



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 30th June 2021 indicates a value of 29.2 and Equity band for the month of July will continue to be 30-40%.

OUTLOOK

The pandemic's second wave appears to have peaked and a long "plateau" lies in front of us (similar to Jul-Sept 2020). The pace of vaccination will be an important factor to re-start the economic engine - which thankfully was in neutral rather than switched off as the case last year.

For India, macros economic indicators - inflation and crude oil remain the two key variables to track. From a macro point of view, the debate of Cyclical vs Growth will rage till the time RBI policy - which currently focuses entirely on Growth, pivots its focus solely on inflation. It may be difficult to predict how long this phase will last. For smart investors, observing/ keeping track of key macro trends will need to become an integral part of the investment process - domestic as well as global.

Markets at current elevated levels need the support of strong earnings growth and continuation of the loose monetary policy globally, especially in the US. Any perception of change to the worse on both counts will make the markets nervous and twitchy. Market corrections, as a result, will not be slow and suffocating, they will be short and sharp. FY21-23 market move may be more broad-based as compared to the FY17-20 phase. The same may be necessitated across equity portfolios!

"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 June'21)

Category: Dynamic Asset Allocation or Balanced Advantage

Monthly Avg AUM: ₹2,046.42 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): 13.80%

Modified Duration: 1.19 years*

Average Maturity: 1.40 years*

Macaulay Duration: 1.22 years*

Yield to Maturity: 4.08%*

*Of Debt Allocation Only

Benchmark: 50% S&P BSE 200 TRI + 50% NIFTY AAA Short Duration Bond Index (w.e.f 11/11/2019)

Asset allocation:

Gross Equity* (Including Arbitrage): 67.04%

Debt: 32.96%

Net Equity: 37.46%

Market Cap Split:

Large Cap: 72.01%

Mid and Small Cap: 27.99%

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-Jun-21	0.13	12.9000
	22-Mar-21	0.13	12.4700
	18-Dec-20	0.12	12.1700
DIRECT	29-Jun-21	0.14	14.0300
	22-Mar-21	0.14	13.5100
	18-Dec-20	0.13	13.1400

®Income Distribution cum capital withdrawal

PORTFOLIO

(30 June 2021)

