

SYSTEMATIC INVESTMENT PLAN (SIP)

October 2017



DID YOU KNOW?



If you currently have monthly expenses of Rs. 30,000, then after 5 years you will require close to Rs.40,000 per month to maintain the same lifestyle!



In 2002 petrol price was Rs. 23.16 and today it is Rs. 75. It has nearly tripled in 15 years!



The historical average rate of inflation is around 10%



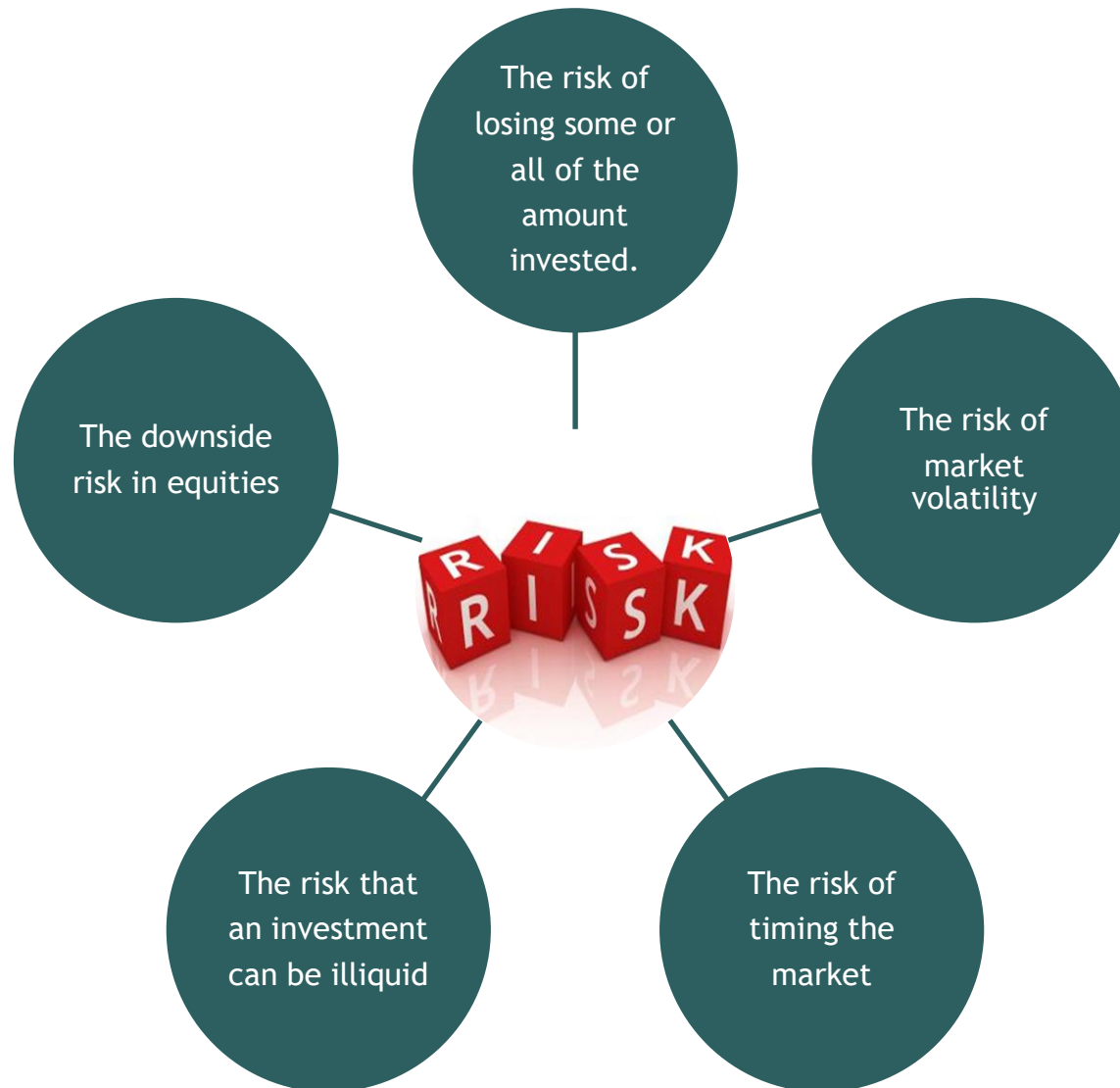
Sensex has grown from approx. 2985 points in 2002 to approx. 32470 points in 2015, thus having shown a growth of almost 11x over a span of 15 years

