries		0.66%	Financial Technology (Fintech)		0.23%
Endurance Technologies		0.34%	PB Fintech		0.23%
Retailing		2.67%	Government Bond		15.00%
Avenue Supermarts		1.38%	5.63% - 2026 G-Sec	SOV	8.86%
FSN E-Commerce Ventures		0.51%	8.35% - 2022 G-Sec	SOV	2.66%
Zomato		0.50%	5.22% - 2025 G-Sec	SOV	1.94%
Vedant Fashions		0.27%	7.17% - 2028 G-Sec	SOV	1.54%
Cement & Cement Products		2.60%	Corporate Bond		5.37%
UltraTech Cement		1.69%	Reliance Industries	AAA	3.35%
UltraTech Cement - Equity Futures		-0.29%	Power Finance Corporation	AAA	0.84%
JK Cement		0.75%	NABARD	AAA	0.67%
Ambuja Cements		0.45%	REC	AAA	0.50%
Petroleum Products		2.35%	NTPC	AAA	0.01%
Reliance Industries		5.25%	Treasury Bill		1.97%
Reliance Industries - Equity Futures		-2.90%	182 Days Tbill - 2022	SOV	1.97%
Consumer Durables		2.19%	Commercial Paper		1.65%
Bata India		0.94%	HDFC	A1+	1.65%
Titan Company		0.68%	Certificate of Deposit		1.64%
Voltas		0.57%	HDFC Bank	A1+	1.64%
Industrial Products		1.66%	Mutual Fund Units		0.83%
Shaily Engineering Plastics		0.66%	IDFC Cash Fund -Direct Plan -Growth		0.83%
Carborundum Universal		0.64%	Net Cash and Cash Equivalent		6.05%
Bharat Forge		0.48%	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.