

MONTHLY FACTSHEET

MAY 2018



Macro Economy & Event Update

- Major markets over the world gained in the first month of fiscal 2018-19. The main triggers were big companies posting encouraging quarterly numbers, upbeat economic data, successful Korean summit and easing trade war tensions.
- U.S. markets managed to inch up as industry big wigs' earnings made investors happy and the economy registered good numbers. The initial hiccups around rising U.S. Treasury yields were made good later as yields dropped.
- European markets too were supported by big companies' encouraging earnings and upbeat economic data. Easing trade war and Korean tensions and the European Central Bank (ECB) maintaining status quo lifted investor mood.
- The U.S. and China clearing air over trade relations lifted Asian markets. Meeting between Japanese Prime Minister and U.S. President concluded on a positive note and Korean leaders in their summit seemed to end years-long differences.
- Indian equity markets gained led by upbeat macro-economic data coupled with healthy monsoon predictions. Bond yields rose in the month following increase in global crude oil prices. Losses were restricted after the Monetary Policy Committee (MPC) lowered its inflation forecast for FY19 and the fourth quarter of FY18.
- In the ongoing corporate earnings season, investors will closely follow the result announcements by industry majors, coupled with the revenue guidance. With GST collections touching record high in Apr 2018 and more than 10 million tax payers registering under GST, investors are gaining confidence on the new tax regime. The upcoming state elections in Karnataka will have a bearing on market sentiment. Meanwhile, minutes of MPC's latest meeting stoked speculation over probable rate hike in the future and investors shall keep an eye on the interest rate outlook of the central bank. The recent strength in global crude oil prices have raised concerns over fiscal deficit in India and investors will continue to monitor the movement of oil prices. Global factors likely to impact buying interest include U.S. Federal Reserve's (Fed) outlook on the pace of future rate hikes and development on the political relationship between U.S and Russia.

MPC keeps key policy repo rate unchanged in its first bi-monthly policy review for FY19

- MPC in its first bi-monthly policy review for FY19 kept key policy repo rate unchanged at 6.0% and retained its "neutral" stance. Consequently, the reverse repo rate stood unaltered at 5.75%, and the marginal standing facility (MSF) rate and bank rate remained at 6.25%, each. Five policymakers were in favour of the monetary policy decision and one advocated for a policy rate increase of 25 bps.

Minutes of the MPC meeting in Mar indicate shift to hawkish stance

- Minutes of the MPC's meeting held in Mar 2018 showed that MPC may adopt a more hawkish stance moving forward even though domestic inflationary have eased. MPC identified several aspects namely increase in minimum support prices for farmers and high global crude oil prices that may lead to an increase in retail inflation.

India's retail inflation grew 4.28% in Mar 2018

- The Consumer Price Index (CPI)-based inflation or retail inflation grew 4.28% in Mar 2018, down from 4.44% in the previous month and up from 3.89% in the same month of the previous year. The Consumer Food Price Index also grew 2.81% in Mar 2018, down from 3.26% in the previous month and up from 2.01% in the same month of the previous year.

India's Index of Industrial Production grew 7.1% in Feb 2018

- India's Index of Industrial Production (IIP) grew 7.1% in Feb 2018 as against downwardly revised growth of 7.4% (7.5% originally reported) in Jan 2018 and 1.2% in the same period of the previous year. The manufacturing sector surged 8.7% in Feb from 0.7% growth in the same period of the previous year. However, IIP growth for the Apr 2017-Feb 2018 period slowed to 4.3% from 4.7% in the same period of the previous fiscal.

WPI slowed to an eight-month low of 2.47% in Mar 2018

- Government data showed that India's Wholesale Price Index-based inflation (WPI) slowed to an eight-month low of 2.47% in Mar 2018 from a provisional 2.48% in the previous month and 5.11% YoY. Wholesale inflation grew at a slower pace due to decline in prices of pulses and fibre. The WPI Food Index also decreased to -0.07% in Mar 2018 from 0.07% in Feb 2018.

India's trade deficit widened in Mar 2018

- India's export during the month of Mar 2018 fell 0.66% YoY to \$29.11 billion from \$29.30 billion in Mar 2017. Meanwhile, import grew 7.51% YoY to \$42.80 billion in Mar 2018 from \$39.95 billion in the same period of the previous year. Trade deficit widened to \$13.69 billion in Mar 2018 as against \$10.65 billion in Mar 2017 and \$12.0 billion in Feb 2018.

