

IIFL INDIA GROWTH FUND

(An open ended equity Scheme)



ASSET
MANAGEMENT

IIFL INDIA GROWTH FUND

INVESTMENT APPROACH :

- Scheme endeavour to built concentrated portfolio of fast growing high quality companies.
- Focus is 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.
- The company specific bottoms-up approach will also allow us to take concentrated bets.

OTHER IMPORTANT FEATURES:

- Skin in the game: IIFL Group and senior management have Invested in the scheme.
- Low Total Expenses Ratio (TER)- Direct Plan-1% p.a., Regular Plan- 1.95% p.a.
- No Exit Load

SCHEME PERFORMANCE AS ON DECEMBER 31,2016:

| | 30-12-15 to 30-12-16 | 30-12-14 to 30-12-15 | SINCE INCEPTION CAGR | PTP |
|--|----------------------------|----------------------------|----------------------|-------|
| IIFL India Growth Fund -(Regular Plan)-Growth Option | 9.32% | 1.82% | 7.91% | 11799 |
| IIFL India Growth Fund -(Direct Plan)-Growth Option | 10.09% | 3.09% | 8.99% | 12057 |
| Benchmark (Nifty 50) | 3.01% | -4.06% | 0.09% | 10020 |
| Additional Benchmark (S&P BSE Sensex) | 1.78% | -5.03% | -1.22% | 9858 |

Point to Point (PTP) returns in INR is based on standard investment of INR 10,000 made on the inception i.e.30-Oct-2014

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



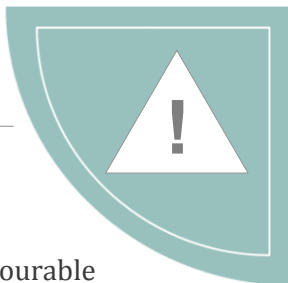
MARGIN OF SAFETY

- 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



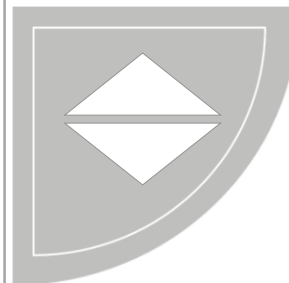
RISK RETURN TRADE OFF MATRIX

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



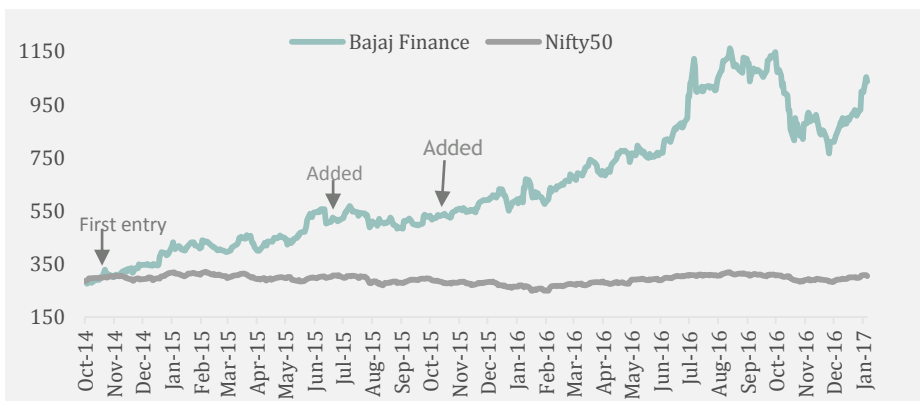
TOP DOWN + BOTTOM UP APPROACH

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



TOP PICKS: CONSISTENCY OF EARNINGS GROWTH

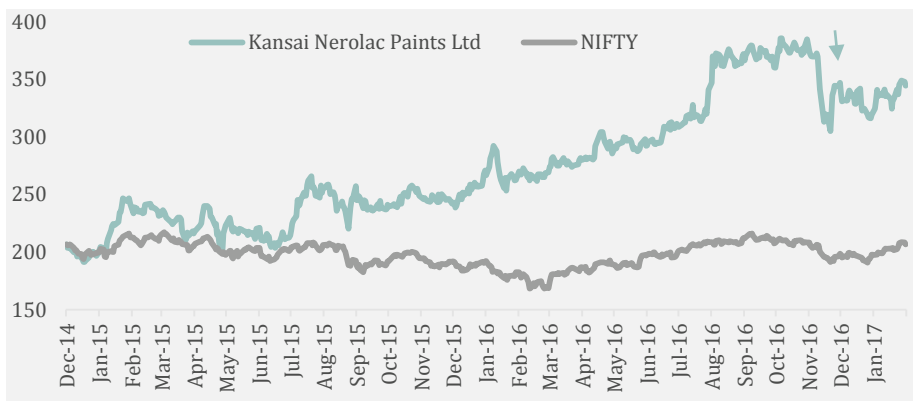
BAJAJ FINANCE (3.62X)



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 ~285.0, held till date, current market price Rs~1034 (Sock adjusted for corporate actions) (as on 31-Jan-2017)*

KANSAI NEROLAC (1.63X)

