

# MONTHLY FACTSHEET

OCTOBER 2019



## Macro Economy & Event Update

- The month saw major markets around the globe gain. The ups and downs of U.S.-China trade relations, decisions of global central banks and economic data impacted investor sentiment.
- U.S. markets gained as global growth slowdown concerns were neutralized on upbeat Chinese economic data. U.S. and China seemed to come close to a resolution after the U.S. President said a deal could be in the offing soon. Even though news kept showing conflicting reports. U.S. officials cleared the air on such speculations.
- European markets went up as decisions of central banks boosted market sentiments. The European Central Bank and the U.S. Federal Reserve cut interest rates to support the economy, while the Bank of England maintained status quo.
- Asian peers gained too on the back of encouraging Chinese economic data and favourable comments by the U.S. President on trade relations with China. The Hong Kong protests abating after the country's leader officially withdrew a controversial bill also supported sentiment.
- Indian equity markets gained as investors grew confident of government's support to spur growth in the slowing economy. The government cut corporate tax to boost company earnings, among other measures. Gains were limited by the political situation in the U.S., trade tensions and global weak economic data.
- Bond yields rose as market participants worried that the government may spend more to boost the economy. The fear is this may lead to fiscal slippage. Subdued retail inflation in Aug 2019 restricted further losses.
- Moving forward investors will closely track the second-quarter earnings of companies. The earnings are in focus now more than ever as investors want to ascertain the impact of government's corporate tax cut on India Inc's health. Markets will also, at the same time, keep an eye on the government's fiscal deficit target as fears are that the support measures will jeopardize the fiscal discipline. First set of Assembly elections will be held in Maharashtra & Haryana in the Oct 2019, which might have an impact on sentiment.

### CAD widens in Q1FY20 as against Q4FY19,

- Data from the Reserve Bank of India showed that India's current account deficit (CAD) widened to \$14.3 billion (2.0% of GDP) in Q1FY20 from \$ 4.6 billion (0.7% of GDP) in the preceding quarter but narrowed from \$15.8 billion (2.3% of GDP) in the same period of the previous year. CAD contracted on a yearly basis primarily on account of higher invisible receipts which stood at \$31.9 billion in QYFY20 as compared with \$ 29.9 billion in the same period of the previous year.

### Retail inflation touches 10-month high in Aug 2019

- India's Consumer price index-based inflation rate touched 10-month high to 3.21% YoY in Aug 2019 from 3.15% in Jul 2019. However, inflation eased from 3.69% YoY, recorded a year ago. Sequential rise in inflation was due to acceleration in consumer food inflation price index that rose to 2.99% YoY from 2.36% in the similar period.

### IIP grew 4.3% YoY in Jul

- India's Index of Industrial production (IIP) grew 4.3% YoY in Jul 2019, slower than 6.5% in Jul 2018. Manufacturing grew 4.2% in Jul 2019, much slower than 7.0%, a year ago. From Apr to Jul 2019, IIP growth eased to 3.3% YoY from 5.4% recorded in the corresponding period last year.

### India's trade deficit narrows in Aug, Imports fell 13.45%

- India's trade deficit narrowed to \$13.45 billion in Aug 2019 from \$17.92 billion in the same period of the previous year. India's trade deficit narrowed as imports fell 13.45% to \$39.58 billion in Aug 2019 while exports came down at a comparatively slower rate of 6.05% to \$26.13 billion in Aug 2019. Imports came down as gold imports plunged 62.49% to \$1.36 billion in Aug 2019 while oil imports fell 8.9% to \$10.88 billion in the same month.

### Fiscal Deficit at 78.7% of budget estimate of FY20 for Apr to Aug

- India's fiscal deficit for the period from Apr to Aug of 2019 stood at Rs. 5.54 lakh crore or 78.7% of the budget estimate of FY20 compared to 94.7% in the corresponding period of the previous year. Revenue receipts during the same period stood at Rs. 6.03 lakh crore or 30.7% of the budget estimate compared to 26.9% in the corresponding period of the previous year. The capital expenditure stood at Rs. 1.36 lakh crore or 40.3% of the budget estimate as compared to 44.1% in the corresponding period of the previous year.

### Eight infrastructure sectors contracted for the first time in more than 4 years

- The growth of India's eight infrastructure sectors contracted 0.5% in Aug 2019 compared to a growth of 2.7% in the previous month and 4.7% in the same month of the previous year. The coal sector witnessed the maximum contraction of 8.6% followed by crude oil and cement sector which contracted 5.4% and 4.9% respectively. Meanwhile, steel sector witnessed the maximum growth of 5.0% followed by fertilizers and refinery products which grew 2.9% and 2.6% respectively.

Key Economic Indicators		
Indicators	Current	Previous
WPI (Aug-19)	1.08%	1.08%
IIP (Jul-19)	4.30%	1.20%
CPI (Aug-19)	3.21%	3.15%