Source: <http://www.petroldieselpri.com/blog/petrol-price-historical-raising-trend-or-previous-price-in-mumbai/>
International Monetary Fund
<http://timesofindia.indiatimes.com/business/india-business/Save-for-your-childs-education/articleshow/52180613.cms>

REASONS TO INVEST



REASONS WHY PEOPLE ARE SCARED TO INVEST



INCREASED INVESTMENT IN FINANCIAL PRODUCTS

Shift from traditional fixed deposits to capital markets

- Within financial products, households are picking up more shares and bonds than before
- Savings into these financial instruments rose to 0.7% of GNDI(Gross National Disposable Income) in FY16 from 0.4% in the previous year
- Fixed deposit rates have fallen drastically in recent years, thereby incentivizing retail investors to look for other sources of return for their savings



Increase in investment in MFs and SIPs

- Assets managed by Indian MFs, at INR 20 lakh crore is at record levels, has more than trebled in the last 5 years
- As of end-March 2017, retail investors had parked a whopping INR 8.7 lakh crore with domestic mutual funds. This is up from INR 3.2 lakh crore just five years ago
- In FY17-18, MFs have collected Rs. 18,544 crores through SIPs, with an average of Rs 5,000 crores per month

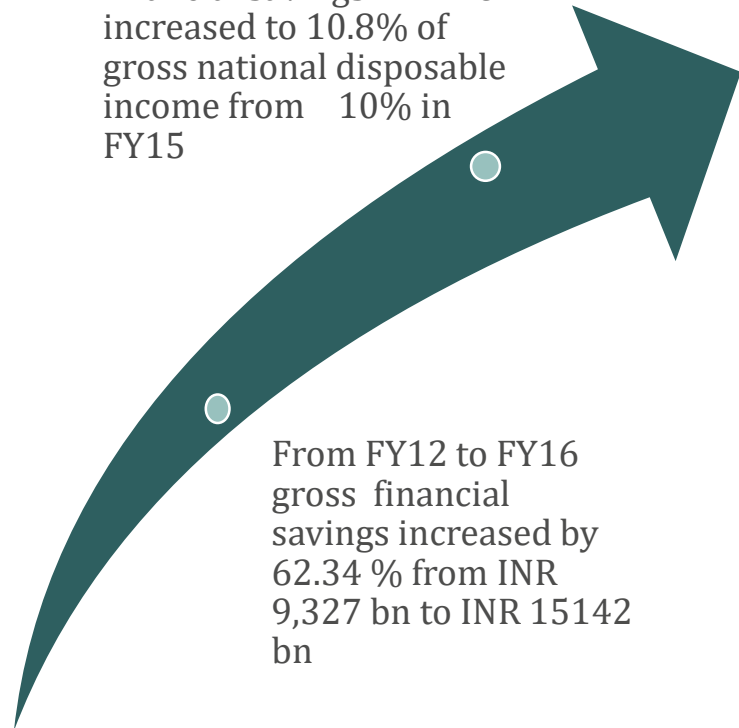


Source: <https://www.rbi.org.in/scripts/annualPublications.aspx?head=Handbook%20of%20Statistics%20on%20Indian%20Economy>
<https://dbie.rbi.org.in/BOE/OpenDocument/1608101729/OpenDocument/pendoc/openDocument.faces?logonSuccessful=true&shareId=0>
<http://economictimes.indiatimes.com/wealth/save/indian-middle-class-families-steadily-moving-towards-investing-in-financial-assets/articleshow/58136476.cms>
<http://www.thehindu.com/todays-paper/tp-business/the-rising-clout-of-mutual-funds/article19200372.ece>

SHIFT FROM TRADITIONAL INSTRUMENTS OF SAVINGS

Last few years have seen a huge increase in Financial Savings as compared to Real Estate and Valuables

Households' gross financial savings in FY16 increased to 10.8% of gross national disposable income from 10% in FY15



From FY12 to FY16 gross financial savings increased by 62.34 % from INR 9,327 bn to INR 15142 bn

Land & Gold- These are down at 10.8% of gross financial savings in FY15 from 15.5% in FY12

	CAGR- FY12 to FY16*
Financial Savings	12.88%
Physical Assets	1.66%
Valuables	6.90%

* Source: RBI report

BENEFITS OF SIP

Inculcates the discipline to save and invest regularly

Negates the risk associated with market timing

Power of Compounding

Rupee Cost Averaging



WHAT IS A SYSTEMATIC INVESTMENT PLAN (SIP)

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- A Systematic Investment Plan or SIP is a smart and hassle free mode for investing money in mutual funds. It helps you to create wealth, by investing small sums of money at specified intervals, over a period of time instead of a heavy one time investment.