Key Economic Indicators		
Indicators	Current	Previous
WPI(Mar-18)	2.47%	2.48%
IIP(Feb-18)	7.10%	7.40%
CPI(Mar-18)	4.28%	4.44%

Source: Thomson Reuters Eikon

Equity Market

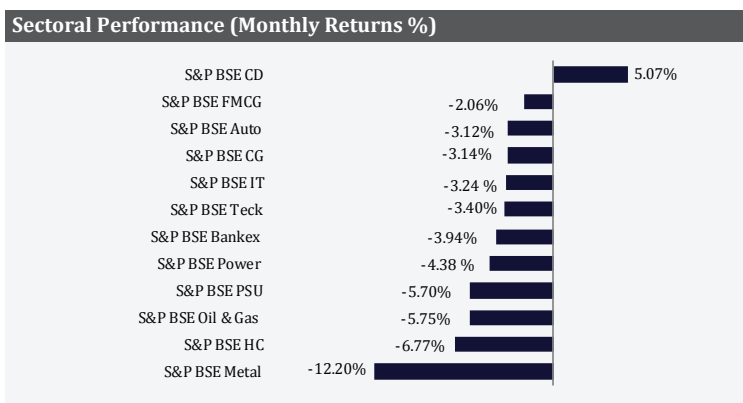
- Indian equity markets witnessed steady growth with a few hiccups during the month. The gains were mainly led by upbeat macro-economic readings coupled with Indian Meteorological Department's prediction of favourable monsoon season. Easing concerns over trade war between U.S. and China contributed to the upside.
- During the month, key benchmark indices S&P BSE Sensex and Nifty 50 rose 6.65% and 6.19% to close at 35,160.36 and 10,739.35, respectively. Meanwhile, S&P BSE Mid-Cap and S&P BSE Small-Cap rose 6.57% and 8.28%, respectively.
- U.S. markets moved up slightly over the month following mixed quarterly earnings of a few big companies and some better than expected economic data. Easing tensions in the Korean Peninsula, reduced fears of trade war with China and stronger outlook for the U.S. economy also acted as catalysts. Further respite came when rise in U.S. Treasury yields eased towards the end of the month.
- European markets traded up following strong quarterly earnings of a few big companies and upbeat economic data. Markets took positive cues after Chinese President eased trade war tension by lifting limits of foreign investment in manufacturing and financial sectors. Easing tensions in the Korean Peninsula added to the gains. The ECB's decision to keep interest rates, asset purchases and forward guidance unchanged, gave investors solace. Additionally, fears over rising 10-year U.S. Treasury yields were overcome towards the end as the same eased. However, escalating tension surrounding Syria kept investors on the edge.
- Asian markets mostly traded up on receding worries over trade war between U.S. and China following a host of initiatives announced by Chinese President to liberalise the nation's trade and economy. Meeting between Japanese Prime Minister and U.S. President, which concluded on a positive note, and easing tensions in the Korean Peninsula also helped sentiment. The ECB and Bank of Japan kept their monetary policy steady, as was widely expected, and the People's Bank of China lowered the reserve requirement ratio for most commercial banks to improve liquidity in the system. Markets also took positive cues from fall in U.S. Treasury yields, strong earnings of some major companies and improved economic data across the region. However, some setback was witnessed in the Chinese market on concerns that growing risks in the financial system could weigh on economic growth outlook of the nation. Persisting tensions between U.S. and Russia in the wake of a chemical attack on civilians in Syria kept investors wary.
- In the ongoing corporate earnings season, investors will closely follow the result announcements by industry majors, coupled with the revenue guidance. The upcoming state elections in Karnataka, will have a bearing on market sentiment. Meanwhile, minutes of MPC's latest meeting stoked speculation over probable rate hike in the future and investors shall keep an eye on the interest rate outlook of the central bank. The recent strength in global crude oil prices have raised concerns over fiscal deficit in India and investors will continue to monitor the movement of oil prices. Global factors likely to impact buying interest include U.S. Fed's outlook on the pace of future rate hikes and development on the political relationship between U.S and Russia.