Source: Thomson Reuters Eikon

## Equity Market

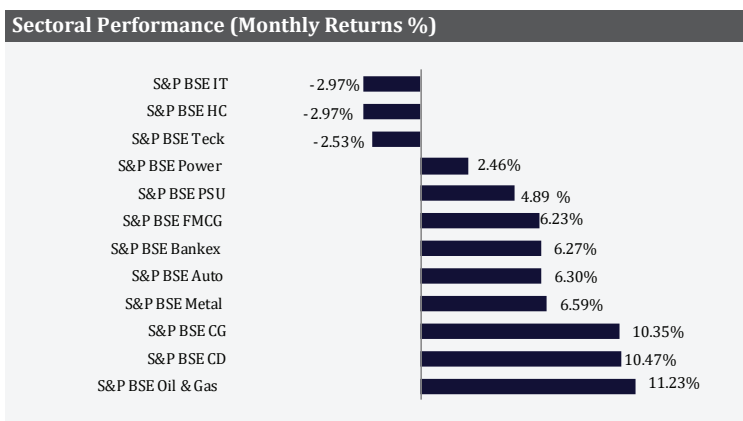
- Indian equity markets ended the month in the positive territory after witnessing the highest single-day gain of 5.32% (Sep 20) in more than a decade; key trigger for the surge being the government's announcement of the massive stimulus package, which was much awaited in the face of weak economic scenario. Meanwhile, retail inflation for Aug remained within the RBI's medium-term target, which led to hopes over further rate cuts. However, concerns over the impact of recent surge in oil prices, in the aftermath of the drone attack on Saudi Arabia, on the domestic fiscal deficit kept market participants wary. Mixed set of global cues too impacted market sentiments.
- U.S. equity markets gained in Sep 2019 on upbeat Chinese economic data and a government official denying news that the administration is thinking of blocking Chinese companies from listing shares on U.S. stock exchanges. Report from payroll processor ADP showing stronger than expected private sector job growth in Aug generated buying interest. The period saw the U.S. House Speaker announce a formal impeachment inquiry against the U.S. President which capped the gains. Volatility was seen around U.S. Federal Reserve's policy decision wherein although the central bank cut key rates by another 25 bps, but its economic projections suggest that the policy makers are divided about the outlook for interest rates which also contributed to the downside.
- European markets went up as investors welcomed the European Central Bank's policy decision. The ECB slashed interest rates for the first time since 2016 and unveiled a series of stimulus package to boost growth of the euro zone economy. The U.S. Federal Reserve cutting interest rates was also taken favourably by investors. The Bank of England also held interest rates steady and the quantitative easing program intact amid continued uncertainty over Brexit. Hopes of a U.S.-China trade deal and upbeat Germany consumer sentiment data supported sentiment.
- Asian markets followed global peers and gained in the month. The U.S. President's comment that a trade deal with China could happen sooner than expected supported sentiment. Also, Chinese factory activity data beat forecasts and the U.S. said reports of curbing U.S. investments in China were false. Investor sentiment was buoyed by reports that the Hong Kong leader has withdrawn a controversial extradition bill. Buying interest was also generated by the European Central Bank's monetary policy decision, where it cut deposit rates and announcing a massive new bond-buying programme.
- Investors will be closely following the impact of the recent stimulus measures announced by the government. It has adhered to its borrowing plan for the current fiscal, as announced in the budget, sending a strong signal that it will try and meet the fiscal deficit target despite a sharp cut in corporate tax rate that is expected to cost Rs 1.45 lakh crore. Political event which is expected to impact market sentiments comprise of the first set of Assembly elections in Maharashtra & Haryana to be held in Oct post the ruling party's re-election in Lok Sabha held in May. Global cues, which shall dominate investor sentiments include U.S.- China trade talks, the U.S. Fed's stance on future rate cut and last but not the least the developments on the impeachment issue of the U.S. President.

Domestic Indices Performance				
Indicators	30-Sep-19	30-Aug-19	Chg %	YTD%
S&P BSE Sensex	38,667	37,333	3.57	7.21
Nifty 50	11,474	11,023	4.09	5.63
S&P BSE 200	4,794	4,609	4.02	3.02
Nifty Midcap 100	16,026	15,652	2.39	-10.35
Nifty Dividend Opportunities 50	2,565	2,488	3.08	-0.93
S&P BSE Smallcap	13,171	12,535	5.07	-10.44

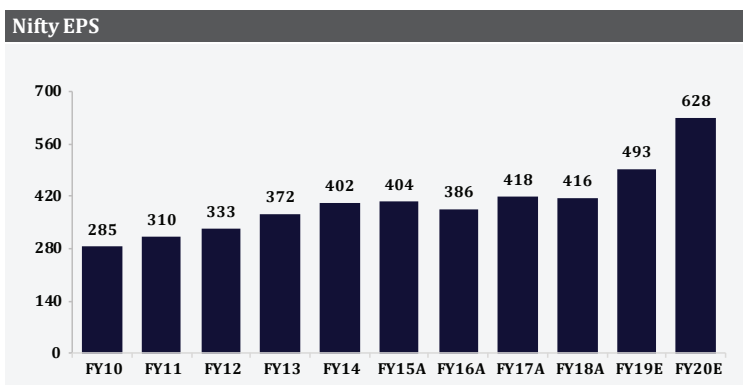
Source: Thomson Reuters Eikon

Global Indices Performance				
Global Indices	30-Sep-19	30-Aug-19	Chg %	YTD%
Dow Jones	26,917	26,403	1.95	15.39
FTSE	7,408	7,207	2.79	10.11
CAC	5,678	5,480	3.60	20.02
Hang Seng	26,092	25,725	1.43	0.95
SSE Composite Index	2,905	2,886	0.66	16.49

Source: Thomson Reuters Eikon



Source: Thomson Reuters Eikon



Institutional Flows (Equity) As on September 30, 2019				
(₹ Cr)	Purchases	Sales	Net	YTD
FII Flows	117,342	109,794	7,548	56,184
MF Flows	62,872	51,842	11,029	52,254
DII Flows	84,874	72,383	12,491	51,937

Source: NSDL, NSE & SEBI;

