

MONTHLY FACTSHEET

APRIL 2018



Macro Economy & Event Update

- The last month of the fiscal year 2017-18 saw volatility around the globe as positive economic data gave investors confidence but trade tensions between the U.S. and China hit sentiment badly.
- Initial gains in the U.S. markets were wiped out over trade tensions between the U.S. and China as the U.S. government decided to put heavy tariffs on Chinese imports. Political spat between the U.S. and Russia also dented sentiment. Towards the end, things improved a little when U.S. and China seemed to ready to negotiate over tariffs.
- European markets too met with a similar fate and gains made in the beginning of the month were eroded by concerns of a potential global trade war. The U.S. Federal Reserve's (Fed) interest rate hike decision didn't help the region's cause either. Losses were restricted when U.S. and China indicated willingness to negotiate which eased concerns of a global trade war to some extent.
- Trade war tensions cast their shadow on Asian markets as well. However, Asian markets received some support after the Bank of Japan (BoJ) kept its policy rates unchanged and offered no clues on when it would wind down stimulus measures. Additionally, positive Japanese and Chinese economic data helped sentiment.
- Indian markets, like global peers, bore the brunt of trade war worries and ended the month in the red. Domestic factors were equally responsible for the markets' plight – intensifying concerns over banking sector and political uncertainty. The domestic debt market got some respite after bond yields came down in Mar 2018 after the Indian government lowered its borrowing programme for the first six months of 2018-19. However, increase in global crude oil prices and rise in U.S. interest rates, among other factors, restricted gains.
- Market participants will now await the outcome of the first monetary policy review in FY19 by the Monetary Policy Committee (MPC) where it will pay close attention to the committee's economic assessment as well as any change in the stance of liquidity management policy. The readings of key domestic macroeconomic indicators especially retail inflation will also be closely tracked. On the global front, the stance adopted by the U.S. administration will also remain in focus. Moreover, movement of the rupee against the greenback, stance adopted by foreign portfolio investors and global crude oil prices will also be closely tracked by market players.

Key Economic Indicators

Indicators	Current	Previous
WPI(Feb-18)	2.48%	2.84%
IIP(Jan-18)	7.50%	7.10%
CPI(Feb-18)	4.44%	5.07%

Source: Thomson Reuters Eikon

India's current account deficit widened in Q3FY18

- Data from the Reserve Bank of India (RBI) showed that India's Current Account Deficit (CAD) expanded to \$13.5 billion (2% of GDP) in Q3 of FY18 from \$7.2 billion (1.1% of GDP) in the preceding quarter and \$8.0 billion (1.4% of GDP) in the same quarter of the previous fiscal. CAD widened on YoY basis due to higher trade deficit driven by a larger increase in merchandise imports relative to exports.

India's fiscal deficit for the Apr 2017-Feb 2018 period increased to Rs. 7.16 lakh crore

- India's fiscal deficit for the Apr 2017-Feb 2018 period increased to Rs. 7.16 lakh crore, which is 120.3% of the government's revised target for FY18. During the corresponding period last year, fiscal deficit was at 113.4% of the Budget Estimate. Total receipts were Rs. 12.83 lakh crore or 79.1% of the Budget Estimate, while revenue expenditure amounted to Rs. 17.02 lakh crore or 87.5% of the financial year estimates.

Retail inflation growth slowed to 4.44% in Feb 2018

- The Consumer Price Index (CPI) based inflation or retail inflation grew 4.44% in Feb 2018, down from 5.07% in the previous month and up from 3.65% in the same month of the previous year. Though retail inflation growth subdued, it surpassed RBI's medium-term target of 4% for the fourth consecutive month. The Consumer Food Price Index also grew 3.26% in Feb 2018, down from 4.70% in the previous month and up from 2.01% in the same month of the previous year.

Index of Industrial Production grew 7.5% in Jan 2018

- India's Index of Industrial Production (IIP) grew 7.5% in Jan 2018 as against growth of 7.1% in Dec 2017 and 3.5% in the same period of the previous year. The manufacturing sector also surged 8.7% in Jan 2018 from 2.5% growth in the same period of the previous year. However, IIP growth for Apr to Jan 2018 slowed to 4.1% from 5.0% in the same period of the previous fiscal.

Wholesale Price Index-based inflation growth slows to 2.48% in Feb 2018

- Government data showed that India's Wholesale Price Index-based inflation (WPI) slowed to a seven-month low of 2.48% in Feb 2018 from 2.84% in the previous month and 5.51% in the same month of the previous year. Wholesale inflation grew at a slower pace due to softer rise in food and fuel prices. The WPI Food Index also decreased from 1.65% in Jan 2018 to 0.07% in Feb 2018.

Trade Deficit widened in Feb 2018

- India's export during the month of Feb 2018 increased 4.48% YoY to \$25.83 billion from \$24.73 billion in Feb 2017. Similarly, import grew 10.41% YoY to \$37.81 billion from \$34.25 billion in the same period of the previous year. Trade deficit widened to \$12.0 billion as against \$9.52 billion in Feb 2017. However, it narrowed against \$16.30 billion in Jan 2018.

