

# MONTHLY FACTSHEET

JUNE 2019



## Macro Economy & Event Update

- May 2019 saw weakness in markets all around the globe. The U.S.-China trade war has taken new dimensions and is worrying investors about global economic growth more than ever. The dispute over trade has now turned towards technology and is even engulfing new countries.
- U.S. markets succumbed to pressure as the trade dispute with China is getting worse. U.S.' threat to ban a Chinese technology company and plans of restricting exchange of technology with China was not taken lying down by China. Media reports stated that China was mulling to limit rare earth mineral trade to the U.S. since the latter is deeply dependent on it. The minerals are crucial for U.S.' technology industry. Mexico was pulled into the trade war as the U.S. President announced to raise tariffs on imports from the country as a way of stopping illegal immigration.
- European markets went down on trade war and Brexit worries. U.K. companies too got involved in the technology ban on a Chinese company. On top of this came the conundrum around Britain's exit from the European Union. The U.K. Prime Minister put in her resignation over failure in reaching a deal, leaving the whole Brexit process in doldrums.
- Asian region followed suit and lost in the period with the U.S.-China trade dispute being the prime reason. U.S.' hard steps were reported to be countered by the Chinese side, deepening the rift between the two major economies.
- Indian equity markets gained in the month and even touched new highs on the back of election euphoria. Bond yields declined witnessing the biggest monthly fall since Nov 2016 because of the general election results coming in line with expectations. Fall in global crude oil prices coupled with subdued domestic inflationary pressures in Apr-19 also added to the gains.
- All eyes will now be on the newly formed government to see what steps it takes to arrest the weakness in the economy. The fourth quarter FY19 GDP has slowed to its lowest level since the same quarter ended Mar 2014. The Union Budget will be presented in Jul 2019 and is going to be keenly awaited. The course of the monsoon will affect the health of the economy, so markets will be affected by any news around the rains. Globally, deepening U.S.-China trade dispute will keep impacting the markets together with uncertainty around Brexit. Meanwhile the Monetary Policy Committee (MPC) lowered key policy repo rate by 25 bps for the third consecutive time in its second bi-monthly monetary policy review for FY20. It changed its stance on monetary policy from neutral to accommodative. This has opened up scope for further rate-cuts by MPC. The cash-starved non-banking financial sector is expected to benefit from the inflow of capital which in turn will benefit the overall domestic economy.

### MPC lowered key policy repo rate for the third consecutive time on Jun 6, 2019

- The MPC unanimously lowered key policy repo rate by 25 bps for the third consecutive time in its second bi-monthly monetary policy review for FY20 on Jun 6, 2019. It also changed its stance on monetary policy from neutral to accommodative. The key policy repo rate thus stands at a near 9-year low of 5.75%. However, MPC underlined concerns over domestic growth as it downgraded its growth forecasts for the Indian economy for FY20 to 7.0% from its earlier projection of 7.2%. Growth forecasts for the first half of FY20 was lowered to a range of 6.4% to 6.7% from the earlier projection of 6.8% to 7.1%, while growth forecasts for the second half of FY20 was also modified to 7.2% to 7.5% from the earlier projection of 7.3% to 7.4%. Retail inflation forecasts for the first half of FY20 was revised to a range of 3.0% to 3.1% from the earlier projection of 2.9% to 3.0%, while the projection for the second half was lowered to 3.4% to 3.7% from the earlier projection of 3.5% to 3.8%.

### India's GDP growth fall to a 5-year low of 5.8% in the quarter ended Mar-19

- The growth of the gross domestic product (GDP) of India's economy slowed to 5.8% in the quarter ended Mar 2019 from 6.6% in the previous quarter and 8.1% in the same period of the previous year. This was the slowest rate since the quarter ended Mar 2014. The growth of the economy thus slowed down from a growth rate of 8.0% in Q1FY19 to 7.0% in Q2FY19 and 6.6% in Q3FY19. For the entire fiscal, India's GDP grew 6.8%, slower than the growth of 7.2% in the previous fiscal which was also the slowest growth rate in the last five years. The gross value added (GVA), which is GDP less taxes, grew 5.7% in Q4FY19 from 6.3% in the previous quarter and 7.9% in the same period of the previous year.

### Indian government meets fiscal deficit target of 3.4% for FY19

- The Indian government was able to meet its budget fiscal deficit target of 3.4% for FY19 as India's fiscal deficit stood at 3.39% of GDP. This was made possible due to increase in non-tax revenue and lower expenditure. In absolute terms, non-tax revenue for FY19 stood at Rs 2.46 lakh crore, a tad higher than Rs 2.45 lakh crore in the revised estimates of budget. Total expenditure for FY19 stood at Rs 23.11 lakh crore, lower than Rs 24.57 lakh crore in the revised estimates of budget. The revenue deficit stood at 2.34 % of GDP while the effective revenue deficit was 1.33% of GDP. India's fiscal deficit for FY19 stood at Rs 6.45 lakh crore as against Rs 6.34 lakh crore in the revised estimates of budget.

### India's unemployment rate was 6.1% of the total labour force in 2017-18

- According to media reports, India's unemployment rate was 6.1% of the total labour force in 2017-18. The unemployment rate thus stood at the highest level in 45 years. The unemployment rate among male on a pan India basis was 6.2%, while it was 5.7% in case of females.

#### Key Economic Indicators

Indicators	Current	Previous
WPI (Apr-19)	3.07%	3.18%
IIP (Mar-19)	-0.10%	0.10%
CPI (Apr-19)	2.92%	2.86%