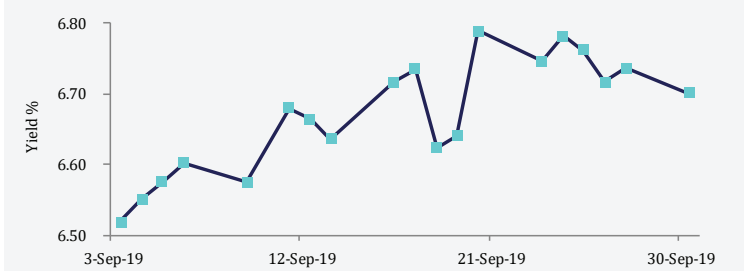
## Debt Market

- Bond yields rose for the second consecutive month in Sep 2019 as market participants apprehended that the government may spend more to boost the growth prospects of the domestic economy which in turn fuelled concerns of fiscal slippage. However, subdued retail inflation in Aug 2019, some retreat in global crude oil prices after surging earlier in the month and bargain hunting to some extent restricted further losses.
- Yield on gilt securities increased across the maturities in the range of 6 bps to 32 bps barring 1 and 2-year paper which fell 1 bps and 4 bps respectively. Yield on corporate bonds increased across 6 to 10-year maturities in the range of 4 bps to 20 bps barring 1 to 5-year maturities and 15-year paper which fell in the range of 6 bps to 56 bps. Difference in spread between corporate bond and gilt securities contracted across the maturities in the range of 5 bps to 72 bps barring 7-year paper which expanded 6 bps.
- The government stayed with its borrowing plan for the second half of FY20 as announced in the budget and this provided temporary relief to the debt market sentiment which till recently remained wary of fiscal slippage. However, moving ahead the monthly fiscal math of the government will also be closely tracked given that the collection of goods and services tax fell to its lowest level in the last nineteen months in Sep 2019. Under such a scenario, the government's fiscal math may require a renewed push towards disinvestment, other support (dividend payout, subsidy rollovers etc) and curtailment of expenditure.

## Currency and Commodity Market

- The rupee strengthened against the greenback following gains in domestic equity market after a corporate tax cut was announced by the government of India. The rupee further strengthened against the greenback as investor's risk appetite improved on reports that the U.S. and China agreed to hold trade talks in Oct 2019. However, increase in global crude oil prices due to an attack on a major oil facility in Saudi Arabia capped the gains. Dollar purchases by a large corporate and state-run bank also weighed on the domestic market.
- Brent crude prices surged initially during the month following attacks on Saudi Arabian refining facilities. However, most of the gains were neutralised following reports that oil production facilities of Saudi Arabia would be fully restored and that oil output will be back to normal levels soon. Concerns of a slowdown in global growth and rise in U.S. crude inventory for the week ended Sep 20 were among other factors that restricted the upside.

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



Source: Thomson Reuters Eikon

### Spread Movement

Spreads		AAA	AA	A
30-Sep-19	1 Yr	109	246	160
	3 Yr	113	205	194
	5 Yr	90	243	204
30-Aug-19	1 Yr	156	244	272
	3 Yr	139	195	191
	5 Yr	107	254	218

Source: Thomson Reuters Eikon

Yield (%)	30-Sep-19	30-Aug-19
10 Year G-Sec	6.70	6.56
5 Year G-Sec	6.47	6.37

### Certificate of Deposit

	30-Sep-19	30-Aug-19
3-Month	5.89	5.49
6-Month	6.05	6.00
9-Month	6.43	6.21
12-Month	6.42	6.50

### Commercial Papers

	30-Sep-19	30-Aug-19
3-Month	5.85	5.90
6-Month	6.40	6.45
12-Month	7.05	7.00

Source: Thomson Reuters Eikon

Treasury Bill	30-Sep-19	30-Aug-19
91 Days	5.24	5.35
364 Days	5.50	5.70

Source: Thomson Reuters Eikon

### Event Calendar

Release Date	Release Date	Country
10-Oct-19	Gross Domestic Product (MoM)	U.K
18-Oct-19	Gross Domestic Product (YoY)	China
24-Oct-19	ECB Interest Rate Decision	EU
30-Oct-19	U.S. Federal Reserve Interest Rate Decision	U.S.
31-Oct-19	Brexit Deadline	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 18 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** : S&P BSE 200 TRI<sup>^</sup>  
**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** : 1% - if redeemed/switched out, on or before 12 months from the date of allotment w.e.f April 02, 2019.  
**Dematerialization** : D-Mat Option Available  
**Portfolio Turnover Ratio (based on 1 year monthly data)** : 1.22 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 September 30, 2019**  
**Regular - Growth** : ₹16.9950  
**Regular - Dividend** : ₹15.0356  
**Direct - Growth** : ₹18.0791  
**Direct - Dividend** : ₹17.8943

**AUM as on September 30, 2019**  
**Net AUM** : ₹ 258.44 crore  
**Monthly Average AUM** : ₹ 233.86 crore

**Total Expense Ratio**  
**Regular Plan** : 2.40% p.a.  
**Direct Plan** : 0.90% p.a.  
 Total Expense Ratio is as on the last business day of the month.

**Volatility Measures Fund Benchmark**  
**Std. Dev (Annualised)** 15.84% 13.52%  
**Sharpe Ratio** 0.41 0.30  
**Portfolio Beta** 1.05 1.00  
**R Squared** 0.80 NA  
**Treynor** 0.02 0.01

