

## SUMMARY

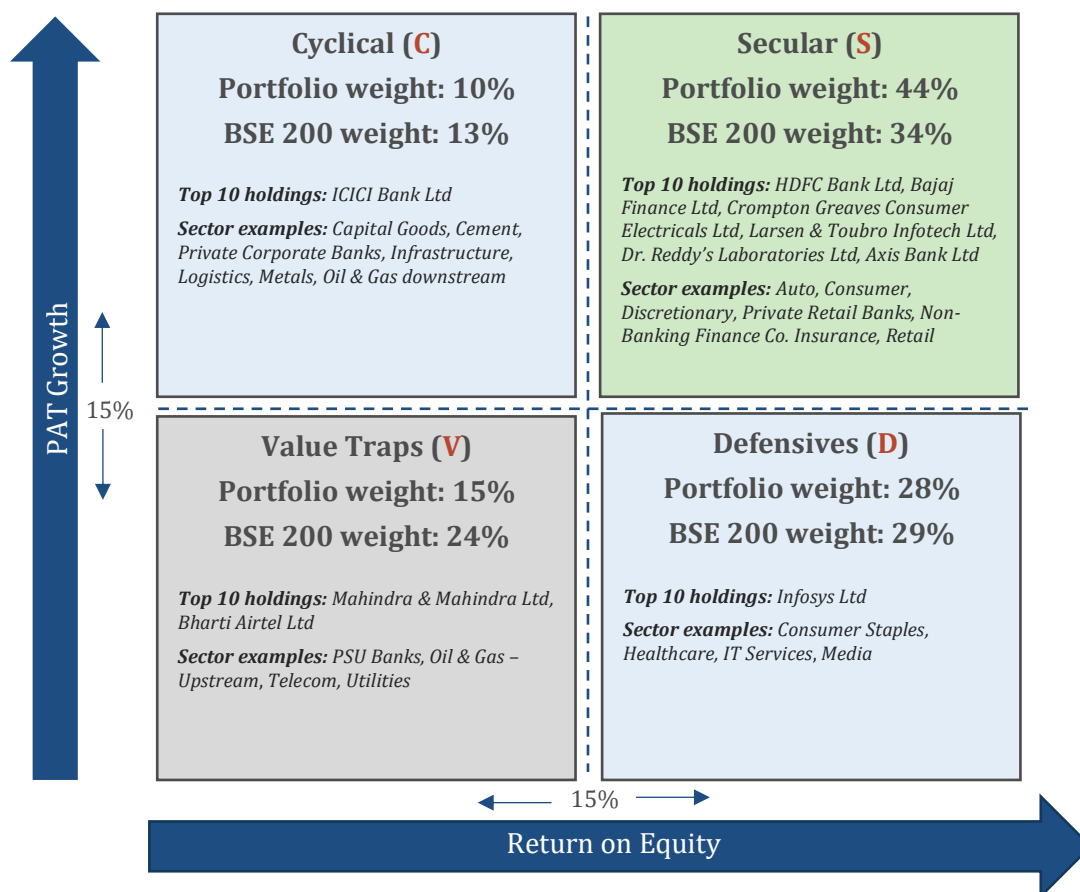
<b>Scheme Name</b>	IIFL Focused Equity Fund* (An open-ended equity scheme investing in maximum 30 multicap stocks)
<b>Investment Objective</b>	The investment objective of the scheme is to generate long term capital appreciation for investors from a portfolio of equity and equity related securities. However, 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. 1210.3 crore (as of 30 <sup>th</sup> November 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 ~68% 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%

