



October 2016

**Mutual Fund Investments Are Subject To Market Risks,  
Read All Scheme Related Documents Carefully.**

October was a complete mixed bag as the U.S. markets declined, European bourses gained, and Asian peers went both ways. As election activities picked up steam in the U.S., investors became all the more wary of the outcome of the polls scheduled on Nov 8. Disappointing corporate earnings was another pain point for the markets. Investors worldwide, particularly U.S. investors, had to deal with the dual suspense of impending U.S. elections and U.S. Federal Reserve's decision on interest rates in Dec. Encouraging economic data in Europe lifted markets in the region.

The Indian equity market gained in Oct after the Monetary Policy Committee (MPC) cut repo rate by 25 bps and inflation cooled down. Domestic inflationary pressures also came down during the month under review. Towards the end of the month, markets were shaken when an industry bellwether's chairman was removed from his position and the company's stock took a beating. Dip in FMCG shares over concerns that higher Goods and Services Tax (GST) on certain products would raise product prices and in turn lower volume growth also hit the market.

On the debt front, bond yields continued their downward trend declining for the fourth consecutive month after MPC lowered key policy repo rate which was in line with expectations. Reserve Bank of India (RBI)'s steps towards neutral liquidity in the banking system provided further support. However, increasing chances of a rate hike by the U.S. Federal Reserve in its Dec policy review restricted gains in the domestic bond market.

The outcome of the U.S. Presidential elections scheduled on Nov 8 is the next big trigger for the domestic equity market as the recent polls show an increasingly tight race in on the cards that could go either way. The outcome will have a bearing as to what stance the U.S. government adopts on key issues such as foreign policy, trade relations, and immigrants that are expected to have a direct impact on the markets across the globe. Investors, who up till now hoped for a soft "Brexit" and grew worried of a hard one, will also keep a tab as to how the subsequent developments surrounding "Brexit" unfolds after the High Court in London in a landmark decision ruled that the U.K. Parliament have to approve the process of Britain's withdrawal from the European Union. Back home, the government finalised a 4-tier GST tax structure of 5%, 12%, 18%, and 28%, where lower rates will be applicable for essential items and the highest rates for luxury and de-merit goods. However, the focus would now go to the product classification and categorization in these slabs as a proper fitment of products considering present usage patterns would be imperative.

## KEY ECONOMIC INDICATORS

INDICATORS	CURRENT	PREVIOUS
WPI(Sep-16)	3.57%	3.74%
IIP(Aug-16)	-0.70%	-2.50%
CPI(Sep-16)	4.31%	5.05%

Source: Reuters

## MPC LOWERS KEY POLICY REPO RATES BY 25 BPS

MPC lowered the repo rate by 25 bps to 6.25% in its fourth bi-monthly monetary policy review for FY16-17. Consequently, the reverse repo rate was adjusted to 5.75%, and the marginal standing facility rate and the bank rate to 6.75%.

The Cash Reserve Ratio (CRR) was kept unchanged at 4.0% of Net Demand and Time Liabilities (NDTL). The Statutory Liquidity Ratio (SLR) has already been brought down by 25 bps to 20.75% in Oct 2016, as per RBI's earlier notification to reduce the SLR in phases to 20.5% by January 2017.

## UNDERLYING STORY

Recent data have shown that domestic inflationary pressures witnessed a sharp pick up due to high food inflation. However, the momentum of food inflation turned negative in Aug.

Fuel inflation has moderated steadily through the year so far. Inflation excluding food and fuel (including petrol and diesel embedded in transportation) has been sticky around 5% mainly in respect to education, medical, and personal care services.

## GUIDANCE

MPC expects that the strong improvement in sowing, along with supply management measures, will improve the food inflation outlook. The government announced several measures to cool food inflation pressures, especially with regard to pulses.

Food inflation holds the key to future inflation outcomes. MPC estimates a trajectory taking headline CPI inflation towards a central tendency of 5% by Mar 2017. MPC took note of potential cost push pressures that may increase inflation, including the 7th Pay Commission's award on house rent allowances and the increase in minimum wages.

The momentum of growth is expected to accelerate on the back of normal monsoon that would raise agricultural growth and boost rural demand, while consumption spending would receive support from the Pay Commission's award. The projection of growth of real gross value added (GVA) for FY16-17 is retained at 7.6%.

## DEVELOPMENTAL AND REGULATORY POLICIES

Exposure norms to be aligned for Indian banks with the Basel Committee on Banking Supervision(BCBS) standards.

