



Bandhan Balanced Advantage Fund^{\$}

An open ended dynamic asset allocation fund

FUND PHILOSOPHY*

Bandhan Balanced Advantage Fund is a hybrid fund with active equity allocation changing based on the trailing P/E of Nifty 50 index. The fund has a pre-defined model which indicates the range of active equity allocation based on P/E levels, and there are 6 different range of equity allocation possible. Higher the P/E band, lower will be the active equity allocation and vice versa.

Change of bands happen once a month while changes within the band happen dynamically on a day to day basis. The active equity portfolio is managed like a diversified fund. Active stock selection philosophy combines quality stocks with good growth potential. The quality filters for the fund are – conversion of EBIDTA to operating cash – OCF as % of EBIDTA > 33%; Moderate leverage: Debt EBIDTA < 3x; Profitability: EBIDTA / Net operating Assets > 30%. Thus, companies which qualify these parameters and have higher visibility of growth versus peers will form the core portfolio. Depending on P/E levels, the fund can have more large or mid/small cap names. The fund will also use Nifty futures to dynamically manage active equity allocation within a month.

The debt portion of the fund is actively managed. The portfolio emphasizes on maintaining high credit quality and currently has 100% in AAA or equivalent instruments. Further the portfolio is oriented towards short-to-medium duration strategies.

Bloomberg Nifty P/E data as of 28th February 2023 indicates a value of 20.97 and Equity band for the month of March will be 55.65%.

OUTLOOK

How it went:

Global equities remained weak across countries (MSCI AC World -2.5% MoM with Spain and Italy being the only outliers with positive returns. India declined by -4.8% MoM while Emerging markets were down -6.5% MoM largely led by China (-10.4% MoM). Euro area held on with flattish (-0.8% MoM) returns. Indian equities has corrected sharply on a YTD basis (\$ terms, -7.6% YTD) compared to the World (\$ terms, 4.3% YTD) and Emerging countries (\$ terms, 0.8% YTD) which are holding their which are still in positive.

Looking at market cap wise performance, there has been a decline in MoM returns across market caps with Mid-caps (-1.8% MoM) performing slightly better than small caps (-2.9% MoM) and large caps (-2.2% MoM).

How do we look ahead:

The December quarter results on a broad level indicated weak volume trends and easing of pricing pressures. Consensus FY23 EPS estimates for MSCI India were cut by ~5% this December quarter following a 4% cut post previous quarter results. Nifty FY23E EPS estimates has seen 1-2% cut with downgrades in commodities offset by upgrades in banks. The management outlook going ahead also saw some bit of moderation both from demand as well as margin perspective (barring staples and non-Auto Discretionary) reflecting the slowing global macro environment.

At a global level the macro outlook has turned challenging due to inflation data turning adverse. Across countries like USA, India, Germany etc. the recent inflation data has turned out higher than expected which is pushing global bond yields higher. The 2 year bond yield in USA is the highest since 2007. Higher bond yields are a big headwind to equities, and inflation will need to moderate for equities to perform. The silver lining for India is that earnings outlook is fairly resilient and over last few quarters valuation multiples have corrected.

^{\$}With effect from 13th March 2023, the name of "IDFC Balanced Advantage Fund" has changed to "Bandhan Balanced Advantage Fund"

The above mentioned is the current strategy of the Fund Manager. However, asset allocation and investment strategy shall be within broad parameters of Scheme Information Document.

Ratios calculated on the basis of 3 years history of monthly data.
Face Value per Unit (in ₹) is 10

Income Distribution cum capital withdrawal is not guaranteed and past performance may or may not be sustained in future. Pursuant to payment of Income Distribution cum capital withdrawal, the NAV of the scheme would fall to the extent of payout and statutory levy (as applicable).

