

## SUMMARY

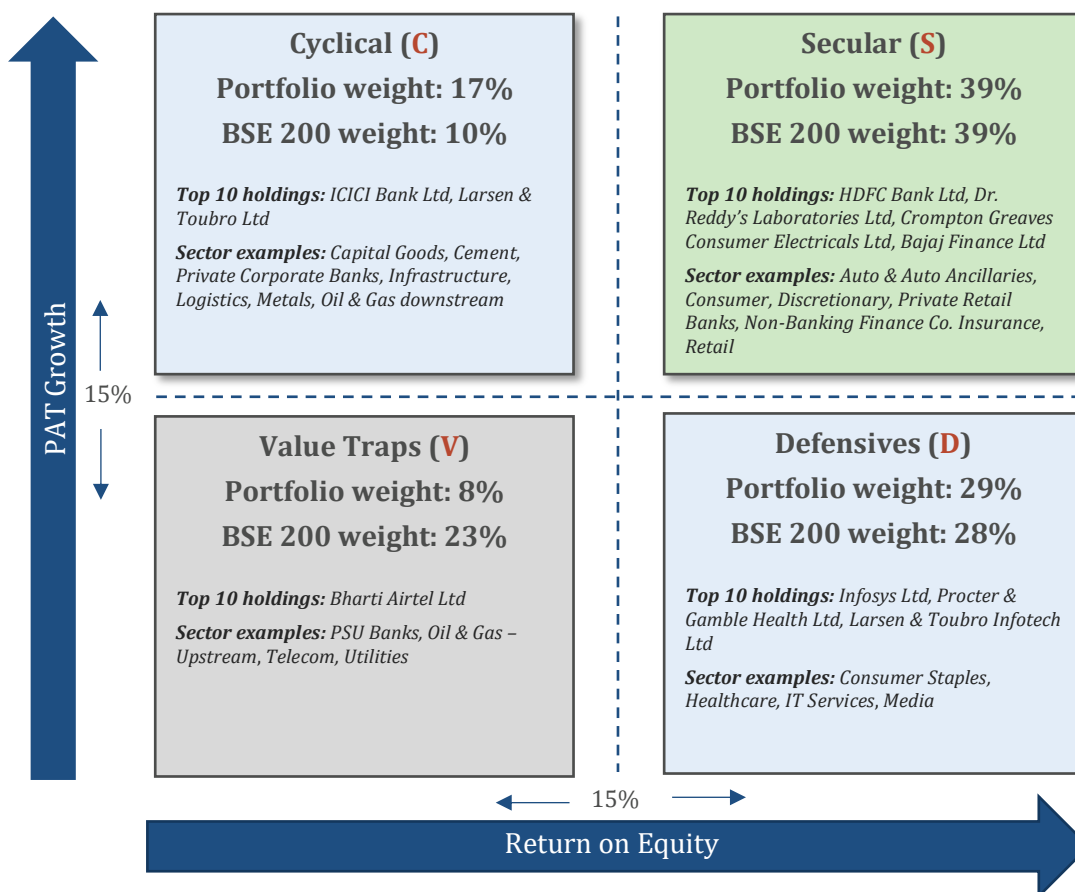
<b>Scheme Name</b>	IIFL Focused Equity Fund* (An open-ended equity scheme investing in maximum 30 multicap stocks)
<b>Investment Objective</b>	The investment objective of the scheme is to generate long term capital appreciation for investors from a portfolio of equity and equity related securities. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved
<b>Category</b>	Focused Fund
<b>Fund Manager</b>	Mr. Mayur Patel <sup>\$</sup>
<b>Inception Date</b>	30 <sup>th</sup> October 2014
<b>AUM</b>	Rs. 881.68 crore (as of July 17, 2020)

## KEY FEATURES

Concentrated portfolio of 25-30 high conviction stocks

- Bottom up sector-agnostic investment approach
- Optimum mix of large cap, mid cap and small cap (Large cap biased with ~61% in large cap stocks)
- The scheme follows a **SCDV** (Secular, Cyclical, Defensives and Value Trap) investment framework