Source: Thomson Reuters Eikon

## Equity Market

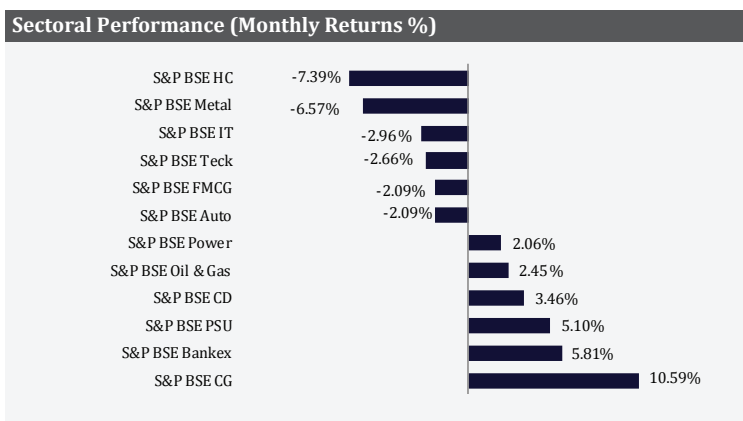
- The general elections hogged the limelight during the month and domestic equity markets breached all-time highs to close above the 39,000 mark. Conclusion of a seven-stage election period on May 19, followed by exit polls, and ultimately declaration of general election results on May 23 kept market participants on their toes. Markets reacted positively to exit poll suggesting that the ruling party would win the elections comfortably and a stable government would be formed at the Centre Later, election results on May 23 made the picture clear that the previous government had garnered a comfortable win. Investors became optimistic that the government would continue with the previous reformative measures and focus more on structural reforms and job creation to support the growth trajectory. Meanwhile, global trade war tensions continued to be the spoilsport along with global growth worries.
- The negative impact of the ongoing trade war loomed large, forcing U.S. markets to end the month in deep red. Investors remained concerned about the economic impact of the trade dispute between the U.S. and China. The U.S. President revealed plans to use tariffs to compel Mexico to make efforts to stop illegal immigration into the U.S. This, in turn, triggered sell off on Wall Street and weighed on the market sentiment.
- European markets ended the month in the red dragged by U.S.-China trade war concerns and a series of weak economic data. Renewed Brexit worries added to the woes after the British Prime Minister announced her resignation amid strong defiance in the ruling party over her handling of Britain's withdrawal from the European Union. Meanwhile, the positive impact of the European Union Parliamentary elections held towards the end of the month was largely overshadowed by reports that the European Commission may consider disciplinary procedures against Italy for breaking European Union debt rules.
- Asian markets also remained low in line with global peers as the U.S.- China trade row deepened. Mixed Chinese trade data also weighed on sentiment as export data unexpectedly fell in Apr 2019 although imports rose for the first time in five months. Furthermore, Chinese official data showed higher than expected contraction in Chinese manufacturing activity in May. Japanese markets fell as Bank of Japan Governor said that Japan has difficulty in re-anchoring long-term inflation expectations from inflation below the target level. Meanwhile, the latest survey from Nikkei revealed in its preliminary report that the manufacturing sector in Japan fell into contraction in May 2019 which contributed to the downside.
- Market participants will focus on the government's policy framework to see if it optimizes the economic growth trajectory and minimizes the unemployment rate. Investors will await the presentation of Union Budget, scheduled in Jul 2019, by the newly-formed government. Meanwhile, a third consecutive rate cut by the MPC on Jun-6, 2019 and better transmission by banks is expected to boost the growth prospects of the Indian economy moving forward. The development of the monsoon and corporate earnings will play a pivotal role in steering market sentiment. On the global front, trade tension would remain under the scanner as the U.S. President has suddenly imposed tariffs on all goods from Mexico. Uncertainty over Britain's exit from the European Union will keep investors on their toes.

Domestic Indices Performance				
Indicators	31-May-19	30-Apr-19	Chg %	YTD%
S&P BSE Sensex	39,714	39,032	1.75	10.11
Nifty 50	11,923	11,748	1.49	9.76
S&P BSE 200	4,987	4,915	1.45	7.15
Nifty Midcap 100	17,959	17,566	2.24	0.47
Nifty Dividend Opportunities 50	2,702	2,709	-0.25	4.35
S&P BSE Smallcap	14,867	14,625	1.66	1.09

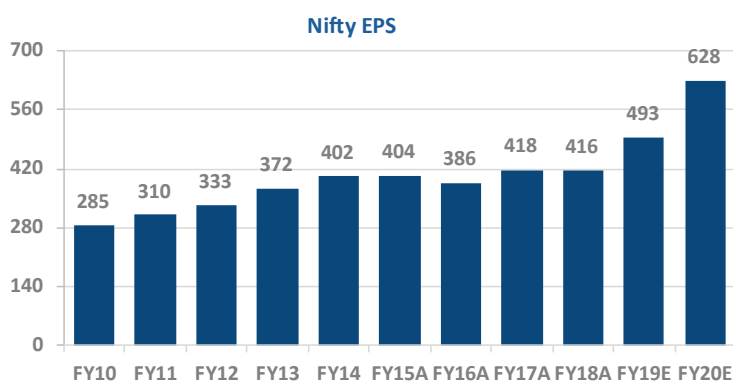
Source: NSE,BSE

Global Indices Performance				
Global Indices	31-May-19	30-Apr-19	Chg %	YTD%
Dow Jones	24,815	26,593	-6.69	6.38
FTSE	7,162	7,418	-3.46	6.44
CAC	5,208	5,586	-6.78	10.08
Hang Seng	26,901	29,699	-9.42	4.08
SSE Composite Index	2,899	3,078	-5.84	16.23

Source: Thomson Reuters Eikon



Source: BSE



Institutional Flows (Equity) As on May 31, 2019				
(₹ Cr)	Purchases	Sales	Net	YTD
FII Flows	141,247	133,328	7,920	76,051
MF Flows	61,422	56,259	5,164	2,502
DII Flows	86,842	79,871	6,971	-6,188

Source: NSDL,NSE & SEBI

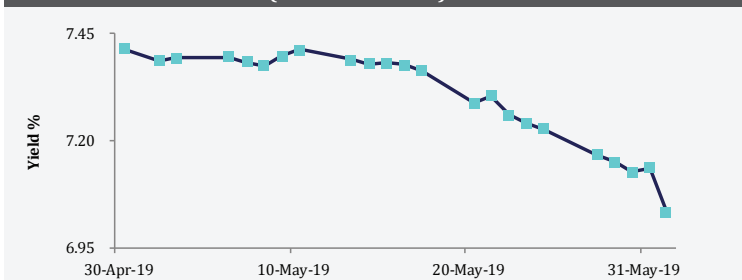
## Debt Market

- Bond yields plunged in May 2019 and witnessed the biggest monthly fall since Nov 2016 following the general election results. The much-anticipated election outcome went in favour of the current government and raised hopes of continuation of its reform agenda. Fall in global crude oil prices coupled with subdued domestic inflationary pressures in Apr 2019 increased hopes of a rate-cut by the Monetary Policy Committee in Jun 2019. Expectations of further liquidity infusion by RBI through open market operations further boosted market sentiment.
- Yield on gilt securities fell across maturities in the range of 29 bps to 51 bps, barring 2-year paper, which increased 1 bps. Yield on corporate bonds fell across maturities in the range of 18 bps to 46 bps. Difference in spread between corporate bond and gilt securities expanded across maturities in the range of 2 bps to 14 bps.
- Bond yields fell after MPC lowered key policy repo rate for the third consecutive time on Jun 6, 2019 and changed its stance on monetary policy from neutral to accommodative. Bond yields moving ahead will be dictated by what policy the current government adopts as policy continuity is crucial for the stability of the domestic debt market. The liquidity support that the RBI provides through OMO purchases will also remain in sharp focus. The monsoons will also be closely tracked as an above-normal monsoon helps to keep domestic inflationary pressures in check. However, global factors like the ongoing trade tensions between U.S. and China and increase in global crude oil prices may adversely impact sentiment.