Domestic Indices Performance				
Indicators	30-Apr-18	28-Mar-18	Chg %	YTD%
S&P BSE Sensex	35,160	32,969	6.65	3.99
Nifty 50	10,739	10,114	6.19	2.91
S&P BSE 200	4,724	4,433	6.56	1.52
Nifty Midcap 100	20,290	18,757	8.17	-3.88
Nifty Dividend Opportunities 50	2,712	2,523	7.48	3.53
S&P BSE Smallcap	18,402	16,994	8.28	-4.56

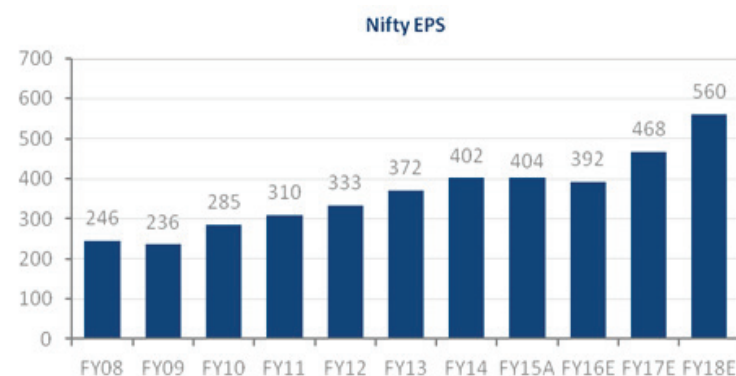
Source: Thomson Reuters Eikon

Global Indices Performance				
Global Indices	30-Apr-18	29-Mar-18	Chg %	YTD%
Dow Jones	24,163	24,103	0.25	-2.66
FTSE	7,509	7,057	6.42	-1.81
CAC	5,521	5,167	6.84	4.38
Hang Seng	30,808	30,093	2.38	0.96
SSE Composite Index	3,082	3,169	-2.73	-7.95

Source: Thomson Reuters Eikon



Source: Thomson Reuters Eikon



Institutional Flows (Equity) As on April 30, 2018				
(₹ Cr)	Purchases	Sales	Net	YTD
FII Flows*	101,183	106,735	(5,552)	8,846
MF Flows	57,598	46,305	11,293	45,753
DII Flows	74,322	65,811	8,511	33,417

Source: NSDL, NSE & SEBI; * As on April 27, 2018

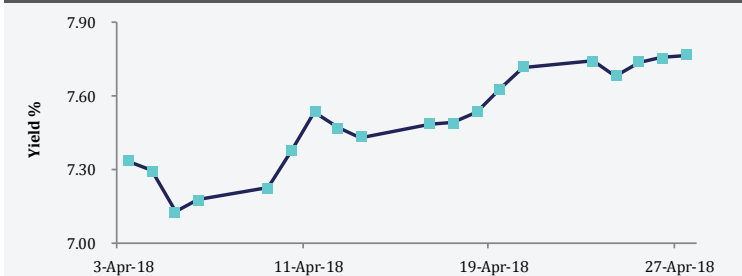
Debt Market

- Bond yields rose in Apr 2018 following increase in global crude oil prices. Rise in U.S. Treasury yields on growing possibility that the U.S. Federal Reserve will aggressively hike interest rates in 2018 also weighed on the market sentiment. However, further losses were restricted after the MPC unexpectedly lowered its inflation forecast for FY19 and the fourth quarter of FY18 in its first bi-monthly monetary policy review on Apr 5.
- Yield on gilt securities increased across maturities in the range of 8 bps to 57 bps. Yield on corporate bonds increased across maturities in the range of 17 bps to 45 bps. Difference in spread between AAA corporate bond and gilt contracted across maturities in the range of 5 bps to 27 bps, barring 1, 7 and 9-year maturities, which expanded 14 bps, 2 bps and 24 bps, respectively.
- The bond yields trajectory moving forward will be dictated by some key domestic and global factors. Domestic liquidity conditions have tightened to some extent in Apr 2018 and moving forward with the government's borrowing programme underway and a much-anticipated pick up in credit growth, the days of surplus liquidity may be short lived and might lead to an increase in bond yields. Domestic inflationary pressures will also be closely tracked as it is expected to have a significant bearing on the domestic bond yield trajectory. On the global front, an unhealthy cocktail of rising U.S. Treasury yields and increase in global crude oil prices continues to keep the domestic debt market under pressure. Higher global crude oil prices may adversely impact India's trade deficit and consequently, the current account deficit, which may lead to an increase in bond yields.

Currency and Commodity Market

- The Indian rupee weakened and fell to a 14-month low against the U.S. dollar. One of the main reasons for the fall during the month was continuous demand for greenback from importers following rise in global crude oil prices. Growing possibility that the U.S. Federal Reserve will aggressively hike interest rates in 2018 dampened market sentiment. Rupee fell further on chances that the MPC may adopt a more hawkish stance moving forward.
- Brent crude prices surged on expectations that Organization of the Petroleum Exporting Countries (OPEC) and non-OPEC countries are likely to continue with output cuts until stocks return to their normal levels. This was confirmed by oil ministers of Saudi Arabia and Russia. Energy minister of Qatar also mentioned that OPEC and its allies should continue with the oil supply curb programme to support prices and increase investment in the industry. Additionally, growing concerns over U.S. military activity in Syria, and an increasingly hostile environment in Venezuela raised supply concerns and helped prices.