## SCDV INVESTMENT FRAMEWORK



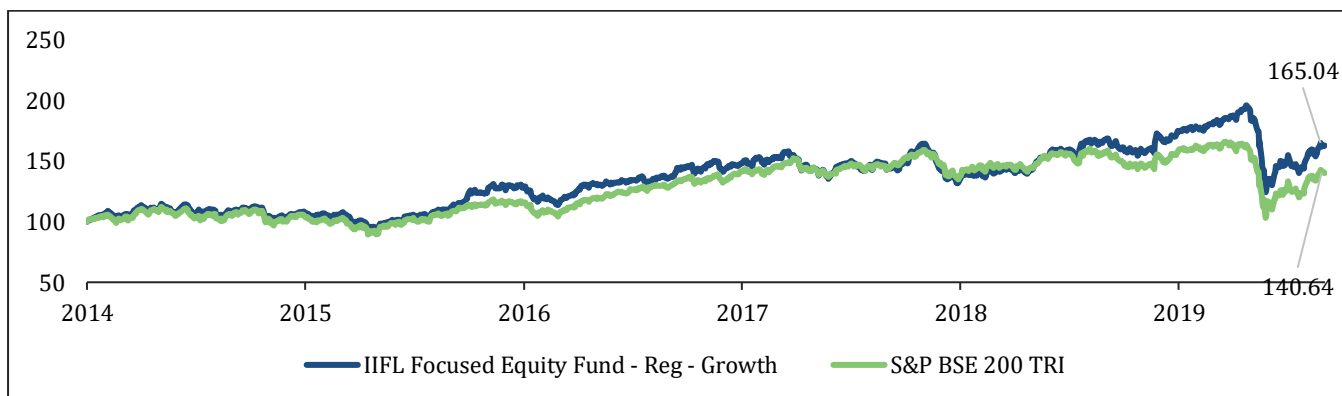
- S**- Secular – Companies with consistent ROE & PAT growth > 15%
- C**- Cyclical – Companies with PAT growth > 15% but ROE < 15%
- D**- Defensive – Companies with ROE > 15% but PAT growth < 15%
- V**- Value Traps – Companies with both ROE & PAT growth < 15%

## SCHEME PERFORMANCE

Scheme/ Benchmark	30-Jun-19 to 30-Jun-20	PTP (Rs)	30-Jun-17 to 30-Jun-20	PTP (Rs)	30-Jun-15 to 30-Jun-20	PTP (Rs)	Since Inception <sup>\$</sup>	PTP (Rs)
IIFL Focused Equity Fund - Reg - Growth	-2.71%	9,727	6.01%	11,915	8.60%	15,113	8.98%	16,286
IIFL Focused Equity Fund - Dir - Growth	-1.29%	9,870	7.60%	12,460	10.01%	16,121	10.38%	17,508
Benchmark <sup>^</sup>	-10.41%	8,951	2.89%	10,893	5.82%	13,273	6.16%	14,036
Additional Benchmark <sup>&amp;</sup>	-10.40%	8,952	5.31%	11,681	5.98%	13,374	5.71%	13,701

Past performance may or may not be sustained in future. Different plans shall have different expense structure. As on June 30, 2020; Point to Point (PTP) returns in ₹ is based on standard investment of ₹10,000; Since Inception date is 30-Oct-2014; <sup>^</sup>S&P BSE 200 TRI; <sup>&</sup>S&P BSE Sensex TRI; Managed by the fund manager since November 11, 2019. The performance of the scheme is benchmarked to the Total Return variant of the Index