Equity Market

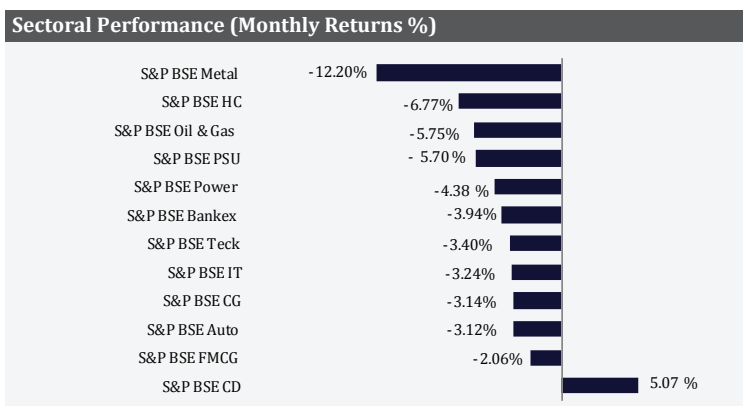
- Indian equity markets ended the last month of FY18 in the red after witnessing volatility. The menace of banking frauds proved costly for the domestic equity markets during the month. Walk out of the regional party of Andhra Pradesh from the Central ruling coalition kept investors jittery. Weak global cues too played spoilsport with the U.S. President imposing hefty tariff on imports of steel and aluminium products and growing speculations over political tensions in the U.S. Worries of a probable trade war between the U.S. and China hit market sentiment, although the same eased when both the nations agreed to negotiate.
- U.S. markets initially traded high after the U.S. Labour Department released a report showing much stronger than expected job growth in Feb 2018. Later, market moved down on trade tensions between the U.S. and China after the U.S. government asked China to reduce its trade surplus with the U.S. by \$100 billion and decided to put heavy tariffs on Chinese imports. China also retaliated by announcing it would levy additional duties on up to \$3 billion of U.S. imports of agricultural goods. Geo-political tensions deepened after U.S. said it would expel 60 Russian diplomats and Russia indicated to take harsh measures to combat the situation.
- European markets initially remained stable amid easing geopolitical tensions as North Korean leader offered to halt nuclear missile tests and agreed to meet with the U.S. President through South Korean national security adviser. The European Central Bank's (ECB) policy decision too generated positive vibes. ECB dropped the easing bias on asset purchases from its forward guidance, while leaving key interest rates unchanged. Later, market gave up gains on growing concerns over a potential global trade war after the U.S. President signed an executive memorandum imposing tariffs on Chinese imports. The U.S. Fed's interest rate decision also played spoilsport, although its projection of future rate hikes soothed investor nerves to some extent.
- Asian markets initially got support after the Bank of Japan kept its policy rates unchanged and offered no clues on when it would wind down stimulus measures. Additionally, positive Japanese and Chinese economic data helped sentiment. However, gains could not sustain following political worries in the U.S. and the U.S. President announcing a protectionist trade policy. Chinese market moved down further after the People's Bank of China also raised its short-term interest rates for the first time in 2018 following Fed's rate-hike decision. Suspected scandal involving the sale of state-owned land in Japan dented sentiment too.
- The recent instances of bank fraud have raised concerns over the outlook of the banking sector of India. There are worries that public sector banks might report losses for another year as banks are required to put their balance sheets in order and provide for the weak loans. On the global front, Market participants shall follow developments on trade negotiations between the U.S. and China. Additionally, the U.S. Fed's stance on the timing of future rate hikes shall have a bearing on buying interest. The exit of the regional political party of Andhra Pradesh from the ruling coalition government will have far reaching consequences ahead of the general elections in 2019. Market participants shall track political developments in this regard. Apart from these, the movement of global crude oil prices shall continue to impact market sentiment.

Domestic Indices Performance				
Indicators	28-Mar-18	28-Feb-18	Chg %	YTD%
S&P BSE Sensex	32,969	34,184	-3.56	-2.50
Nifty 50	10,114	10,493	-3.61	-3.08
S&P BSE 200	4,433	4,592	-3.46	-4.73
Nifty Midcap 100	18,757	19,665	-4.62	-11.15
Nifty Dividend Opportunities 50	2,523	2,634	-4.23	-3.67
S&P BSE Smallcap	16,994	18,128	-6.25	-11.85

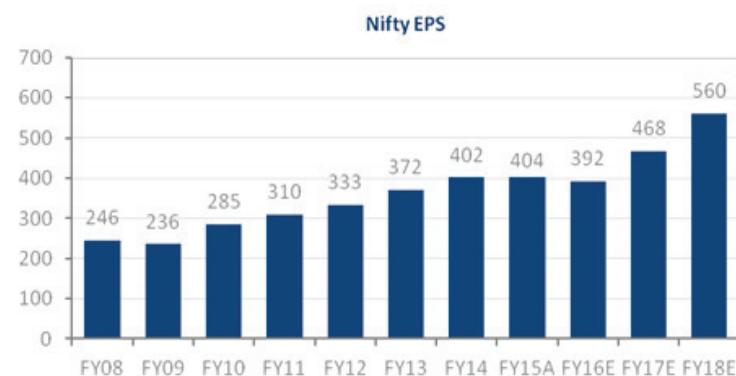
Source: Thomson Reuters Eikon

Global Indices Performance				
Global Indices	30-Mar-18	28-Feb-18	Chg %	YTD%
Dow Jones*	24,103	25,029	-3.70	-2.90
FTSE*	7,057	7,232	-2.42	-7.73
CAC*	5,167	5,320	-2.88	-2.29
Hang Seng*	30,093	30,845	-2.44	-1.38
SSE Composite Index	3,169	3,259	-2.78	-5.36