Fund Features:

(Data as on 28th February'23)

Category: Dynamic Asset Allocation or Balanced Advantage

Monthly Avg AUM: ₹ 2,636.52 Crores

Inception Date: 10th October 2014

Fund Managers: Equity Portion: Mr. Sachin Relekar (w.e.f. 1st March 2022) & Mr. Sumit Agrawal (w.e.f. 01st March 2017), **Debt Portion:** Mr. Brijesh Shah (w.e.f. 16th July 2022)

Standard Deviation (Annualized): 14.05%

Modified Duration: 1.65 Years*

Average Maturity: 1.92 Years*

Macaulay Duration: 1.71 Years*

Yield to Maturity: 7.36%*

*Of Debt Allocation Only

Benchmark: NIFTY 50 Hybrid Composite debt 50:50 Index (w.e.f. 1st Dec, 2021)

Asset allocation:

Gross Equity[^] (Including Arbitrage): 73.74%

Debt: 26.26%

Net Equity: 57.63%

Market Cap Split:

Large Cap: 83.93%

Mid and Small Cap: 16.07%

Minimum Application Amount: ₹ 1,000/- and any amount thereafter.

Exit Load: In respect of each purchase of Units:

- For 10% of investment: Nil

- For remaining investment: 1% if redeemed/switched out within 1 year from the date of allotment (w.e.f. July 5, 2017)

SIP Dates : (Monthly/Quarterly) Investor may choose any day of the month except 29th, 30th and 31st as the date of installment.

Options Available: Growth, IDCW[®] (Payout, Reinvestment and Sweep (from Equity Schemes to Debt Schemes only))

SIP (Minimum Amount): ₹ 100/- (Minimum 6 instalments)

PLAN	IDCW [®] RECORD DATE	₹/UNIT	NAV
REGULAR	29-Dec-22	0.16	12.8840
	29-Sep-22	0.12	12.7990
	29-Jun-22	0.12	12.1300
DIRECT	29-Dec-22	0.18	14.3210
	29-Sep-22	0.15	14.1780
	29-Jun-22	0.13	13.3900

[®]Income Distribution cum capital withdrawal

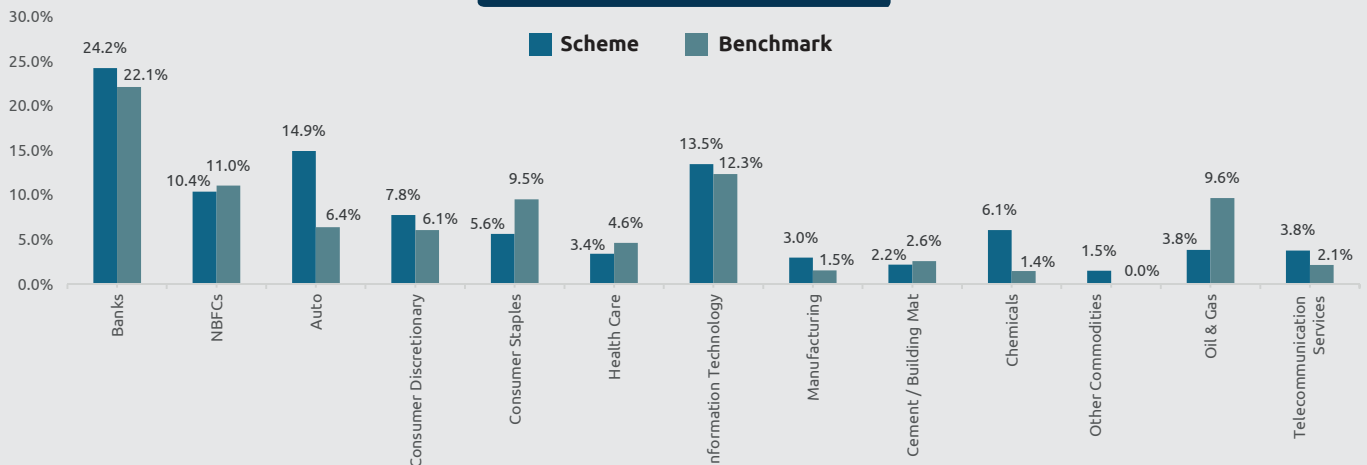
PORTFOLIO

(28 February 2023)