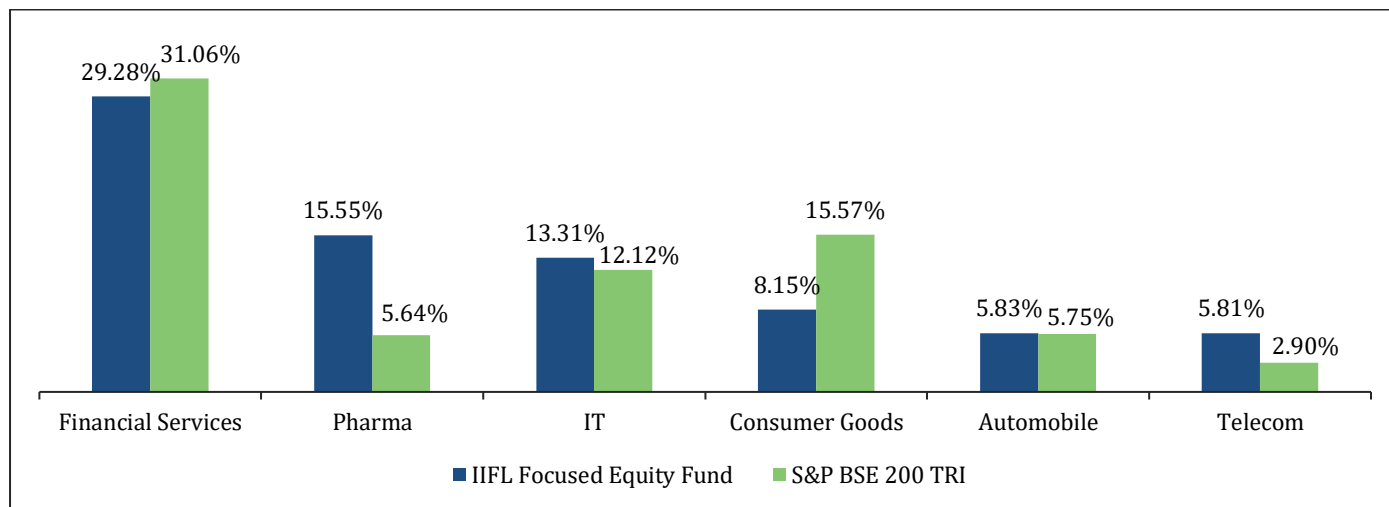
## NAV MOVEMENT (SINCE INCEPTION) REBASED TO 100



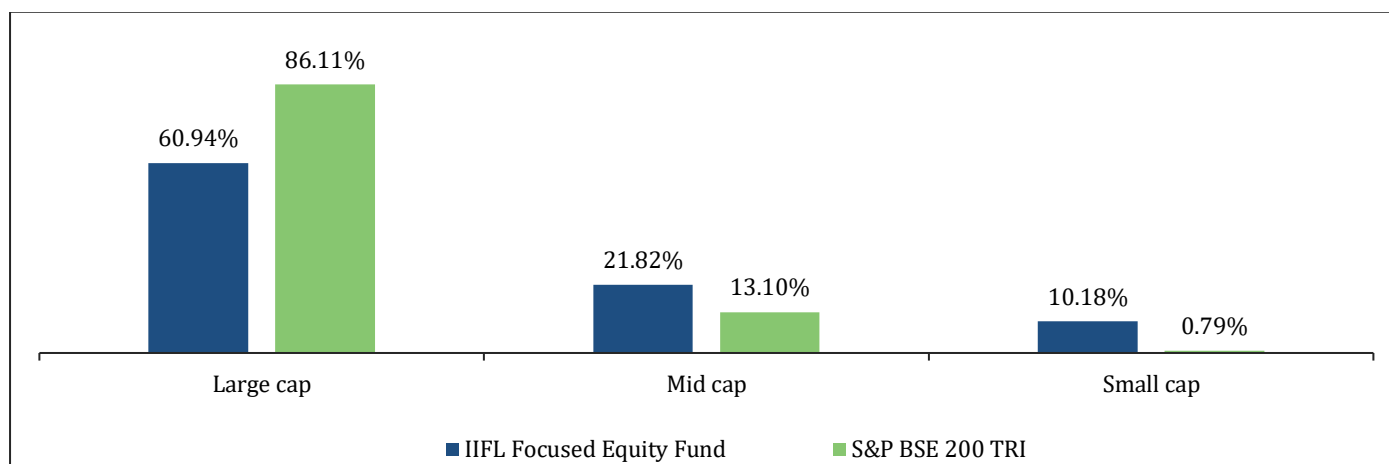
## TOP 10 HOLDINGS

Company	Weight (%)	Allocation under the SCDV framework
ICICI Bank Limited	9.77	C
HDFC Bank Limited	6.79	S
Bharti Airtel Limited	5.81	V
Infosys Limited	5.54	D
Dr. Reddy's Laboratories Limited	5.43	S
Crompton Greaves Consumer Electricals Limited	4.84	S
Larsen & Toubro Limited	4.61	C
Procter & Gamble Health Limited	4.13	D
Bajaj Finance Limited	3.68	S
Larsen & Toubro Infotech Limited	3.65	D
Cash & cash equivalents <sup>@</sup>	7.05	-