## Currency and Commodity Market

- The Indian rupee weakened against the greenback as investors' appetite for riskier assets dampened amid escalating trade feud between the U.S. and China. Dollar demand by importers further weighed on the domestic currency. However, hopes of rate-cut in the upcoming meeting of the Monetary Policy Committee in Jun 2019 restricted further losses. Also, outcome of the general elections came in line with expectations. The result raised hopes that the current government, which is set to return for a second five-year term, will continue with its reform agenda.
- Brent crude prices fell on rising concerns over U.S.-China trade dispute and decline in exports from China for Apr 2019. This aggravated worries over global economic growth, which dampened the demand outlook for the commodity. However, tightened supplies amid Organization of the Petroleum Exporting Countries - led production cut plan limited the downfall. Also, U.S. sanction on oil exports from Iran and Venezuela and fall in crude oil production in Russia cushioned the oil prices.

### 10-Year Benchmark Bond (07.26% GS 2029) Movement



Source: Thomson Reuters Eikon

### Spread Movement

Spreads		AAA	AA	A
31-May-19	1 Yr	162	231	254
	3 Yr	110	164	250
	5 Yr	104	189	234
30-Apr-19	1 Yr	148	214	336
	3 Yr	103	147	297
	5 Yr	99	173	233

Source: Thomson Reuters Eikon

Yield (%)	31-May-19	30-Apr-19
10 Year G-Sec	7.03	7.41
5 Year G-Sec	6.85	7.34

### Certificate of Deposit

	31-May-19	30-Apr-19
3-Month	6.47	7.40
6-Month	6.77	7.57
9-Month	7.00	7.73
12-Month	7.20	7.63

### Commercial Papers

	31-May-19	30-Apr-19
3-Month	6.80	7.50
6-Month	7.10	8.00
12-Month	7.90	8.10

Source: Thomson Reuters Eikon

Treasury Bill	31-May-19	30-Apr-19
91 Days	6.10	6.45
364 Days	6.23	6.49

### Event Calendar

Release Date	Release Date	Country
07-Jun-19	Nonfarm Payrolls (May)	U.S.
19-Jun-19	U.S. Federal Reserve Monetary Policy	U.S.
20-Jun-19	Bank of England Monetary Policy Review	U.K.
20-Jun-19	Bank of Japan Monetary Policy Review	Japan
28-Jun-19	Gross Domestic Product (QoQ) (Q1)	U.K.



## 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 17 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

<b>Date of Allotment</b>	: October 30, 2014
<b>Bloomberg Code</b>	: IIFGRRG IN
<b>Benchmark Index</b>	: S&P BSE 200 TRI <sup>^</sup>
<b>Plans Offered</b>	: Regular & Direct
<b>Options Offered</b>	: Growth & Dividend
<b>Minimum Application:</b>	
<b>New Purchase</b>	: ₹5,000 and in multiples of ₹100 thereafter
<b>Additional Purchase</b>	: ₹1,000 and in multiples of ₹100 thereafter
<b>Monthly SIP Option</b>	: ₹1,000 per month for a minimum period of 6 months
<b>Quarterly SIP Option:</b>	₹1,500 per quarter for a minimum period of 4 quarters
<b>Entry Load</b>	: NIL
<b>Exit Load</b>	: 1% - if redeemed/switched out, on or before 12 months from the date of allotment w.e.f April 02, 2019.
<b>Dematerialization</b>	: D-Mat Option Available
<b>Portfolio Turnover Ratio (based on 1 year monthly data)</b>	: 1.06 times

<sup>^</sup>Effective January 01, 2019 the benchmark of the scheme is changed from Nifty 50 TRI to BSE 200 TRI.

## NAV as on May 31, 2019

<b>Regular - Growth</b>	: ₹16.7118
<b>Regular - Dividend</b>	: ₹14.7851
<b>Direct - Growth</b>	: ₹17.6892
<b>Direct - Dividend</b>	: ₹17.5084

## AUM as on May 31, 2019

<b>Net AUM</b>	: ₹ 182.53 crore
<b>Monthly Average AUM</b>	: ₹ 175.83 crore

## Total Expense Ratio

<b>Regular Plan</b>	: 2.40% p.a.
<b>Direct Plan</b>	: 0.90% p.a.

Total Expense Ratio is as on the last business day of the month.

## Volatility Measures Fund Benchmark

<b>Std. Dev (Annualised)</b>	15.94%	13.55%
<b>Sharpe Ratio</b>	0.39	0.35
<b>Portfolio Beta</b>	1.05	1.00
<b>R Squared</b>	0.80	NA
<b>Treynor</b>	0.02	0.01

## Portfolio as on May 31, 2019

Company Name	Industry	% to Net Assets
<b>Equity &amp; Equity Related Total</b>		
HDFC Bank Limited	Banks	10.46
State Bank of India	Banks	6.57
Merck Limited	Pharmaceuticals	6.56
ICICI Bank Limited	Banks	6.39
Infosys Limited	Software	5.19
Bajaj Finance Limited	Finance	4.01
Tech Mahindra Limited	Software	3.97
Larsen & Toubro Limited	Construction Project	3.63
Axis Bank Limited	Banks	3.51
Muthoot Finance Limited	Finance	3.38
IPCA Laboratories Limited	Pharmaceuticals	3.37
Siemens Limited	Industrial Capital Goods	3.24
CreditAccess Grameen Limited	Finance	3.08
Aavas Financiers Limited	Finance	2.84
Petronet LNG Limited	Gas	2.84
Bajaj Finserv Limited	Finance	2.70
Crompton Greaves Consumer Electricals Limited	Consumer Durables	2.57
Cipla Limited	Pharmaceuticals	2.53
Cholamandalam Investment and Finance Company Limited	Finance	2.51
Asian Paints Limited	Consumer Non Durables	2.22
SRF Limited	Textile Products	1.91
CESC Limited	Power	1.70
Aarti Industries Limited	Chemicals	1.50
Balkrishna Industries Limited	Auto Ancillaries	1.47
Tata Motors Ltd DVR Shares	Auto	1.19
Lupin Limited	Pharmaceuticals	1.15
KPIT Technologies Limited	Software	1.14
UltraTech Cement Limited	Cement	1.10
Larsen & Toubro Infotech Limited	Software	1.01
Emami Limited	Consumer Non Durables	0.95
<b>Sub Total</b>		<b>94.69</b>
TREPS <sup>#</sup>		4.70
Net Receivables / (Payables)		0.61
<b>Portfolio Total</b>		<b>100.00</b>

## Scheme Performance

	31-May-18 to 31-May-19	PTP (₹)	31-May-16 to 31-May-19	PTP (₹)	Since Inception <sup>s</sup>	PTP (₹)
IIFL Focused Equity Fund - Reg - Growth	13.77%	11,377	15.70%	15,488	11.85%	16,713
IIFL Focused Equity Fund - Dir - Growth	15.52%	11,552	17.18%	16,090	13.24%	17,687
Benchmark*	8.41%	10,841	14.59%	15,047	10.55%	15,841
Additional Benchmark**	13.70%	11,370	15.65%	15,468	9.86%	15,392

Past performance may or may not be sustained in future.