Custodian banks of FPIs will monitor all derivative transactions of an FPI. Accordingly, each FPI will report all derivative transactions conducted with any market-maker (other than its custodian bank) to its custodian bank on the transaction date.

A comprehensive review of the guidelines for issuance and operations of Pre-paid Payment Instruments (PPI) to be issued by Dec 31, 2016.

# EQUITY MARKET

The Indian equity market climbed during the month following a 25 bps cut in repo rate by MPC, and the Wholesale Price Index (WPI)-based inflation data declining to 3.57% in Sep from 3.74% in Aug. However, gains were restricted by a slip in an industry bellwether's stocks following its chairperson's exit, although the company bounced back later. Dip in FMCG shares over concerns that higher GST rates on certain products would raise product prices and in turn lower volume growth also hit the market.

Key benchmark indices S&P BSE Sensex and Nifty 50 gained 0.23% and 0.17% to close at 27,930 points and 8,626 points, respectively. Meanwhile, S&P BSE Mid-Cap gained 2.33%, whereas S&P BSE Small-Cap went up 6.28%.

As pointed by MPC, growth could gain steam because of the normal monsoon, which is expected to push agricultural growth and rural demand. Food inflation outlook could come down as a result of progress in sowing. Investors will thus keep a tab on the upcoming headline inflation numbers. U.S. Presidential election results due Nov 8 along with the U.S. Federal Reserve's next meeting in Dec, will also keep investors on their toes. The U.S. Fed has hinted at a rate-hike in 2016 provided the economy shows signs of stability. Thus the upcoming U.S. jobs data for Oct and Nov will remain in sharp focus as they are expected to have a bearing on the stance that the U.S. Federal Reserve adopts in its monetary policy review. Developments in Britain will also be closely tracked after High Court in London ruled that the U.K. Parliament have to approve the process of Britain's withdrawal from the EU. The decision is regarded as a landmark decision which may delay the overall Brexit process.

U.S. equity markets witnessed considerable amount of volatility over the month and finally closed in the red. Uncertainty over the U.S. Fed's stance on the interest rate hike continued to generate mixed reaction among market participants. Concerns over the health of the global economy and the uncertainty regarding the U.S. Presidential elections further weighed on investor sentiment. In addition, disappointing corporate earnings continued to be a spoilsport.

European markets closed in the green after witnessing initial volatility. A series of encouraging economic data supported buying interest. Easing concerns over harsher impact of "Brexit" provided additional support. The end of the political deadlock in Spain also generated positive vibes. However, the upside was limited after the European Central Bank (ECB) kept key interest rates unchanged for the fifth consecutive session and retained its asset purchases programme.

## MARKET OUTLOOK

Uncertainty over the U.S. Fed's stance on interest rate-hike and election outcome continued to weigh on investor sentiment. Further market trend would be determined on Q2FY17 results which is broadly in line with expectations and progress of GST implementations.

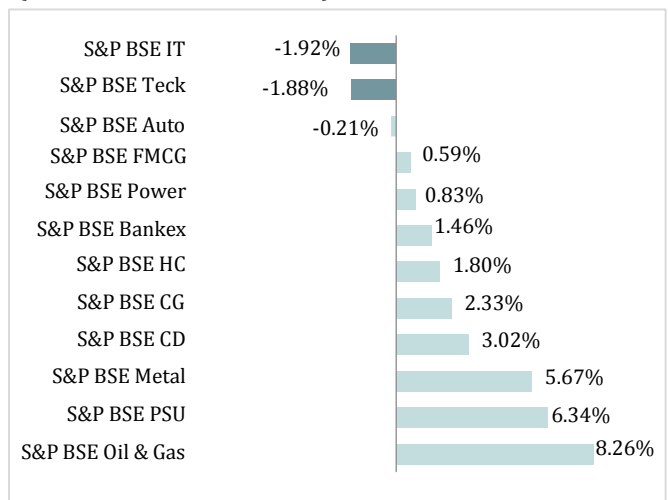
## DOMESTIC INDICES PERFORMANCE

Domestic Indices	30-Oct-16	1 Mth Ago	Chg %	YTD
S&P BSE Sensex	27,930	27,866	0.23	6.76
Nifty50	8,626	8,611	0.17	8.32
S&P BSE 200	3,759	3,720	1.07	10.87
Nifty Free Float Midcap 100	15,912	15,413	3.24	17.52
Nifty Div Opp 50	2,157	2,110	2.23	12.43
S&P BSE Smallcap	13,583	12,781	6.28	13.75