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- A SIP is a planned approach towards investments and helps you inculcate the habit of saving and building wealth by investing a small amount every month. Investing at an early stage of life lets you enjoy the benefits of two powerful strategies, rupee cost averaging and the power of compounding.

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- A SIP allows you to buy units on a specified date every month, so that you can implement a saving plan for yourself. The benefits of this can be enjoyed as and when the need arises for occasions like marriage, education, buying a house or car etc. and above all, retirement.

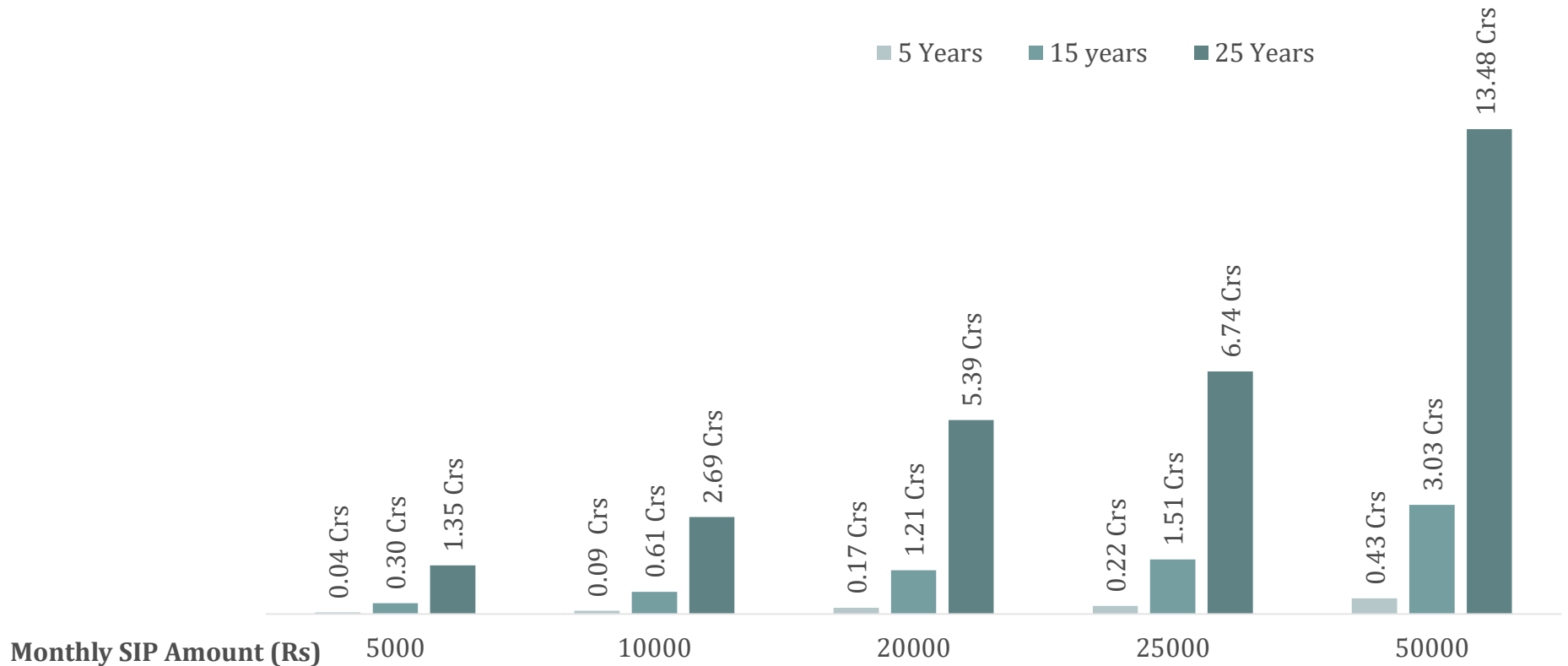
BENEFITS OF SIP: POWER OF COMPOUNDING

Saving a small sum of money regularly in mutual fund schemes can make your money grow with greater power and can have a significant impact on wealth accumulation. A systematic investment plan (SIP) is an effective means to beat market volatility and benefit from the enormous power of compounding over time. The compounding effect can be explained in the illustration below