## Portfolio as on September 30, 2019

Company Name	Industry	% to Net Assets
<b>Equity &amp; Equity Related Total</b>		
ICICI Bank Limited	Banks	8.93
HDFC Bank Limited	Banks	8.91
Larsen & Toubro Limited	Construction Project	6.62
Axis Bank Limited	Banks	6.13
Procter & Gamble Health Limited	Pharmaceuticals	5.41
Bajaj Finance Limited	Finance	5.06
Crompton Greaves Consumer Electricals Limited	Consumer Durables	4.40
Muthoot Finance Limited	Finance	4.15
CreditAccess Grameen Limited	Finance	3.87
Tata Consultancy Services Limited	Software	3.63
Siemens Limited	Industrial Capital Goods	3.50
Aavas Financiers Limited	Finance	3.12
Bajaj Finserv Limited	Finance	3.06
Tech Mahindra Limited	Software	3.05
IPCA Laboratories Limited	Pharmaceuticals	2.75
Asian Paints Limited	Consumer Non Durables	2.75
Infosys Limited	Software	2.40
SRF Limited	Textile Products	2.11
Aarti Industries Limited	Chemicals	2.09
Larsen & Toubro Infotech Limited	Software	1.97
Cholamandalam Investment and Finance Company Limited	Finance	1.64
Balkrishna Industries Limited	Auto Ancillaries	1.19
Deepak Nitrite Limited	Chemicals	1.19
Bharti Airtel Limited	Telecom - Services	1.11
State Bank of India	Banks	1.04
ICICI Securities Limited	Finance	0.95
Tata Motors Ltd DVR Shares	Auto	0.53
<b>Unlisted</b>		
Arti Surfactants Limited	Chemicals	0.03
<b>Sub Total</b>		<b>91.59</b>
TREPS <sup>#</sup>		8.15
Net Receivables / (Payables)		0.26
<b>Portfolio Total</b>		<b>100.00</b>

## Scheme Performance

	30-Sep-18 to 30-Sep-19	PTP (₹)	30-Sep-16 to 30-Sep-19	PTP (₹)	Since Inception <sup>5</sup>	PTP (₹)
IIFL Focused Equity Fund - Reg - Growth	19.94%	12,006	10.10%	13,346	11.38%	16,995
IIFL Focused Equity Fund - Dir - Growth	21.76%	12,189	11.67%	13,925	12.79%	18,080
Benchmark*	4.81%	10,484	10.22%	13,390	9.07%	15,330
Additional Benchmark**	8.03%	10,808	12.92%	14,398	8.72%	15,089

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

As on September 30, 2019; Point to Point (PTP) returns in ₹ is based on standard investment of ₹10,000; <sup>5</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.

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

	30-Sep-18 to 30-Sep-19	30-Sep-16 to 30-Sep-19	Since Inception
Total Amount Invested (₹)	1,20,000	3,60,000	5,80,000
Total Value as on Sep 30, 2019(₹)	1,34,687	4,26,697	7,71,865
Returns	23.54%	11.38%	11.79%
Total Value of Benchmark: S&P BSE 200 TRI (₹)	1,23,208	4,01,138	7,23,486
Benchmark: S&P BSE 200 TRI	5.01%	7.17%	9.09%
Total Value of Benchmark: S&P BSE Sensex TRI (₹)	1,25,677	4,26,098	7,58,663
Additional Benchmark: S&P BSE Sensex TRI	8.92%	11.28%	11.07%

(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

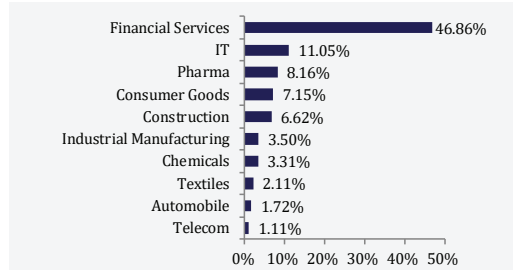
	Record Date	Face Value (₹)	Cum Dividend NAV (₹) As on Feb 15, 2017	Dividend Per Unit
Regular Plan	15-Feb-17	10	12.7777	1.50
Direct Plan	15-Feb-17	10	13.0738	0.17

## 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.

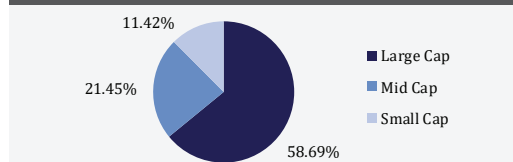
<sup>##</sup>With effect from November 05, 2018, Triparty Repo has replaced CBL0s for all schemes with provisions to invest in CBL0.

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



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

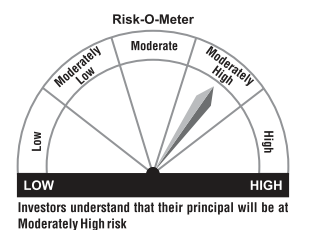
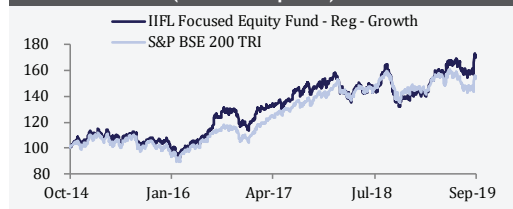
## Market Capitalisation wise Exposure<sup>^</sup>



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 September 30, 2019

## NAV Movement (Since Inception) Rebased to 100



## Fund Commentary

Dear Investors,

In a surprise move, the Finance Minister on 20th Sep announced sharp cuts in corporate tax rates (30% to 22%) for all domestic companies. In addition, new manufacturing companies incorporated after October 01, 2019 will be subject to lower tax (@15%). This came in as a big relief in an otherwise gloom and doom environment.

The government's decision to cut taxes clearly reflects a renewed focus to kick start investment led growth and make Indian manufacturing more competitive than its peers. While the announced tax cut is a good start, a lot depends on follow up on reforms across labour, land acquisition, judiciary, manufacturing etc. Further, the government needs to take a fresh approach towards divestment to offset the impact of these tax cuts and maintain its fiscal targets. Any move towards strategic divestment to the private sector could provide a big boost to govt's finances and to the valuations of the PSU sector.

The largest beneficiaries of tax cuts are consumer companies, energy, industrials and automobiles. Except for few banks where there would be one-time large deferred tax adjustments, banking and financial companies are also beneficiaries to the tax cuts.

We believe that this move is the first step in the govt's attempts to revive the investment cycle. We expect the government and RBI to follow through with several measures over the next 6-12 months to aid the recovery process.

