



## IDFC CORE EQUITY FUND

(Previously known as IDFC Classic Equity Fund w.e.f. May 28, 2018)  
Large & Mid Cap Fund - An open ended equity scheme investing in both large cap and mid cap stocks

IDFC Core Equity Fund is a diversified equity fund with a large & mid cap bias currently. The focus of the fund is to build a portfolio of Quality companies while being cognizant of the relative valuation.

### FUND PHILOSOPHY\*

The fund builds a portfolio of quality stocks with lower relative valuations. Quality (for non-financial stocks) is ascribed on three fronts - conversion of EBIDTA to operating cash - OCF as % of EBIDTA > 33%; Moderate leverage: Debt/EBIDTA < 3x; Profitability: EBIDTA / Net operating Assets > 30%. Companies that qualify on these three parameters and those which are relatively cheaper within a peer group on P/B basis form part of the 'quality' universe. Roughly 50% of the portfolio will comprise of such quality companies; ~30% would be for financial sector and balance 20% would be invested in benchmark heavyweights and themes, which we expect to play out over next 6/12 months. On a tactical basis, the fund may take a part of its overall holding through near month stock futures.

### OUTLOOK

On the domestic front, overall sentiment remained negative throughout the month on account of (1) lower growth and subdued consumer sentiment (2) credit crunch due to tight liquidity conditions and rising stress especially in NBFCs (3) lack of any measures to boost in the short to medium term. Indian equities corrected meaningfully post the FY20 Union Budget announcement on 5th July 2019 given the uncertainty emanating from a couple of proposals pertaining to: 1) Increase in taxes for FPIs accessing the Indian equity markets through the 'Trust' route; and 2) Supply side pressures for equity markets via increase in free float requirement from 25% to 35%. High frequency economic data and early results in the 1Q FY reporting season have been sedate. The monsoon season has been disappointing with June-July deficit at 9% of Long Period Average (LPA), albeit improving from ~33% deficit in end June.

Despite the doom and gloom, the only silver lining for investors is reasonable valuations, especially for small and mid-caps. Since the peak of Jan-18, NSE Mid Cap 100 Index has corrected ~25% whereas the small cap index has corrected 40%. NIFTY, on the other hand is up 6.5% for the same period. The NSE Small Cap 100 Index trades at 13.6x on Positive PE basis and 11.3x on FY20 estimate earnings. NIFTY, trades at 20.9x positive PE and 17.0x FY20 earnings. The gap between NIFTY and small Cap returns from Jan-18 is around 46%, which we believe can give an attractive entry point for long term investors, notwithstanding the short term headwinds.

Face Value per Unit (in ₹) is 10

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

#### FUND FEATURES:

**Category:** Large & Mid Cap

**Monthly Avg AUM:** ₹2,869.13 Crores

**Inception Date:** 9th August 2005

**Fund Manager:** Mr. Anoop Bhaskar  
(w.e.f. 30/04/2016)

**Benchmark:** S&P BSE 200 TRI

**Minimum Investment Amount:**

₹5,000/- and any amount thereafter.

**Exit Load:** 1% if redeemed within 365 days from the date of allotment. (w.e.f. 10th May 2016)

**SIP Frequency:** Monthly (Investor may choose any day of the month except 29th, 30th and 31st as the date of instalment.)

**Options Available:** Growth, Dividend - (Payout, Reinvestment and Sweep (from Equity Schemes to Debt Schemes only))

**Other Parameters:**

**Beta:** 0.99

**R Square:** 0.93

**Standard Deviation (Annualized):**

13.47%

PLAN	DIVIDEND RECORD DATE	₹/UNIT	NAV
REGULAR	14-Mar-19	0.80	15.4200
	12-Mar-18	1.01	16.4254
	27-Feb-17	1.18	15.0036
DIRECT	14-Mar-19	0.90	17.4700
	12-Mar-18	1.13	18.3717
	27-Feb-17	1.30	16.4933

Ratios calculated on the basis of 3 years history of monthly data.

\*The allocation mentioned is as per current strategy and market conditions; this is however subject to change without notice.

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

# PORTFOLIO

(31 July 2019)