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



Source: Thomson Reuters Eikon

Spread Movement

Spreads		AAA	AA	A
27-Apr-18	1 Yr	123	148	222
	3 Yr	72	115	234
	5 Yr	66	110	280
28-Mar-18	1 Yr	109	171	231
	3 Yr	75	124	216
	5 Yr	77	113	257

Source: Thomson Reuters Eikon

Yield (%)	27-Apr-18	28-Mar-18
10 Year G-Sec	7.77	7.40
5 Year G-Sec	7.78	7.32
3 Year G-Sec	7.57	7.09

Certificate of Deposit

3-Month	7.07	6.80
6-Month	7.56	7.15
9-Month	7.55	7.18
12-Month	7.71	7.22

Commercial Papers

3-Month	7.40	7.44
6-Month	7.70	7.67
12-Month	8.00	7.88

Source: Thomson Reuters Eikon

Treasury Bill	27-Apr-18	28-Mar-18
91 Days	6.19	6.09
364 Days	6.45	6.40

Event Calendar

Release Date	Release Date	Country
10-May-18	Bank of England Monetary Policy	U.K.
15-May-18	Gross Domestic Product s.a. (QoQ) (Q1)	Euro Zone
16-May-18	Consumer Price Index - Core (YoY) (Apr)	Euro Zone
23-May-18	FOMC Minutes	U.S.
30-May-18	Gross Domestic Product Annualized (Q1)	U.S.

IIFL Focused Equity Fund (Formerly known as IIFL India Growth Fund)

(An open ended equity scheme investing in maximum 30 multicap stocks)



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) : 2.06 times

NAV as on April 30, 2018

Regular - Growth : ₹15.0105
Regular - Dividend : ₹13.2800
Direct - Growth : ₹15.6280
Direct - Dividend : ₹15.4270

AUM as on Apr 30, 2018

Net AUM : ₹ 266.57 crore
Monthly Average AUM : ₹ 266.45 crore

Expense Ratio (Weighted Average for the month)

Regular Plan : 2.66% p.a.
Direct Plan : 1.11% p.a.

Volatility Measures Fund Benchmark

Std. Dev (Annualised)	14.38%	11.89%
Sharpe Ratio	0.49	1.48
Portfolio Beta	0.92	1.00
R Squared	0.80	NA
Treynor	0.08	0.04

Portfolio as on April 30, 2018

Company Name	Industry	% to Net Assets
Equity & Equity Related Total		
Bajaj Finance Limited	Finance	9.59
CESC Limited	Power	7.99
HDFC Bank Limited	Banks	7.51
Tata Global Beverages Limited	Consumer Non Durables	6.62
SBI Life Insurance Company Limited	Finance	6.48
Dalmia Bharat Limited	Cement	6.08
IIFL Holdings Limited	Finance	5.30
Tech Mahindra Limited	Software	4.63
Infosys Limited	Software	4.50
Sun Pharmaceutical Industries Limited	Pharmaceuticals	4.44
Reliance Nippon Life Asset Management Limited	Finance	4.35
Tata Motors Ltd DVR Shares	Auto	4.35
State Bank of India	Banks	4.10
UPL Limited	Pesticides	3.72
Shalby Limited	Healthcare Services	3.32
Ujjivan Financial Services Limited	Finance	2.80
Bajaj Finserv Limited	Finance	2.67
Bandhan Bank Limited	Banks	2.57
The Federal Bank Limited	Banks	2.54
Merck Limited	Pharmaceuticals	2.44
Peninsula Land Limited	Construction	1.95
Hindalco Industries Limited	Non - Ferrous Metals	0.44
CBLO		4.04
Sub Total		102.43
Net Receivables / (Payables)		-2.43
Portfolio Total		100.00

Scheme Performance

	30-Apr-17 to 30-Apr-18	PTP (₹)	30-Apr-15 to 30-Apr-18	PTP (₹)	Since Inception ^s	PTP (₹)
IIFL Focused Equity Fund - Reg - Growth	11.41%	11,141	12.31%	14,171	12.11%	14,908
IIFL Focused Equity Fund - Dir - Growth	13.11%	11,311	13.59%	14,661	13.41%	15,520
Benchmark*	16.02%	11,602	10.58%	13,525	9.29%	13,639
Additional Benchmark**	17.91%	11,791	10.28%	13,416	8.66%	13,366

Past performance may or may not be sustained in future.

