



Monthly Factsheet  
October 2015



**Asset Management**

Mutual Fund investments are subject to market risks,  
read all scheme related documents carefully.

## Macro Economy & Event Update

Monetary policy actions and statements by the Central Banks across the globe hit the headlines during the month under review. The U.S. Federal Reserve (Fed) kept interest rates unchanged at its monetary policy review. However, the U.S. Central Bank reiterated its assessment that the U.S. economic activity has been expanding at a moderate pace. The Fed also downplayed global economic headwinds and kept open the possibility of tightening the monetary policy at its next meeting in December. In Europe, the Bank of England decided to keep its key interest rate unchanged at a record low of 0.50%. The European Central Bank indicated that it may expand its stimulus measures to counter deflationary pressures and boost growth in the Euro zone. On the Asian front, the Chinese Central Bank cut its interest rates for the sixth time since November 2014 and lowered the amount of cash that banks must hold as reserves to boost the slowing economy of the nation. Meanwhile, the Bank of Japan left its interest rates unchanged.

Key data points presented a bleak picture of the global economy. Lower-than-expected U.S. service sector and job growth data, weak retail sales numbers, decline in U.S. durable goods orders in September and a sharp pullback in U.S. consumer confidence in October showed that the U.S. economy was yet to recover fully. Besides, the U.S. economic growth in the third quarter came below market expectations. Similarly in Europe, Germany's economic confidence dropped to a one-year low in October, while inflation in the U.K. again turned negative in September. The U.K. GDP growth slipped to 0.5% in the third quarter, falling below expectations and lower than the previous quarter's growth of 0.7%. China's economic growth eased to 6.9% in the July-September quarter from a year ago, slightly better than market estimate but lower than 7% seen in the second quarter. Interestingly, equity markets across the globe remained firm on hopes that easy monetary policy stance by the Central Banks would continue for some more time.

Back home, Indian capital markets witnessed a mixed trend in October. While the equity markets rose on a monthly basis, debt markets remained under pressure. The fiscal deficit of the country narrowed during April-September period and stood at Rs. 3.79 trillion (\$58.1 billion) or 68.1% of the full-year target. Bond yields rose over the month after Fed indicated that it may increase interest rates in December. Bond yields moved up further on the back of rise in global crude oil prices, which fuelled concerns over an increase in domestic inflationary pressure. Meanwhile, the rupee closed the month 0.5% higher against the dollar.

### Key Economic Indicators

Indicators	Current	Previous
WPI (Sep'15)	-4.54%	-4.95%
IIP (Aug'15)	6.40%	4.10%
CPI (Sep'15)	4.41%	3.74%

### Event Update

Standard & poor (Credit Rating Agency) has affirmed its 'BBB-' long-term and 'A-3' short-term sovereign credit ratings for India. The outlook for the country remains stable. The credit rating agency further added that the ratings reflect the country's sound external profile and improved monetary credibility. According to the rating agency, the Indian Government has made progress in building consensus on passage of laws to address long-standing impediments to India's growth which includes strengthening the business climate, improving labour market flexibility and reforming the energy sector.

Government data showed that fiscal deficit reached Rs. 3.79 trillion (\$58.1 billion) during the period from April to September or 68.1% of the full-year target. The deficit amounted to 82.6% in the corresponding period of the previous year. Net tax receipts stood at Rs. 3.7 trillion in the first half of the fiscal that ends in March 2016, while total spending touched Rs. 9.1 trillion.

Trade deficit in September narrowed to \$10.48 billion from \$14.47 billion recorded in the same month of 2014. Exports fell 24.33% in September to \$21.84 billion while imports also fell 25.42% to \$32.32 billion in the same period. Cumulative exports during the first half of 2015-16 have been valued at \$132.94 billion compared to \$161.40 billion in the same period last year. Exports were down 17.63% on a yearly basis from April to September in 2015-16 while imports also fell by 14.16% during the same period.

The Index of Industrial Production (IIP) surged by 6.4% on a yearly basis in August compared to a 4.1% rise recorded in the previous month, reflecting a major sign of pick-up in industrial activity. The Mining, Manufacturing and Electricity sectors grew 3.8%, 6.9% and 5.6%, respectively. Cumulative IIP growth during the current financial year till August stood at 4.1%.

The Consumer Price Index-based inflation rose 4.41% on a yearly basis in September against 3.74% in the previous month but lower than 5.63% recorded a year ago. Consumer food price index rose by 3.88% in the reported month, higher than 2.20% seen in August, but lower than 6.22% recorded in the previous year.