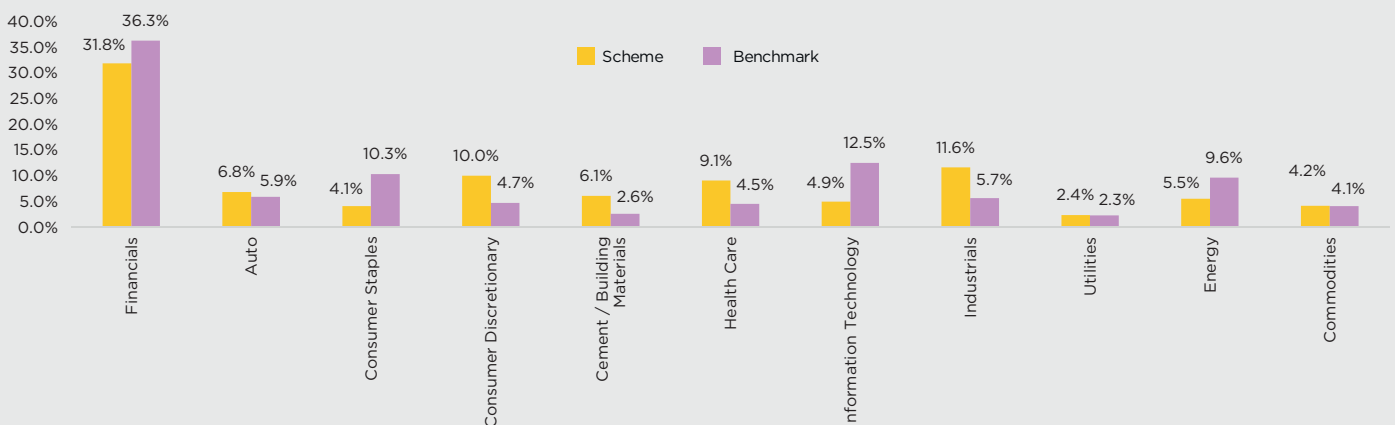


IDFC MUTUAL FUND

Name of the Instrument	% to NAV	Name of the Instrument	% to NAV
<b>Equity and Equity related Instruments</b>	<b>96.47%</b>	Hindustan Petroleum Corporation	0.82%
<b>Banks</b>	<b>26.97%</b>	<b>Retailing</b>	<b>4.47%</b>
HDFC Bank	6.15%	Future Retail	2.14%
ICICI Bank	6.10%	Future Lifestyle Fashions	1.35%
State Bank of India	5.20%	Aditya Birla Fashion and Retail	0.98%
Axis Bank	4.12%	<b>Power</b>	<b>4.14%</b>
Kotak Mahindra Bank	2.16%	Torrent Power	1.27%
RBL Bank	1.39%	NTPC	1.09%
The Federal Bank	1.23%	Kalpataru Power Transmission	1.08%
City Union Bank	0.44%	Nava Bharat Ventures	0.70%
Punjab National Bank	0.18%	<b>Consumer Non Durables</b>	<b>4.08%</b>
<b>Pharmaceuticals</b>	<b>9.08%</b>	GlaxoSmithKline Consumer Healthcare	1.52%
IPCA Laboratories	1.95%	Nestle India	1.17%
Sun Pharmaceutical Industries	1.70%	Colgate Palmolive (India)	1.05%
Dr. Reddy's Laboratories	1.43%	Emami	0.34%
Indoco Remedies	0.99%	<b>Industrial Products</b>	<b>3.38%</b>
Cadila Healthcare	0.99%	AIA Engineering	1.43%
Alkem Laboratories	0.84%	Supreme Industries	1.24%
Natco Pharma	0.61%	Cummins India	0.72%
Lupin - Equity Futures	0.56%	<b>Consumer Durables</b>	<b>3.31%</b>
<b>Auto Ancillaries</b>	<b>5.54%</b>	Titan Company	1.42%
MRF	1.78%	Voltas	0.96%
Apollo Tyres	1.21%	Crompton Greaves Consumer Electricals	0.92%
Exide Industries	0.97%	<b>Industrial Capital Goods</b>	<b>2.48%</b>
Balkrishna Industries	0.81%	Thermax	1.38%
Minda Industries	0.45%	Bharat Electronics	1.10%
Asahi India Glass	0.32%	<b>Hotels, Resorts And Other Recreational Activities</b>	<b>2.23%</b>
<b>Construction Project</b>	<b>5.21%</b>	The Indian Hotels Company	2.23%
Larsen & Toubro	3.83%	<b>Chemicals</b>	<b>1.43%</b>
KEC International	1.39%	Deepak Nitrite	0.93%
<b>Software</b>	<b>4.93%</b>	Tata Chemicals	0.50%
Infosys	3.46%	<b>Auto</b>	<b>1.30%</b>
Mastek	0.55%	Mahindra & Mahindra	1.00%
Birlasoft	0.55%	Maruti Suzuki India	0.30%
KPIT Technologies	0.36%	<b>Ferrous Metals</b>	<b>1.28%</b>
<b>Finance</b>	<b>4.87%</b>	Jindal Steel & Power	1.28%
M&M Financial Services	1.52%	<b>Non - Ferrous Metals</b>	<b>0.83%</b>
Sundaram Finance	1.10%	National Aluminium Company	0.83%
ICICI Securities	0.99%	<b>Gas</b>	<b>0.78%</b>
Max Financial Services	0.81%	GAIL (India)	0.78%
Mas Financial Services	0.45%	<b>Fertilisers</b>	<b>0.61%</b>
<b>Cement</b>	<b>4.83%</b>	Coromandel International	0.61%
ACC	1.70%	<b>Preference Shares</b>	<b>0.01%</b>
The Ramco Cements	1.42%	<b>Media &amp; Entertainment</b>	<b>0.01%</b>
Ambuja Cements	1.39%	Zee Entertainment Enterprises	0.01%
Deccan Cements	0.32%	<b>Net Cash and Cash Equivalent</b>	<b>3.53%</b>
<b>Petroleum Products</b>	<b>4.72%</b>	<b>Grand Total</b>	<b>100.00%</b>
Reliance Industries	2.98%		
Bharat Petroleum Corporation	0.92%		



## SECTOR ALLOCATION



This product is suitable for investors who are seeking\*:

- To create wealth over long term
- Investment predominantly in equity and equity related instruments in large and mid-cap companies

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

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