Source: Thomson Reuters Eikon; *As on 29-Mar-18



Source: Thomson Reuters Eikon



Institutional Flows (Equity) As on March 28, 2018				
(₹ Cr)	Purchases	Sales	Net	YTD
FII Flows	120,864	109,209	11,654	14,399
MF Flows#	54,936	47,398	7,538	32,742
DII Flows	79,303	72,609	6,694	24,906

Source: NSDL, NSE & SEBI: #As on March 27, 2018

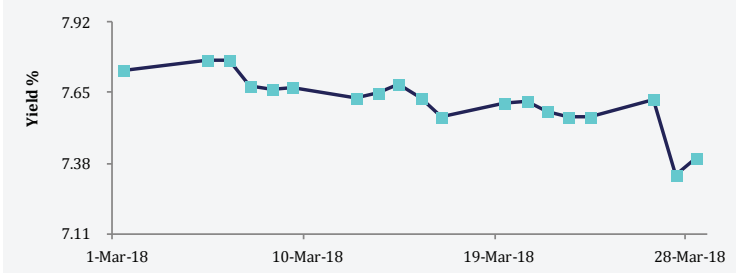
Debt Market

- Bond yields plunged in Mar 2018 after the Indian government unexpectedly lowered its borrowings for the first six months of 2018-19. Prospects of improved liquidity in the banking system also boosted market sentiment. However, increase in global crude oil prices, rise in interest rates by the U.S. Federal Reserve and intermittent bouts of profit booking by market participants capped the gains.
- Yield on gilt securities fell across maturities in the range of 6 bps to 38 bps. The maximum fall was witnessed on 13-year paper and the minimum on 1-year paper. Yield on corporate bonds fell across maturities in the range of 20 bps to 40 bps. The maximum fall was witnessed on 10-year paper and the minimum on 4-year paper. Difference in spread between AAA corporate bond and gilt contracted across maturities in the range of 1 bps to 23 bps, barring 4-year paper that expanded 1 bps.
- With domestic liquidity conditions gradually normalizing and several factors namely elections, pick-up in credit growth and economic growth coming into play, systematic liquidity may come under pressure having an adverse impact on bond yields. Market participants will also await the outcome of the first monetary policy review in FY19 by the MPC where it will pay close attention to the committee's economic assessment as well as any change in the stance of liquidity management policy.

Currency and Commodity Market

- The Indian rupee remained almost steady against the U.S. dollar after moving in a narrow range during the month. Rupee rose as slower U.S. wage growth data for Feb 2018 minimized concerns over acceleration in U.S. inflation and subsequent faster pace of interest rate hikes by the U.S. Fed. Domestic currency also gained after India's consumer inflation reached 4-month low in Feb 2018 and industrial output jumped in Jan 2018.
- Brent crude prices initially remained low amid persisting concerns over supply glut after the International Energy Agency (IEA) predicted that the U.S. will surpass Russia as the world's biggest oil producer by 2019, if not sooner. Later, prices got support on news that production cuts by OPEC and Russia could be extended into 2019. Tensions between Saudi Arabia and Iran reignited fears of supply disruptions in the region which also boosted oil prices. Additionally, data from energy services firm Baker Hughes indicated that U.S. oil rigs count fell for the week ended Mar 29.

10-Year Benchmark Bond (7.17% GS 2028) Movement



Source: Thomson Reuters Eikon

Spread Movement

Spreads	AAA	AA+	AA	AA-	
28-Mar-18	1 Yr	77	71	90	110
	3 Yr	45	78	96	121
	5 Yr	31	47	70	100
28-Feb-18	1 Yr	101	121	141	151
	3 Yr	60	78	101	126
	5 Yr	43	60	86	112

Source: Thomson Reuters Eikon

Yield (%)	28-Mar-18	28-Feb-18
10 Year G-Sec	7.40	7.73
5 Year G-Sec	7.32	7.46

Certificate of Deposit

3-Month	6.80	7.25
6-Month	7.15	7.44
9-Month	7.18	7.51
12-Month	7.22	7.58

Commercial Papers

3-Month	7.44	7.92
6-Month	7.67	8.01
9-Month	7.77	8.09
12-Month	7.88	8.17

Source: Thomson Reuters Eikon

Event Calendar

Release Date	Release Date	Country
05-Apr-18	MPC Bi-monthly Monetary Policy Review	India
06-Apr-18	Nonfarm Payrolls (Mar)	U.S.
17-Apr-18	Gross Domestic Product (YoY) (Q1)	China
26-Apr-18	ECB Monetary Policy Review	Euro Zone
27-Apr-18	Bank of Japan Monetary Policy Review	Japan

Investment 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.

Fund Manager Mr. Prashasta Seth

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

Fund Details

Date of Allotment	: October 30, 2014
Bloomberg Code	: IIFGRRG IN
Benchmark Index	: Nifty 50 TRI
Plans Offered	: Regular & Direct
Options Offered	: Growth & Dividend
Minimum Application:	
New Purchase	: ₹5,000 and in multiples of ₹100 thereafter
Additional Purchase	: ₹1,000 and in multiples of ₹100 thereafter
Monthly SIP Option	: ₹1,000 per month for a minimum period of 6 months
Quarterly SIP Option:	₹1,500 per quarter for a minimum period of 4 quarters
Entry Load	: NIL
Exit Load	: 2% - if redeemed/switched out, on or before 2 months from the date of allotment w.e.f. November 16, 2017
Dematerialization	: D-Mat Option Available
Portfolio Turnover Ratio (based on 1 year monthly data)	: 2.12 times

NAV as on March 28, 2018

Regular - Growth	: ₹13.9045
Regular - Dividend	: ₹12.3015
Direct - Growth	: ₹14.4562
Direct - Dividend	: ₹14.2703

AUM as on Mar 31, 2018

Net AUM	: ₹ 256.18 crore
Monthly Average AUM	: ₹ 272.94 crore

Expense Ratio (Weighted Average for the month)

Regular Plan	: 2.65% p.a.
Direct Plan	: 1.11% p.a.