Systematic Investment Plan Returns	Investment Scenario A	Investment Scenario B	Investment Scenario C
Number of Years	5 Years	10 Years	15 Years
Monthly Investment	Rs 5000	Rs 5000	Rs 5000
Total Investment	Rs 3,00,000	Rs 6,00,000	Rs 9,00,000
Assumed Annualized Return	14%	14%	14%
Final Corpus	Rs. 4.31 Lac	Rs. 12.95 Lac	Rs. 30.28 Lac

BENEFITS OF SIP: POWER OF COMPOUNDING

Graph illustrating the power of compounding (Assumed rate of return: 14% p.a.)



The above graph is used to explain the concept and is for illustration purpose only and should not be used for development or implementation of an investment strategy. The SIP amount, tenure of SIP and expected rate of return are assumed figures for the purpose of explaining the concept of advantages of SIP investments. The actual result may vary from depicted results depending on scheme selected. It should not be construed to be indicative of scheme performance in any manner.

BENEFITS OF SIP: RUPEE COST AVERAGING

Rupee cost averaging is an automatic market-timing mechanism that eliminates the need to time one's investments

One doesn't have to worry about when to invest, how much to invest etc. considering daily market movements, as systematic investing reduces the risks significantly.

Eliminates the need to time your investments in equities

Smoothens the impact of market fluctuations and hence reduces risks associated with investing in volatile markets

The risk of market volatility gets negated with more units being purchased when the price is low and fewer units being bought when the price is high

BENEFITS OF SIP: RUPEE COST AVERAGING

SIP - Rupee Cost Averaging					
		SIP Investor		Lump-Sum Investor	
Month	Unit Price(Rs)	Investment (Rs)	Units Purchased^	Investment	Units Purchased
1	50	1,000	20	9,000	180
2	47	1,000	21		
3	45	1,000	22		
4	44	1,000	23		
5	46	1,000	22		
6	48	1,000	21		
7	49	1,000	20		
8	50	1,000	20		
9	52	1,000	19		
Total Investment		9,000		9,000	
Total Units Purchased		188		180	
Average Unit Price		48		50	
Value After 9 Months		9,799		9,360	

^Fractional units ignored. The above is for illustration purpose only. The SIP amount and tenure of SIP are assumed figures for the purpose of explaining the concept of advantages of SIP investments. The actual result may vary from depicted results depending on scheme selected. It should not be construed to be indicative of scheme performance in any manner. Past performance may or may not be sustained in future.

IMPORTANCE OF STARTING EARLY

The sooner one starts investing the better. Investing early allows your investments to receive more time to grow, whereby the concept of compounding (as illustrated below) increases your income, by accumulating the principal and the interest or dividend earned on it, year after year.