Wholesale prices contracted 4.54% on a yearly basis in September against contraction of 4.95% seen in August. This fall was for the 11<sup>th</sup> consecutive month Food articles inflation rose to 0.69% in September against fall of 1.13% in August. Prices of fuel and power and manufactured products continued to fall and stood at -17.71% and -1.73% in September, respectively. For July, wholesale price inflation has been revised to -4.0%, better than provisional estimate of -4.05%.

## Equity Market

Indian bourses closed in green after witnessing considerable volatility. A series of global cues, including uncertainty over the U.S. Fed's stance on interest rate, mainly dictated the market movement over the month. Encouraging economic data also improved buying interest. However, weak earning numbers from a number of industry majors restricted the gains.

On the BSE sectoral front, majority of the indices closed in green. S&P BSE Consumer Durables was the top gainer, up 9.83%, followed by S&P BSE Metal and S&P BSE Auto, which rose 6.94% and 4.46%, respectively. S&P BSE Oil & Gas and S&P BSE Power rose 4.27% and 4.09%, respectively.

On the global front, U.S. markets rose in October with Nasdaq 100 surging by 11.19% on a monthly basis. Initially, bourses got support on hopes that the Fed may further delay its interest rate hike decision. A series of weak U.S. economic data including lower-than-expected service sector and jobs growth numbers increased such expectations. Markets got more support after the U.S. Fed kept interest rates on hold at its latest monetary policy review. However, the upside was restricted after the U.S. Central Bank gave indication of a rate hike in December.

European markets rose on the back of encouraging economic data and policy stances taken by the Bank of England and the European Central Bank. The Bank of England kept its key interest rate unchanged at a record low of 0.50%. Besides, the European Central Bank indicated that it may expand its stimulus measures to counter deflationary pressures and boost growth in the Euro zone. However, weak corporate earning numbers restricted the gains. Weak third quarter U.K. GDP growth data and poor German consumer confidence also hit the bourses.

Asian markets rose in tune with other global peers with Shanghai Composite reporting a gain of 10.80% on a monthly basis. Asian markets rose after the Bank of Japan maintained its optimistic assessment of the country's economy. Bourses got more support after the U.S., Japan and 10 other Pacific Rim countries reached a trade agreement on Trans-Pacific Partnership. Investor sentiments improved further after the People's Bank of China decided to lower its benchmark interest rates and the reserve requirement ratio to boost the slowing economy. The Bank of Japan's decision to keep interest rate unchanged provided additional support.

### Out Look

It is likely that market would continue to track the trend in global markets, and FPI flows. The ongoing festive season in the country is likely to boost consumer spending. Besides, market would focus on the winter session of Parliament for passage of key bills like the Goods and Services Tax. On the global front, indication about the timing of a rate hike by the U.S. Fed. would be important. We believe that in near term market should remain volatile and in a range bound till visibility for earning improve.

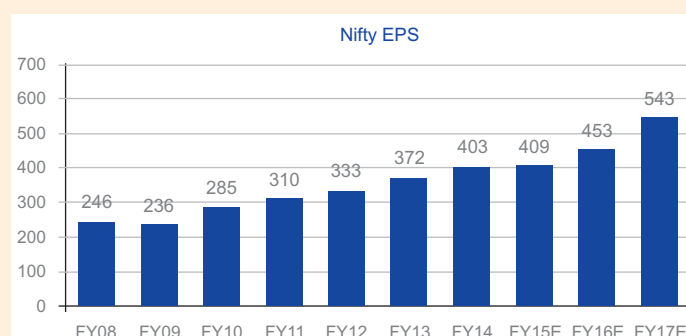
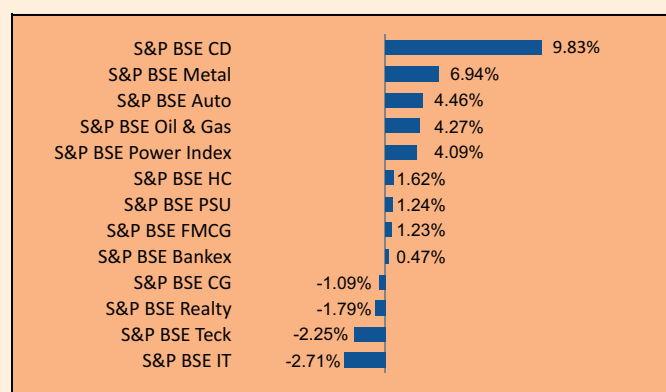
## Domestic Indices Performance