Volatility Measures Fund Benchmark

Std. Dev (Annualised)	14.16%	11.51%
Sharpe Ratio	0.36	0.97
Portfolio Beta	0.90	1.00
R Squared	0.80	NA
Treynor	0.06	0.03

Portfolio as on March 31, 2018

Company Name	Industry	% to Net Assets
Equity & Equity Related Total		
Bajaj Finance Limited	Finance	9.25
HDFC Bank Limited	Banks	7.58
CESC Limited	Power	7.58
SBI Life Insurance Company Limited	Finance	6.15
Tata Global Beverages Limited	Consumer Non Durables	5.99
Dalmia Bharat Limited	Cement	5.96
IIFL Holdings Limited	Finance	5.51
Reliance Nippon Life Asset Management Limited	Finance	4.41
Tata Motors Ltd DVR Shares	Auto	4.34
State Bank of India	Banks	4.33
Sun Pharmaceutical Industries Limited	Pharmaceuticals	4.33
UPL Limited	Pesticides	3.88
Tech Mahindra Limited	Software	3.54
Shalby Limited	Healthcare Services	3.26
Dilip Buildcon Limited	Construction	2.86
Bajaj Finserv Limited	Finance	2.62
Merck Limited	Pharmaceuticals	2.52
Ujjivan Financial Services Limited	Finance	2.45
Bandhan Bank Limited	Banks	2.44
Peninsula Land Limited	Construction	2.39
Infosys Limited	Software	2.03
The Federal Bank Limited	Banks	1.92
CBLO		5.69
Sub Total		101.03
Net Receivables / (Payables)		-1.03
Portfolio Total		100.00

Scheme Performance

	31-Mar-17 to 31-Mar-18	PTP (₹)	31-Mar-15 to 31-Mar-18	PTP (₹)	Since Inception ^s	PTP (₹)
IIFL India Growth Fund - Reg - Growth	5.04%	10,500	8.60%	12,802	10.15%	13,906
IIFL India Growth Fund - Dir - Growth	6.63%	10,657	9.82%	13,238	11.41%	14,456
Benchmark*	11.86%	11,176	7.38%	12,377	7.75%	12,900
Additional Benchmark**	12.81%	11,270	7.14%	12,294	7.02%	12,604

Past performance may or may not be sustained in future.

Different plans shall have different expense structure.

As on March 31, 2018; Point to Point (PTP) returns in ₹ is based on standard investment of ₹10,000; Since Inception date is 30-Oct-2014; *Nifty 50 TRI; ** S&P BSE Sensex TRI; Managed by the fund manager since November 03, 2016; Scheme has been in existence for more than 1 year but less than 3 years.

The performance of the scheme is benchmarked to the Total Return variant of the Index.

SIP - If you had invested ₹10,000 every month

	31-Mar-17 to 31-Mar-18	31-Mar-15 to 31-Mar-18	Since Inception
Total Amount Invested (₹)	1,20,000	3,60,000	4,00,000
Total Value as on Mar 31, 2018(₹)	1,16,510	4,14,477	4,65,139
Returns	-5.46%	9.44%	9.08%
Total Value of Benchmark: Nifty 50 TRI (₹)	1,23,514	4,29,858	4,79,081
Benchmark: Nifty 50 TRI	5.60%	11.95%	10.90%
Total Value of Benchmark: S&P BSE Sensex TRI (₹)	1,24,341	4,29,129	4,77,642
Additional Benchmark: S&P BSE Sensex TRI	6.93%	11.83%	10.71%

(Inception date :30-Oct-2014) (First Installment date : 01-Dec-2014)

Source: MFI Explorer; 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. Managed by the fund manager since November 03, 2016.

The performance of the scheme is benchmarked to the Total Return variant of the Index.

Dividend Details

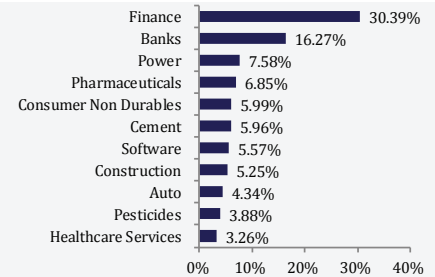
	Record Date	Face Value (₹)	Cum Dividend NAV (₹) As on Feb 15, 2017	Dividend Per Unit
Regular Plan	15-Feb-17	10	12.7777	1.50
Direct Plan	15-Feb-17	10	13.0738	0.17

THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING*

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

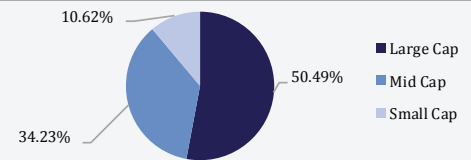
* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Sector Allocation^^



^^Industry allocation as per AMFI classification

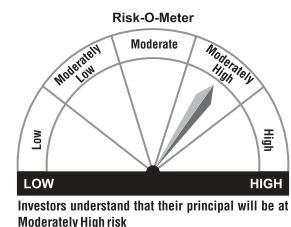
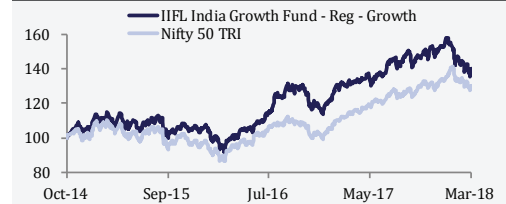
Market Capitalisation wise Exposure^



a. Large Cap Companies: 1st -100th company in terms of full market capitalization
b. Mid Cap Companies: 101st -250th company in terms of full market capitalization
c. Small Cap Companies: 251st company onwards in terms of full market capitalization
The consolidated list of stocks in terms of full market capitalization is as per the list uploaded by AMFI, in terms of SEBI circulars dated October 6, 2017 and December 4, 2017.

