



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 October 2022 indicates a value of 22.62 and Equity band for the month of November will be 40-55%.

OUTLOOK

Performance during the month:

Global equities improved across regions (+4.5% MoM/-21.2% YTD). China (-17.6% MoM) and Taiwan (-6.1% MoM) were in red dragging the EM performance (-3.2% MoM).

Indian equities rose +3.9% MoM (in USD terms), while outperforming the APAC region and its peers (MSCI APxJ/EM: -4.2%/-3.2%). Within India, Mid-caps (+4% MoM) and small caps (+4% MoM) underperformed the large caps (+6.2% MoM). All sectors ended the month in the green with Financials, Metals, Capital Goods, Industrials and Auto outperforming the benchmark NIFTY (+6.8% MoM), reclaiming the 18K level at the close of the month. INR depreciated by 1.7% MoM, reaching ~82.79/USD at the end of October. DXY (Dollar Index) weakened marginally over the month and closed at 111.

The divergence of Indian markets with either Emerging markets or even Developed markets is becoming curiouser and curiouser. India shining amidst a pall of global gloom is not a belief we have had to face as investors many a times before. Usually, if Developed (read, US) markets sneezed, emerging markets caught a cold. The case for “global caution” – a term we have coined, is well documented – US markets (MSCI USA) are down by -17% YTD; Europe markets are in a funk (MSCI Europe down -26% YTD), awaiting a “winter of extreme discomfort”; China’s Covid policy have forced the Government to defer declaring quarterly GDP growth numbers (MSCI China down -44% YTD); Crude oil production is planned to be reduced by OPEC+ by 2mn barrels per day from Nov’22; inflation in Developed economies is higher than many emerging markets. Yet amidst all this pall of gloom, Indian equity markets continue to defy rules of “equity gravity” – every EM market is destined to fall each & every time US market falls!

“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 October’22)

Category: Dynamic Asset Allocation or Balanced Advantage

Monthly Avg AUM: ₹ 2,964.21 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. Brijesh Shah (w.e.f. 16th July 2022)

Standard Deviation (Annualized): 13.93%

Modified Duration: 1.30 Years*

Average Maturity: 1.45 Years*

Macaulay Duration: 1.34 Years*

Yield to Maturity: 6.91%*

*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): 68.43%

Debt: 44.27%

Net Equity: 55.73%

Market Cap Split:

Large Cap: 82.78%

Mid and Small Cap: 17.22%

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	29-Sep-22	0.12	12.7990
	29-Jun-22	0.12	12.1300
	25-Mar-22	0.13	13.0100
DIRECT	29-Sep-22	0.15	14.1780
	29-Jun-22	0.13	13.3900
	25-Mar-22	0.15	14.3000

®Income Distribution cum capital withdrawal

Debt portion: Mr. Arvind Subramanian managed this scheme up to 15th July, 2022.

PORTFOLIO

(31 October 2022)