Domestic Indices	30-Oct-15	1 Mth Ago	Chg %	YTD%
S&P BSE Sensex	26,657	26,155	1.92	-3.09
CNX Nifty	8,066	7,949	1.47	-2.63
S&P BSE 200	3,404	3,352	1.56	-0.85
CNX Midcap	13,239	12,985	1.96	4.92
S&P BSE Smallcap	11,315	11,021	2.67	0.80

## Global Indices Performance

Global Indices	30-Oct-15	1 Mth Ago	Chg %	YTD%
Dow Jones	17,664	16,285	8.47	-0.95
FTSE	6,361	6,062	4.94	-2.85
CAC	4,898	4,455	9.93	15.18
Hang Seng	22,640	20,846	8.60	-5.10
Shanghai	3,383	3,053	10.80	0.96

## Sectoral Performance (Monthly returns %)



## Institutional Flows (Equity) As on October 30, 2015

(INR Cr)	Purchases	Sales	Net	YTD
FII Flows	85,293	78,643	6,650	27,697
DII Flows	33,796	35,213	-679	52,986

Source: Reuters, SEBI & IIFL Research

## Debt Market

Bond yields rose during the month under review after the U.S. Federal Reserve (Fed) indicated that it may increase interest rates in December. Bond yields moved up further on the back of rise in global crude oil prices, which fuelled concerns over an increase in domestic inflationary pressure.

The yield on the 10-year benchmark bond rose by 10 bps to close at 7.64% against the previous month's close of 7.54%, after moving in the range of 7.51% to 7.64%.

Yield on Gilt Securities (annualized) increased across the maturities in the range of 2 bps to 11 bps barring 1 and 2-year maturities that fell by 3 bps and 5 bps, respectively. Corporate bond yields fell across the entire maturity bracket in the range of 7 bps to 15 bps. Spread between AAA Corporate Bond and Gilt contracted across the maturities in the range of 7 bps to 20 bps. The minimum fall was seen on 2-year paper and the maximum fall was witnessed on 4-year paper.

### Out look

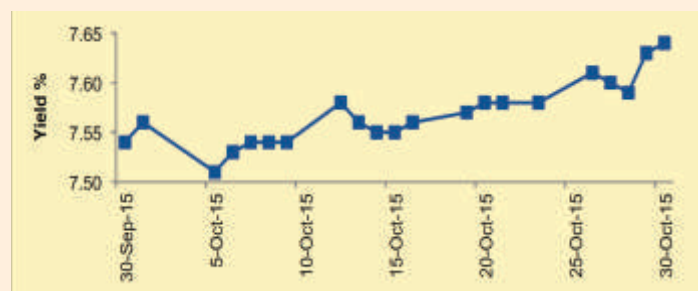
Investors would track key macroeconomic numbers for near-term cues. International crude oil prices and the movement of the rupee against the dollar will also in focus. Market participants will also keep a tab on key U.S. economic data, which is expected to provide some clarity on the Fed's stance on interest rate. Developments in China and policy actions adopted by Central Banks across the globe are also expected to dictate the movement of bond yields moving forward.

### Currency and Commodity Market

The rupee rose 0.5% on a monthly basis against the dollar on improved fiscal deficit data, tracking gains in domestic equity markets and selling of the US dollar by banks and exporters. The rupee got more support following weak U.S. retail sales data for September. Besides, the European Central Bank President gave indication of expanding its monetary stimulus measures. However, gains were restricted after the U.S. Fed hinted at raising interest rates at its December meeting.

Brent crude prices rose initially after Russia said that it was ready to meet other oil producers (both OPEC and non-OPEC) to discuss concerns over lower oil prices. Crude prices got more support as signs of political tension in Syria renewed supply concerns from the Middle East. Oil prices crossed \$50 per barrel in October after more than two months. However, crude prices witnessed pressure during the middle of the month after the International Energy Agency said that the world oil market would remain oversupplied for at least another year. Oil prices regained momentum after the Chinese Central Bank cut its policy rates.

