



IDFC MUTUAL FUND

IDFC DUAL ADVANTAGE FUND – SERIES 1



June 2017

IDFC Dual Advantage Fund – Series 1

What is IDFC Dual Advantage Fund?

- ✓ IDFC Dual Advantage fund seeks to generate income by investing in a portfolio of debt and money market securities.
- ✓ The scheme also seeks to invest a portion of the portfolio in equity and equity related securities to achieve capital appreciation.
- ✓ The Indicative asset allocation of the scheme is:

Instruments	Indicative Allocation (as % of net assets)	Risk Profile
Equity and equity related securities	0% - 20%	Medium to High
Debt and Money Market Instruments	80% - 100%	Low to Medium

<https://www.idfcmf.com/uploads/290520171753SID-IDFC-Dual-Advantage-Fund-Series-1.pdf>

<https://www.idfcmf.com/uploads/290520171753KIM-IDFC-Dual-Advantage-Fund-Series-1.pdf>

IDFC Dual Advantage Fund - Debt Strategy

Debt Investment Strategy

- ✓ The scheme shall invest only in such security which matures on or before the maturity of the scheme
- ✓ The debt securities would be predominantly held to maturity so as to provide stable returns
- ✓ The portfolio asset class and rating split of the debt portion is as follows:

Instruments	Rating		
	AAA	AA	Not Applicable
NCDs	60-65%	15-20%	-
CBLO	-	-	0-5%

The Fund manager reserves the right to improve the portfolio credit quality by deviating the asset allocation in favour of higher credit rated instruments in the same category of instruments at the time of launch of the scheme. In case of non availability and taking into account the risk reward analysis of NCDs the scheme may invest in Treasury Bills, Cash Management Bills, CBLO or Bank CDs of highest credit rating i.e., A1+. Such deviation may exist till suitable NCD of desired credit quality are not available.