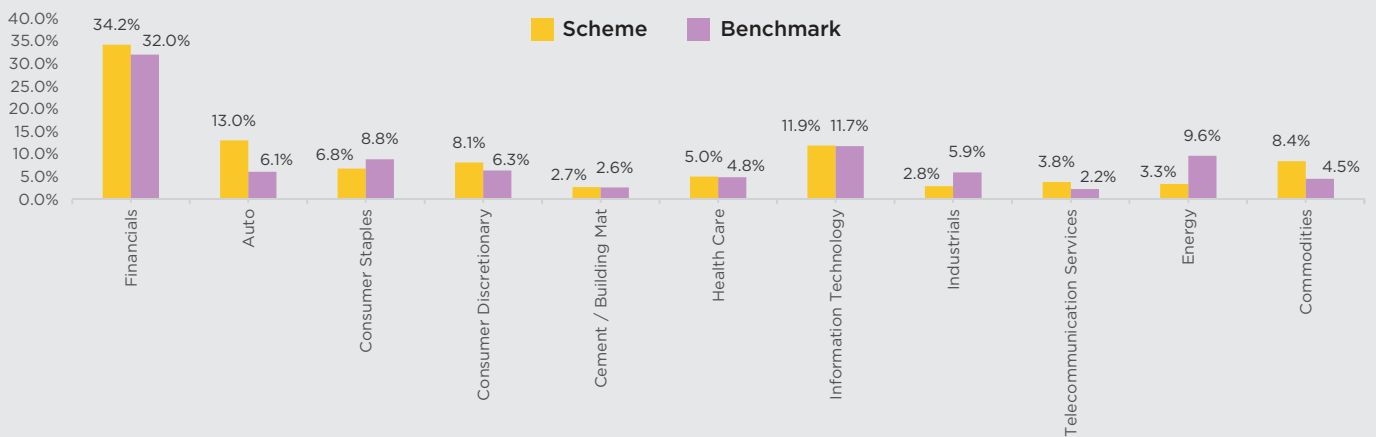


IDFC MUTUAL FUND

Name of the Instrument	Ratings	% to NAV	Name of the Instrument	Ratings	% to NAV
Equity and Equity related Instruments		68.43%	Sun Pharmaceutical Industries - Equity Futures		-0.03%
Net Equity Exposure		55.73%	Lupin - Equity Futures		-0.07%
Banks		11.97%	Consumer Durables		1.66%
ICICI Bank		8.29%	Titan Company		1.32%
ICICI Bank - Equity Futures		-1.81%	Bata India		0.34%
HDFC Bank		4.65%	Diversified FMCG		1.60%
HDFC Bank - Equity Futures		-1.13%	Hindustan Unilever		2.53%
State Bank of India		1.98%	Hindustan Unilever - Equity Futures		-0.94%
IndusInd Bank		0.79%	Cement & Cement Products		1.43%
IndusInd Bank - Equity Futures		-0.79%	UltraTech Cement		1.43%
Kotak Mahindra Bank		0.69%	ACC		0.14%
Kotak Mahindra Bank - Equity Futures		-0.69%	ACC - Equity Futures		-0.15%
IT - Software		6.32%	Industrial Products		1.34%
Infosys		4.31%	Carborundum Universal		0.71%
Mphasis		1.13%	Shaily Engineering Plastics		0.63%
Tata Consultancy Services		0.88%	Beverages		1.15%
Finance		6.19%	United Spirits		1.95%
Bajaj Finance		4.70%	United Spirits - Equity Futures		-0.80%
HDFC		1.96%	Healthcare Services		1.00%
HDFC - Equity Futures		-1.72%	Apollo Hospitals Enterprise		1.00%
Cholamandalam Invt and Fin Co		1.83%	Electrical Equipment		0.69%
Bajaj Finserv		0.04%	ABB India		0.69%
Bajaj Finance - Equity Futures		-0.62%	Paper, Forest & Jute Products		0.55%
Automobiles		3.98%	Century Textiles & Industries		0.55%
Mahindra & Mahindra		2.69%	Food Products		0.51%
Mahindra & Mahindra - Equity Futures		-0.46%	Nestle India		0.51%
Tata Motors		0.97%	Fertilizers & Agrochemicals		0.42%
TVS Motor Company		0.77%	PI Industries		0.68%
Auto Components		2.93%	PI Industries - Equity Futures		-0.26%
UNO Minda		1.14%	Personal Products		0.35%
Tube Investments of India		1.11%	Godrej Consumer Products		1.17%
Jamna Auto Industries		0.68%	Godrej Consumer Products - Equity Futures		-0.82%
Chemicals & Petrochemicals		2.85%	Aerospace & Defense		0.11%
SRF		1.35%	Bharat Electronics		0.11%
SRF - Equity Futures		-0.11%	Realty		-0.0005%
Tata Chemicals		1.27%	DLF		0.07%
Tata Chemicals - Equity Futures		-0.17%	DLF - Equity Futures		-0.08%
Aether Industries		0.29%	Government Bond		12.14%
Clean Science and Technology		0.21%	5.63% - 2026 G-Sec	SOV	9.88%
Retailing		2.65%	5.22% - 2025 G-Sec	SOV	1.92%
Avenue Supermarts		2.11%	7.38% - 2027 G-Sec	SOV	0.34%
Vedant Fashions		0.37%	Certificate of Deposit		7.40%
FSN E-Commerce Ventures		0.17%	Axis Bank	A1+	3.34%
Index		2.58%	HDFC Bank	A1+	3.25%
Nifty 50 Index - Equity Futures		2.58%	Bank of Baroda	A1+	0.81%
Telecom - Services		2.01%	Treasury Bill		6.15%
Bharti Airtel		2.01%	182 Days Tbill - 2022	SOV	4.50%
Petroleum Products		1.77%	364 Days Tbill - 2023	SOV	1.65%
Reliance Industries		5.12%	Corporate Bond		2.34%
Reliance Industries - Equity Futures		-3.36%	NABARD	AAA	1.50%
Pharmaceuticals & Biotechnology		1.67%	Power Finance Corporation	AAA	0.84%
Divi's Laboratories		2.52%	NTPC	AAA	0.01%
Divi's Laboratories - Equity Futures		-1.28%	Net Cash and Cash Equivalent		3.55%
Gland Pharma		0.42%	Grand Total		100.00%
Lupin		0.07%			
Sun Pharmaceutical Industries		0.03%			



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.