## GLOBAL INDICES PERFORMANCE

Domestic Indices	30-Oct-16	1 Mth Ago	Chg %	YTD
Dow Jones	18,142	18,308	-0.91	5.79
FTSE	6,954	6,899	0.80	14.13
CAC	4,509	4,448	1.37	-0.29
Hang Seng	22,935	23,297	-1.56	7.54
Shanghai	3,100	3,005	3.19	-5.94

## SECTORAL PERFORMANCE (MONTHLY RETURNS %)



## INSTITUTIONAL FLOWS (EQUITY) AS ON OCTOBER 31, 2016

(INRCr)	Purchases	Sales	Net	YTD
FII Flows	74,759	79,065	-4,306	46,987
MF Flows	30,584	21,455	9,129	25,216
DII Flows	45,264	37,370	7,893	8,765

Source: CDSL, SEBI,

# DEBT MARKET

Bond yields fell for the fourth consecutive month after MPC lowered key policy repo rate by 25 bps, in line with expectations. RBI's steps towards neutral liquidity in the banking system provided further support. However, increasing chances of a rate hike by the U.S. Fed in its Dec policy review restricted gains in the domestic bond market.

Yield on gilt securities (annualized) fell across maturities in the range of 1 bps to 17 bps, with the exception of 11-year and 14 to 30 years' maturities, where yields increased in the range of 2 bps to 4 bps. Corporate bond yields also dropped across the curve in the range of 1 bps to 17 bps. Difference in spread between AAA corporate bond and gilt expanded on 2 to 9 years' maturities in the range of 5 to 11 bps. Spread on 1- and 10-year papers remained unchanged, while contracted on 15-year paper by 4 bps.

## MARKET OUTLOOK

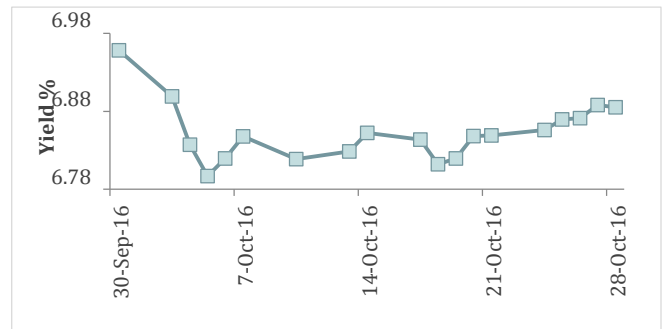
Liquidity condition will remain in focus during the month and investors will look forward to RBI's pace in conducting open market operations. Supply of central government securities is likely to be lower in H2FY17 compared with H1FY17, whereas the supply of state government securities is likely to be higher considering the trend witnessed in the last couple of years. Trading of new 10-year benchmark bond (6.97% GS 2026) will also be closely monitored by investors. The outcome of the U.S. Presidential elections due Nov 8 will also remain in sharp focus. Moving forward, the impact of implementing 7th Pay Commission's suggestions, transit to GST, crude oil prices and inflation numbers will be critical.

## CURRENCY AND COMMODITY MARKET

The rupee weakened against the greenback in Oct after minutes of the U.S. Federal Reserve's meeting in Sep increased concerns of a near-term rate hike. Upbeat U.S. retail sales data for Sep further boosted the greenback. However, further losses were restricted following gains in the domestic equity market after MPC lowered key policy repo rates by 25 bps in the fourth bi-monthly monetary policy review. Downbeat U.S. jobs data for Sep and fall in domestic retail inflation to a 13-month low in Sep further boosted Indian equity.

Brent crude prices traded lower after Iraq stated that it would not like to be a part of any production freeze deal of the Organization of the Petroleum Exporting Countries (OPEC). However, the downside was restricted as concerns over supply glut eased after China's crude oil output fell in Sep.