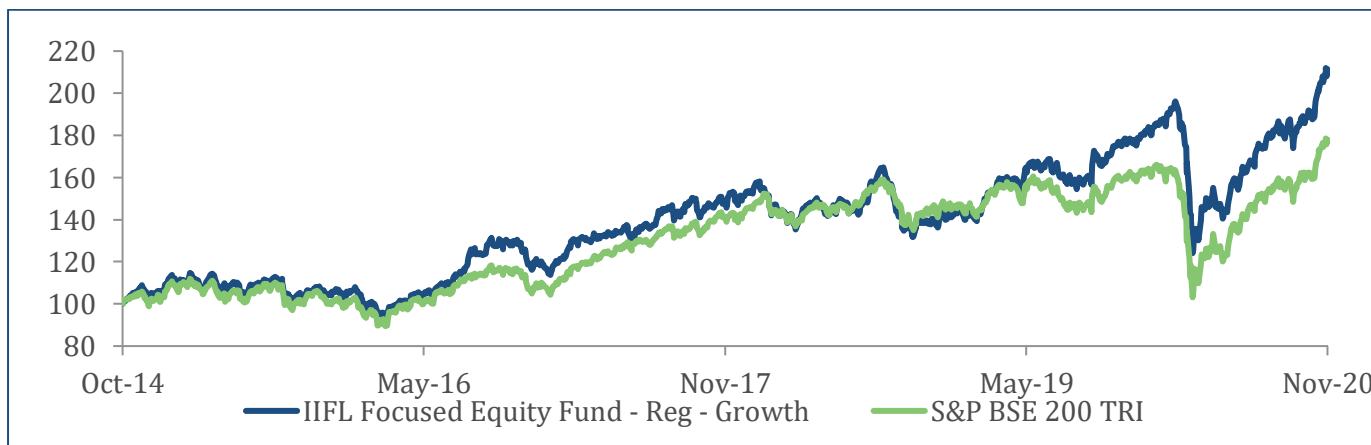
**V**- Value Traps – Companies with both ROE & PAT growth < 15%

## SCHEME PERFORMANCE

Scheme/ Benchmark	30-Nov-19 to 30-Nov-20	PTP (Rs)	30-Nov-17 to 30-Nov-20	PTP (Rs)	30-Nov-15 to 30-Nov-20	PTP (Rs)	Since Inception <sup>\$</sup>	PTP (Rs)
IIFL Focused Equity Fund - Reg - Growth	18.88%	11,882	11.86%	13,988	14.65%	19,802	13.09%	21,132
IIFL Focused Equity Fund - Dir - Growth	20.53%	12,047	13.50%	14,611	16.14%	21,122	14.55%	22,846
Benchmark <sup>^</sup>	10.12%	11,009	7.97%	12,581	11.69%	17,376	9.93%	17,786
Additional Benchmark <sup>&amp;</sup>	9.54%	10,951	11.35%	13,798	12.46%	17,983	9.59%	17,454

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

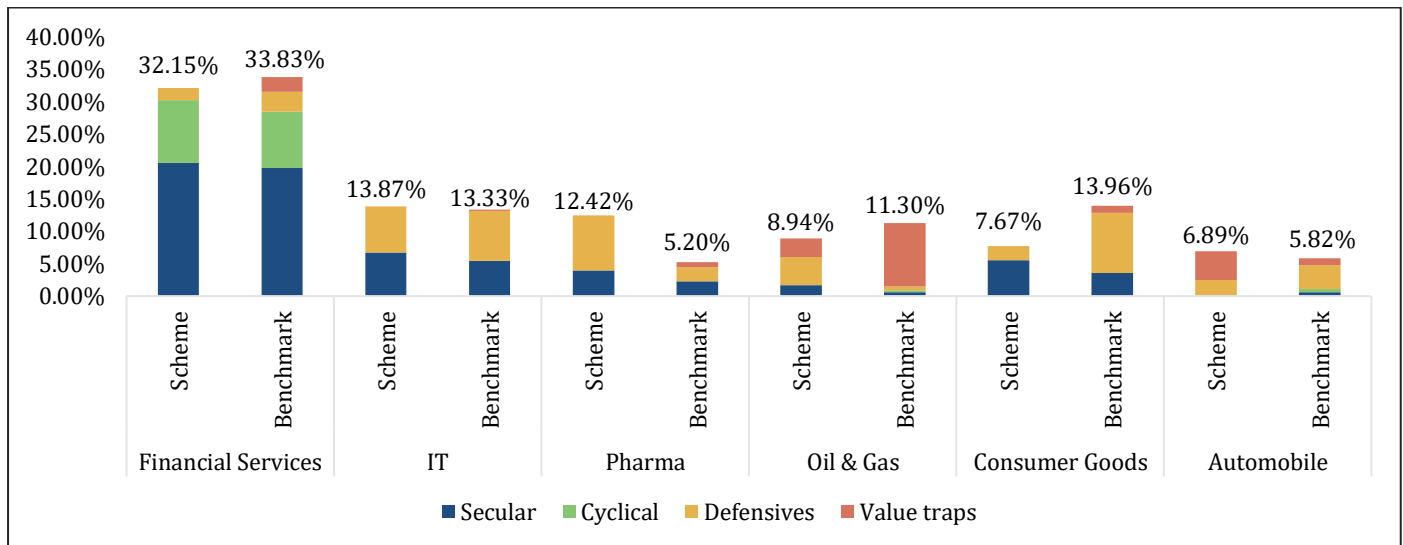
## NAV MOVEMENT (SINCE INCEPTION) REBASED TO ₹100



