

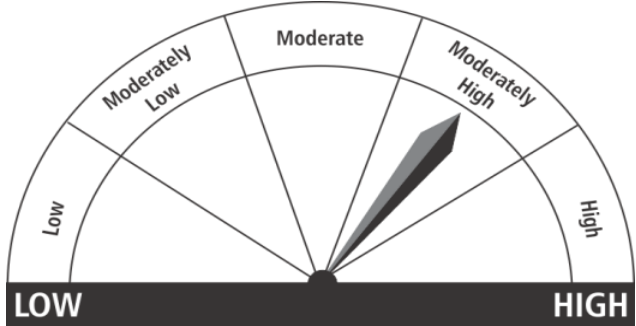
# IIFL INDIA GROWTH FUND

(An open ended equity Scheme)



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(An open ended equity Scheme)

This product is suitable for investors who are seeking*	
<ul style="list-style-type: none"><li>• capital appreciation over long term;</li></ul>	 <p>Investors understand that the principal will be at moderately high risk</p>
<ul style="list-style-type: none"><li>• Investment predominantly in equity and equity related instruments.</li></ul>	
* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.	

# IIFL INDIA GROWTH FUND

(An open ended equity Scheme)

## INVESTMENT APPROACH :

- Scheme endeavour to built concentrated portfolio of fast growing high quality companies.
- The fund aims to focus on investing in businesses with strong earnings growth, cash generating capital-light business model, high ROCE (Return on Capital Employed ) and ROE (Return on Equity) and attractive valuation relative to its peers.
- Fund will take concentrated positions in high conviction stocks.

## SCHEME PERFORMANCE AS ON DECEMBER 31, 2017:

	31-12-16 to 31-12-17	PTP	31-12-14 to 31-12-17	PTP	SINCE INCEPTION CAGR	PTP
IIFL India Growth Fund -(Regular Plan)-Growth Option	30.05%	12,996	13.30%	14,539	14.45%	15,334
IIFL India Growth Fund -(Direct Plan)-Growth Option	31.82%	13,172	14.55%	15,025	15.73%	15,883
Benchmark (Nifty 50)*	28.74%	12,865	8.34%	12,714	8.35%	12,892
Additional Benchmark (S&P BSE Sensex)**	27.99%	12,790	7.40%	12,386	7.17%	12,452

Past performance may or may not be sustained in future Different plans shall have different expense structure As on December 31, 2017; Point to Point (PTP) returns in Rs. is based on standard investment of Rs. 10,000; Since Inception date is 30-Oct-2014; \*Nifty 50; \*\* S&P BSE Sensex; Managed by the fund manager since November 03, 2016; Scheme has been in existence for more than 3 years but less than 5 years.

# INVESTMENT PHILOSOPHY

## GROWTH AT REASONABLE PRICE

- Look for companies which are growing at 15-20% CAGR and are trading at a reasonable valuation.
- It would endeavour to avoid high growth companies trading at exorbitant multiples



## MARGIN OF SAFETY

- Companies at prices considered which provide a margin of safety and has limited downside
- It would try avoiding good companies which have run up beyond their fundamentals and have little margin of safety

## RISK RETURN TRADE OFF MATRIX

- The risk-return payoff should be significantly favourable
- It would avoid companies that show unfavourable risk-return payoff

## TOP DOWN + BOTTOM UP APPROACH

- Top down approach to identify key sectors
  - For companies, Strong management, Robust balance sheet, clear earnings visibility and consistency of growth