Globally, the narrative continues to be of slowing growth, low inflation, weakening commodity prices, steep decline in interest rates and renewed liquidity easing. Increasingly, macro data is pointing towards recession ahead and central banks are responding with increased easing measures. Credit markets are clearly pointing towards a worsening macro environment and higher odds of recession. The spread between 10-year and three-month US Treasury yields has been below zero since May. This kind of yield-curve inversion have preceded all seven US recessions since 1950.

Overall, we believe the recent announcements made by the Indian government have given a significant boost to corporate's cash flows. This could be used in varied ways to stimulate demand and support the distribution channel partners. While there is an immediate upgrade of 8-9% in nifty earnings, structural improvement in demand should be visible over next six to twelve months.

### Portfolio positioning

Over the past few months, we continue to remain over-weight on Financials and Industrials, vis a vis the benchmark, to play the impending cyclical recovery. Recent announcements on tax cuts along with continued monetary easing form a strong base for recovery although further reforms (land, labour, privatisation etc.) should come through to drive a full-fledged cyclical uptick. We also believe the risk-reward has become more attractive in the mid and small cap segment after its sharp under performance vis-à-vis large caps over the last 18 months.

## 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.

# IIFL Capital Enhancer Fund Series 1

(An Annual Interval Scheme investing in Equity and Equity Related Securities)



## 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 18 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>Dematerialization</b>	: D-Mat Option Available
<b>Portfolio Turnover Ratio (based on 1 year monthly data)</b>	: 0.92 times

## NAV as on September 30, 2019

<b>Regular - Growth</b>	: ₹10.3907
<b>Regular - Dividend</b>	: ₹10.0115
<b>Direct - Growth</b>	: ₹10.5304
<b>Direct - Dividend</b>	: ₹10.0286

## AUM as on September 30, 2019

<b>Net AUM</b>	: ₹ 172.40 crore
<b>Monthly Average AUM</b>	: ₹ 173.18 crore

## Total Expense Ratio

<b>Regular Plan</b>	: 1.34% p.a.
<b>Direct Plan</b>	: 0.72% 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 September 30, 2019

Company Name	Industry	% to Net Assets
<b>Equity &amp; Equity Related Total</b>		
HDFC Bank Limited	Banks	11.25
ICICI Bank Limited	Banks	9.11
Tata Consultancy Services Limited	Software	7.10
Larsen & Toubro Limited	Construction Project	6.83
Axis Bank Limited	Banks	6.13
Bajaj Finance Limited	Finance	4.77
Infosys Limited	Software	4.31
Bajaj Finserv Limited	Finance	3.66
Tech Mahindra Limited	Software	3.37
Asian Paints Limited	Consumer Non Durables	3.15
Bharat Petroleum Corporation Limited	Petroleum Products	3.08
NTPC Limited	Power	2.75
Bharti Airtel Limited	Telecom - Services	2.50
Hindustan Unilever Limited	Consumer Non Durables	1.97
Dr. Reddy's Laboratories Limited	Pharmaceuticals	1.05
State Bank of India	Banks	1.00
Mahindra & Mahindra Limited	Auto	0.99
<b>Sub Total</b>		<b>73.02</b>
TREPS##		3.27
Net Receivables / (Payables)		23.71
<b>Portfolio Total</b>		<b>100.00</b>

##With effect from November 05, 2018, Triparty Repo has replaced CBOs for all schemes with provisions to invest in CBO.

## Dividend Details

	Record Date	Face Value (₹)	Cum Dividend NAV (₹) As on Jun 27, 2019	Dividend Per Unit
Regular Plan	26-Jun-19	10	10.0645	0.38
Direct Plan	26-Jun-19	10	10.0655	0.50

## Scheme Performance

	30-Sep-18 to 30-Sep-19	PTP (₹)	Since Inception	PTP (₹)
IIFL Capital Enhancer Fund - Series 1 - Reg - Growth	3.27%	10,329	2.81%	10,390
IIFL Capital Enhancer Fund - Series 1 - Dir - Growth	4.16%	10,418	3.81%	10,530
Benchmark*	8.01%	10,806	5.96%	10,832
Additional Benchmark**	8.03%	10,808	7.86%	11,101

Past performance may or may not be sustained in future.

Different plans shall have different expense structure.

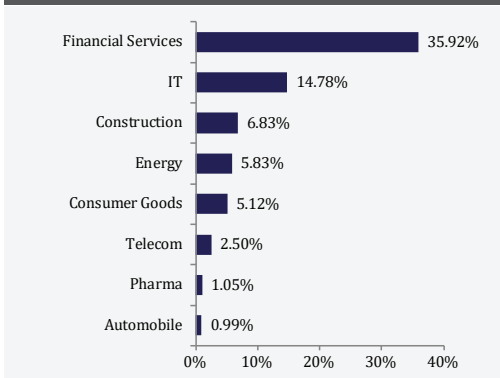
As on September 30, 2019; Point to Point (PTP) returns in ₹ is based on standard investment of ₹10,000; Since Inception date is 14-May-2018; \*CRISIL Hybrid 35+65- Aggressive Index; \*\* S&P BSE Sensex TRI; Managed by the fund manager since inception of the fund; Scheme has been in existence for more than 1 year but less than 3 years.

