



## 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 January 2023 indicates a value of 21.30 and Equity band for the month of February will be 55.65%.**

### OUTLOOK

#### How it went:

During January, 2023 Global equities were stronger across regions (MSCI World +7.1% MoM). India (-3.1% MoM) was the only major outlier in the month, as China (+11.8% MoM) and Euro area (+8.3% MoM) too delivered strong positive performance. Indian equities fell (\$ terms, -2.9% MoM/-9.4% FYTD), while underperforming the region and peers (MSCI APxJ/EM: +8.6%/+7.9% MoM). Mid-caps (-2.1% MoM) and small caps (-2.2% MoM) though weak, outperformed the large caps (-2.7% MoM).

#### How do we look ahead:

After outperforming the other emerging markets handsomely in the calendar year 2022, the Indian market has lagged recently in the last three months. It is trailing the emerging market index by -25% (in USD terms). Emerging markets have bounced back after a tough CY 2022 on the prospects of growth revival in China as it opens up post COVID along with the optimism that the worst of the inflation scare is behind us, and hence monetary policy globally will gradually ease.

On one hand, India is faced with challenges of slightly above average valuations and higher interest rates globally. On the other hand, there is relatively higher earnings visibility in India compared to most other markets. The currency has underperformed in the last few months making it more attractive given that the long term growth prospects of the economy are bright. Overall we feel that the market offers steady returns for the long term investor at this point.

"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'23)

**Category:** Dynamic Asset Allocation or Balanced Advantage

**Monthly Avg AUM:** ₹ 2,694.38 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):** 14.05%

**Modified Duration:** 1.31 Years\*

**Average Maturity:** 1.45 Years\*

**Macaulay Duration:** 1.35 Years\*

**Yield to Maturity:** 7.24%\*

\*Of Debt Allocation Only

**Benchmark:** NIFTY 50 Hybrid Composite debt 50:50 Index (w.e.f. 1st Dec, 2021)

#### Asset allocation:

**Gross Equity<sup>^</sup> (Including Arbitrage):** 71.88%

**Debt:** 28.12%

**Net Equity:** 54.65%

#### Market Cap Split:

**Large Cap:** 83.93%

**Mid and Small Cap:** 16.07%

**Minimum Application Amount:** ₹ 1,000/- 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 Dates : (Monthly/Quarterly)** Investor may choose any day of the month except 29th, 30th and 31st as the date of installment.

**Options Available:** Growth, IDCW<sup>®</sup> (Payout, Reinvestment and Sweep (from Equity Schemes to Debt Schemes only))

**SIP (Minimum Amount):** ₹ 100/- (Minimum 6 installments)

PLAN	IDCW <sup>®</sup> RECORD DATE	₹/UNIT	NAV
REGULAR	29-Dec-22	0.16	12.8840
	29-Sep-22	0.12	12.7990
	29-Jun-22	0.12	12.1300
DIRECT	29-Dec-22	0.18	14.3210
	29-Sep-22	0.15	14.1780
	29-Jun-22	0.13	13.3900

Income Distribution cum capital withdrawal

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

# PORTFOLIO

(31 January 2023)