Different plans shall have different expense structure.

As on April 30, 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

	30-Apr-17 to 30-Apr-18	30-Apr-15 to 30-Apr-18	Since Inception
Total Amount Invested (₹)	1,20,000	3,60,000	4,10,000
Total Value as on Apr 30, 2018(₹)	1,25,003	4,44,400	5,12,717
Returns	7.88%	14.20%	13.19%
Total Value of Benchmark: Nifty 50 TRI (₹)	1,28,627	4,49,584	5,14,347
Benchmark: Nifty 50 TRI	13.71%	15.02%	13.38%
Total Value of Benchmark: S&P BSE Sensex TRI (₹)	1,30,133	4,51,311	5,15,574
Additional Benchmark: S&P BSE Sensex TRI	16.15%	15.29%	13.53%

(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

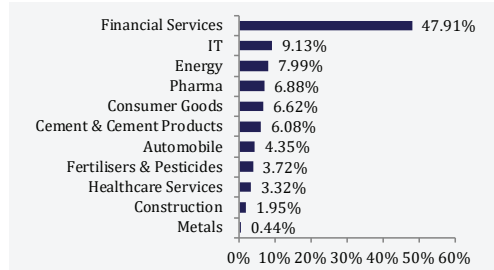
	Record Date	Face Value (₹)	Cum Dividend NAV (₹) As on Feb 15, 2017	Dividend Per Unit
Regular Plan	15-Feb-17	10	12.7777	1.50
Direct Plan	15-Feb-17	10	13.0738	0.17

THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING*

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

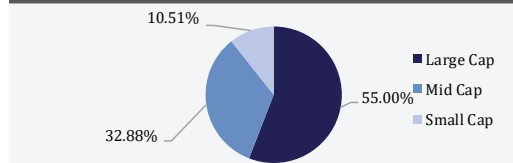
* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Sector Allocation^^



^^Sector allocation as per AMFI classification

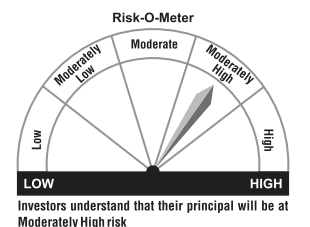
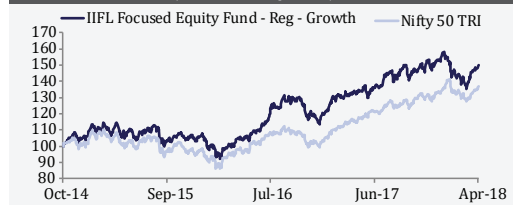
Market Capitalisation wise Exposure^



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 Apr 30, 2018

NAV Movement (Since Inception) Rebased to 100



Investors understand that their principal will be at Moderately High risk

Fund Commentary

During the month, we saw pickup in earnings of our portfolio companies and the same is reflected in the performance of the portfolio stocks. Going ahead in the short term, market would be driven by the outcome of the Karnataka elections. However, we believe that would be a short-term reaction on either side depending on the outcome. Bigger factors to look out for would be how our fiscal deficit is managed when on one hand you have rising crude prices and import bill and on the other hand we have improving monthly GST collection figures. Movement in bond yields with expectations of rising interest rates and rupee depreciation is another factor. Another year of normal monsoons coupled with rising Minimum Support Prices for farm outputs would provide the necessary tailwinds needed for giving a boost to the economy ahead of elections 2019.

Corporate earnings has been more or less better than expected for most companies in this quarter and the guidance given ahead also remains strong. Major gainers in the portfolio during the month of April'18 were Merck Ltd (+41%), Peninsula Land (+21.9%), Ujjivan Financial (+18%), Tata Global (+15.0%) and Federal Bank (+10%). Among the major drags in the portfolio were State Bank of India (-1.4%) and United Phosphorus (-0.05%).

We continue to maintain our strategy of focussing on companies where we see earnings outperformance over the broader market.

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 Bharthihaar University, Tamilnadu. Mr Parekh has been managing the scheme since March 08, 2017.

Fund Details

Date of Allotment : June 24, 2013
Bloomberg Code : IIFDBDBIN
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 April 27, 2018

Regular Plan Growth : ₹13.8785
***Regular Plan Bonus** : ₹13.8785
Regular Quarterly Dividend : ₹13.3926
***Regular Half Yearly Dividend** : ₹13.3926
Regular Monthly Dividend : ₹11.3546
Direct Plan Growth : ₹14.2298
Direct Monthly Dividend : ₹11.6792

*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.