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

	30-Sep-18 to 30-Sep-19	Since Inception
Total Amount Invested (₹)	1,20,000	1,60,000
Total Value as on September 30, 2019(₹)	1,22,670	1,63,316
Returns	4.17%	2.95%
Total Value of Benchmark: CRISIL Hybrid 35+65- Aggressive Index (₹)	1,24,997	1,67,591
Benchmark: CRISIL Hybrid 35+65- Aggressive Index	7.84%	6.76%
Total Value of Benchmark: S&P BSE Sensex TRI (₹)	1,25,677	1,68,673
Additional Benchmark: S&P BSE Sensex TRI	8.92%	7.72%
(Inception date :14-May-2018) (First Installment date : 01-Jun-2018)		

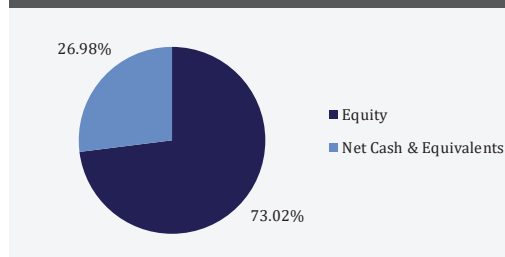
Source: MFI Explorer; Above returns are calculated assuming investment of ₹ 10,000/- on the 1st working day of every month. CAGR return are computed after accounting for the cash flow by using XIRR method (investment internal rate of return) for Regular Plan -Growth option. The above investment simulation 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 inception of the fund.

## Sector Allocation^^

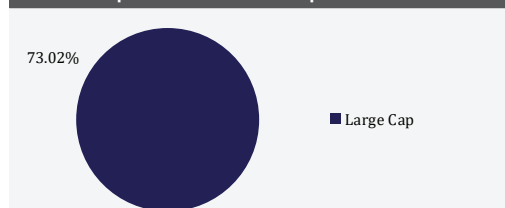


^^Sector allocation as per AMFI classification

## 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 September 30, 2019

## HEDGING- UPDATE

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

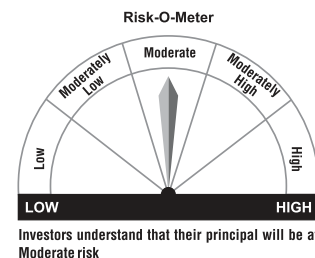
As long dated Nifty 50 puts can only be purchased at a strike price in the multiples of Rs. 100, the Scheme has partially purchased Nifty 50 Puts at 10700 and 10800 strike prices respectively.

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

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## 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 17 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** : IIFDBBIN  
**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 September 30, 2019

**Regular Plan Growth** : ₹15.2380  
**Regular Plan Bonus** : ₹15.2380  
**Regular Quarterly Dividend** : ₹14.7045  
**Regular Half Yearly Dividend** : ₹14.7045  
**Regular Monthly Dividend** : ₹11.5739  
**Direct Plan Growth** : ₹15.7691  
**Direct Monthly Dividend** : ₹12.0452  
**Direct Quarterly Dividend** : ₹14.9050

\*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 September 30, 2019

**Net AUM** : ₹ 319.16 crore  
**Monthly Average AUM** : ₹ 325.99 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.

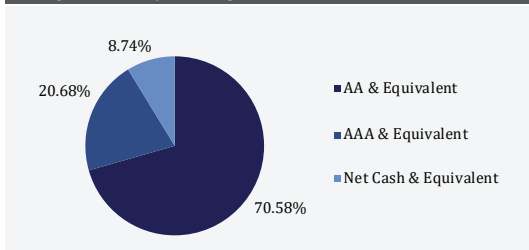
## Statistical Debt Indicators

**Modified Duration** : 1.11 years  
**Average Maturity** : 1.36 years  
**Yield to Maturity** : 9.33%

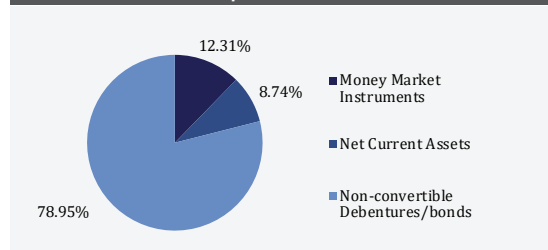
## Portfolio as on September 30, 2019

Name of the Instrument	Rating	% to Net Assets	Name of the Instrument	Rating	% to Net Assets
<b>Debt Instruments</b>			8.20% Housing Development Finance Corporation Limited		
<b>Non-Convertible Debentures/Bonds</b>			78.95		
4.00% HPCL Mittal Energy Limited	ICRA AA+	8.35	8.75% Axis Bank Limited	CRISIL AA+	1.55
8.50% Vedanta Limited	CRISIL AA	7.72	9.15% SP Jammu Udhampur Highway Limited	ICRA AAA	0.56
8.75% Muthoot Finance Limited	CRISIL AA	7.61	9.90% Tata Motors Limited	ICRA AA-	0.32
8.25% EID Parry India Limited	CRISIL AA-	7.38	9.35% IDFC First Bank Limited	ICRA AA	0.03
JM Financial Credit Solution Limited	ICRA AA	6.89	<b>Money Market Instruments</b>		
7.70% L & T Housing Finance	ICRA AAA	6.22	<b>Certificate of Deposit</b>		
Aditya Birla Fashion and Retail Limited	CRISIL AA	5.94	HDFC Bank Limited	CARE A1+	7.64
9.55% Hindalco Industries Limited	CRISIL AA	4.84	<b>Commercial Paper</b>		
10.25% Hansdeep Industries & Trading Company Limited	CARE AA-(CE)	4.72	Power Grid Corporation of India Limited	CRISIL A1+	4.67
9.75% Edelweiss Housing Finance Limited	ICRA AA-	4.13	<b>TREPS** / Reverse Repo</b>		
8.15% Energy Efficiency Services Limited	ICRA AA-	3.09	TREPS**		6.24
7.90% Piramal Enterprises Limited	ICRA AA	3.02	<b>Sub Total</b>		
9.80% ECL Finance Limited	ICRA AA-	2.97	Net Current Assets		2.50
ECL Finance Limited	CARE AA-	2.02	<b>Portfolio Total</b>		
					100.00