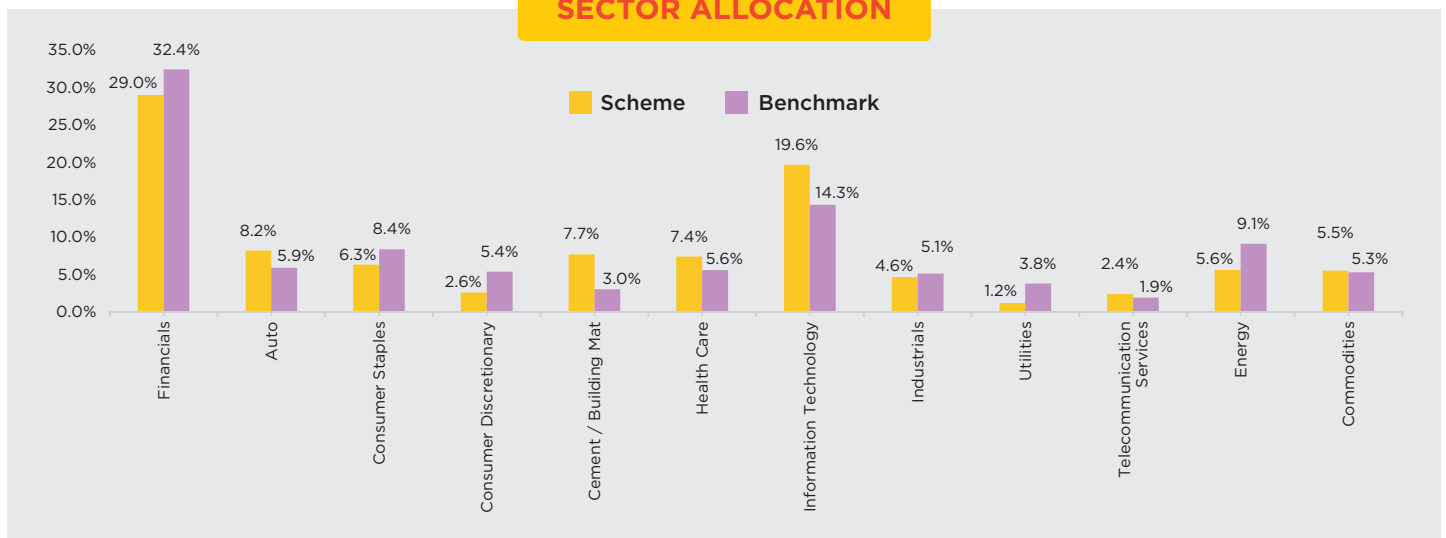


IDFC MUTUAL FUND

Name of the Instrument	Ratings	% to NAV	Name of the Instrument	Ratings	% to NAV
Equity and Equity related Instruments		67.04%	Petroleum Products		2.22%
Net Equity Exposure		37.46%	Reliance Industries		4.99%
Software		7.89%	Reliance Industries - Equity Futures		-2.78%
Infosys		5.97%	Industrial Products		1.94%
Infosys - Equity Futures		-2.11%	Shaily Engineering Plastics		0.75%
Tech Mahindra		2.81%	Supreme Industries		0.51%
Tech Mahindra - Equity Futures		-1.78%	Carborundum Universal		0.37%
Coforge		1.53%	AIA Engineering		0.30%
Coforge - Equity Futures		-0.32%	Bharat Forge		0.27%
Larsen & Toubro Infotech		1.13%	Bharat Forge - Equity Futures		-0.27%
Larsen & Toubro Infotech - Equity Futures		-0.22%	Insurance		1.55%
Wipro		0.88%	HDFC Life Insurance Company		1.94%
Banks		5.96%	HDFC Life Insurance Company - Equity Futures		-1.36%
ICICI Bank		5.88%	Bajaj Finserv		1.91%
ICICI Bank - Equity Futures		-2.99%	Bajaj Finserv - Equity Futures		-0.94%
HDFC Bank		3.53%	Retailing		1.03%
HDFC Bank - Equity Futures		-0.96%	Avenue Supermarts		1.03%
State Bank of India		1.73%	Telecom - Services		0.94%
State Bank of India - Equity Futures		-1.74%	Bharti Airtel		3.19%
Suryoday Small Finance Bank		0.52%	Bharti Airtel - Equity Futures		-2.26%
Finance		4.03%	Chemicals		0.90%
Bajaj Finance		2.86%	SRF		0.69%
Bajaj Finance - Equity Futures		-2.24%	SRF - Equity Futures		-0.13%
Muthoot Finance		1.69%	Chemcon Speciality Chemicals		0.34%
Muthoot Finance - Equity Futures		-0.71%	Construction Project		0.70%
Cholamandalam Invnt and Fin Co		0.97%	Larsen & Toubro		0.70%
SBI Cards and Payment Services		0.83%	Pesticides		0.55%
Aavas Financiers		0.39%	PI Industries		0.83%
Mas Financial Services		0.24%	PI Industries - Equity Futures		-0.28%
Auto Ancillaries		3.28%	Construction		0.48%
Minda Industries		1.00%	PNC Infratech		0.48%
Sandhar Technologies		0.69%	Gas		0.47%
Endurance Technologies		0.56%	Indraprastha Gas		0.47%
Jamna Auto Industries		0.54%	Index		-2.52%
Motherson Sumi Systems		0.52%	Nifty 50 Index - Equity Futures		-2.52%
Motherson Sumi Systems - Equity Futures		-0.52%	Treasury Bill		11.07%
Tube Investments of India		0.50%	182 Days Tbill - 2021	SOV	6.59%
Pharmaceuticals		2.94%	91 Days Tbill - 2021	SOV	2.36%
Divi's Laboratories		3.32%	364 Days Tbill - 2021	SOV	2.12%
Divi's Laboratories - Equity Futures		-1.76%	Government Bond		7.44%
Dr. Reddy's Laboratories		1.86%	5.22% - 2025 G-Sec	SOV	2.34%
Dr. Reddy's Laboratories - Equity Futures		-1.22%	7.17% - 2028 G-Sec	SOV	2.29%
Gland Pharma		0.49%	5.63% - 2026 G-Sec	SOV	1.65%
IPCA Laboratories		0.25%	5.15% - 2025 G-Sec	SOV	1.16%
Cement & Cement Products		2.57%	Corporate Bond		2.94%
UltraTech Cement		1.49%	Power Finance Corporation	AAA	1.22%
UltraTech Cement - Equity Futures		-0.52%	NABARD	AAA	0.98%
JK Cement		1.01%	REC	AAA	0.73%
Ambuja Cements		0.59%	NTPC	AAA	0.01%
Consumer Non Durables		2.52%	Commercial Paper		2.33%
Hindustan Unilever		2.62%	LIC Housing Finance	A1+	1.17%
Hindustan Unilever - Equity Futures		-1.60%	HDFC	A1+	1.16%
Nestle India		1.05%	Net Cash and Cash Equivalent		9.17%
Nestle India - Equity Futures		-0.13%	Grand Total		100.00%
Godrej Consumer Products		0.83%			
Godrej Consumer Products - Equity Futures		-0.25%			



SECTOR ALLOCATION



This product is suitable for investors who are seeking*:

- To create wealth over long term
- Dynamic allocation towards equity, derivatives, debt and money market instruments

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

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