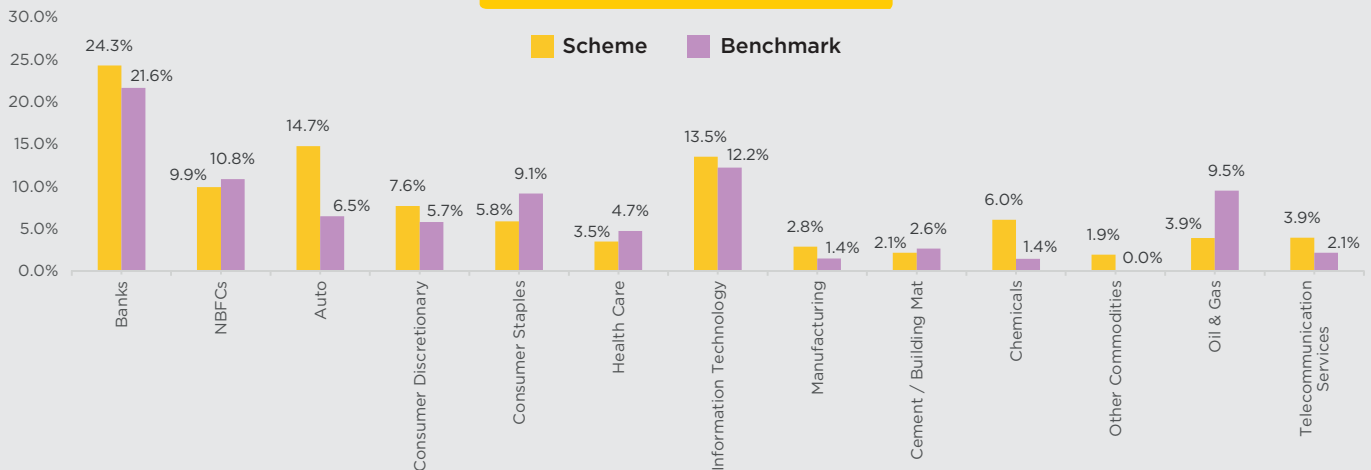


IDFC MUTUAL FUND

Name of the Instrument	Ratings	% to NAV	Name of the Instrument	Ratings	% to NAV
<b>Equity and Equity related Instruments</b>		<b>71.88%</b>	United Spirits - Equity Futures		-0.67%
<b>Net Equity Exposure</b>		<b>54.65%</b>	<b>Diversified FMCG</b>		<b>1.25%</b>
<b>Banks</b>		<b>12.90%</b>	Hindustan Unilever		2.32%
ICICI Bank		8.54%	Hindustan Unilever - Equity Futures		-1.07%
ICICI Bank - Equity Futures		-3.38%	<b>Consumer Durables</b>		<b>1.23%</b>
HDFC Bank		5.74%	Titan Company		1.23%
HDFC Bank - Equity Futures		-1.17%	<b>Cement &amp; Cement Products</b>		<b>1.13%</b>
State Bank of India		1.64%	UltraTech Cement		1.70%
IndusInd Bank		0.84%	UltraTech Cement - Equity Futures		-0.56%
IndusInd Bank - Equity Futures		-0.85%	ACC		0.13%
Bank of Baroda		0.79%	ACC - Equity Futures		-0.13%
Axis Bank		0.75%	<b>Healthcare Services</b>		<b>1.06%</b>
Kotak Mahindra Bank		0.71%	Apollo Hospitals Enterprise		1.06%
Kotak Mahindra Bank - Equity Futures		-0.71%	<b>Pharmaceuticals &amp; Biotechnology</b>		<b>0.77%</b>
<b>IT - Software</b>		<b>7.20%</b>	Divi's Laboratories		2.61%
Infosys		4.83%	Divi's Laboratories - Equity Futures		-1.84%
Mphasis		1.33%	Lupin		0.08%
Tata Consultancy Services		1.05%	Lupin - Equity Futures		-0.08%
<b>Finance</b>		<b>5.25%</b>	Sun Pharmaceutical Industries		0.04%
Bajaj Finance		3.69%	Sun Pharmaceutical Industries - Equity Futures		-0.04%
HDFC		2.34%	<b>Food Products</b>		<b>0.54%</b>
HDFC - Equity Futures		-2.06%	Nestle India		0.54%
Cholamandalam Invnt and Fin Co		2.05%	<b>Paper, Forest &amp; Jute Products</b>		<b>0.51%</b>
Bajaj Finserv		0.04%	Century Textiles & Industries		0.51%
Bajaj Finance - Equity Futures		-0.81%	<b>Electrical Equipment</b>		<b>0.47%</b>
<b>Automobiles</b>		<b>4.83%</b>	ABB India		0.47%
Mahindra & Mahindra		3.18%	<b>Fertilizers &amp; Agrochemicals</b>		<b>0.44%</b>
Mahindra & Mahindra - Equity Futures		-0.53%	PI Industries		0.71%
Tata Motors		1.20%	PI Industries - Equity Futures		-0.27%
TVS Motor Company		0.99%	<b>Textiles &amp; Apparels</b>		<b>0.39%</b>
<b>Auto Components</b>		<b>3.02%</b>	Page Industries		0.39%
UNO Minda		1.07%	<b>Aerospace &amp; Defense</b>		<b>0.11%</b>
Samvardhana Motherson International		0.84%	Bharat Electronics		0.11%
Jamna Auto Industries		0.71%	<b>Personal Products</b>		<b>0.01%</b>
Tube Investments of India		0.40%	Godrej Consumer Products		1.41%
<b>Chemicals &amp; Petrochemicals</b>		<b>2.79%</b>	Godrej Consumer Products - Equity Futures		-1.40%
SRF		1.25%	<b>Realty</b>		<b>-0.001%</b>
SRF - Equity Futures		-0.10%	DLF		0.08%
Tata Chemicals		1.23%	DLF - Equity Futures		-0.08%
Tata Chemicals - Equity Futures		-0.10%	<b>Certificate of Deposit</b>		<b>8.86%</b>
Aether Industries		0.31%	Axis Bank	A1+	3.51%
Clean Science and Technology		0.21%	Small Industries Dev Bank of India	A1+	3.49%
<b>Retailing</b>		<b>2.46%</b>	Bank of Baroda	A1+	0.93%
Avenue Supermarts		1.87%	HDFC Bank	A1+	0.92%
Vedant Fashions		0.34%	<b>Government Bond</b>		<b>7.97%</b>
Trent		0.25%	5.63% - 2026 G-Sec	SOV	7.59%
<b>Telecom - Services</b>		<b>2.09%</b>	7.38% - 2027 G-Sec	SOV	0.38%
Bharti Airtel		2.09%	<b>Treasury Bill</b>		<b>4.66%</b>
<b>Petroleum Products</b>		<b>2.05%</b>	182 Days Tbill - 2023	SOV	2.77%
Reliance Industries		4.83%	364 Days Tbill - 2023	SOV	1.89%
Reliance Industries - Equity Futures		-2.78%	<b>Corporate Bond</b>		<b>2.83%</b>
<b>Industrial Products</b>		<b>1.45%</b>	HDFC	AAA	1.88%
Carborundum Universal		0.94%	Power Finance Corporation	AAA	0.94%
Shaily Engineering Plastics		0.50%	NTPC	AAA	0.01%
Timken India		0.004%	<b>Commercial Paper</b>		<b>0.93%</b>
<b>Index</b>		<b>1.41%</b>	Kotak Mahindra Investments	A1+	0.93%
Nifty 50 Index - Equity Futures		1.41%	<b>Net Cash and Cash Equivalent</b>		<b>2.88%</b>
Beverages		1.29%	<b>Grand Total</b>		<b>100.00%</b>
United Spirits		1.97%			



## 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"> <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.