### 10-Year Benchmark Bond (7.72% GS 2025) Movement



Source: Reuters

### Spread Movement

Spreads		AAA	AA+	AA	AA-
30-Oct-15	1 Yr	37	79	99	131
	3 Yr	36	50	74	108
	5 Yr	28	49	75	108
Previous Month	1 Yr	47	64	93	126
	3 Yr	49	65	97	130
	5 Yr	47	64	91	125

Source: Reuters

Yield (%)	30-Oct-15	30-Sept-15
<b>10 Year G-Sec</b>	7.64	7.54
<b>5 Year G-Sec</b>	7.68	7.62
<b>Certificate of Deposit</b>		
<b>3-Month</b>	7.27	7.18
<b>6-Month</b>	7.36	7.26
<b>12-Month</b>	7.52	7.33
<b>Commercial Papers</b>		
<b>3-Month</b>	7.69	7.51
<b>6-Month</b>	7.89	7.73
<b>12-Month</b>	8.06	8.05

### Event Calendar

Release Date	Event	Country
6-Nov-15	U.S. Nonfarm Payrolls (Oct)	U.S.
6-Nov-15	U.S. Unemployment Rate (Oct)	U.S.
12-Nov-15	Index of Industrial Production	India
14-Nov-15	Consumer Price Index (Sep)	India
14-Nov-15	Wholesale Price Index (Sep)	India

Source : ICRA online Ltd., IIFL Research.

# IIFL India Growth Fund

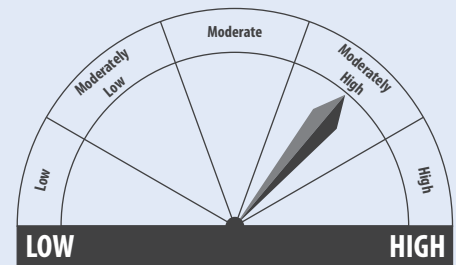
An Open-ended Equity Scheme



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.



Investors understand that the principal will be at moderately high risk

## Scheme Details

NAV (30-10-2015) :

Regular Plan Growth option : ₹10.6545

Regular Plan Dividend option : ₹10.6545

Direct Plan Growth option : ₹10.7886

Direct Plan Dividend option : ₹10.7886

Date of allotment : Oct 30, 2014

Net AUM : ₹ 18152 Lakhs

Avg. Monthly AUM : ₹ 18584 Lakhs

### 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 : 2.43% p.a.

Direct Plan : 1.18% p.a.

### Portfolio Turn Over Ratio : 0.99

based on 1 year monthly data

Bloomberg code: IIFGRRG IN

## SIP Performance

Particular	1 Year	SI
Total Amount invested	120000	120000
Market Value as on Oct 30th, 2015	118695	118695
Return of Fund	-1.09%	-1.09%
Benchmark Returns ^	-2.80%	-2.80%
Additional Benchmark Returns \$	-2.89%	-2.89%

Above returns are calculated assuming investment of 10,000/- on the 7th of every month. The above investment simulation is for illustrative purposes only and should not be construed as a promise on minimum returns and safeguard of capital. ^ Nifty 50, \$ S&P BSE Sensex.

## About the Scheme

**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.

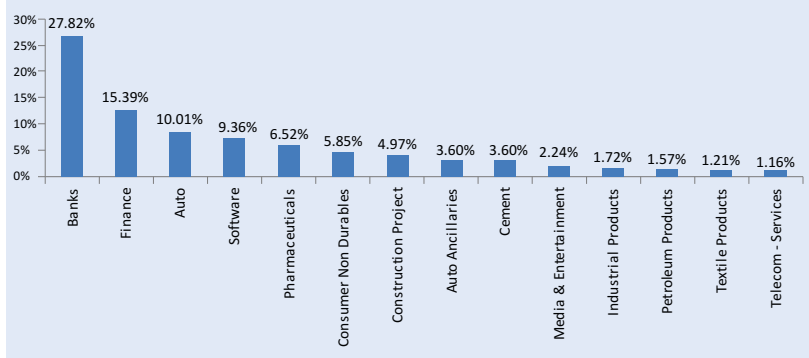
**Benchmark:** Nifty 50

**Fund Manager:** Mr. Bandi, aged 37 years, is a Science graduate and a Chartered Accountant with 15 years of experience in the financial services industry. Mr. Bandi has been managing fund since its inception.