## Composition by Rating ^



## Instrument Wise Composition ^



## Dividend Declared - Monthly Dividend Plan

Date	Gross Dividend (₹) (Per Unit)	Regular Plan NAV (₹) (Ex-Dividend)	Direct Plan NAV (₹) (Ex-Dividend)
24-Sep-19	0.05	11.5544	12.0236
27-Aug-19	0.05	11.5754	12.0374
30-Jul-19	0.05	11.5593	12.0128

## Quarterly Dividend Plan

04-Jun-15	0.4	11.4678	11.5708
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## Half Yearly Dividend Plan

04-Jun-15	0.4	11.4678	
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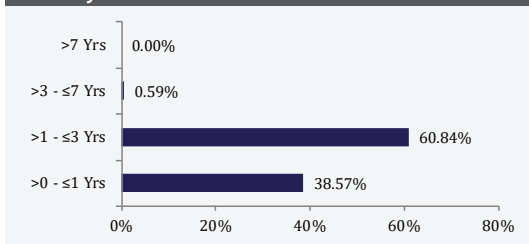
Dividend is gross dividend. To arrive at the net dividend payable for corporate and non-corporate investors applicable dividend distribution tax, if any, needs to be adjusted respectively. Past performance may or may not be sustained in future. After payment of dividend the NAV has fallen to the extent of payout and distribution taxes if applicable. Monthly Dividend is not assured and is subject to availability of distributable surplus.

## Scheme Performance

	30-Sep-18 to 30-Sep-19	PTP (₹)	30-Sep-16 to 30-Sep-19	PTP (₹)	30-Sep-14 to 30-Sep-19	PTP (₹)	Since Inception <sup>5</sup>	PTP (₹)
IIFL Dynamic Bond Fund - Reg - Growth	8.09%	10,814	6.61%	12,117	7.83%	14,581	6.95%	15,241
IIFL Dynamic Bond Fund - Dir - Growth	8.80%	10,885	7.24%	12,333	8.44%	14,998	7.53%	15,766
Benchmark*	13.63%	11,371	7.25%	12,337	9.13%	15,482	8.43%	16,612
Additional Benchmark**	15.67%	11,576	6.25%	11,995	8.67%	15,158	6.93%	15,223

Past performance may or may not be sustained in future. Different plans shall have different expense structure. As on September 30, 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; <sup>5</sup>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 ^



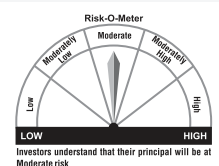
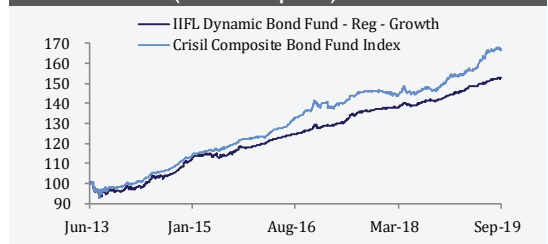
\*As on September 30, 2019

## 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.

## NAV Movement (Since Inception) Rebased to 100



## Fund Commentary

- Systemic liquidity in the month of September remain surplus and the ample liquidity is likely to continue during the festive season. But, the bond yields remain under pressure during the month amidst fear of widening fiscal deficit with lots of reforms for private sector corporates, including historic cut in corporate tax rate. The direct impact of corporate tax cut is substantial short fall in government revenues and ensuing additional borrowing. Constant low inflation numbers are on the slow, but upscaling path and has failed to cheer up the market sentiments. India's Consumer price index-based inflation rate touched 10-month high albeit at a very low trajectory. A rate cut in the monetary policy is eminent in the market and transmission and dovish stance of RBI shall develop the market sentiments moving forward. To bring in more perspective, the transmission and efficacy of policy rates and credit growth besides the Inflation and Growth parameters is eminent. Yield on the 10-year benchmark bond (7.26% GS 2029) went up by 14 bps to close the month end at 6.70%. The other macro parameters of India's Index of Industrial production (IIP) grew 4.3% YoY in Jul 2019, slower than 6.5% in Jul 2018 and manufacturing grew 4.2% in Jul 2019, much slower than 7.0%, a year ago. Q1 GDP Growth came in at 5% vis-à-vis RBI's estimates for 5.8% for Q1 2019-20 indicating slowdown in economy continues.
- On the global front Brent crude prices surged during the month following attacks on Saudi Arabian refining facilities. However, most of the gains were short lived following reports of restoring capacities and oil output back to normal levels soon. Slowing global demand and rise in U.S. crude inventory were among other factors that restricted the upside in oil prices. China and Iran flesh out strategic partnership with 25-year deal to buy oil, gas and petrochem products at a hefty discount from Iran with assurance for development of Iran and deployment of Chinese security personnel on the ground in Iran to protect Chinese projects. To counter Chinese moves Trump administration is considering limiting U.S. investors' portfolio flows into China sending the offshore yuan to its weakest level in past three weeks. The Federal reserve of USA cut interest rates second time in the year and is expected further loosening. The European Central Bank announced a broad-based package of measures to kick start the economy. The BOJ overnight opted to leave policy unchanged disappointing inflation figures and a slowing global economy. The rupee strengthened against the greenback following gains in domestic equity market after a corporate tax cut by government of India. The rupee further strengthened against the greenback as investor's risk appetite improved on reports that the U.S. and China agreed to hold trade talks in Oct 2019.
- The bond markets will take cues from future RBI rate actions to protect growth, its conduct of borrowing program and durable liquidity management. The government stayed with its borrowing plan for second half of FY 20 as announced in the budget, scheduling the borrowing program leaving enough time to borrow additionally if needed at the fag end of financial year. The monthly fiscal math of government will also be closely tracked given that the collection of goods and services tax fell to its lowest level in the last nineteen months in Sep 2019. Corporate tax rate cut also will impact the fiscal short fall. In this scenario, government's fiscal math may require a renewed push towards disinvestment, other support (dividend pay-out, subsidy rollovers etc) and curtailment of expenditure. Government has already initiated efforts to sell huge stakes in PSU's like BPCL, Shipping Corporation, Concor Ltd, NEEPCO and THDC worth ~90000cr to meet its budgeted target of disinvestment up to ~105000 cr. 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 17 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 September 30, 2019