^As on Mar 31, 2018

NAV Movement (Since Inception) Rebased to 100



Investors understand that their principal will be at Moderately High risk

Fund Commentary

After a roller coaster ride in FY18, we have entered the new financial year with a lot of uncertainty on both domestic and global macro-economic and political front. March'18 saw markets reacting to deteriorating macro indicators, PSU Bank fiasco which started with PNB Bank, political setbacks for ruling party in some state by-poll elections and economic tariff wars between US and China. The recent correction in the market has helped in bringing the valuations to some reasonable levels, but still it is not within the attractive zone.

Going ahead we believe there are few key drivers for the markets in the near to medium term:

- The first is the current global economic war which is taking shape due to the import tariffs being imposed by the US govt on Chinese imports. This could develop into a major road block for international trade and is a major cause of immediate concern as it could hurt the global GDP growth rate which has grown by around 4.9% in 2017 after several years of sluggishness and has been one of the main reasons for rally in global markets.
- Secondly, political uncertainty could take centre stage as we have several state elections in coming months and from the current look of it seems that it wont be an easy walk for BJP in many states. Political uncertainty definitely has its impact on the sentiments for investors both local and foreign.
- Lastly, the Q4FY18 earnings could be an important driver for the markets in the near term though we do not expect any major positive surprises there but lack of any negative surprise could be seen as a positive trigger.

During the month, portfolio stocks such as Bajaj Finance (+7.7%), Dalmia Bharat (+9.2%), Dilip Buildcon (+6.1%) and Tech Mahindra (+4.2%), outperformed the benchmark. The scheme also participated as an anchor investor in the IPO of Bandhan Bank and that had a strong listing of over 25%. Among the drags in the portfolio were Peninsula Land (-27.2%), Tata Motor DVR (-11.4%), Reliance AMC (-9.6%) and IIFL Holdings (-6.7%).

Disclaimer

The above commentary/opinions/in house views/strategy incorporated herein is provided solely to enhance the transparency about the investment strategy / theme of the Scheme and should not be treated as endorsement of the views / opinions or as an investment advice. The above commentary should not be construed as a research report or a recommendation to buy or sell any security. The information / data herein alone is not sufficient and shouldn't be used for the development or implementation of an investment strategy. The above commentary has been prepared on the basis of information, which is already available in publicly accessible media or developed through analysis of IIFL Mutual Fund. The information/ views / opinions provided is for informative purpose only and may have ceased to be current by the time it may reach the recipient, which should be taken into account before interpreting this commentary. The recipient should note and understand that the information provided above may not contain all the material aspects relevant for making an investment decision and the stocks may or may not continue to form part of the scheme's portfolio in future. The decision of the Investment Manager may not always be profitable; as such decisions are based on the prevailing market conditions and the understanding of the Investment Manager. Actual market movements may vary from the anticipated trends. The statements made herein may include statements of future expectations and other forward-looking statements that are based on our current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alterations to this statement as may be required from time to time. Neither IIFL Mutual Fund / IIFL Asset Management Ltd, its associates, directors or representatives shall be liable for any damages whether direct or indirect, incidental, punitive special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information.

Investment 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.

Fund Manager Mr. Ankur Parekh

Mr. Ankur Parekh has over 15 years of work experience in the Fixed income securities market. His previous experience include working with SBI DFHI primary Dealership firm and DBS Cholamandalam AMC. Prior to joining IIFL AMC he was associated with Reliance Capital AMC as Fund Manager - EPFO for seven years. He is commerce graduate and has done his Masters in Business Administration from Bharthi Har University, Tamilnadu. Mr Parekh has been managing the scheme since March 08, 2017.

Fund Details

Date of Allotment : June 24, 2013
Bloomberg Code : IIFDDBBIN
Benchmark Index : CRISIL Composite Bond Fund Index
Plans Offered : Regular & Direct
Options Offered : Growth & Dividend

Minimum Application Amount :
New Purchase : ₹10,000 and in multiples of ₹100 thereafter
Additional Purchase : ₹1,000 and in multiples of ₹100 thereafter
Monthly SIP Option : ₹1,000 per month for a minimum period of 6 months
Quarterly SIP Option : ₹1,500 per quarter for a minimum period of 4 quarters

Entry Load : Nil
Exit Load : 1% - if redeemed/switched out, on or before 18 months from the date of allotment and Nil - if redeemed/switched out after 18 months from the date of allotment. w.e.f October 10, 2017

Dematerialization : D-Mat Option Available
Asset Allocation :
 Debt Market Instruments : 0% to 100%
 Money Market Instruments : 0% to 100%
 Units issued by REITs & InvITs : 0% to 10%

NAV as on March 28, 2018

Regular Plan Growth : ₹13.9193
Regular Plan Bonus : ₹13.9193
Regular Quarterly Dividend : ₹13.4320
Regular Half Yearly Dividend : ₹13.4320
Regular Monthly Dividend : ₹11.4380
Direct Plan Growth : ₹14.2639
Direct Monthly Dividend : ₹11.7574

*Note: Base 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.