Different plans shall have different expense structure.

As on May 31, 2019; Point to Point (PTP) returns in ₹ is based on standard investment of ₹10,000; <sup>s</sup>Since Inception date is 30-Oct-2014; \*S&P BSE 200 TRI; \*\*S&P BSE Sensex TRI; Managed by the fund manager since November 03, 2016; Scheme has been in existence for more than 3 years but less than 5 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-May-18 to 31-May-19	31-May-16 to 31-May-19	Since Inception
Total Amount Invested (₹)	1,20,000	3,60,000	5,40,000
Total Value as on May 31, 2019(₹)	1,35,827	4,35,125	7,17,876
Returns	25.46%	12.73%	12.66%
Total Value of Benchmark: S&P BSE 200 TRI (₹)	1,27,812	4,29,974	7,05,708
Benchmark: S&P BSE 200 TRI	12.35%	11.91%	11.89%
Total Value of Additional Benchmark: S&P BSE Sensex TRI (₹)	1,30,749	4,52,954	7,32,566
Additional Benchmark: S&P BSE Sensex TRI	17.11%	15.53%	13.58%

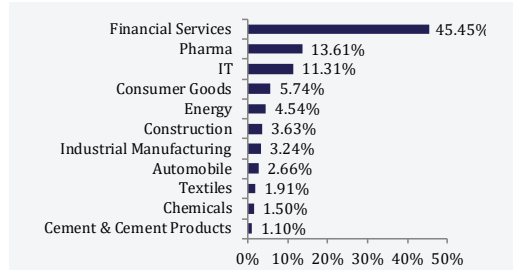
(Inception date :30-Oct-2014) (First Installment date : 01-Dec-2014)

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

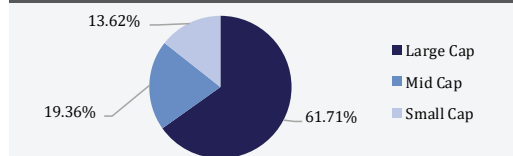
	Record Date	Face Value (₹)	Cum Dividend NAV (₹) As on Feb 15, 2017	Dividend Per Unit
Regular Plan	15-Feb-17	10	12.7777	1.50
Direct Plan	15-Feb-17	10	13.0738	0.17

## Sector Allocation<sup>^^</sup>



<sup>^^</sup>Sector allocation as per AMFI classification

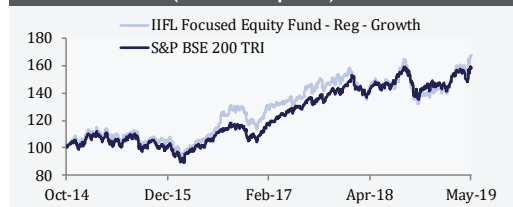
## Market Capitalisation wise Exposure<sup>^</sup>



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.

<sup>^</sup>As on May 31, 2019

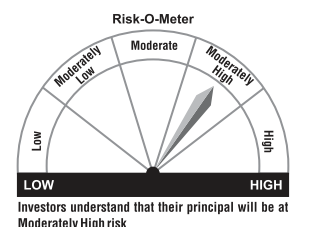
## NAV Movement (Since Inception) Rebased to 100



## 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.

<sup>\*\*</sup>With effect from November 05, 2018, Triparty Repo has replaced CBLOs for all schemes with provisions to invest in CBLO.



## Fund Commentary

Indian equities posted significant outperformance versus both emerging and developed markets in May. Stock markets globally declined over escalating trade tensions to register the worst monthly performance this year. Indian equities delivered positive returns with MSCI India and the Nifty gaining 0.42% and 1.63% (in USD terms) respectively. Mid-caps performed roughly in line, although still well behind YTD. Foreign investor flow continues to remain positive, now well over USD10bn this calendar year so far.

On 23rd May the results of the Indian general election were announced. Despite anti-incumbency worries and a slowing economy the electorate decisively voted to give Prime Minister Narendra Modi's BJP a second term. The BJP and its allies took 353 of the 542 seats available, bettering the party's 2014 performance. The BJP increased its seat count from 282 in 2014 to 303 this time, achieving a clear parliamentary majority which bodes well for a stable government.

The fourth quarter fiscal year 2019 (4QFY19) earnings season is largely completed. Net profits of the Nifty constituents increased 16.5% yoy led by a sharp increase from the banking sector. Earnings were worse than expected from the consumer staples and auto sectors, due to softening demand. Consensus estimated for net-profit growth over FY20-21 remain very strong led by the banking sector.

### Market Activity

The Indian election result has removed a significant uncertainty from investors' minds. Markets began to price in the chances of PM Modi's re-election and hence policy continuity from March onwards, with mainline Indian indices closing just shy of all-time highs at month-end. Over the last three months MSCI India has returned nearly 10%, versus losses of over 4% for both MSCI Emerging markets and the Shanghai Composite (USD terms). Developed markets lost nearly 1% over the same time frame, with the S&P500 hitting a 12-week low in May whilst at the same time US Treasuries rallied pushing the 10-year yield below 2.20% for the first time in nearly two years. It was only late last year that many market observers were again predicting the end of the multi-decade bond bull market as the US 10-year yield pushed north of 3.20%.

Market price action reflects continuing uncertainty that trade tensions between the US and China seem no nearer a resolution and rather appear to be escalating globally as President Trump is now targeting Mexico with tariffs over illegal immigration. In this environment Indian markets are being rewarded not only for the country's policy continuity, but also for their low correlation with China and indeed India's macro story being one of the most domestic focused in emerging markets and globally.

For the time being investors remain largely sanguine about the mini-growth slowdown India is experiencing. Whilst no doubt some of the slowdown can be attributed to delayed spending by both consumers and corporates due to the election, the main drivers are probably related to credit supply issues (NBFC stress and PSU bank constraints) as well as tight monetary conditions that are hitting credit demand in certain sectors due to high interest rates. Expect both government and central bank action in the period ahead.

Sectoral performance in May was unsurprising led by the industrials sector on expectations of renewed infrastructure and capital goods expenditure. The scheme holds Larsen & Toubro, India's largest industrial stock which gained 15.50% (INR). Financials were also strong over May, with the healthcare sector the main laggard. Noteworthy stock gainers included Merck and Aarti Industries and with the scheme positioned overweight to financials and underweight to healthcare we outperformed.

### Market Outlook

At month-end India reported real GDP growth of 5.8% on a year-over-year (yoy) basis in calendar Q1 2019, compared to 6.6% in the prior quarter although the base effect does mean the scale of the slowdown is somewhat exaggerated (high base from prior measuring period). Whilst the growth slowdown has been evident for some months in selected pockets of the economy the recent fall in core inflation, weak industrial production data and poor non-oil-non-gold imports likely point to an RBI rate cut in June. In addition, with the strong mandate PM Modi has been given in the parliamentary elections we should expect a growth focus in the full year Union Budget in July to contain government action on reviving the real estate sector as well as the moves to aid the rural economy.