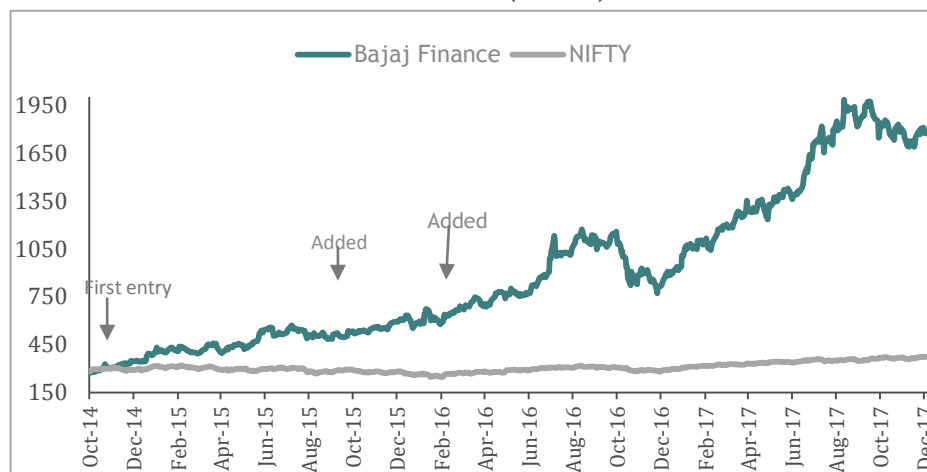
# SECTOR SELECTION

- **Concentrated Approach:** Construct a portfolio of 20-25 high conviction stocks, with no restrictions on sector exposure.
- **Benchmark Agnostic Approach:** Focus is on generating better risk adjusted returns.

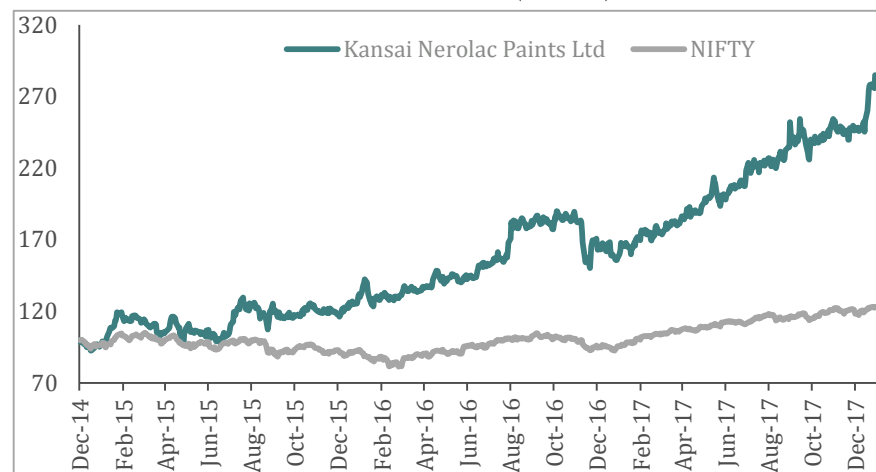
Industry	NIFTY 50	IIFL INDIA GROWTH FUND							
	31-Dec-17	31-Dec-17	30-Sep-17	30-Jun-17	31-Mar-17	31-Dec-16	30-Sep-16	30-Jun-16	31-Dec-15
Banking & Financial Services	35.03%	52.84%	58.66%	54.52%	33.87%	30.77%	36.38%	35.37%	44.75%
Capital Goods & Infra	6.63%	10.77%	11.43%				5.53%	10.44%	11.30%
Consumer Discretionary	20.85%	10.05%	7.62%	11.02%	5.50%	16.52%	6.40%	7.32%	17.35%
Consumer Staples							9.48%	9.51%	7.32%
Healthcare & Pharmaceuticals	4.03%	5.68%	2.91%	3.51%	9.41%	7.19%	6.84%	8.36%	5.61%
IT & IT Service	11.39%			3.73%	16.65%	14.27%	11.32%	11.59%	9.57%
Metal & Mining	4.54%			1.45%					
Oil & Gas	12.68%	12.43%	12.53%	4.33%	6.10%	7.18%	8.13%	7.20%	1.72%
Telecom & Telecom Equipments	2.44%			3.99%	4.63%	4.34%			
Utilities	2.41%	7.20%	6.67%	8.79%	6.47%	8.50%	6.89%	4.12%	1.12%
Diversified				5.46%	3.96%				
Cash & Cash Equivalent		1.03%	0.18%	3.20%	6.99%	11.68%	9.03%	6.70%	1.26%
<b>Grand Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

# TOP PICKS: CONSISTENCY OF EARNINGS GROWTH

**BAJAJ FINANCE (6.16X)**



**KANSAI NEROLAC (2.76X)**



## INVESTMENT RATIONALE

- One of the fastest growing NBFCs, tapping the opportunity in Two wheeler Finance, SME Business and Consumer Finance Segments.
- A Strong Management driving balance-sheet growth, greater focus on Asset Quality.
- Management ability to use technology to identify new product areas, identify new customer segments, manage asset quality was far ahead of the industry
- Entry in Oct – Nov 14 at average price of Rs ~285, held till date, current market price Rs~1757 (Stock adjusted for corporate actions) (as on 31-December-2017)