AUM as on Mar 31, 2018

Net AUM : ₹ 364.38 crore
Monthly Average AUM : ₹ 253.42 crore

Expense Ratio (Weighted Average for the month)

Regular Plan : 1.32% p.a.
Direct Plan : 0.68% p.a.

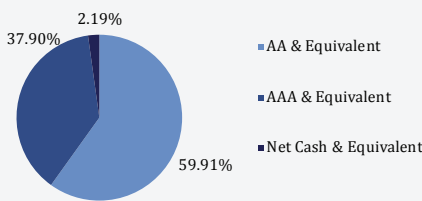
Statistical Debt Indicators

Modified Duration : 2.06 years
Average Maturity : 2.44 years
Yield to Maturity : 8.11%

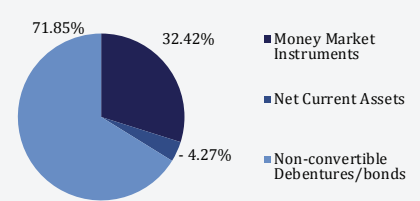
Portfolio as on March 31, 2018

Name of the Instrument	Rating	% to Net Assets	Name of the Instrument	Rating	% to Net Assets
Debt Instruments					
Listed / awaiting listing on Stock Exchange			71.85		
9.57% Grand View Estates Private Limited	ICRA AA (SO)	6.89	8.48% U.P. Power Corporation Limited	FITCH AA(SO)	0.83
4.00% HPCL Mittal Energy Limited	ICRA AA	6.84	12.75% India Infoline Finance Limited	CRISIL AA	0.70
JM Financial Credit Solution Limited	ICRA AA	5.54	8.48% U.P. Power Corporation Limited	FITCH AA(SO)	0.67
Aditya Birla Fashion and Retail Limited	CRISIL AA	4.62	9.15% SP Jammu Udhampur Highway Limited	ICRA AAA(SO)	0.51
8.75% Axis Bank Limited	CRISIL AA+	4.52	National Bank For Agriculture and Rural Development	CRISIL AAA	0.42
10.25% Hansdeep Industries & Trading Company Limited	CARE AA(SO)	4.25	10.75% Tata Motors Finance Limited	CRISIL AA	0.40
8.1352% Bajaj Housing Finance Limited	CRISIL AAA	4.12	9.45% State Bank of India	CRISIL AAA	0.01
9.75% Edelweiss Housing Finance Limited	ICRA AA	4.00	Certificate of Deposit		
9.15% Birla Corporation Limited	ICRA AA	3.23			
9.00% State Bank of India	CRISIL AA+	3.19	Small Industries Dev Bank of India	CARE A1+	6.49
11.80% Tata Steel Limited	CARE AA-	2.99	HDFC Bank Limited	CARE A1+	6.48
8.32% Power Grid Corporation of India Limited	CRISIL AAA	2.80	National Bank For Agriculture and Rural Development	CRISIL A1+	6.46
9.80% ECL Finance Limited	ICRA AA	2.78	IndusInd Bank Limited	CRISIL A1+	5.18
8.15% Energy Efficiency Services Limited	ICRA AA	2.74	Andhra Bank	CARE A1+	1.35
7.90% Piramal Enterprises Limited	ICRA AA	2.72	CBLO / Reverse Repo		
7.60% ICICI Bank Limited	ICRA AAA	2.70			
ECL Finance Limited	CARE AA	1.62	CBLO		6.46
8.85% HDFC Bank Limited	CRISIL AA+	1.38	Sub Total		
8.20% Housing Development Finance Corporation Limited	CRISIL AAA	1.38	Net Current Assets		
			Portfolio Total		
			104.27		
			(4.27)		
			100.00		

Composition by Rating[^]



Instrument Wise Composition[^]



Dividend Declared - Monthly Dividend Plan

Date	Gross Dividend (₹) (Per Unit)	Regular Plan NAV (₹) (Cum Dividend)	Direct Plan NAV (₹) (Cum Dividend)
27-Mar-18	0.05	11.4277	11.7467
27-Feb-18	0.05	11.3451	11.6545
30-Jan-18	0.05	11.3942	11.6977
Quarterly Dividend Plan			
04-Jun-15	0.4	11.4678	11.5708
Half Yearly Dividend Plan			
04-Jun-15	0.4	11.4678	

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 Dividend is not assured and is subject to availability of distributable surplus.

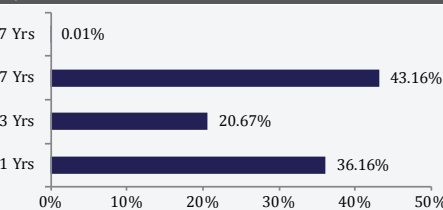
Scheme Performance

	31-Mar-17 to 31-Mar-18	PTP (₹)	31-Mar-15 to 31-Mar-18	PTP (₹)	Since Inception ^s	PTP (₹)
IIFL Dynamic Bond Fund - Reg - Growth	7.44%	10,738	6.74%	12,157	7.19%	13,918
IIFL Dynamic Bond Fund - Dir - Growth	8.05%	10,798	7.30%	12,349	7.74%	14,262
Benchmark*	5.10%	10,506	8.12%	12,634	8.30%	14,618
Additional Benchmark**	-0.42%	9,958	6.36%	12,028	5.99%	13,192