## Top 15 Holdings as on October 31, 2015

Name of Instrument	Industry	% to Net Assets
HDFC Bank Ltd	Banks	10.18%
Bajaj Finance Ltd	Finance	8.77%
Tata Motors Ltd DVR Shares	Auto	6.95%
Sun Pharmaceuticals Industries Ltd	Pharmaceuticals	6.52%
Kansai Nerolac Paints Ltd	Consumer Non Durables	5.85%
Kotak Mahindra Bank Ltd	Banks	5.19%
State Bank of India	Banks	5.03%
Larsen & Toubro Ltd	Construction Project	4.97%
Tech Mahindra Ltd	Software	4.85%
Bajaj Finserv Ltd	Finance	4.77%
ICICI Bank Ltd	Banks	3.62%
Grasim Industries Ltd	Cement	3.60%
Maruti Suzuki India Ltd	Auto	3.06%
HCL Technologies Ltd	Software	2.88%
Exide Industries Ltd	Auto Ancillaries	2.36%
Top 15 Equity Holding		78.60%
Total Equity Holding		95.02%
Net Cash & Cash Equivalent		4.98%
<b>Total</b>		<b>100%</b>

## Industry Allocations\*



\*Industry allocations as per AMFI classifications.

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

IIFL Dividend Opportunities Index Fund 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

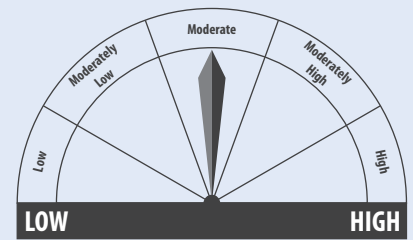
An Open ended Income Scheme



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



Investors understand that the principal will be at moderate risk

## Scheme Details

**NAV (30-10-2015) :**

**Regular Plan Growth** : ₹ 11.7673

**Regular Plan Bonus** : ₹ 11.7673

**Direct Plan Growth** : ₹ 11.9066

Dividend option	Regular Plan	Direct Plan
Monthly	₹ 10.9982	₹ 11.1357
Quarterly	₹ 11.3553	₹ 11.4930
Half yearly	₹ 11.3553	-

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.

**Date of allotment** : June 24, 2013

**Net AUM** : ₹ 1160 Lakhs

**Avg. Monthly AUM** : ₹ 1158 Lakhs

**Dematerialization** : D-mat option available

**Load Structure :**

**Entry Load** : Nil,

**Exit Load** : Nil

**Exit Load (For SIP)**: Nil

**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 : 1.34 % p.a.

Direct Plan : 0.84 % p.a.

**Asset Allocation :**

Debt Market Instruments : 0% - 100%

Money Market Instruments : 0% - 100%

**YTM** : 7.68%

**Modified Duration** : 7.37 Yrs

**Average Maturity** : 12.69 Yrs

**Bloomberg code** : IIFDBDB IN

## 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. Amey Mashilkar

Mr. Mashilkar, aged 28 years, is MBA from IIM Bangalore. He has 3 years of experience in portfolio advisory cross fixed income, equity, real estate and commodities. Prior to Joining IIFL AMC he was associated with Kotak Wealth Management Ltd.

Mr. Mashilkar has been managing the current fund since 27-Apr-2015.

## Holdings as on October 31, 2015

Sector / Rating		Percent
<b>Government Securities</b>		
7.88% GOI 2030	Sovereign	86.91%
<b>BONDS &amp; NCDs</b>		
IDBI Bank Ltd	CRISIL A1+	4.29%
CBLO / Reverse Repo & Net Current Asset		8.80%
<b>Total</b>		<b>100%</b>

## Scheme Performance

Indices	30 Sept 2013 - 30 Sept 2014	30 Sept 2014 - 30 Sept 2015	Since Inception CAGRS	PTP Return (INR)
IIFL Dynamic Bond Fund-Regular plan	12.85%	12.10%	7.52%	11791
IIFL Dynamic Bond Fund-Direct plan	13.41%	12.72%	8.06%	11925
Benchmark*	12.56%	12.81%	8.65%	12074
Additional Benchmark**	13.76%	10.77%	6.02%	11421

As on September 30, 2015

\* Crisil Composite Bond Fund Index; \*\* Crisil 10 yr 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

### IIFL Dynamic Bond Fund - Monthly Dividend Plan

Date	Gross Dividened (Per Unit)	CUM -NAV- Regular Plan	CUM -NAV- Direct Plan
28-Jul-15	0.05	₹ 10.8678	₹ 10.9873
25-Aug-15	0.05	₹ 10.8867	₹ 11.0111
27-Oct-15	0.05	₹ 11.0464	₹ 11.1834

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.