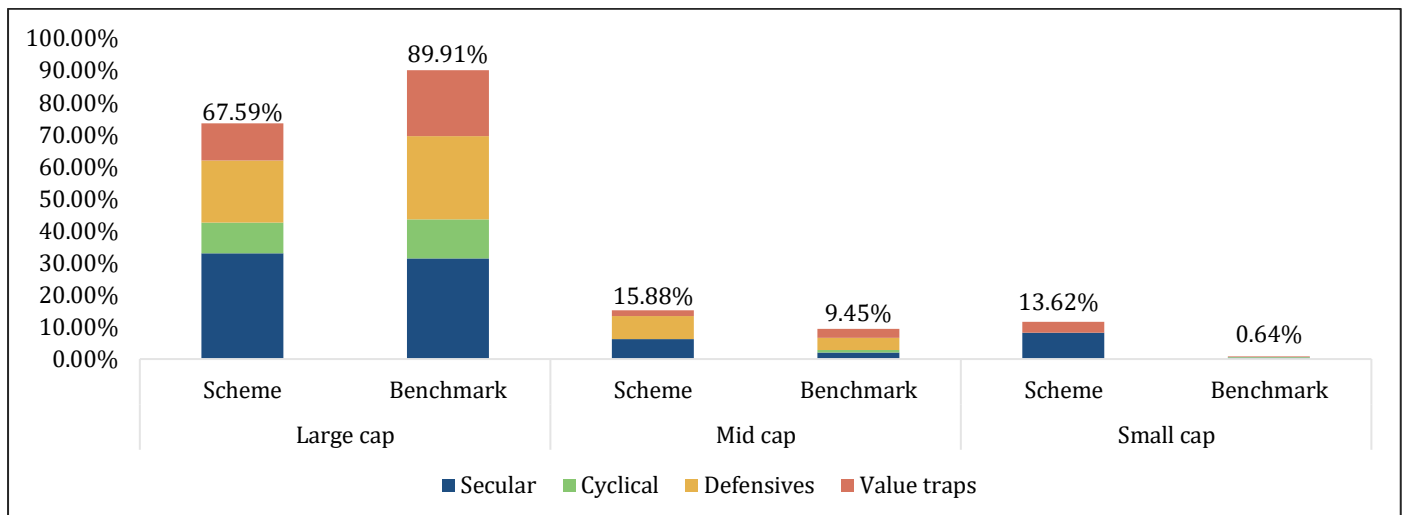
## TOP 10 HOLDINGS

Company	Weight (%)	Allocation under the SCDV framework
ICICI Bank Ltd	9.65	C
HDFC Bank Ltd	6.69	S
Infosys Ltd	5.59	D
Bajaj Finance Ltd	5.48	S
Mahindra & Mahindra Ltd	4.42	V
Bharti Airtel Ltd	4.24	V
Crompton Greaves Consumer Electricals Ltd	4.13	S
Larsen & Toubro Infotech Ltd	4.05	S
Dr Reddys Laboratories Ltd	3.98	S
Axis Bank Ltd	3.89	S
Cash & cash equivalents <sup>@</sup>	2.91	-