Past performance may or may not be sustained in future
 Different plans shall have different expense structure

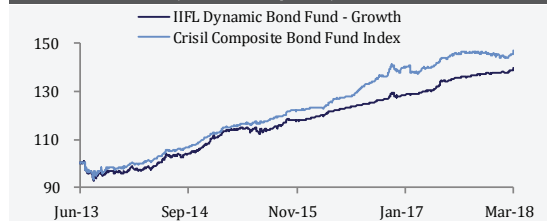
As on March 31, 2018* Crisil Composite Bond Fund Index,** Crisil 10yr Gilt Index; Point to Point (PTP) returns in ₹ is based on standard investment of ₹ 10,000 made on the inception date ;^s Inception date 24-June-2013; Scheme has been in existence for more than 3 years but less than 5 years; Effective March 08 2017, Mr. Ankur Parekh has been appointed as Fund Manager of the scheme. The Scheme was managed till March 07, 2017 by Mr Ritesh Jain

Maturity Profile[^]



[^]As on March 31, 2018

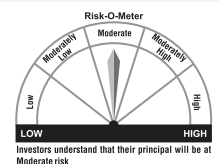
NAV Movement (Since Inception) Rebased to 100



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.



Fund Commentary

Bond yields came off sharply in the later part of March 18 as the Indian government unexpectedly lowered its borrowings for the first six months of 2018-19. Prospects of improved liquidity in the banking system also boosted market sentiment. However, increase in global crude oil prices, rise in interest rates by the U.S. Federal Reserve and intermittent bouts of profit booking by market participants capped the gains. Yield on gilt securities fell across maturities in the range of 6 bps to 38 bps. Mirroring sovereign, corporate bonds yield curve too reacted down by 20 bps to 40 bps.

Domestic liquidity conditions are gradually leading to marginal surplus mode in coming quarters, as government front loads spending in the economy. Going forward, readings on inflation is likely to remain elevated due to adverse base effect and increase in diesel prices. Market participants will await the economic assessment by the Monetary Policy Committee in its first review meet of FY19, regarding RBI's stance on liquidity management and inflation projections. Market will closely monitor evidence of fiscal situation in the form of pick up in GST revenue and execution of other populist measures including increase in Minimum Support Price (MSP). In addition, global yields and currency volatility resulting from Tariffs war & other political developments will be tracked closely.

In this scenario, we continue our view of positioning at the front-end of the curve with a defensive outlook as rate trajectory is likely to be volatile. The scheme aims to maintain relatively high running yields and moderate to low duration to benefit out of the steep yield curve. However, any changes in the macro-economic environment is being tracked for change of stance if the situation requires so.

Disclaimer

The above commentary/opinions/in house views/strategy incorporated herein is provided solely to enhance the transparency about the investment strategy / theme of the Scheme and should not be treated as endorsement of the views / opinions or as an investment advice. The above commentary should not be construed as a research report or a recommendation to buy or sell any security. The information / data herein alone is not sufficient and shouldn't be used for the development or implementation of an investment strategy. The above commentary has been prepared on the basis of information, which is already available in publicly accessible media or developed through analysis of IIFL Mutual Fund. The information/ views / opinions provided is for informative purpose only and may have ceased to be current by the time it may reach the recipient, which should be taken into account before interpreting this commentary. The recipient should note and understand that the information provided above may not contain all the material aspects relevant for making an investment decision and the stocks may or may not continue to form part of the scheme's portfolio in future. The decision of the Investment Manager may not always be profitable; as such decisions are based on the prevailing market conditions and the understanding of the Investment Manager. Actual market movements may vary from the anticipated trends. The statements made herein may include statements of future expectations and other forward-looking statements that are based on our current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alterations to this statement as may be required from time to time. Neither IIFL Mutual Fund / IIFL Asset Management Ltd, its associates, directors or representatives shall be liable for any damages whether direct or indirect, incidental, punitive special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information.

Investment Objective

To provide liquidity with reasonable returns commensurate 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.

Fund Manager **Mr. Ankur Parekh**

Mr. Ankur Parekh has over 15 years of work experience in the Fixed income securities market. His previous experience include working with SBI DFHI primary Dealership firm and DBS Cholamandalam AMC. Prior to joining IIFL AMC he was associated with Reliance Capital AMC as Fund Manager – EPFO for seven years. He is commerce graduate and has done his Masters in Business Administration from Bharthihar University, Tamilnadu. Mr Parekh has been managing the scheme since March 08, 2017.

Fund Details

Date of Allotment : November 13, 2013
Benchmark Index : CRISIL Liquid Fund Index
Plans Offered : Regular & Direct
Options Offered : Growth & Dividend
Minimum Application:
New Purchase : ₹5,000 and in multiples of ₹100 thereafter
Additional Purchase : ₹1,000 and in multiples of ₹100 thereafter

Monthly SIP Option : ₹1,000 per month for a minimum period of 6 months

Quarterly SIP Option : ₹1,500 per quarter for a minimum period of 4 quarters

Entry / Exit Load : NIL
Dematerialization : D-Mat Option Available

Asset Allocation : Money market and debt instruments with residual maturity up to 91 days

NAV as on March 28, 2018

Regular Plan Growth : ₹1365.5016
Regular Plan Weekly : ₹1005.7637
Dividend
Regular Plan Daily : ₹1000.7626
Dividend
Direct Plan Growth : ₹1368.4983
Direct Plan Dividend : ₹1000.6615

AUM as on Mar 31, 2018

Net AUM : ₹ 280.65 crore
Monthly Average AUM : ₹ 282.22 crore

Expense Ratio (Weighted Average for the month)

Regular Plan : 0.25% p.a.
Direct Plan : 0.19% p.a.