The real estate sector has been moribund for the last few years initially due to oversupply in certain cities and affordability issues. More recently it has faced pressure from regulatory moves to clean up the sector. Whilst these moves are to be applauded, the sector is an important one from an employment and sentiment perspective. There has been some criticism that Modi's first term did not create enough jobs, with the job market not helped by a real estate slowdown and a rural economy suffering from low food prices.

India desperately needs an avenue to raise farm productivity and better utilise an under-employed rural labour pool. Government action on boosting incentives for the real estate sector to provide much needed economy housing and further boosting infrastructure spending would create significant job opportunities for rural migrants. A revived real estate sector would also go some way to reawaken animal spirits and hence consumption.

We expect plenty of government focus on the growth cycle in the upcoming budget. We are also hopeful of further progress on the reform front leading us to remain constructive on the outlook for markets, of course assuming that the growth cycle does indeed recover leading to a more sustainable earnings cycle. The backdrop Modi finds himself in today versus his last win is significantly better from a micro and macro perspective. Tough policy actions and reforms taken over the last term will continue to deliver benefits and should be augmented by new initiatives which will stimulate the business cycle in the period ahead. We are optimistic on India's outlook and the country remains an attractive destination for the longer-term investor.

## 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 achieve long term capital appreciation by investing in equity and equity related securities, with strategy of hedging the portfolio with Nifty 50 Put Option and other Equity derivatives. 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 17 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 inception.

## Fund Details

<b>Date of Allotment</b>	: May 14, 2018
<b>Bloomberg Code</b>	: IICE1RG IN
<b>Benchmark Index</b>	: CRISIL Hybrid 35+65- Aggressive Index
<b>Plans Offered</b>	: Regular & Direct
<b>Options Offered</b>	: Growth & Dividend
<b>Entry Load</b>	: NIL
<b>Exit Load</b>	: NIL
<b>Portfolio Turnover Ratio (based on 1 year monthly data)</b>	: 0.42 times

## NAV as on May 31, 2019

<b>Regular - Growth</b>	: ₹10.5175
<b>Regular - Dividend</b>	: ₹10.5175
<b>Direct - Growth</b>	: ₹10.6369
<b>Direct - Dividend</b>	: ₹10.6369

## AUM as on May 31, 2019

<b>Net AUM</b>	: ₹ 484.61 crore
<b>Monthly Average</b>	: ₹ 475.02 crore
<b>AUM</b>	

## Total Expense Ratio

<b>Regular Plan</b>	: 1.40% p.a.
<b>Direct Plan</b>	: 1.19% p.a.

Total Expense Ratio is as on the last business day of the month.

## Volatility Measures# Fund Benchmark

<b>Std. Dev (Annualised)</b>	NA	NA
<b>Sharpe Ratio</b>	NA	NA
<b>Portfolio Beta</b>	NA	NA
<b>R Squared</b>	NA	NA
<b>Treynor</b>	NA	NA

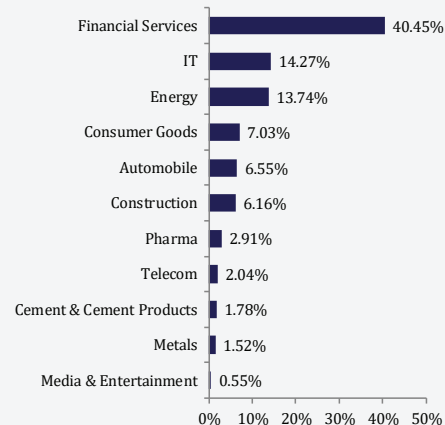
#Since the scheme has not completed 3 years volatility measures has not been provided.

## Portfolio as on May 31, 2019

Company Name	Industry	% to Net Assets
<b>Equity &amp; Equity Related Total</b>		
HDFC Bank Limited	Banks	10.60
Reliance Industries Limited	Petroleum Products	8.98
ICICI Bank Limited	Banks	7.44
Bajaj Finance Limited	Finance	6.75
Tech Mahindra Limited	Software	6.30
Larsen & Toubro Limited	Construction Project	6.16
Infosys Limited	Software	6.00
Axis Bank Limited	Banks	5.47
State Bank of India	Banks	4.59
Kotak Mahindra Bank Limited	Banks	3.55
ITC Limited	Consumer Non Durables	3.36
Asian Paints Limited	Consumer Non Durables	2.15
NTPC Limited	Power	2.10
Bharti Airtel Limited	Telecom - Services	2.04
Mahindra & Mahindra Limited	Auto	2.01
Cipla Limited	Pharmaceuticals	2.01
Tata Consultancy Services Limited	Software	1.97
Maruti Suzuki India Limited	Auto	1.81
Grasim Industries Limited	Cement	1.78
Oil & Natural Gas Corporation Limited	Oil	1.68
Bajaj Finserv Limited	Finance	1.52
Tata Steel Limited	Ferrous Metals	1.52
Hindustan Unilever Limited	Consumer Non Durables	1.52
Tata Motors Limited	Auto	1.40
Hero MotoCorp Limited	Auto	1.33
GAIL (India) Limited	Gas	0.98
Dr. Reddy's Laboratories Limited	Pharmaceuticals	0.90
Zee Entertainment Enterprises Limited	Media & Entertainment	0.55
Yes Bank Limited	Banks	0.53
<b>Derivatives</b>		
Nifty 50 Index 10800 Put June 2019 Option		0.04
Nifty 50 Index 10700 Put June 2019 Option		0.04
<b>Sub Total</b>		<b>97.08</b>
TREPS**		2.95
Net Receivables / (Payables)		-0.03
<b>Portfolio Total</b>		<b>100.00</b>

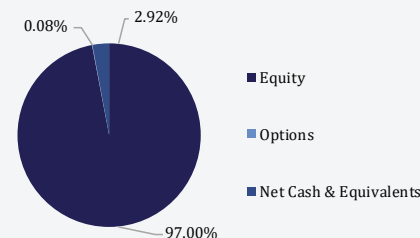
\*\*With effect from November 05, 2018, Triparty Repo has replaced CBLs for all schemes with provisions to invest in CBL.