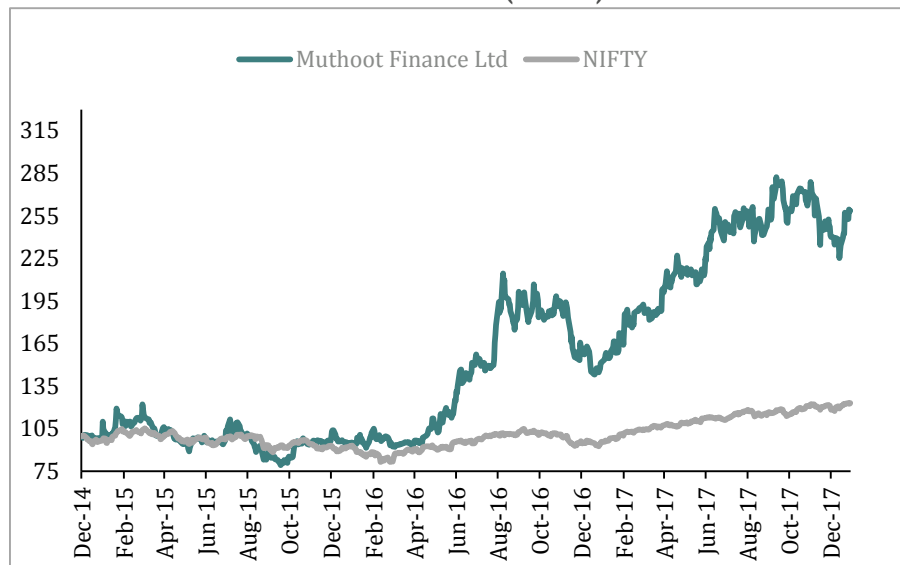
## INVESTMENT RATIONALE

- Kansai Nerolac is the largest industrial paint company in India. The company has strong brands in interior, exterior and metal paints.
- Key Positives: a) oil prices will remain low resulting in higher gross margin & PAT b) Parent company was adding to its exposure and looking to reach 75%, c) Increasing urbanization, higher rural income, substantial reduction in duration of repainting activity cycle
- Entry in portfolio Dec14 –Jan 15 at average adjusted price of ~Rs 210, currently quoting at ~Rs 579 (as on 30-November-2017)

*The securities mentioned above do not construe to be research analysis or investment advice to buy/sell any securities.*

# TOP PICKS: REASONABLE VALUE, MARKET MISPRICE

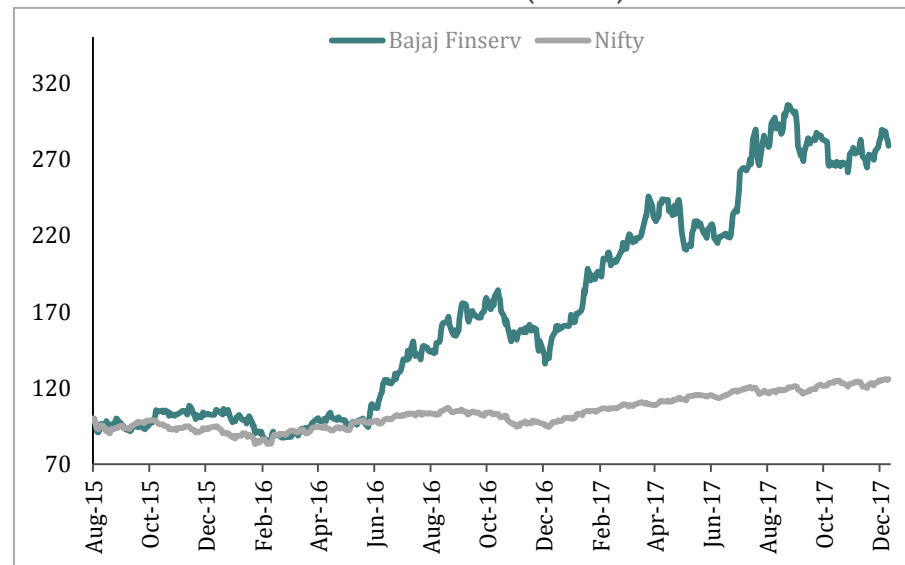
MUTHOOT FINANCE (2.57X)



## INVESTMENT RATIONALE

- Muthoot Finance Ltd is an India-based gold financing company
- Key Positives a) Macro positive call on gold b) Extremely cheap valuations – Dividend yield of 4%, Price to book of 1.3x and P/E of less than 10x with 15% ROEs c) Regulatory environment has turned favourable and business momentum is picking up
- Initiated buying in Dec 2015, added positions at average entry price of Rs~185, CMP at 475 (as on 31-December-2017)