AUM as on Apr 30, 2018

Net AUM : ₹ 420.22 crore
Monthly Average AUM : ₹ 412.56 crore

Expense Ratio (Weighted Average for the month)

Regular Plan : 1.33% p.a.
Direct Plan : 0.68% p.a.

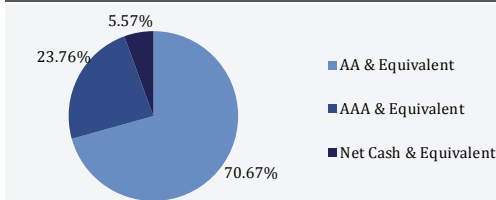
Statistical Debt Indicators

Modified Duration : 2.12 years
Average Maturity : 2.54 years
Yield to Maturity : 8.68%

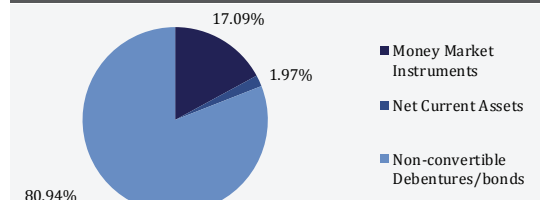
Portfolio as on April 30, 2018

Name of the Instrument	Rating	% to Net Assets	Name of the Instrument	Rating	% to Net Assets
Debt Instruments			80.94		
Non-Convertible Debentures/Bonds					
9.55% Hindalco Industries Limited	CRISIL AA	6.14	8.20% Housing Development Finance Corporation Limited	CRISIL AAA	1.18
9.00% State Bank of India	CRISIL AA+	5.98	8.48% U.P. Power Corporation Limited	FITCH AA(SO)	0.71
9.57% Grand View Estates Private Limited	ICRA AA(SO)	5.95	12.75% India Infoline Finance Limited	CRISIL AA	0.61
8.50% Vedanta Limited	CRISIL AA	5.92	8.48% U.P. Power Corporation Limited	FITCH AA(SO)	0.57
8.75% Muthoot Finance Limited	CRISIL AA	5.91	9.15% SP Jammu Udhampur Highway Limited	ICRA AAA(SO)	0.44
4% HPCL Mittal Energy Limited	ICRA AA	5.82	8.85% HDFC Bank Limited	CRISIL AA+	0.38
JM Financial Credit Solution Limited	ICRA AA	4.79	National Bank For Agriculture and Rural Development	CRISIL AAA	0.37
Aditya Birla Fashion and Retail Limited	CRISIL AA	3.99	9.45% State Bank of India	CRISIL AAA	0.01
10.25% Hansdeep Industries & Trading Company Limited	CARE AA(SO)	3.64	Certificate of Deposit		
8.1352% Bajaj Housing Finance Limited	CRISIL AAA	3.54	IndusInd Bank Limited	CRISIL A1+	13.49
9.75% Edelweiss Housing Finance Limited	ICRA AA	3.44	National Bank For Agriculture and Rural Development	CRISIL A1+	5.61
8.75% Axis Bank Limited	CRISIL AA+	3.03	CBLO / Reverse Repo		
9.15% Birla Corporation Limited	ICRA AA	2.75	CBLO		3.60
11.8% Tata Steel Limited	CARE AA-	2.55	Sub Total		
9.80% ECL Finance Limited	ICRA AA	2.40	Net Current Assets		98.03
8.32% Power Grid Corporation of India Limited	CRISIL AAA	2.39	Portfolio Total		100.00
8.15% Energy Efficiency Services Limited	ICRA AA	2.35			
7.63% PNB Housing Finance Limited	CARE AAA	2.34			
7.90% Piramal Enterprises Limited	ICRA AA	2.33			
ECL Finance Limited	CARE AA	1.41			

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)
24-Apr-18	0.05	11.3809	11.7057
27-Mar-18	0.05	11.4277	11.7467
27-Feb-18	0.05	11.3451	11.6545
Quarterly Dividend Plan			
04-Jun-15	0.4	11.4678	11.5708
Half Yearly Dividend Plan			
04-Jun-15	0.4	11.4678	