**Regular Plan Growth** : ₹1503.0769  
**Regular Plan Weekly** : ₹1005.9396  
**Dividend**  
**Regular Plan Daily** : ₹1000.0701  
**Dividend**  
**Direct Plan Growth** : ₹1507.5118  
**Direct Plan Dividend** : ₹1000.0524  
**Direct Plan Weekly** : ₹1005.9325  
**Dividend**

## AUM as on September 30, 2019

**Net AUM** : ₹ 449.47 crore  
**Monthly Average AUM** : ₹ 601.81 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** : 18 days  
**Average Maturity** : 19 days  
**Yield to Maturity** : 5.37%

## Portfolio as on September 30, 2019

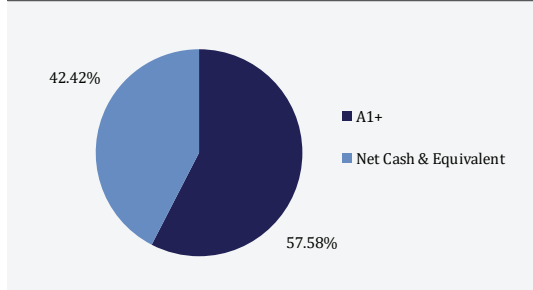
Name of the Instrument	Rating	% to Net Assets	Name of the Instrument	Rating	% to Net Assets
<b>Money Market Instruments</b>			Power Grid Corporation of India Limited	CRISIL A1+	2.21%
<b>Certificate of Deposit</b>			<b>Sub Total</b>		<b>13.31%</b>
IndusInd Bank Limited	CRISIL A1+	11.10%	<b>TREPS** / Reverse Repo</b>		
ICICI Bank Limited	ICRA A1+	11.07%	TREPS**		41.51%
Bank of Baroda	FITCH A1+	11.05%	<b>Sub Total</b>		<b>41.51%</b>
Kotak Mahindra Bank Limited	CRISIL A1+	11.05%	Net Receivables / (Payables)		0.91%
<b>Sub Total</b>		<b>44.27%</b>	<b>Portfolio Total</b>		<b>100.00%</b>
<b>Commercial Paper</b>					
NTPC Limited	CRISIL A1+	11.10%			

## Scheme Performance

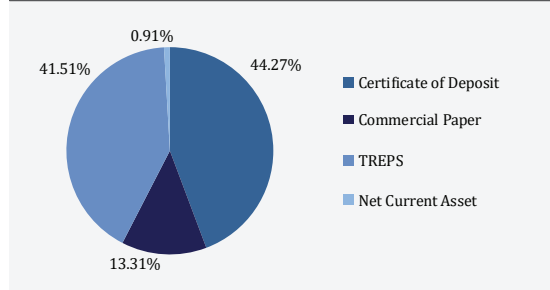
	30-Sep-18 to 30-Sep-19	PTP(₹)	30-Sep-16 to 30-Sep-19	PTP(₹)	30-Sep-14 to 30-Sep-19	PTP(₹)	Since Inception <sup>5</sup>	PTP (₹)
IIFL Liquid Fund - Reg - Growth	6.39%	10,639	6.44%	12,059	6.95%	13,995	7.17%	15,028
IIFL Liquid Fund - Dir - Growth	6.44%	10,644	6.50%	12,080	7.01%	14,035	7.23%	15,077
Benchmark*	7.37%	10,737	7.09%	12,281	7.50%	14,359	7.78%	15,538
Additional Benchmark**	7.09%	10,709	6.68%	12,140	7.14%	14,118	7.45%	15,257

Past performance may or may not be sustained in future. Different plans shall have different expense structure. As on September 30, 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.

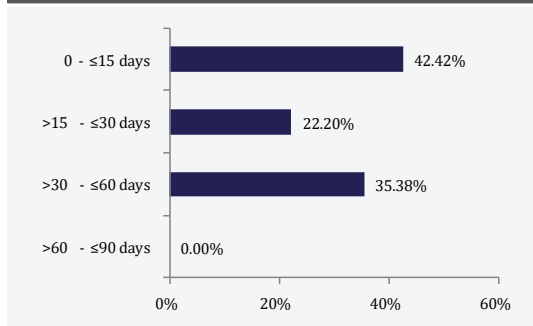
## Composition by Rating<sup>^</sup>



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

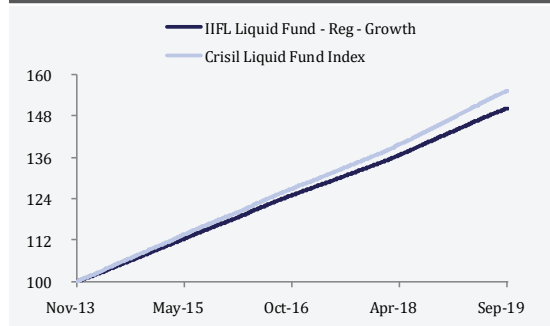


## Maturity Profile<sup>^</sup>



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

## NAV Movement (Since Inception) Rebased to 100

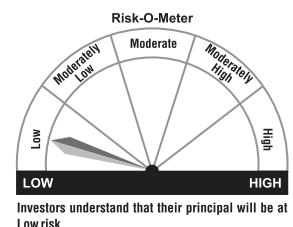


## THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING\*

- 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.