Statistical Debt Indicators

Modified Duration : 52 days
Average Maturity : 55 days
Yield to Maturity : 6.96%

Portfolio as on March 31, 2018

Name of the Instrument	Rating	% to Net Assets	Name of the Instrument	Rating	% to Net Assets
Money Market Instruments					
Certificate of Deposit					
IndusInd Bank Limited	CRISIL A1+	8.87	Aditya Birla Housing Finance Limited	ICRA A1+	8.85
IDFC Bank Limited	ICRA A1+	8.84	Tata Capital Financial Services Limited	ICRA A1+	8.81
Small Industries Dev Bank of India	CARE A1+	8.82	Aditya Birla Finance Limited	ICRA A1+	8.81
ICICI Bank Limited	ICRA A1+	8.79	National Bank For Agriculture and Rural Development	CRISIL A1+	5.28
Axis Bank Limited	ICRA A1+	8.78	Sub Total		40.61
Andhra Bank	CARE A1+	7.03	CBLO / Reverse Repo		
Kotak Mahindra Bank Limited	CRISIL A1+	5.27	CBLO		9.42
Sub Total		56.40	Sub Total		9.42
Commercial Paper			Net Receivables / (Payables)		
Tata Motors Finance Limited	CRISIL A1+	8.86			(6.43)
			Portfolio Total		100.00

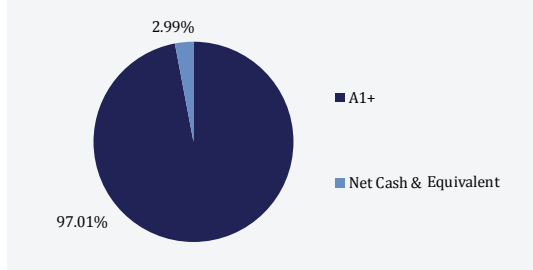
Scheme Performance

	31-Mar-17 to 31-Mar-18	PTP (₹)	31-Mar-15 to 31-Mar-18	PTP (₹)	Since Inception [§]	PTP (₹)
IIFL Liquid Fund - Reg - Growth	6.32%	10,627	6.94%	12,225	7.38%	13,653
IIFL Liquid Fund - Dir - Growth	6.37%	10,632	6.99%	12,242	7.44%	13,686
Benchmark*	6.84%	10,678	7.33%	12,359	7.92%	13,955
Additional Benchmark**	6.97%	12,090	6.33%	10,633	7.62%	13,331

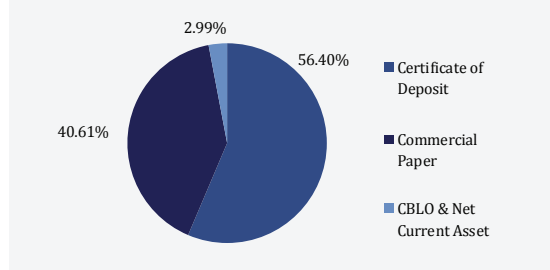
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As on March 31, 2018* Crisil Liquid Fund Index,** Crisil 91 Day T-Bill Index; Point to Point (PTP) returns in ₹ is based on standard investment of ₹10,000 made on the \$ inception date 13-Nov-2013; Scheme has been in existence for more than 3 years but less than 5 years; Effective March 08 2017, Mr. Ankur Parekh has been appointed as Fund Manager of the scheme. The Scheme was managed till March 07, 2017 by Mr Ritesh Jain

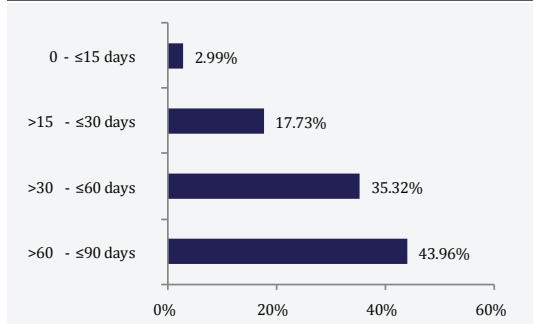
Composition by Rating[^]



Instrument Wise Composition[^]

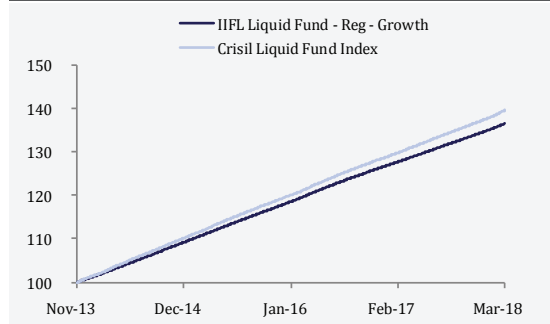


Maturity Profile[^]



[^]As on March 31, 2018

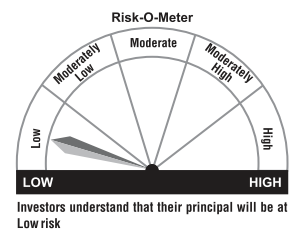
NAV Movement (Since Inception) Rebased to 100



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GLOSSARY OF TERMS

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 ₹ 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.
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.

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.