## TOP 6 SECTOR ALLOCATION



## MARKET CAPITALIZATION



## KEY PORTFOLIO CHANGES DURING THE MONTH ^ ^

Stock	Action	Rationale
Coromandel International Limited	New addition	<ul style="list-style-type: none"> <li>Second largest manufacturer of phosphatic fertilizers with business operations mainly focused in southern states of India</li> <li>Strong positioning in high-consumption south Indian market has provided an opportunity to manufacture different fertilizer grades and improve margin</li> <li>Rural recovery to keep fertilizer volumes high; in case of ideal direct benefit transfer implementation company would be the biggest beneficiary</li> </ul>

ICICI Lombard General Insurance Limited	New addition	<ul style="list-style-type: none"> <li>• RoE delivery of ~20% to continue on a sustainable basis; also combined ratio, which measure money flowing out of the company in terms of expenses, claims etc. is expected to remain stable at ~100% for next few years, delivering a stable profit growth curve</li> <li>• We expect the company to continue to deliver on Net Premium Earned (NPE) growth focusing on retail business which helps to retain more business, delivering stable growth</li> </ul>
Axis Bank Limited	Exit	<ul style="list-style-type: none"> <li>• Legacy stress book a key risk: The bank has exposure to few corporates in the telecom, retail, construction equipment etc which could face challenges in the current environment</li> <li>• Management stability to be seen: The bank has seen changes in its multiple mid-level management roles and key top management hires still need to deliver</li> <li>• Return ratios to take time: We believe that the bank may take time before it could deliver normalized RoE target of 15%+</li> </ul>
SBI Life Insurance Limited	Exit	<ul style="list-style-type: none"> <li>• Negative growth to impact margins: We expect negative annual premium equivalent growth for the company. We believe this will impact margins for the company and this will impact value of new business the company generates</li> <li>• Persistency a key risk: We believe that there is high risk of Persistency for life insurance companies and could have impact on the company's performance</li> <li>• Valuations factoring in expectations: We believe that the company now is factoring in our expected projections and thus there is a possibility of a negative surprise if things deteriorate</li> </ul>

## FUND MANAGER PROFILE



### Mayur Patel, Fund Manager

Mr. Mayur Patel has 14 years of work experience including investment management and research experience of more than 10 years. Prior to joining IIFL Asset Management Limited, he managed equity portfolios of DSP BlackRock Equity Savings Fund and MIP Fund at DSP BlackRock Investment Managers (a joint venture between BlackRock and the DSP Group in India). Mr. Patel joined DSP BlackRock in 2013 as an Equity Analyst responsible for origination and dissemination of ideas across energy, industrials and utilities sectors. Earlier, he was associated with Spark Capital as Lead Analyst, Energy in their Institutional Equities division and has also worked with Tata Motors and CRISIL. He is a Chartered Accountant and a CFA charter holder.

## RISK-O-METER



Investors understand that their principal will be at moderately high risk  
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

**Notes** – All data in this document are as of June 30, 2020 except asset under management (AUM) data which is as of July 17, 2020. \*Formerly known as IIFL India Growth Fund. \$Mr. Mayur Patel, has been managing the scheme since November 11, 2019. @Cash and cash equivalents include 5.86% of TREPS (Tri Party Repo Dealing System) and 1.19% of net receivables. ^^Refers only newly added or fully exited portfolio stocks during the month. In this document we classify large cap companies as the 1st -100th company in terms of full market capitalization, mid cap companies as the 101st -250th company in terms of full market capitalization and small cap companies as the 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.

## 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 enough and shouldn't be used for the development or implementation of an investment strategy. The above commentary has been prepared based on 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 considered 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.

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