## 10-YEAR BENCHMARK BOND (7.59% GS 2026) MOVEMENT



Source: Reuters

## SPREAD MOVEMENT

SPREADS		AAA	AA+	AA	AA-
28-Oct-2016	1 Yr	52	72	91	119
	3 Yr	60	86	108	140
	5 Yr	47	68	90	122
Previous Month	1 Yr	53	71	98	127
	3 Yr	51	76	100	133
	5 Yr	40	64	87	116

Source: Reuters

YIELD (%)	28-Oct-16	30-Sep-16
10 Year G-Sec	6.89	6.96
5 Year G-Sec	6.71	6.88
<b>CERTIFICATE OF DEPOSIT</b>		
3-Month	6.63	6.62
6-Month	6.82	6.76
9-Month	6.87	6.90
12-Month	6.93	7.04
<b>COMMERCIAL PAPERS</b>		
3-Month	6.99	6.78
6-Month	7.28	7.18
9-Month	7.34	7.36
12-Month	7.42	7.56

## EVENT CALENDAR

Release Date	Event	Country
04-Nov-16	Nonfarm Payrolls (Oct)	U.S.
08-Nov-16	U.S. Presidential Elections	U.S.
15-Nov-16	Consumer Price Index (Oct)	India
23-Nov-16	FOMC Meeting Minutes (Nov)	U.S.
30-Nov-16	Index of Eight Core Industries (Oct)	India

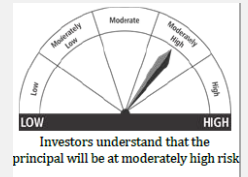
# IIFL INDIA GROWTH FUND

## An Open-ended Equity Scheme

THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING\*

- capital appreciation over long term;
- Investment predominantly in equity and equity related instruments.

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



### SCHEME DETAILS

#### NAV (28-OCT-2016)

Regular Growth Option	₹12.9061
Regular Dividend Option	₹12.9061
Direct Growth Option	₹13.1674
Direct Dividend Option	₹13.1674
Net AUM	₹23,646 Lakhs
Avg. Monthly AUM	₹22,914 Lakhs
Date of Allotment	October 30, 2014

#### LOAD STRUCTURE:

**Entry Load:** Nil; **Exit Load:** Nil

#### MINIMUM APPLICATION :

₹5000 and in multiples of ₹100 thereafter.

**Monthly SIP Option:** ₹1000 per month for a minimum period of six months.

**Quarterly SIP Option:** ₹1500 per quarter for a minimum period of 4 quarters.

**PLANS OFFERED :** Regular Plan & Direct Plan.

**OPTIONS OFFERED :** Growth & Dividend Option.

#### TOTAL EXPENSE RATIO

Regular Plan	1.95%
Direct Plan	1.00%

**PORTFOLIO TURN OVER RATIO :** 0.70

based on 1 year monthly data

**BLOOMBERG CODE:** IIFGRGIN

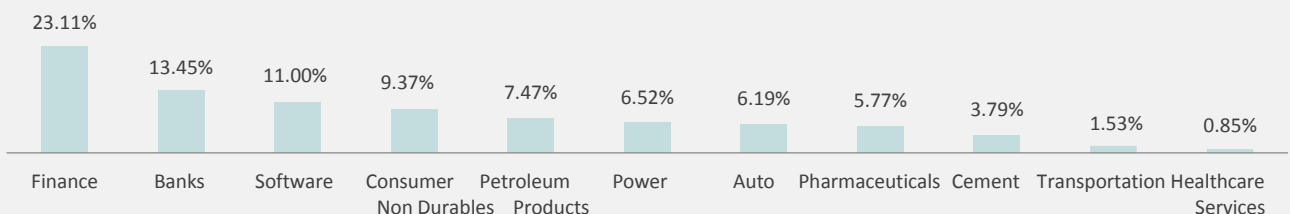
#### SIP PERFORMANCE

PARTICULAR	1 YEAR	SI
Total Amount Invested	1,20,000	2,30,000
Market Value as on 30-Sept-2016	1,41,789	2,70,068
Return	35.27%	17.02%
Benchmark Returns <sup>^</sup>	14.72%	4.95%
Additional Benchmark Returns <sup>*</sup>	12.26%	3.21%

Above returns are calculated assuming investment of 10,000/- on the 1st working day of every month. CAGR return are computed after accounting for the cash flow by using XIRR method (investment internal rate of return) for Regular Plan - Growth option. The above investment simulation is for illustrative purposes only and should not be construed as a promise on minimum returns and safeguard of capital.

<sup>^</sup> CNX Nifty, <sup>\$</sup> S&P Sensex.

### INDUSTRY ALLOCATIONS\*



**OBJECTIVE :** The investment objective of the scheme is to generate long term capital appreciation for investors from a portfolio of equity and equity related securities. However there can be no assurance or guarantee that the investment objective of the scheme would be achieved.