## Sector Allocation^^

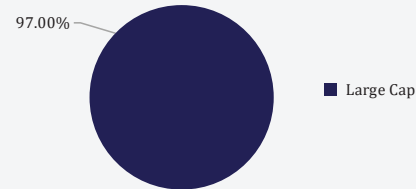


^^Sector allocation as per AMFI classification

## Asset Allocation^



## 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 May 31, 2019

## Scheme Performance

	31-May-18 to 31-May-19	PTP (₹)	Since Inception	PTP (₹)
IIFL Capital Enhancer Fund - Series 1 - Reg - Growth	5.15%	10,515	4.94%	10,518
IIFL Capital Enhancer Fund - Series 1 - Dir - Growth	6.28%	10,628	6.08%	10,637
Benchmark*	9.33%	10,933	8.58%	10,900
Additional Benchmark**	13.70%	11,370	12.61%	11,323

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

As on May 31, 2019 ; Point to Point (PTP) returns in ₹ is based on standard investment of ₹10,000; Since Inception date is 14-May-2018; \*CRISIL Hybrid 35+65- Aggressive Index; \*\* S&P BSE Sensex TRI; Managed by the fund manager since inception of the fund; Scheme has been in existence for more than 1 year but less than 3 years.

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

	31-May-18 to 31-May-19	Since Inception
Total Amount Invested (₹)	1,20,000	1,20,000
Total Value as on May 31, 2019(₹)	1,24,696	1,24,696
Returns	7.37%	7.37%
Total Value of Benchmark: CRISIL Hybrid 35+65- Aggressive Index (₹)	1,28,000	1,28,000
Benchmark: CRISIL Hybrid 35+65- Aggressive Index	12.65%	12.65%
Total Value of Additional Benchmark: S&P BSE Sensex TRI (₹)	1,30,749	1,30,749
Additional Benchmark: S&P BSE Sensex TRI	17.11%	17.11%
(Inception date :14-May-2018) (First Installment date : 01-Jun-2018)		

Source: MF 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 inception of the fund.

## HEDGING- UPDATE

The Scheme has invested in the equity portfolio during a period where the Nifty 50 was trading at ~10750 levels.

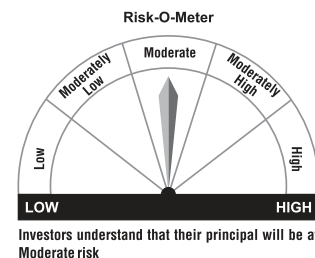
As long dated Nifty 50 puts can only be purchased at a strike price in the multiples of Rs. 100, the Scheme has partially purchased Nifty 50 Puts at 10700 and 10800 strike prices respectively.

Therefore, the annualised cost of buying the put is ~3.87%

## THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING\*

- Long Term Capital Growth
- Investments in equity and equity related securities with a Strategy of hedging by buying NIFTY 50 Put Option and other Equity derivatives.

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



## Disclaimer

This document has been prepared and issued on the basis of internal data, publicly available information and other sources believed to be reliable. The information contained in this document is for general purposes only and not a complete disclosure of every material fact and terms and conditions and features of IIFL Capital Enhancer Fund-Series 1. This document is for information purposes only and is not an offer to sell or a solicitation to buy any mutual fund units / securities. The information/ data here in alone is not sufficient and shouldn't be used for the development or implementation of an investment strategy. It should not be construed as research analysis or investment advice to any party. All opinions, figures, charts/graphs, estimates and data included in this document are as on date and are subject to change without notice. This document is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to local law, regulation or which would subject IIFL and affiliates to any registration or licensing requirement within such jurisdiction. The units / securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. While utmost care has been exercised while preparing this document, the Sponsors/the AMC/ the Trustee Company/ their associates/ any person connected with it, does not warrant the completeness or accuracy of the information and disclaims all liabilities, losses and damages arising out of the use of this information. The statements contained herein 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. Readers shall be fully responsible / liable for any decision taken on the basis of this information. No part of this document may be duplicated in whole or in part in any form and/or redistributed without prior written consent of the IIFL Mutual Fund / IIFL Asset Management Limited. Readers should before investing in the Scheme make their own investigation and seek appropriate professional advice. Neither the Sponsors /the AMC/ the Trustee Company/ their associates/ nor any person connected with it, accept any liability arising from the use of this 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 16 years of work experience in the Fixed income securities market. His previous experience include working with SBI DFHI primary Dealership firm and DBS Chola mandalam 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** : 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 May 31, 2019

**Regular Plan Growth** : ₹14.9207

**Regular Plan Bonus** : ₹14.9207

**Regular Quarterly Dividend** : ₹14.3983

**Regular Half Yearly Dividend** : ₹14.3983

**Regular Monthly Dividend** : ₹11.5304

**Direct Plan Growth** : ₹15.4073

**Direct Monthly Dividend** : ₹11.9663

\*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 May 31, 2019

**Net AUM** : ₹ 338.50 crore

**Monthly Average AUM** : ₹ 336.76 crore

## Total Expense Ratio

**Regular Plan** : 1.34% p.a.

**Direct Plan** : 0.69% p.a.

Total Expense Ratio is as on the last business day of the month.

