



IDFC INFRASTRUCTURE FUND

An open ended equity scheme investing in Infrastructure sector

A dedicated Infrastructure fund, that invests across the infrastructure value chain with exclusions like Banking, Autos, IT, Pharma and FMCG. It is a diversified portfolio of companies that are participating in and benefitting from the Indian Infrastructure and Infrastructure related activities.

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.

CURRENT STRATEGY

The portfolio is built to monetize the existing infrastructure opportunity in India. Despite the argument of environment being slower, we believe that companies with a dominant market share and growing cash flows would consolidate the opportunity going forward. The focus is on companies with healthy balance sheet which are beneficiaries of ongoing capital formation and will capture a large part of that revenue pool. The current portfolio represents our version of such companies from the Construction & Logistics segments, Industrials space, the Utilities and Energy businesses.

FUND FEATURES:

Category: Sectoral

Monthly Avg AUM: ₹893.14 Crores

Inception Date: 8th March 2011

Fund Manager: Mr. Rajendra Kumar Mishra (w.e.f 27/06/2013)

Beta: 1.10

R Square: 0.87

Standard Deviation (Annualized): 20.30%

Benchmark: Nifty Infrastructure TRI

Minimum Investment Amount: ₹5,000/- and any amount thereafter.

Exit Load: 1.00% if redeemed before 365 days from the date of allotment.

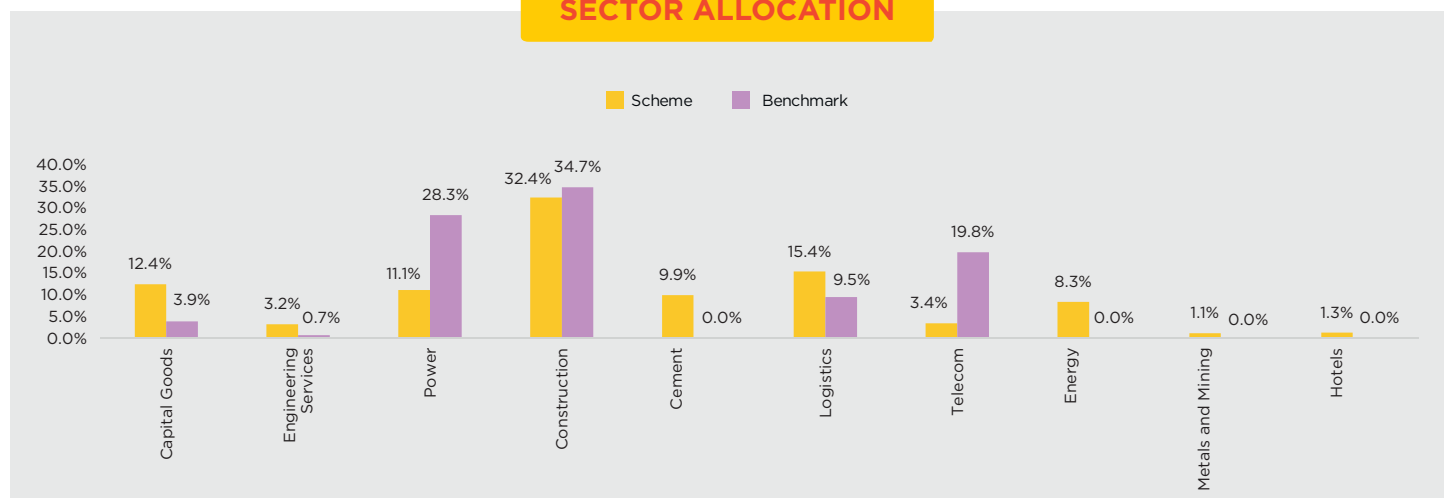
SIP Frequency: Monthly (Investor may choose any day of the month except 29th, 30th and 31st as the date of instalment.)

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

Name of the Instrument	% to NAV	Name of the Instrument	% to NAV
Equity and Equity related Instruments	98.53%	Cement	9.88%
Construction Project	23.21%	UltraTech Cement	5.25%
Larsen & Toubro	9.99%	JK Cement	3.23%
Engineers India	3.20%	Sagar Cements	1.40%
NCC	2.95%	Gas	8.33%
Sadbhav Engineering	2.02%	Gujarat Gas	3.34%
H.G. Infra Engineering	1.87%	Gujarat State Petronet	3.29%
Dilip Buildcon	1.74%	GAIL (India)	1.70%
RITES	1.42%	Industrial Products	5.07%
Transportation	15.37%	Cummins India	3.19%
Adani Ports and Special Economic Zone	6.12%	Kirloskar Brothers	1.88%
Container Corporation of India	4.73%	Telecom - Services	3.44%
Transport Corporation of India	2.70%	Bharti Airtel	3.44%
Gateway Distriparks	1.45%	Ferrous Metals	3.40%
Navkar Corporation	0.38%	Maharashtra Seamless	1.41%
Construction	12.38%	Jindal Steel & Power	1.14%
PNC Infratech	4.15%	Jindal Saw	0.85%
NBCC (India)	1.74%	Industrial Capital Goods	2.37%
Gayatri Projects	1.50%	Siemens	1.31%
PSP Projects	1.44%	ISGEC Heavy Engineering	1.06%
Ahluwalia Contracts (India)	1.41%	Consumer Durables	1.76%
J.Kumar Infraprojects	0.87%	Blue Star	1.76%
ITD Cementation India	0.83%	Hotels, Resorts And Other Recreational Activities	1.29%
GPT Infraprojects	0.44%	Taj GVK Hotels & Resorts	1.29%
Power	11.06%	Telecom - Equipment & Accessories	0.97%
NTPC	6.73%	Tejas Networks	0.97%
Torrent Power	3.17%	Net Cash and Cash Equivalent	1.47%
PTC India	1.16%	Grand Total	100.00%



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 of companies that are participating in and benefiting from growth in Indian infrastructure and infrastructural related activities.

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

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