**BENCHMARK :** Nifty 50

**FUND MANAGER :** Mr. Prashasta Seth has over 16 years of experience in the financial services industry. He is a MBA from IIM Ahmedabad and B Tech from IIT Kanpur. His previous assignment includes a stint in JP Morgan, London and heading Irevna (a Standard & Poor's company) Mr. Seth has been managing scheme since November 03, 2016

#### TOP 15 HOLDING

Name of the Instrument	Industry	% to Net Assets
HDFC Bank Limited	Banks	8.13%
Castrol India Limited	Petroleum Products	7.47%
Bajaj Finance Limited	Finance	7.42%
HCL Technologies Limited	Software	7.14%
Power Grid Corporation of India Limited	Power	6.52%
Muthoot Finance Limited	Finance	6.39%
Tata Motors Ltd DVR Shares	Auto	6.19%
Kansai Nerolac Paints Limited	Consumer Non Durables	5.95%
Bajaj Finserv Limited	Finance	5.93%
The Federal Bank Limited	Banks	5.32%
Sun Pharmaceuticals Industries Limited	Pharmaceuticals	4.11%
Grasim Industries Limited	Cement	3.79%
Britannia Industries Limited	Consumer Non Durables	3.42%
Cholamandalam Investment and Finance Company Limited	Finance	3.37%
Tech Mahindra Limited	Software	2.78%
Top 15 Equity Holding		83.93%
Total Equity Holding		89.05%
Net Cash & Cash Equivalent		10.95%
<b>TOTAL</b>		<b>100%</b>

#### SCHEME PERFORMANCE

	30-Sep-2015 to 30-Sep-2016	Since Inception CAGR \$	PTP
IIFL India Growth Fund - Regular Plan(G)	22.28%	13.39%	12,734
IIFL India Growth Fund - Direct Plan (G)	23.24%	14.54%	12,983
Benchmark*	8.33%	2.78%	10,541
Additional Benchmark**	6.54%	0.98%	10,190

As on September 30, 2016

Point to Point (PTP) returns in INR is based on standard investment of INR 10,000 made on the \$ inception 30-Oct-2014

\* Nifty 50, \*\* S&P BSE Sensex

IIFL Nifty fund has been merged into IIFL India Growth Fund w.e.f.24-July-2015.

IIFL Dividend Opportunities Index Fund has been merged into IIFL India Growth Fund w.e.f. 06-April-2015

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

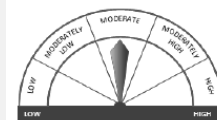


# IIFL DYNAMIC BOND FUND

## An Open-ended Income Scheme

THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING\*

- Income and long term gains
- Investment in a range of debt and money market instruments of various maturities.



Investors understand that the principal will be at moderate risk

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

### SCHEME DETAILS

NAV (28-OCT-2016)

Regular Growth	₹12.6351	
Regular Plan Bonus	₹12.6351	
Direct Plan Growth	₹12.8490	
<b>DIVIDEND OPTION</b>	<b>REGULAR PLAN</b>	<b>DIRECT PLAN</b>
Monthly	₹11.1880	₹11.3936
Quarterly	₹12.1927	
Half yearly	₹12.1927	
Note: Bonus plan and Monthly & Half yearly Dividend payout options are discontinued no new investors can invest in the said option ,existing investors remain invested in the said options.		
Net AUM	₹2,131 Lakhs	
Avg. Monthly AUM	₹2,128 Lakhs	
Date of Allotment	June 24 ,2013	

**DEMATERIALIZATION:** D-Mat Option Available

#### LOAD STRUCTURE:

Entry Load: Nil; Exit Load: Nil Exit Load (For SIP): Nil

#### MINIMUM APPLICATION:

₹5000 and in multiples of ₹100 thereafter.

**PLANS OFFERED:** Regular Plan and Direct Plan

**OPTIONS OFFERED (UNDER EACH PLAN):** Dividend & Growth

#### MINIMUM APPLICATION AMOUNT:

₹10,000 and in multiples of ₹100 thereafter.

Systematic Investment Plan (SIP) availed.