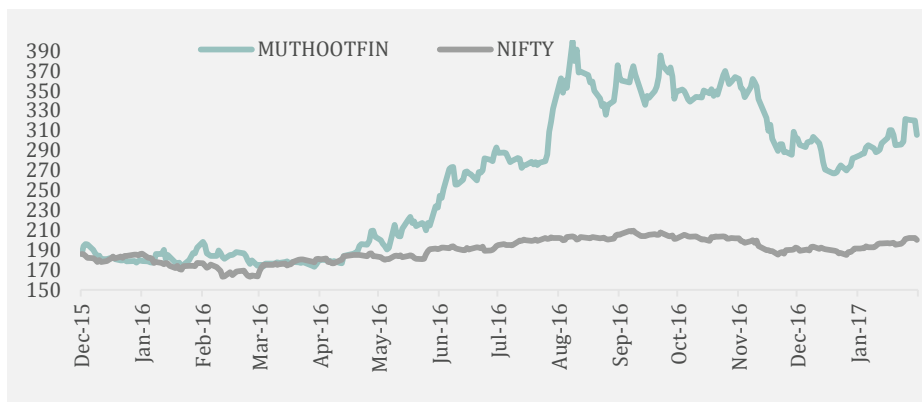


INVESTMENT RATIONALE

- 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.344 (as on 31-Jan-2017)*

TOP PICKS: REASONABLE VALUE, MARKET MISPRICE

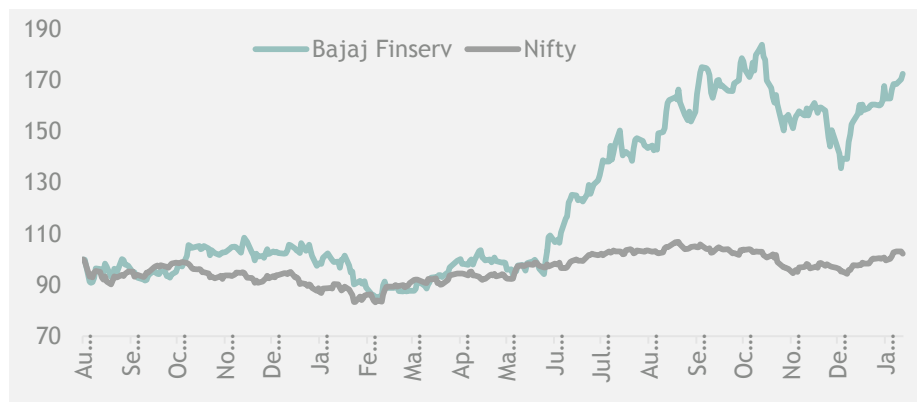
MUTHOOT FINANCE (1.67X)



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 Rs.309 (as on 31-Jan-2017)

BAJAJ FINSERVE LTD (1.81X)



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 3235 (as on 31-Jan-2017)

TOP HOLDING AS ON JANUARY 31,2017

SCRIP WISE ALLOCATION

| NAME OF THE INSTRUMENT | INDUSTRY | % To NAV |
|---|-----------------------|---------------|
| HDFC Bank Limited | Banks | 9.16% |
| Power Grid Corporation of India Limited | Power | 8.77% |
| Castrol India Limited | Petroleum Products | 6.82% |
| HCL Technologies Limited | Software | 6.82% |
| Tata Motors Ltd DVR Shares | Auto | 6.49% |
| Sun Pharmaceuticals Industries Limited | Pharmaceuticals | 5.48% |
| Bajaj Finserv Limited | Finance | 5.39% |
| Bajaj Finance Limited | Finance | 5.36% |
| Muthoot Finance Limited | Finance | 4.93% |
| Idea Cellular Limited | Telecom - Services | 4.70% |
| Tech Mahindra Limited | Software | 4.56% |
| Aditya Birla Nuvo Limited | Services | 4.34% |
| State Bank of India | Banks | 3.76% |
| Kansai Nerolac Paints Limited | Consumer Non Durables | 3.47% |
| Cholamandalam Investment and Finance Co. Ltd. | Finance | 2.73% |
| Lupin Limited | Pharmaceuticals | 1.87% |
| InterGlobe Aviation Limited | Transportation | 1.50% |
| Britannia Industries Limited | Consumer Non Durables | 1.27% |
| Zensar Technologies Limited | Software | 1.22% |
| Equitas Holdings Limited | Finance | 1.08% |
| Cash & Cash Equivalent | Cash | 10.28% |

SECTOR ALLOCATION

| SECTOR | NAV |
|-----------------------|--------|
| Finance | 19.49% |
| Banks | 12.92% |
| Software | 12.60% |
| Power | 8.77% |
| Pharmaceuticals | 7.35% |
| Petroleum Products | 6.82% |
| Auto | 6.49% |
| Consumer Non Durables | 4.74% |
| Telecom - Services | 4.70% |
| Services | 4.34% |
| Transportation | 1.50% |

SCHEME DETAILS

| SCHEME DETAILS | | As on January 31,2017 |
|---|--|-----------------------|
| NAV Regular plan –Growth option (as on 31-Jan-2017) | | Rs.12.657 |
| AUM | | Rs.271.76 Cr. |
| Date of Allotment | | October 30,2014 |

| | |
|-------------------------|---|
| 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. |
| TYPE | Open ended equity scheme |
| BENCHMARK | Nifty50 |
| FUND MANAGER | 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 an Whole Time Director and 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. |
| 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% |
| LOAD STRUCTURE | Entry Load –NIL ,Exit Load – NIL |
| EXPENSE RATIO | Regular Plan : 1.95% p.a., Direct Plan 1.00% p.a |

DISCLAIMERS

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

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Regd Office:

IIFL Asset Management Ltd., 6th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013

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THANK YOU.



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