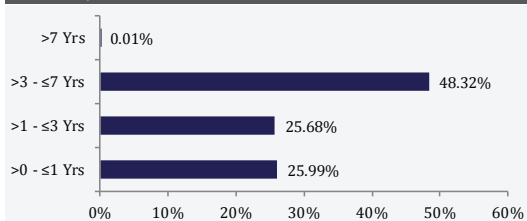
Dividend is gross dividend. To arrive at the net dividend payable for corporate and non-corporate investors applicable dividend distribution tax, if any, needs to be adjusted respectively. Past performance may or may not be sustained in future. After payment of dividend the NAV has fallen to the extent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

Scheme Performance

	30-Apr-17 to 30-Apr-18	PTP (₹)	30-Apr-15 to 30-Apr-18	PTP (₹)	Since Inception ^s	PTP (₹)
IIFL Dynamic Bond Fund - Reg - Growth	6.88%	10,686	6.79%	12,174	7.00%	13,878
IIFL Dynamic Bond Fund - Dir - Growth	7.49%	10,747	7.35%	12,366	7.55%	14,227
Benchmark*	3.70%	10,369	7.57%	12,442	7.87%	14,433
Additional Benchmark**	-1.01%	9,899	5.74%	11,819	5.48%	12,949

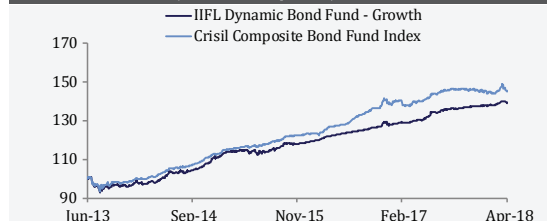
Past performance may or may not be sustained in future. Different plans shall have different expense structure. As on April 30, 2018* Crisil Composite Bond Fund Index. ** Crisil 10yr Gilt Index; Point to Point (PTP) returns in ₹ is based on standard investment of ₹ 10,000 made on the inception date : \$ 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[^]



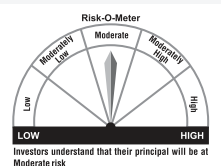
[^]As on April 30, 2018

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 rose in Apr 2018 following increase in global crude oil prices and tighter domestic liquidity. Rise in U.S. Treasury yields, due to growing possibility of aggressive rate actions from the Federal Reserve in 2018, also weighed on the market sentiment. However, further losses were restricted after the MPC unexpectedly lowered its inflation forecast for FY19 and the fourth quarter of FY18 in its first bi-monthly monetary policy review on Apr 5. Yield on the 10-year benchmark bond (7.17% GS 2028) surged 37 bps to close at 7.77% from the previous month's close of 7.40% after moving within a wide range of 7.12% to 7.80%. Yield on gilt securities increased across maturities in the range of 8 bps to 57 bps.
- The bond yields trajectory is likely to be dictated by some key domestic and global factors. Domestic liquidity conditions have tightened to some extent in Apr 2018 and moving forward with the government's borrowing program underway and a much-anticipated pick up in credit growth, the days of surplus liquidity may be short lived and might pressure bond yields upward. Domestic inflationary pressures will also be closely tracked as it is expected to have a significant bearing on the domestic bond yield trajectory. 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). On the global front, an unhealthy cocktail of rising U.S. Treasury yields and increase in global crude oil prices continues to keep the domestic debt market under pressure. Higher global crude oil prices may adversely impact India's trade deficit and consequently, the current account deficit, which may lead to an increase in bond yields.
- In this scenario, given the lingering uncertainty on macro and geo-political front we continue our view of positioning at the front-end of the curve with a moderate defensive outlook as rate trajectory is likely to be volatile. The incremental positioning may be executed in certain pockets of yield curve if it offers value in terms of attractive spreads between low duration high carry bonds and overnight funding rates. The scheme aims to maintain relatively high running yields and moderate to low duration, so to benefit out of the steep yield curve. However, any changes in the macro-economic environment is being continuously tracked for suitable change of stance should 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 April 27, 2018

Regular Plan Growth : ₹1372.8034

Regular Plan Weekly : ₹1005.5396

Dividend

Regular Plan Daily : ₹1000.3634

Dividend

Direct Plan Growth : ₹1375.8726

Direct Plan Dividend : ₹1000.2332

AUM as on Apr 30, 2018

Net AUM : ₹ 323.75 crore

Monthly Average AUM : ₹ 318.73 crore

Expense Ratio (Weighted Average for the month)

Regular Plan : 0.25% p.a.

Direct Plan : 0.20% p.a.