## Statistical Debt Indicators

**Modified Duration** : 1.52 years

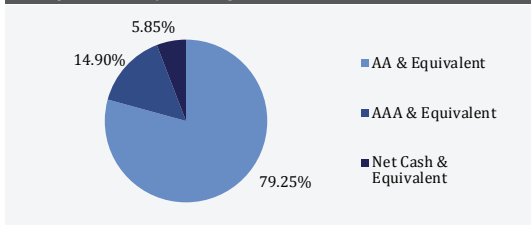
**Average Maturity** : 1.83 years

**Yield to Maturity** : 9.33%

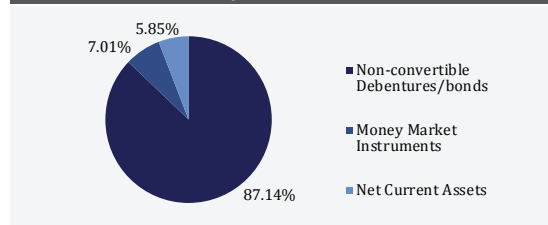
## Portfolio as on May 31, 2019

Name of the Instrument	Rating	% to Net Assets	Name of the Instrument	Rating	% to Net Assets
<b>Debt Instruments</b>					
<b>Non-convertible Debentures/bonds</b>			<b>87.14</b>		
4.00% HPCL Mittal Energy Limited	ICRA AA+	7.69	9.80% ECL Finance Limited	ICRA AA	2.85
9.55% Hindalco Industries Limited	CRISIL AA	7.56	ECL Finance Limited	CARE AA	1.88
8.50% Vedanta Limited	CRISIL AA	7.26	8.20% Housing Development Finance Corporation Limited	CRISIL AAA	1.48
8.75% Muthoot Finance Limited	CRISIL AA	7.19	8.48% U.P. Power Corporation Limited	FITCH AA(SO)	0.64
8.25% EID Parry India Limited	CRISIL AA-	6.97	9.15% SP Jammu Udampur Highway Limited	ICRA AAA(SO)	0.54
JM Financial Credit Solution Limited	ICRA AA	6.4	9.90% Tata Motors Limited	ICRA AA	0.30
7.70% L & T Housing Finance	ICRA AAA	5.86	12.00% ECL Finance Limited	CARE AA	0.03
Aditya Birla Fashion and Retail Limited	CRISIL AA	5.44	9.35% IDFC First Bank Limited	ICRA AA	0.03
10.25% Hansdeep Industries & Trading Company Limited	CARE AA-(SO)	4.46	9.45% State Bank of India	CRISIL AAA	0.01
8.75% Axis Bank Limited	CRISIL AA+	4.36	<b>Certificate of Deposit</b>		
9.75% Edelweiss Housing Finance Limited	ICRA AA	4.07	ICICI Bank Limited	ICRA A1+	<b>7.01</b>
9.15% Birla Corporation Limited	ICRA AA	3.43	<b>TREPS** / Reverse Repo</b>		
8.15% Energy Efficiency Services Limited	ICRA AA-	2.92	TREPS**		<b>3.20</b>
7.63% PNB Housing Finance Limited	FITCH AA+	2.89	<b>Sub Total</b>		
7.90% Piramal Enterprises Limited	ICRA AA	2.88	Net Current Assets		<b>97.35</b>
			<b>Portfolio Total</b>		
			<b>100.00</b>		

## Composition by Rating<sup>^</sup>



## Instrument Wise Composition<sup>^</sup>



## Dividend Declared - Monthly Dividend Plan

Date	Gross Dividend (₹) (Per Unit)	Regular Plan NAV (₹) (Cum Dividend)	Direct Plan NAV (₹) (Cum Dividend)
28-May-19	0.05	11.5226	11.9575
30-Apr-19	0.05	11.4885	11.9144
26-Mar-19	0.05	11.4744	11.8906

## Quarterly Dividend Plan

06-Apr-15	0.4	11.4678	11.5708
-----------	-----	---------	---------

## Half Yearly Dividend Plan

06-Apr-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-May-18 to 31-May-19	PTP (₹)	31-May-16 to 31-May-19	PTP (₹)	31-May-14 to 31-May-19	PTP (₹)	Since Inception <sup>5</sup>	PTP (₹)
IIFL Dynamic Bond Fund - Reg - Growth	7.62%	10,762	6.70%	12,148	7.87%	14,611	6.97%	14,919
IIFL Dynamic Bond Fund - Dir - Growth	8.32%	10,832	7.32%	12,361	8.46%	15,016	7.55%	15,405
Benchmark*	10.68%	11,068	7.95%	12,580	8.98%	15,379	8.23%	15,993
Additional Benchmark**	12.20%	11,220	6.75%	12,165	8.23%	14,857	6.55%	14,574

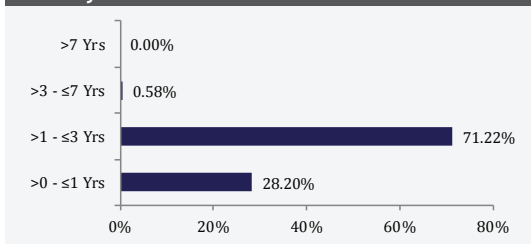
Past performance may or may not be sustained in future

Different plans shall have different expense structure

As on May 31, 2019\* 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;

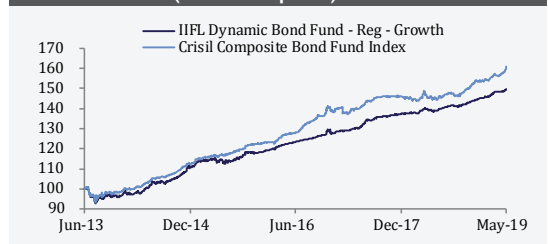
\*Inception date 24-June-2013; Effective March 08 2017, Mr. Ankur Parekh has been appointed as Fund Manager of the scheme. The Scheme was managed till March 07, 2017 by Mr Ritesh Jain.

## Maturity Profile<sup>^</sup>



<sup>^</sup>As on May 31, 2019

## NAV Movement (Since Inception) Rebased to 100

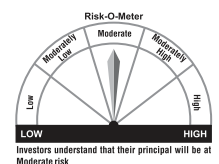


## THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING\*

- 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.

\*\*With effect from November 05, 2018, Triparty Repo has replaced CBLOs for all schemes with provisions to invest in CBLO.



## Fund Commentary

- Following global growth concerns, election results and favorable crude prices, bond yields softened in May 2019, witnessing the biggest monthly fall since Nov 2016. Muted economic growth, pushed RBI to shift its stance from 'Neutral' to 'Accommodative' and deliver third consecutive rate cut of the calendar year, in starting of June. The 'Accommodative' stance suggests of more concerned about the growth slowdown, while acknowledging that inflation remains capped and future rate cuts can be accommodative if warranted to improve growth conditions. RBI forecasted its economic Growth a tad lower compared to previous policy, as demand remains sluggish, muted private consumption, tepid fixed investment and subdued exports. GDP growth plunged to 20-quarter low to 5.8% in Q4 FY19 and completing, the full year FY19 GDP growth of 6.8% (5-year low) comparable to 7.2% in FY18. The Reserve Bank continued its OMO purchase of Central Government securities from the market to keep yields in control and provide durable liquidity to the market. The election outcome favoring current government has raised high hopes for continuation of reform agenda.
- On the global front trade tensions between US and China seems ever escalating. Ten-year Treasury yields in US have dropped to lowest levels since September 2017, fearing the recession concerns. The yield curve from 3 months to 10 years touched the most inverted level since 2007 predicting muted equities going forward. On the other side, China announced equal response on tariff hikes to US and ease domestic liquidity to pair the economy from any external shocks. U.S.-China trade tensions and reduced growth forecasts from the European Commission has led to softened interest rates across the globe. These in turn has led to correction in crude prices in global markets. However, tightened supplies amid Organization of the Petroleum Exporting Countries - led production cut plan limited the downfall. U.S. sanction on oil exports from Iran against its continuation of nuclear programs and fall in crude oil production in Russia cushioned the oil prices.
- Bond yields moving ahead will be dictated by what fiscal policy the new government adopts, given the growth slowdown in the economy. The Government might focus on fiscal consolidation path or can keep the deficit numbers constant for the next two years before reducing it further and try to propel growth. By focusing growth, it should target more structural deficit as an alternative to targeting fiscal deficit, like most advanced economies. Indian monsoons will be closely tracked, as at present initial monsoon seems to be delayed by at least a week. In this scenario of changing market conditions, 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 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, to benefit out of the steep yield curve. However, any changes in the macro-economic environment is being continuously 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 16 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 May 31, 2019

**Regular Plan Growth** : ₹1474.9044  
**Regular Plan Weekly** : ₹1005.5336  
**Dividend**  
**Regular Plan Daily** : ₹1000.4875  
**Dividend**  
**Direct Plan Growth** : ₹1479.0098  
**Direct Plan Dividend** : ₹1000.0486

## AUM as on May 31, 2019

**Net AUM** : ₹ 587.33 crore  
**Monthly Average AUM** : ₹ 570.22 crore

## Total Expense Ratio

**Regular Plan** : 0.25% p.a.  
**Direct Plan** : 0.20% p.a.  
 Total Expense Ratio is as on the last business day of the month.