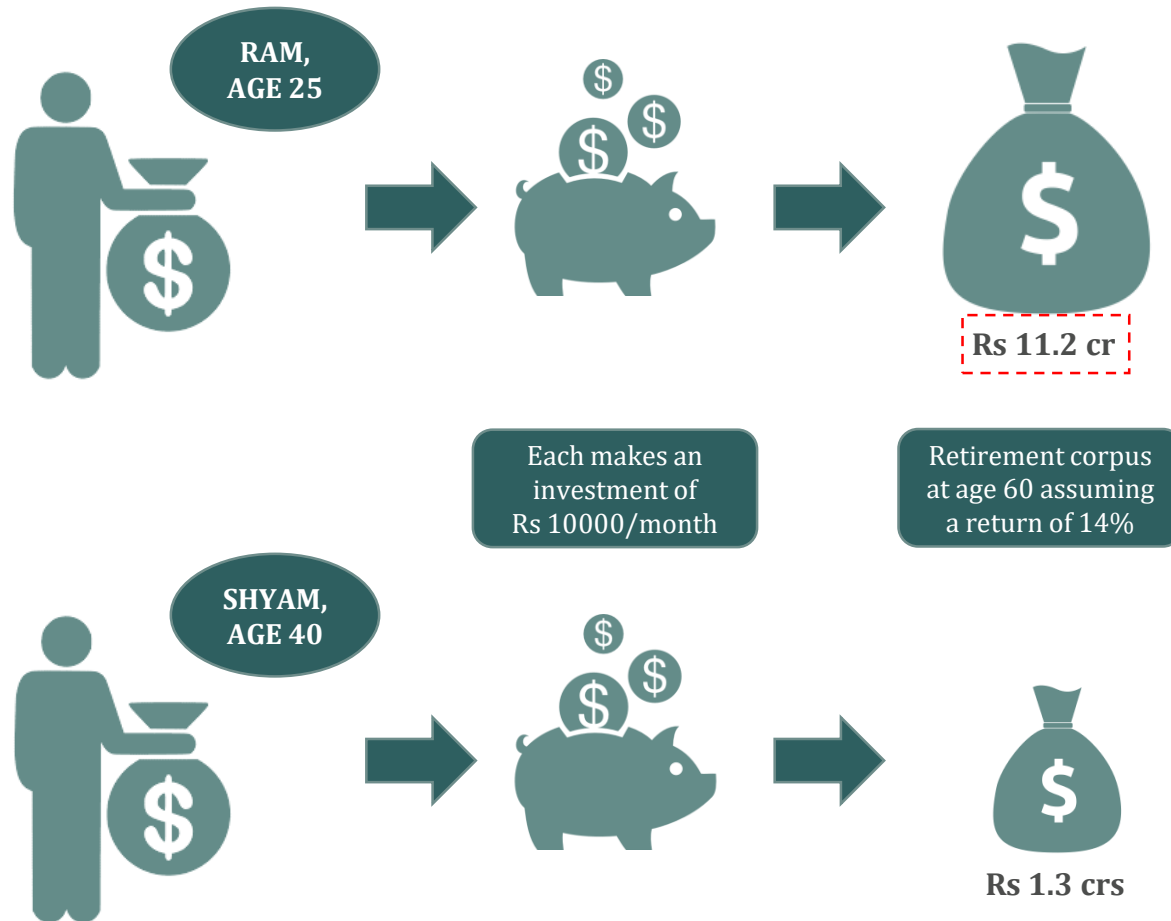
3 Golden Rules for all investors

Invest Early

Invest Regularly

Invest for Long Term

IMPORTANCE OF STARTING EARLY



Particular	Scenario A	Scenario B
Start Age	25 years	40 years
Monthly Investment	Rs 10,000	Rs 10,000
Stop Age	60 years	60 years
Total Investment	Rs 42 lacs	Rs 24 lacs
Final Corpus	Rs 11.2 crs	Rs 1.3 crs

Difference in returns of ~ Rs 9.9 crores whereas difference in investment just Rs 18 lacs

*Assuming CAGR of 14% for the entire period Source: Internal Analysis. The statements contained herein may include statements of future expectations and other forward-looking statements that are based on external 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.

IIFL INDIA GROWTH FUND (AN OPEN ENDED EQUITY SCHEME)

KEY FEATURES

- IIFL India Growth Fund is a multi-cap fund that seeks to generate long term capital appreciation for investors from a portfolio of equity and equity related securities
- The scheme has **concentrated exposure in not more than 15 – 25 high conviction stocks** as against a typical 50 – 70 stocks mutual fund portfolio. This has resulted in significant alpha generation.

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.

INVESTMENT STRATEGY

The portfolio is focused on the sectors that would benefit from India achieving strong GDP growth over the next 3-5 years. It's a multi-cap and multi-sector portfolio having a bottom up approach supplemented with a top down approach. IIFL India Growth Fund is an open-ended fund.