Statistical Debt Indicators

Modified Duration : 30 days

Average Maturity : 32 days

Yield to Maturity : 6.75%

Portfolio as on April 30, 2018

Name of the Instrument	Rating	% to Net Assets	Name of the Instrument	Rating	% to Net Assets
Money Market Instruments					
Certificate of Deposit					
RBL Bank Limited	ICRA A1+	7.72%	Aditya Birla Finance Limited	ICRA A1+	7.68%
IDFC Bank Limited	ICRA A1+	7.70%	Gruh Finance Limited	CRISIL A1+	7.65%
The South Indian Bank Limited	CARE A1+	7.69%	Tata Motors Finance Limited	CARE A1+	7.59%
Small Industries Dev Bank of India	CARE A1+	7.69%	National Bank For Agriculture and Rural Development	CRISIL A1+	4.60%
ICICI Bank Limited	ICRA A1+	7.66%	Sub Total		42.93%
Axis Bank Limited	ICRA A1+	7.65%	CBLO / Reverse Repo		
Kotak Mahindra Bank Limited	CRISIL A1+	4.60%	CBLO		5.78%
Sub Total		50.71%	Sub Total		5.78%
Commercial Paper			Net Receivables / (Payables)		
Aditya Birla Housing Finance Limited	ICRA A1+	7.72%			0.58%
Tata Capital Financial Services Limited	ICRA A1+	7.69%	Portfolio Total		100.00%

Scheme Performance

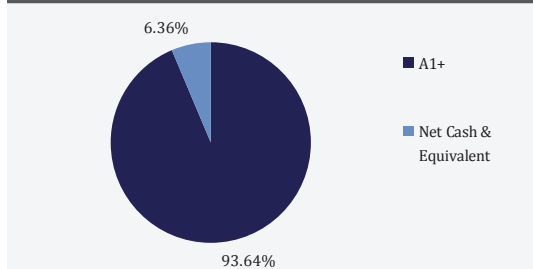
	30-Apr-17 to 30-Apr-18	PTP (₹)	30-Apr-15 to 30-Apr-18	PTP (₹)	Since Inception [§]	PTP (₹)
IIFL Liquid Fund - Reg - Growth	6.37%	10,637	6.91%	12,222	7.37%	13,727
IIFL Liquid Fund - Dir - Growth	6.42%	10,642	6.96%	12,239	7.43%	13,761
Benchmark*	6.85%	10,685	7.29%	12,353	7.89%	14,026
Additional Benchmark**	6.92%	10,639	6.39%	12,077	7.60%	13,384

Past performance may or may not be sustained in future

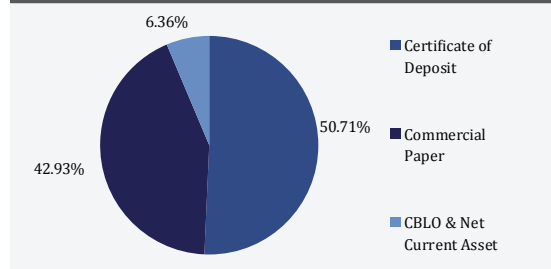
Different plans shall have different expense structure

As on April 30, 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

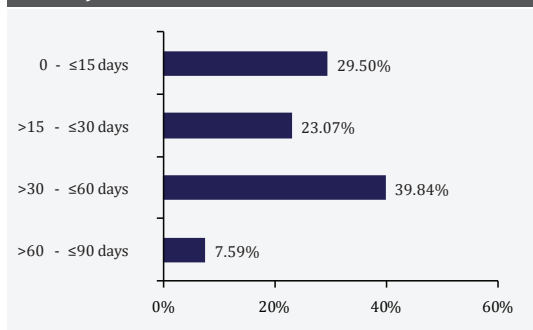
Composition by Rating[^]



Instrument Wise Composition[^]

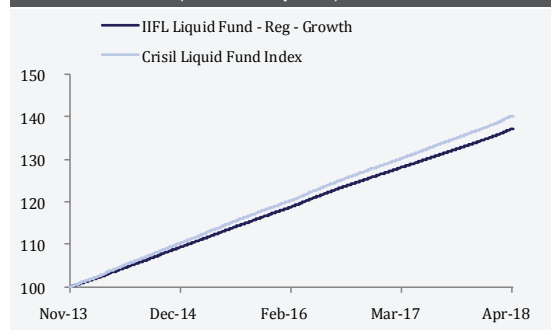


Maturity Profile[^]



[^]As on April 30, 2018

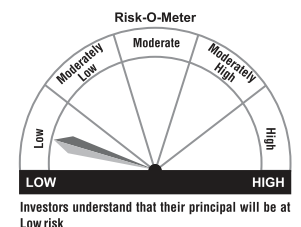
NAV Movement (Since Inception) Rebased to 100



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

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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.