**MONTHLY OPTION:** ₹1000 per month for a minimum period of six months.

**QUARTERLY OPTION:** ₹1500 per quarter for a minimum period of 4 quarters.

#### TOTAL EXPENSE RATIO:

**Regular Plan :** 0.94% p.a.

**Direct Plan :** 0.44 % p.a.

#### ASSET ALLOCATION:

**Debt Market Instruments:** 0% - 100%

**Money Market Instruments:** 0% - 100%

**YTM :** 6.66%

**Modified Duration :** 0.43 Yrs

**Average Maturity :** 0.54 Yrs

**Bloomberg Code :** IIFDBDB IN

### DIVIDEND DECLARED

Date	Gross Dividend (Per Unit)	CUM -NAV - Regular Plan	CUM-NAV - Direct Plan
<b>Quarterly Dividend Plan</b>			
06-Apr-15	0.40	11.8678	11.9708
<b>Half Yearly Dividend Plan</b>			
06-Apr-15	0.40	11.7567	-

### ABOUT THE SCHEME

**OBJECTIVE :** The investment objective of the scheme is to generate income and long term gains by investing in a range of debt and money market instruments of various maturities. The scheme will seek to flexibly manage its investment across the maturity spectrum with a view to optimize the risk return proposition for the investors.

**BENCHMARK:** CRISIL Composite Bond Fund Index.

**FUND MANAGER:** Mr. Ritesh Jain

Mr. Jain has over 18 years of experience in the Fixed Income space including previous experience with Morgan Stanley and Principal Mutual Fund. Prior to joining IIFL AMC, he was working for Pramerica Mutual Fund as Head - Fixed Income. He is a commerce graduate and has completed PGDBA in Finance from KJ.Somaiya Institute of Management Studies and Research, Mumbai. Mr. Jain has been managing scheme since November 03, 2016

### HOLDINGS

AS ON OCTOBER 31,2016

Name of the Instrument	Industry	% to Net Assets
<b>COMMERCIAL PAPER</b>		
Reliance Capital Limited	ICRA A1+	9.37%
<b>BONDS &amp; NCDs</b>		
State Bank of India	CRISIL AA+	9.55%
National Bank For Agriculture and Rural Development	CRISIL AAA	3.23%
<b>CBLO/Reverse Repo &amp; Net Current Asset</b>		<b>77.85%</b>
<b>TOTAL</b>		<b>100.00%</b>

### SCHEME PERFORMANCE

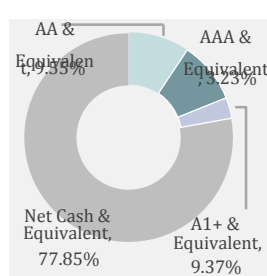
Indices	30-09-2015 to 30-09-2016	30-09-2014 to 30-09-2015	30-09-2013 to 30-09-2014	Since Inception	PTP Return (INR)
IIFL Dynamic Bond Fund-Regular plan (G)	6.65%	12.85%	10.06%	7.26%	12578
IIFL Dynamic Bond Fund-Direct plan(G)	7.19%	13.41%	10.61%	7.79%	12786
Benchmark*	11.47%	12.56%	11.61%	9.51%	13463
Additional Benchmark**	11.08%	13.76%	6.85%	7.55%	12690

As on September 30,2016; \* Crisil Composite Bond Fund Index,\*\* Crisil 10yr Gilt Index; Point to Point (PTP) returns in INR is based on standard investment of INR 10,000 made on the inception date ; \*Inception date 24-June-2013

### MONTHLY DIVIDEND PLAN

Date	Gross Dividend (Per Unit)	CUM -NAV - Regular Plan	CUM -NAV - Direct Plan
30-Aug-16	0.05	₹ 11.1984	₹ 11.3924
27-Sep-16	0.05	₹ 11.2121	₹ 11.4115
25-Oct-16	0.05	₹11.2334	₹11.4384

### RATING PROFILE



Dividend is gross dividend. To arrive at the net dividend payable for corporate and non-corporate investors applicable dividend distribution tax, if any, needs to be adjusted respectively. Past performance may or may not be sustained in future. After payment of dividend the NAV has fallen to the extent of payout and distribution taxes if applicable. Monthly income is not assured and is subject to availability of distributable surplus.