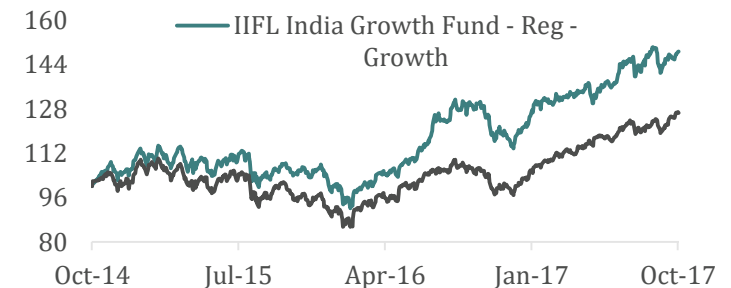
This product is suitable for investors who are seeking*	
<ul style="list-style-type: none"> • Capital appreciation over long term; 	 <p>Investors understand that the principal will be at moderately high risk</p>
<ul style="list-style-type: none"> • Investment predominantly in equity and equity related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

FUND DETAILS

Data as on October 31st 2017

Fund Benchmark	NIFTY 50
Inception Date	30 October 2014
Fund Manager	Mr. Prashasta Seth
AUM (INR cr)	398.26
NAV	14.8691
Plans Offered	Regular Plan and Direct Plan
Options Offered	Growth & Dividend Option
Asset Allocation	Equity or Equity Related Instruments: 75 – 100% Debt and money market instruments: 0 - 25%
Expense Ratio (Weighted Average for the month)	Regular Plan : 2.63% p.a., Direct Plan 1.11% p.a
Load Structure	Entry Load –NIL 2% - if redeemed/switched out, on or before 2 months, from the date of allotment; 1% - If redeemed/switched out, after 2 months and before 6 months, from the date of allotment
No of Stocks	20

NAV Movement (Since Inception) Rebased to 100



IIFL INDIA GROWTH FUND (AN OPEN ENDED EQUITY SCHEME)

FUND PERFORMANCE

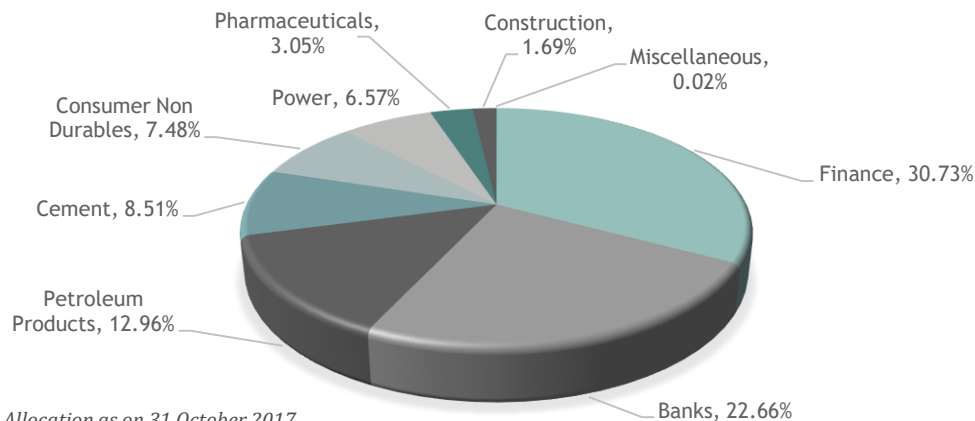
- We have outperformed the benchmark index by a large margin

PERFORMANCE

	31-Oct-16 to 31-Oct-17	PTP (₹)	Since Inception	PTP (₹)
IIFL India Growth Fund - Regular Plan (G)	15.08%	11,521	14.11%	14,869
IIFL India Growth Fund - Direct Plan (G)	16.60%	11,675	15.38%	15,372
Benchmark*	19.47%	11,964	8.14%	12,652
Additional Benchmark**	18.70%	11,887	6.68%	12,145

As on October 31, 2017; Point to Point (PTP) returns in ₹ is based on standard investment of ₹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 1 year but less than 3 years
Past performance may or may not be sustained in future. Different plans shall have different expense structure

SECTOR ALLOCATION



Sector Allocation as on 31 October 2017

TOP 10 PORTFOLIO HOLDINGS

	WEIGHTAGE
HDFC Bank Limited	8.66
Housing Development Finance Corporation Limited	8.39
Reliance Industries Limited	7.02
Bajaj Finance Limited	6.60
CESC Limited	6.57
State Bank of India	6.02
Hindustan Petroleum Corporation Limited	5.94
ICICI Bank Limited	5.68
Dalmia Bharat Limited	5.03
ICICI Prudential Life Insurance Company Limited	5.00
Cash & Cash Equivalents	6.33

Portfolio Holdings as on 31 October 2017

DISCLAIMERS

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

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THANK YOU