Name of the Instrument	Ratings	% to NAV	Name of the Instrument	Ratings	% to NAV
Equity and Equity related Instruments		73.74%	Timken India		0.12%
Net Equity Exposure		57.63%	Beverages		1.28%
Banks		13.29%	United Spirits		1.95%
ICICI Bank		9.04%	United Spirits - Equity Futures		-0.67%
ICICI Bank - Equity Futures		-3.56%	Consumer Durables		1.27%
HDFC Bank		5.90%	Titan Company		1.27%
HDFC Bank - Equity Futures		-1.20%	Diversified FMCG		1.23%
State Bank of India		1.60%	Hindustan Unilever		2.28%
IndusInd Bank		0.86%	Hindustan Unilever - Equity Futures		-1.05%
IndusInd Bank - Equity Futures		-0.87%	Cement & Cement Products		1.20%
Bank of Baroda		0.77%	UltraTech Cement		1.79%
Axis Bank		0.75%	UltraTech Cement - Equity Futures		-0.60%
Kotak Mahindra Bank		0.73%	ACC		0.12%
Kotak Mahindra Bank - Equity Futures		-0.73%	ACC - Equity Futures		-0.12%
IT - Software		7.40%	Healthcare Services		1.18%
Infosys		4.83%	Apollo Hospitals Enterprise		1.18%
Mphasis		1.34%	Pharmaceuticals & Biotechnology		0.68%
Tata Consultancy Services		1.06%	Divi's Laboratories		2.29%
LTIMindtree		0.17%	Divi's Laboratories - Equity Futures		-1.61%
Finance		5.68%	Lupin		0.07%
Bajaj Finance		3.95%	Lupin - Equity Futures		-0.07%
HDFC		2.40%	Sun Pharmaceutical Industries		0.03%
HDFC - Equity Futures		-2.10%	Sun Pharmaceutical Industries - Equity Futures		-0.03%
Cholamandalam Invt and Fin Co		2.26%	Food Products		0.54%
Bajaj Finserv		0.04%	Nestle India		0.54%
Bajaj Finance - Equity Futures		-0.86%	Electrical Equipment		0.54%
Automobiles		4.74%	ABB India		0.54%
Mahindra & Mahindra		3.01%	Fertilizers & Agrochemicals		0.47%
Mahindra & Mahindra - Equity Futures		-0.50%	PI Industries		0.76%
Tata Motors		1.15%	PI Industries - Equity Futures		-0.29%
TVS Motor Company		1.08%	Paper, Forest & Jute Products		0.46%
Auto Components		3.33%	Century Textiles & Industries		0.46%
UNO Minda		1.15%	Textiles & Apparels		0.38%
Samvardhana Motherson International		0.91%	Page Industries		0.38%
Jamna Auto Industries		0.71%	Aerospace & Defense		0.11%
Tube Investments of India		0.56%	Bharat Electronics		0.11%
Chemicals & Petrochemicals		2.86%	Personal Products		0.02%
SRF		1.28%	Godrej Consumer Products		1.47%
SRF - Equity Futures		-0.10%	Godrej Consumer Products - Equity Futures		-1.45%
Tata Chemicals		1.27%	Realty		-0.0003%
Tata Chemicals - Equity Futures		-0.11%	DLF		0.08%
Aether Industries		0.31%	DLF - Equity Futures		-0.08%
Clean Science and Technology		0.21%	Government Bond		10.97%
Index		2.73%	5.63% - 2026 G-Sec	SOV	5.74%
Nifty 50 Index - Equity Futures		2.73%	7.38% - 2027 G-Sec	SOV	4.47%
Retailing		2.62%	7.1% - 2029 G-Sec	SOV	0.76%
Avenue Supermarts		1.87%	Treasury Bill		4.77%
Trent		0.50%	182 Days Tbill - 2023	SOV	4.77%
Vedant Fashions		0.25%	Certificate of Deposit		4.58%
Petroleum Products		2.09%	Axis Bank	A1+	3.64%
Reliance Industries		4.91%	HDFC Bank	A1+	0.95%
Reliance Industries - Equity Futures		-2.82%	Corporate Bond		1.94%
Telecom - Services		2.07%	Power Finance Corporation	AAA	0.97%
Bharti Airtel		2.07%	HDFC	AAA	0.96%
Industrial Products		1.47%	NTPC	AAA	0.01%
Carborundum Universal		0.98%	Net Cash and Cash Equivalent		3.03%
Shaily Engineering Plastics		0.37%	Grand Total		100.00%

SECTOR ALLOCATION



Scheme risk-o-meter	This product is suitable for investors who are seeking*	Benchmark risk-o-meter
<p>Investors understand that their principal will be at Very High risk</p>	<ul style="list-style-type: none"> To create wealth over long term. Dynamic allocation towards equity, derivatives, debt and money market instruments. <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<p>NIFTY 50 Hybrid Composite debt 50:50 Index</p>

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