IIFL Short term income fund has been merged into IIFL Dynamic bond fund w.e.f.22-Dec-2014

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

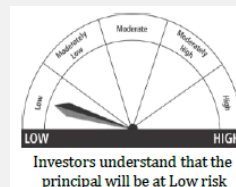
# IIFL LIQUID FUND

## An Open-Ended Liquid Scheme

THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING\*

- Income over short term horizon
- Investments in money market and short term debt instruments, with maturity not exceeding 91 days

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



### SCHEME DETAILS

#### NAV (31-OCT-2016)

Regular Growth	₹1,253.0036
Direct Plan Growth	₹1,254.8728
<b>DIVIDEND OPTION</b>	<b>REGULAR PLAN</b>
Daily Dividend Reinvestment	₹1000.0246
Weekly	₹1005.9838
Net AUM	₹16270 Lakhs
Avg. Monthly AUM	₹13947 Lakhs
Date of Allotment	November 13, 2013

#### LOAD STRUCTURE:

**Entry Load:** Nil; **Exit Load:** Nil

**PLANS OFFERED:** Regular Plan and Direct Plan

**OPTIONS OFFERED (UNDER EACH PLAN):** Dividend & Growth

#### MINIMUM APPLICATION AMOUNT:

New Purchase - ₹ 5,000 and in multiples of ₹ 100 thereafter.

Additional purchase - ₹ 1000 and in multiples of ₹ 100 thereafter

#### TOTAL EXPENSE RATIO:

**Regular Plan :** 0.25% p.a.

**Direct Plan :** 0.20 % p.a.

#### ASSET ALLOCATION :

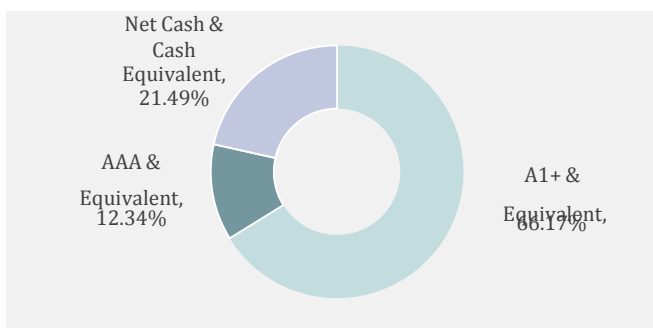
Money market and debt instruments with residual maturity up to 91 days 0% - 100%.

**YTM** : 6.59%

**Modified Duration** : 0.07 Yrs

**Average Maturity** : 0.06 Yrs

### RATING PROFILE



### ABOUT THE SCHEME

**OBJECTIVE :** To provide liquidity with reasonable returns in commensuration with low risk through a portfolio of money market and debt securities with residual maturity of up to 91 days. However, there can be no assurance that the investment objective of the Scheme will be achieved.

**BENCHMARK :** CRISIL Liquid Fund Index.

**FUND MANAGER :** Mr. Ritesh Jain

Mr. Jain has over 18 years of experience in the Fixed Income space including previous experience with Morgan Stanley and Principal Mutual Fund. Prior to joining IIFL AMC, he was working for Pramerica Mutual Fund as Head - Fixed Income. He is a commerce graduate and has completed PGDBA in Finance from KJ.Somaiya Institute of Management Studies and Research, Mumbai. Mr. Jain has been managing scheme since November 03, 2016

### HOLDINGS

AS ON OCTOBER 31, 2016

Name of the Instrument	Industry	% to Net Assets
<b>CERTIFICATE OF DEPOSIT</b>		
Punjab & Sind Bank	ICRA A1+	6.13%
Axis Bank Limited	CRISIL A1+	6.08%
Corporation Bank	CRISIL A1+	3.07%
State Bank of Patiala	ICRA A1+	3.07%
Vijaya Bank	CARE A1+	3.07%
IndusInd Bank Limited	CRISIL A1+	3.07%
Allahabad Bank	ICRA A1+	3.06%
<b>COMMERCIAL PAPER</b>		
Godrej Industries Limited	ICRA A1+	9.19%
Aditya Birla Finance Ltd	ICRA A1+	6.14%
National Bank For Agriculture and Rural Development	CRISIL A1+	6.14%
Power Finance Corporation Limited	CRISIL A1+	6.12%
Small Industries Dev Bank of India	CARE A1+	3.07%
Small Industries Dev Bank of India	CARE A1+	3.06%
Bajaj Finance Limited	CRISIL A1+	3.06%
Reliance Capital Limited	ICRA A1+	1.84%
<b>BONDS &amp; NCDs</b>		
LIC Housing Finance Limited	CARE AAA	6.17%
Housing Development Finance Corporation Limited	CRISIL AAA	6.17%
CBLO & NET CURRENT ASSET		21.49%
<b>TOTAL</b>		<b>100.00%</b>