## Statistical Debt Indicators

**Modified Duration** : 20 days  
**Average Maturity** : 22 days  
**Yield to Maturity** : 6.57%

## Portfolio as on May 31, 2019

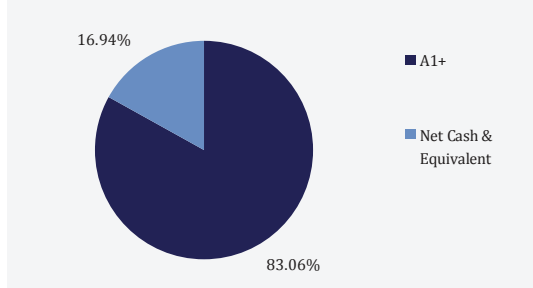
Name of the Instrument	Rating	% to Net Assets	Name of the Instrument	Rating	% to Net Assets
<b>Money Market Instruments</b>			<b>Commercial Paper</b>		
<b>Certificate of Deposit</b>			NTPC Limited	CRISIL A1+	8.45%
Small Industries Dev Bank of India	CARE A1+	8.50%	National Bank For Agriculture and Rural Development	ICRA A1+	8.42%
Bank of Baroda	CARE A1+	8.50%	Reliance Industries Limited	CRISIL A1+	4.25%
Canara Bank	CRISIL A1+	8.48%	LIC Housing Finance Limited	CRISIL A1+	4.24%
ICICI Bank Limited	ICRA A1+	8.48%	<b>Sub Total</b>		<b>25.36%</b>
IndusInd Bank Limited	CRISIL A1+	6.80%	<b>TREPS** / Reverse Repo</b>		
Axis Bank Limited	ICRA A1+	4.25%	TREPS**		16.20%
Kotak Mahindra Bank Limited	CRISIL A1+	4.25%	<b>Sub Total</b>		<b>16.20%</b>
Axis Bank Limited	ICRA A1+	4.24%	<b>Net Receivables / (Payables)</b>		
Kotak Mahindra Bank Limited	CRISIL A1+	4.20%			<b>0.74%</b>
<b>Sub Total</b>		<b>57.70%</b>	<b>Portfolio Total</b>		
					<b>100.00%</b>

## Scheme Performance

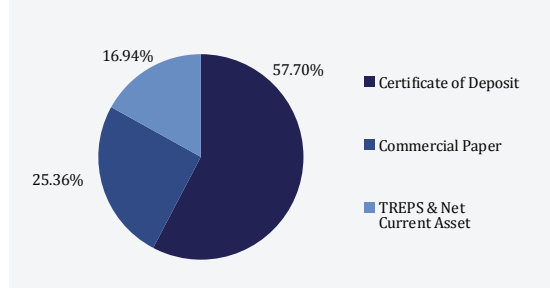
	31-May-18 to 31-May-19	PTP(₹)	31-May-16 to 31-May-19	PTP(₹)	31-May-14 to 31-May-19	PTP(₹)	Since Inception <sup>5</sup>	PTP (₹)
IIFL Liquid Fund - Reg - Growth	6.81%	10,681	6.58%	12,107	7.13%	14,116	7.26%	14,753
IIFL Liquid Fund - Dir - Growth	6.86%	10,686	6.63%	12,124	7.19%	14,156	7.31%	14,791
Benchmark*	7.73%	10,773	7.19%	12,316	7.65%	14,463	7.85%	15,208
Additional Benchmark**	6.70%	12,147	7.15%	10,715	7.29%	14,221	7.49%	14,931

Past performance may or may not be sustained in future. Different plans shall have different expense structure. As on May 31, 2019\* 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; 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.

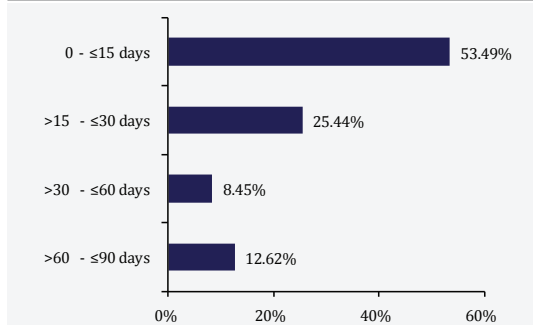
## Composition by Rating<sup>^</sup>



## Instrument Wise Composition<sup>^</sup>

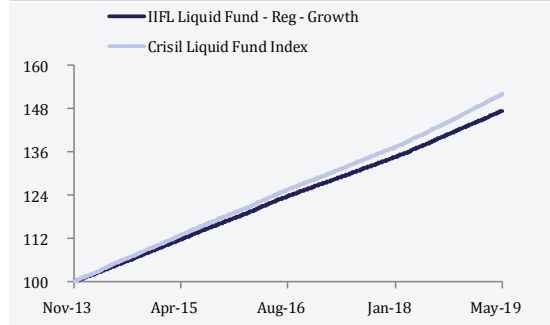


## Maturity Profile<sup>^</sup>



<sup>^</sup>As on Apr 30, 2019

## NAV Movement (Since Inception) Rebased to 100

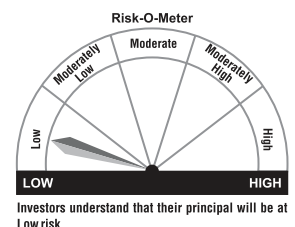


## THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING\*

- 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.

\*\*With effect from November 05, 2018, Triparty Repo has replaced CBLOs for all schemes with provisions to invest in CBLO.



## GLOSSARY OF TERMS

<b>FUND MANAGER</b>	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.
<b>APPLICATION AMOUNT FOR FRESH SUBSCRIPTION</b>	This is the minimum investment amount for a new investor in a mutual fund scheme.
<b>MINIMUM ADDITIONAL AMOUNT</b>	This is the minimum investment amount for an existing investor in a mutual fund scheme.
<b>YIELD TO MATURITY</b>	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.
<b>SIP</b>	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.
<b>NAV</b>	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.
<b>BENCHMARK</b>	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.
<b>ENTRY LOAD</b>	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.
<b>EXIT LOAD</b>	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.
<b>MODIFIED DURATION</b>	Modified duration is the price sensitivity and the percentage change in price for a unit change in yield.
<b>STANDARD DEVIATION</b>	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.
<b>SHARPE RATIO</b>	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.
<b>BETA</b>	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.
<b>AUM</b>	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.
<b>HOLDINGS</b>	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.
<b>NATURE OF SCHEME</b>	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.
<b>RATING PROFILE</b>	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.