IDFC Dual Advantage Fund - Equity Strategy

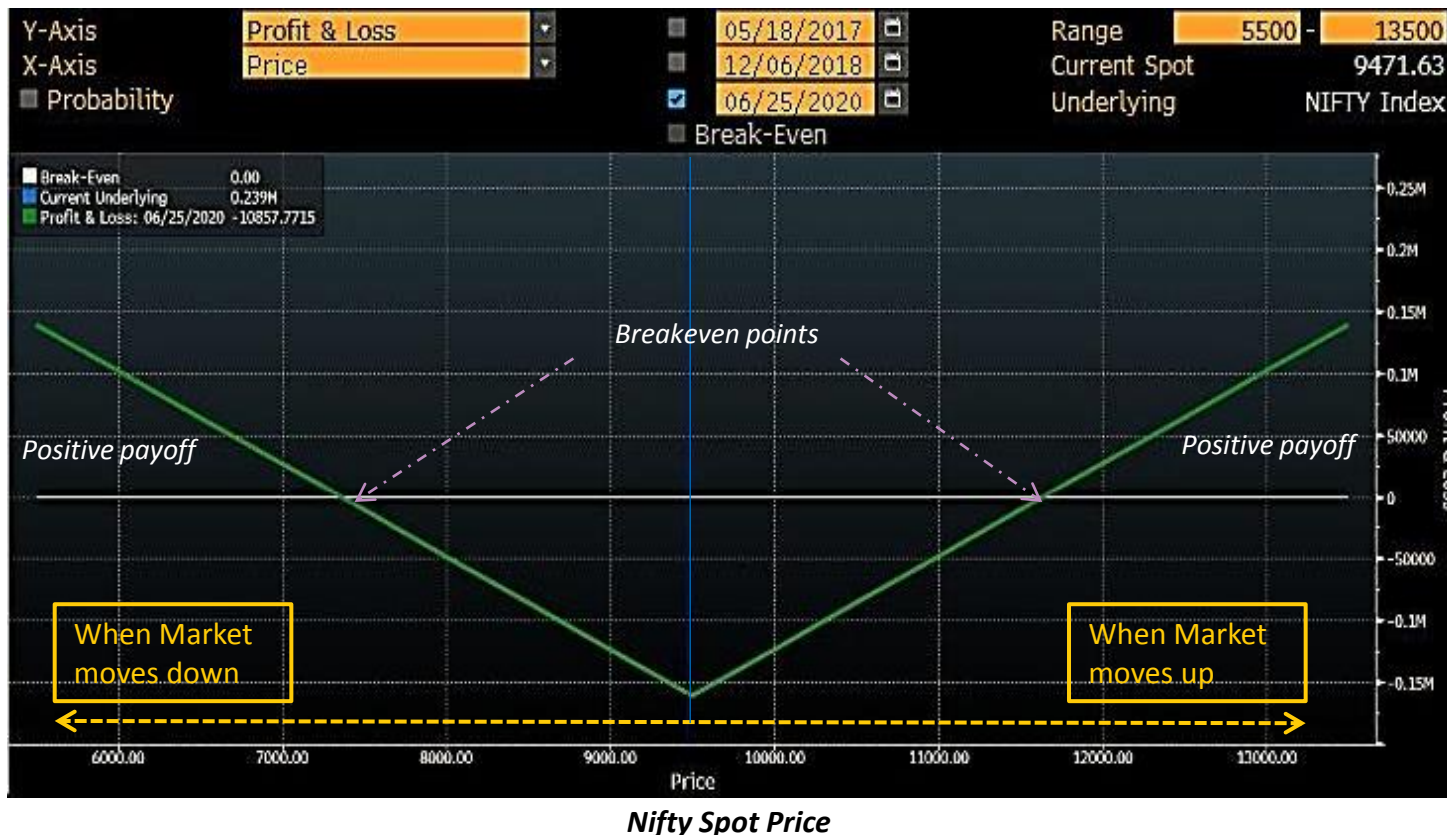
Equity Investment Strategy

- ✓ On the equity front, the investment would be made in equity and equity related instruments
- ✓ As part of the current strategy for this Series 1, we intend to take allocation towards options
- ✓ The fund intends to invest in (buy) Nifty call & put Options. As per SEBI regulations the fund shall not write Options
- ✓ The idea is to provide BOTH upside and downside participation for the client – so that the chances increase for the client to make returns irrespective of the direction of market movements

In case of non availability and taking into account the risk reward analysis of equity and equity related instruments, the scheme may invest in Treasury Bills, Cash Management Bills, CBLO or Bank CDs of highest credit rating i.e., A1+. Such deviation may exist till suitable equity and equity related instruments of desired nature are not available.

Equity Strategy – An Illustration

Put-Call option's payoff – Potential to Benefit when Markets move Up or Down



Source: Bloomberg

Data as on May 18, 2017

The Scheme may participate in Options derivatives strategy depending on the market conditions and the opportunities available at the time of making the investment. Derivative strategy tends to be complicated and as illustrated in the above chart, any movement beyond the breakeven points may result in positive payoff. A movement within the breakeven may yield no gains for the premium paid for taking Options derivative exposure. As with any investment, this investment strategy is subject to market and various other risks. There is no assurance or guarantee that the investment strategy would result in positive payoff and investors are therefore advised to consult their tax/financial advisors to understand the investment strategy of the Scheme before investing.

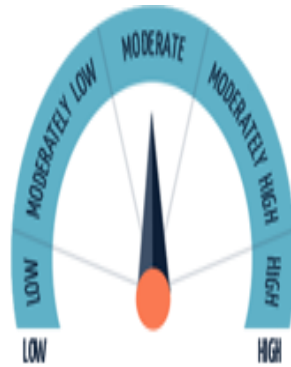
Fund Features

Nature	A Close Ended Income Scheme
NFO Dates	NFO Opens: 8 th June 2017 NFO Closes: 22 nd June 2017 Maturity Date: 30 th June 2020
Minimum Application Amount	Rs.5,000/- and multiples of Rs.10/- thereafter for both the plans, Direct and Regular. There will be no maximum limit.
Benchmark	80% Crisil Short-Term Bond Fund Index + 20% Nifty 50 Index
Exchange Listing	The scheme is proposed to be listed on BSE
Fund Managers	Debt Portion: Mr. Anurag Mittal Equity portion: Mr. Sumit Agrawal

Who is this Fund For?

- ✓ Investors who are looking to invest in predominantly debt instruments coupled with participation in equity market
- ✓ Investors with moderate risk appetite

Product Label



Investors understand that their principal will be at Moderate risk

This product is suitable for investors who are seeking*:

- To generate short to medium term optimal returns
- Investment primarily in a portfolio of fixed income and money market securities maturing on or before the maturity of the scheme and the balance in Equity and equity related instruments.

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

RISK FACTORS: MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

BSE Disclaimer:

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THANK YOU