### SCHEME PERFORMANCE

Indices	30-09-2015 to 30-09-2016	30-09-2014 to 30-09-2015	Since Inception	PTP Return (INR)
IIFL Liquid Fund-Regular plan (G)	7.40%	8.06%	7.93%	12463
IIFL Liquid Fund-Direct plan (G)	7.45%	8.11%	7.99%	12482
Benchmark*	7.67%	8.56%	8.49%	12651
Additional Benchmark**	7.16%	8.50%	8.24%	12567

As on September 30, 2016

\* Crisil Liquid Fund Index, \*\* Crisil 91 Day T-Bill Index

Point to Point (PTP) returns in INR is based on standard investment of INR 10,000 made on the inception date

\*Inception date 13-Nov-2013

## **FUND MANAGER**

An employee of the asset management company such as a mutual fund or life insurer, who manages investments of the scheme. He is usually part of a larger team of fund managers and research analysts.

## **APPLICATION AMOUNT FOR FRESH SUBSCRIPTION**

This is the minimum investment amount for a new investor in a mutual fund scheme.

## **MINIMUM ADDITIONAL AMOUNT**

This is the minimum investment amount for an existing investor in a mutual fund scheme.

## **YIELD TO MATURITY**

The Yield to Maturity or the YTM is the rate of return anticipated on a bond if held until maturity. YTM is expressed as an annual rate. The YTM factors in the bond's current market price, par value, coupon interest rate and time to maturity.

## **SIP**

SIP or systematic investment plan works on the principle of making periodic investments of a fixed sum. It works similar to a recurring bank deposit. For instance, an investor may opt for an SIP that invests Rs 500 every 15th of the month in an equity fund for a period of three years.

## **NAV**

The NAV or the net asset value is the total asset value per unit of the mutual fund after deducting all related and permissible expenses. The NAV is calculated at the end of every business day. It is the value at which the investor enters or exits the mutual fund.

## **BENCHMARK**

A group of securities, usually a market index, whose performance is used as a standard or benchmark to measure investment performance of mutual funds, among other investments. Some typical benchmarks include the Nifty, Sensex, BSE200, BSE500, 10-Year Gsec.

## **ENTRY LOAD**

A mutual fund may have a sales charge or load at the time of entry and/or exit to compensate the distributor/agent. Entry load is charged at the time an investor purchases the units of a mutual fund. The entry load is added to the prevailing NAV at the time of investment. For instance, if the NAV is ₹ 100 and the entry load is 1 %, the investor will enter the fund at ₹ 101.

Note: SEBI, vide circular dated June 30, 2009 has abolished entry load and mandated that the upfront commission to distributors will be paid by the investor directly to the distributor, based on his assessment of various factors including the service rendered by the distributor.



## **EXIT LOAD**

Exit load is charged at the time an investor redeems the units of a mutual fund. The exit load is deducted from the prevailing NAV at the time of redemption. For instance, if the NAV is ₹ 100 and the exit load is 1%, the redemption price would be ₹99 per unit.

## **MODIFIED DURATION**

Modified duration is the price sensitivity and the percentage change in price for a unit change in yield.

## **STANDARD DEVIATION**

Standard deviation is a statistical measure of the range of an investment's performance. When a mutual fund has a high standard deviation, it means its range of performance is wide, implying greater volatility.

## **SHARPE RATIO**

The Sharpe Ratio, named after its founder, the Nobel Laureate William Sharpe, is a measure of risk-adjusted returns. It is calculated using standard deviation and excess return to determine reward per unit of risk.

## **BETA**

Beta is a measure of an investment's volatility vis-a-vis the market. Beta of less than 1 means that the security will be less volatile than the market. A beta of greater than 1 implies that the security's price will be more volatile than the market.

## **AUM**

AUM or assets under management refers to the recent I updated cumulative market value of investments managed by a mutual fund or any investment firm.

## **HOLDINGS**

The holdings or the portfolio is a mutual fund's latest or updated reported statement of investments/securities. These are usually displayed in terms of percentage to net assets or the rupee value or both. The objective is to give investors an idea of where their money is being invested by the fund manager.

## **NATURE OF SCHEME**

The investment objective and underlying investments determine the nature of the mutual fund scheme. For instance, a mutual fund that aims at generating capital appreciation by investing in stock markets is an equity fund or growth fund. Likewise, a mutual fund that aims at capital preservation by investing in debt markets is a debt fund or income fund. Each of these categories may have sub-categories.

## **RATING PROFILE**

Mutual funds invest in securities after evaluating their creditworthiness as disclosed by the ratings. A depiction of the mutual fund in various investments based on their ratings becomes the rating profile of the fund. Typically, this is a feature of debt funds