## TOP 6 SECTOR ALLOCATION



## MARKET CAPITALIZATION



## KEY PORTFOLIO CHANGES DURING THE MONTH ^^

Stock	Action	Rationale
Axis Bank Limited (Axis)	New addition	<ul style="list-style-type: none"> <li><b>Expect better asset quality trends:</b> We expect Axis Bank Limited to have better asset quality trends relative to the industry</li> <li><b>Market share expected to improve:</b> The bank has an ability to improve on growth across product lines which may lead to higher market share going ahead</li> <li><b>Reasonable valuations:</b> Valuations for the company are reasonable and we believe that the bank could get a positive re-rating that would help in delivering value for the shareholders</li> </ul>

Inox Leisure Limited (Inox)	New addition	<ul style="list-style-type: none"> <li>• <b>Long-term growth potential:</b> India has low multiplex screen penetration in India – 8 per million against 37 in China. Also, multiplexes account for only about 30% of the screen count (25% in CY15), implying ample scope for expansion</li> <li>• <b>Food &amp; beverages (F&amp;B) and advertisement revenue streams deliver superior margins:</b> Inox, over the last few years, has preimmunized its offerings in line with sector leader PVR. The average ticket price (ATP), F&amp;B spend per head and advertising revenue have all seen a steady improvement over the last few years that should continue once COVID-19 situation normalizes</li> <li>• <b>Well capitalized business:</b> With a lean &amp; robust balance sheet and a low debt to equity (&lt;1x), Inox has significantly better capital structure than that of PVR</li> </ul>
Mahanagar Gas Limited	New addition	<ul style="list-style-type: none"> <li>• <b>Access code for CGD network prohibits open access for extant CNG stations, allaying a key risk:</b> The new regulation will prohibit the OMCs from setting up their own dispensing units in their existing network, that has been let out for CNG supplies on behalf of authorized CGD entities</li> <li>• <b>Increase in margins may sustain:</b> We expect the increase in margins may sustain given the removal of the regulatory overhang and favourable input gas prices</li> </ul>
State Bank of India Limited (SBI)	Exit	<ul style="list-style-type: none"> <li>• <b>Expect slower growth and potential margin impact:</b> The bank is seeing higher inflow of deposits. We believe that the asset growth for the bank will not be in the same proportion which may impact margins</li> <li>• <b>Valuations capturing upside:</b> We believe that the current valuations are capturing the upside and there could be downside risk and thus re-aligning positions</li> <li>• <b>Subsidiary valuation capturing upside:</b> The bank has meaningful value coming from its subsidiaries. We believe that the subsidiaries' valuations is captured in the current valuation of the banks</li> </ul>
IPCA Laboratories Limited	Exit	<ul style="list-style-type: none"> <li>• <b>Expect lower growth:</b> In its business outlook for H2, the growth shall be lower than H1 due to strong H1 owing to HCQs and API inventory stocking by clients</li> <li>• <b>Expect softer margins:</b> Margins shall be soft as costs are expected to increase due to sales promotion and product mix shall deteriorate due to slow down in API business</li> <li>• <b>Limited room for upside:</b> At current market price, the valuations are near peak and leave a limited room for upside</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 Nov 30, 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 3.01% of TREPS (Tri Party Repo Dealing System) and -0.10% of net receivables. ^^Refers only newly added or fully exited portfolio stocks during the month. The rationales in the portfolio changes should not be taken as a solicitation for making investment into the strategy or the individual stocks. 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. For sector allocation and market capitalization exhibits, the scheme is IIFL Focused Equity Fund and the benchmark is S&P BSE 200 TRI

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