BAJAJ FINSERV LTD (2.92X)



## INVESTMENT RATIONALE

- Bajaj Finserv Ltd. is a holding company for the various financial services businesses. The Company's operating segments include insurance, financing, Investments and others.
- Its subsidiaries include Bajaj Allianz Life Insurance Company Ltd, Bajaj Allianz General Insurance Company Ltd, Bajaj Finance Ltd.
- Key Positives a) Low insurance penetration, like increase in saving rate and revamp of distribution strategy to benefit the company b) its significant value is derived from Bajaj Finance Ltd which is one of the fastest growing NBFCs using technology and innovative products keeping it far ahead from industry.
- Initiated buying in August -Sept-15 at average price of ~Rs 1790, CMP ~Rs 5230 (as on 31-December-2017)

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# TOP HOLDING AS ON DECEMBER 31, 2017

## SCRIP WISE ALLOCATION

NAME OF THE INSTRUMENT	INDUSTRY	% To Net Assets
HDFC Bank Limited	Banks	8.69%
Reliance Industries Limited	Petroleum Products	7.31%
CESC Limited	Power	7.20%
HDFC Standard Life Insurance Company Limited	Finance	7.12%
Bajaj Finance Limited	Finance	6.29%
Dalmia Bharat Limited	Cement	5.74%
Tata Global Beverages Limited	Consumer Non Durables	5.44%
Bajaj Finserv Limited	Finance	5.34%
State Bank of India	Banks	5.30%
ICICI Bank Limited	Banks	5.16%
Hindustan Petroleum Corporation Limited	Petroleum Products	5.12%
Godrej Industries Limited	Consumer Non Durables	4.61%
IIFL Holdings Limited	Finance	3.57%
Sun Pharmaceutical Industries Limited	Pharmaceuticals	3.36%
Grasim Industries Limited	Cement	3.24%
Reliance Nippon Life Asset Management Limited	Finance	3.18%
The South Indian Bank Limited	Banks	2.49%
Shalby Limited	Healthcare Services	2.32%
SBI Life Insurance Company Limited	Finance	2.30%
Aditya Birla Capital Limited	Finance	2.03%
Peninsula Land Limited	Construction	1.79%
Punjab National Bank	Banks	1.37%
Cash	Cash	1.03%

## SECTOR ALLOCATION

SECTOR	Net Assets
Finance	29.83%
Banks	23.01%
Petroleum Products	12.43%
Consumer Non Durables	10.05%
Cement	8.98%
Power	7.20%
Pharmaceuticals	3.36%
Healthcare Services	2.32%
Construction	1.79%



# SCHEME DETAILS

SCHEME DETAILS	As on December 31,2017
Net AUM	Rs. 374.16 Cr.
Date of Allotment	October 30,2014
NAV Regular plan –Growth option (as on 31-December-2017)	15.3328
NAV Direct plan –Growth option (as on 31-December-2017)	15.8819

<b>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>TYPE</b>	Open ended equity scheme
<b>BENCHMARK</b>	Nifty50
<b>FUND MANAGER</b>	Mr. Prashasta Seth has over 16 years of experience in the financial services industry. He has been with IIFL Wealth Group since inception and has been instrumental in setting up the equity desk at IIFL Wealth Group. As a Chief Executive Officer of IIFL Asset Management Limited (IIFL AMC), he has been instrumental in launch of various products under Mutual Fund, Alternative Investment Fund and PMS platform of IIFL AMC. He is a MBA from IIM Ahmedabad and B Tech from IIT Kanpur. His previous assignment includes a stint in JP Morgan, London and heading Irevna (a Standard & Poor’s company). Mr. Seth has been managing fund since November 03, 2016.
<b>PLANS OFFERED</b>	Regular Plan and Direct Plan
<b>OPTIONS OFFERED</b>	Growth & Dividend Option
<b>ASSET ALLOCATION</b>	Equity or Equity Related Instruments: 75 – 100% Debt and money market instruments:0 - 25%
<b>LOAD STRUCTURE</b>	Exit Load: 2.00% - if redeemed/ switched out, on or before 2 months from the date of allotment, w.e.f November 16, 2017

# DISCLAIMERS

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

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## **Regd Office:**

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CIN No. :U74900MH2010PLC201113





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