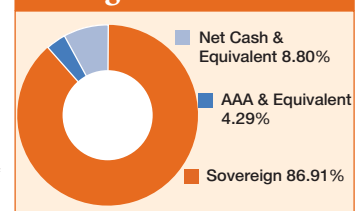
### IIFL Dynamic Bond Fund - Quarterly Dividend Plan

Date	Gross Dividened (Per Unit)	CUM -NAV- Regular Plan	CUM -NAV- Direct Plan
6-Apr-15	0.29	11.7567	11.8597

### IIFL Dynamic Bond Fund - Half Yearly Dividend Plan

Date	Gross Dividened (Per Unit)	CUM -NAV- Regular Plan	CUM -NAV- Direct Plan
6-Apr-15	0.29	11.7567	-

## Rating Profile



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

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# IIFL Liquid Fund

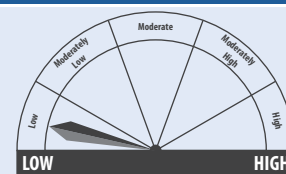
An Open-ended Liquid Scheme



**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.



Investors understand that the principal will be at Low risk.

## Scheme Details

**NAV (30-10-2015) :**

**Regular Plan Growth** : ₹ 1166.9535

**Direct Plan Growth** : ₹ 1168.1048

**Dividend option** : **Regular Plan**

**Daily Div. Reinv.** : ₹ 1000.0000

**Weekly** : ₹ 1005.5561

**Date of allotment** : Nov. 13, 2013

**Net AUM** : ₹ 7860 Lakhs

**Avg. Monthly AUM** : ₹ 9097 Lakhs

**Load Structure :**

**Entry Load :** Nil

**Exit Load :** Nil

**Plans offered :** Regular Plan and Direct Plan

**Options offered (Under each plan) :** Growth Option & Dividend Option

**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 : 0.23 % p.a.

Direct Plan : 0.18 % p.a.

**Asset Allocation :**

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

**YTM** : 7.23%

**Modified Duration** : 0.06 yrs

**Average Maturity** : 0.06 Yrs

## About the Scheme

**Investment 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 91days. However, there can be no assurance that the investment objective of the Scheme will be achieved

**Benchmark:** CRISIL Liquid Fund Index

**Fund Manager:** Mr. Amey Mashilkar

Mr. Mashilkar, aged 28 years, is MBA from IIM Bangalore. He has 3 years of experience in portfolio advisory cross fixed income, equity, real estate and commodities. Prior to Joining IIFL AMC he was associated with Kotak Wealth Management Ltd.

Mr. Mashilkar has been managing the current fund since 27-Apr-2015.

## Holdings as on October 31, 2015

Certificate of Deposit**		
Corporation Bank	CRISIL A1+	12.69%
Punjab & Sind Bank	ICRA A1+	12.66%
Andhra Bank	CARE A1+	6.36%
IDBI Bank Ltd	CRISIL A1+	6.31%
IDBI Bank Ltd	CRISIL A1+	5.70%
Commercial Paper		
Housing Development Finance Corporation Ltd	ICRA A1+	6.36%
Aditya Birla Nuvo Ltd	CARE A1+	6.36%
Kotak Mahindra Investments Ltd	ICRA A1+	6.36%
Aditya Birla Finance Ltd	CRISIL A1+	6.34%
Export Import Bank of India	CRISIL A1+	6.31%
BONDS & NCDs		
Kotak Mahindra Prime Ltd	CRISIL AAA	8.04%
Small Industries Dev Bank of India	CRISIL AAA	7.90%
CBLO & Net Current Asset		8.61%
<b>Total</b>		<b>100.00%</b>

## Scheme Performance

Indices	30 September 2014 - 30 September 2015	Since Inception CAGR§	PTP Return (INR)
IIFL Liquid Fund-Regular plan	8.06%	8.22%	11602
IIFL Liquid Fund-Direct plan	8.11%	8.27%	11613
Benchmark*	8.56%	8.93%	11747
Additional Benchmark**	8.50%	8.82%	11725

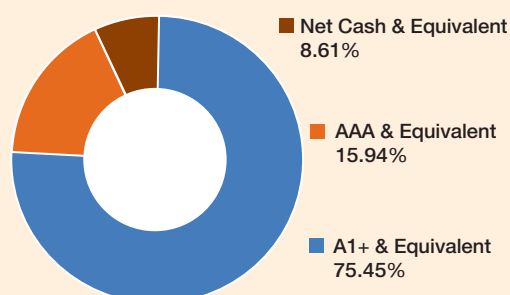
As on September 30, 2015

\*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

## Rating Profile



**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**

### **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 Rs. 100 and the entry load is 1 %, the investor will enter the fund at Rs. 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 Rs. 100 and the exit load is 1%, the redemption price would be Rs.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 | 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.