



IDFC LARGE CAP FUND

(Previously known as IDFC Equity Fund w.e.f. May 14, 2018)
Large Cap Fund - An open ended equity scheme predominantly investing in large cap stocks

FUND PHILOSOPHY*

IDFC Large Cap Fund is an equity oriented fund investing predominantly in large cap stocks. The investment philosophy of the fund is based on investing in well-established growth oriented businesses which scores high on capital efficiency and operating cash flow generation.

For this fund, we have been following the “Barbell” strategy in terms of portfolio construction between large caps & small/mid caps. The large cap allocation of the fund ranges from a minimum 80% to as high as 100%. Currently, the remaining 0-20% allocation are in small-caps and a single stock position does not exceed 1% (at initiation) and 2% (at any point in time), respectively.

We believe, this “Barbell” construct, offers investors a combination of participating in steady performance of large caps and return potential of small caps, with an overlay of strong risk management in place.

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.

FUND FEATURES:

Category: Large Cap

Monthly Avg AUM: ₹424.23 Crores

Inception Date: 9th June 2006

Fund Manager: Mr. Sumit Agrawal and Mr. Arpit Kapoor (w.e.f. 01/03/2017)

Beta: 0.95

R Square: 0.95

Standard Deviation (Annualized): 12.46%

Benchmark: S&P BSE 100 TRI (w.e.f. 18/04/2017)

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

Exit Load: NIL (w.e.f. 4th February 2019)

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))

PLAN	DIVIDEND RECORD DATE	₹/UNIT	NAV
REGULAR	19-Mar-19	0.77	15.1200
	19-Mar-18	0.89	14.7165
	10-Mar-17	0.83	13.8551
DIRECT	19-Mar-19	0.95	18.4400
	19-Mar-18	1.08	17.8004
	10-Mar-17	1.00	16.6595

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).

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

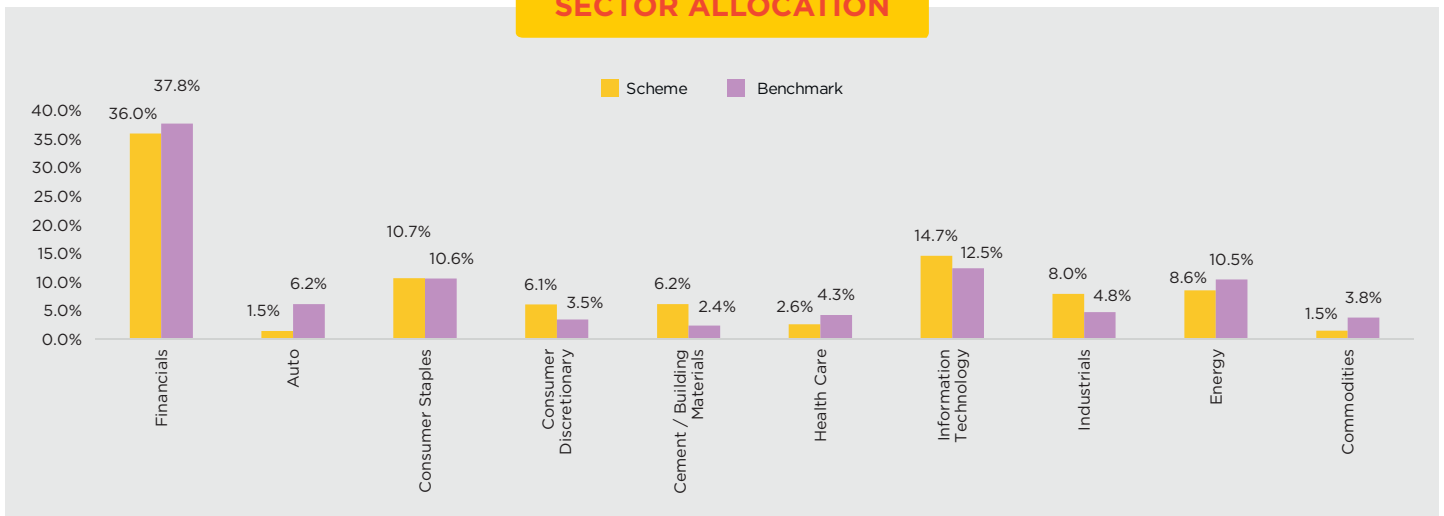
*The allocation mentioned above is as per current strategy and market conditions; this is however subject to change without notice.

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

Name of the Instrument	% to NAV	Name of the Instrument	% to NAV
Equity and Equity related Instruments	95.82%	KEC International	1.24%
Banks	31.55%	Cement	6.18%
ICICI Bank	9.09%	UltraTech Cement	3.42%
Axis Bank	6.95%	Shree Cement	1.51%
HDFC Bank	6.84%	HeidelbergCement India	1.24%
State Bank of India	5.29%	Finance	4.49%
Kotak Mahindra Bank	3.38%	Bajaj Finance	2.72%
Software	14.65%	Aavas Financiers	1.77%
Infosys	4.71%	Consumer Durables	3.33%
Tata Consultancy Services	4.56%	Titan Company	2.26%
Tech Mahindra	2.00%	Havells India	1.07%
NIIT Technologies	1.29%	Pharmaceuticals	2.63%
Persistent Systems	1.06%	IPCA Laboratories	1.49%
Majesco	1.04%	Divi's Laboratories	1.14%
HCL Technologies	0.0001%	Aurobindo Pharma	0.0001%
Wipro	0.00%	Cadila Healthcare	0.00%
Consumer Non Durables	12.91%	Chemicals	2.07%
Asian Paints	2.77%	Fine Organic Industries	1.52%
Hindustan Unilever	2.69%	Pidilite Industries	0.55%
Nestle India	2.27%	Auto	1.45%
ITC	2.06%	Maruti Suzuki India	1.45%
Marico	2.04%	Hero MotoCorp	0.0002%
Jyothy Labs	1.08%	Mahindra & Mahindra	0.0001%
Britannia Industries	0.0003%	Construction	1.20%
Colgate Palmolive (India)	0.0001%	PSP Projects	1.20%
Dabur India	0.000%	Auto Ancillaries	0.01%
Petroleum Products	8.57%	MRF	0.01%
Reliance Industries	6.07%	Retailing	0.0001%
Hindustan Petroleum Corporation	1.42%	Avenue Supermarts	0.0001%
Bharat Petroleum Corporation	1.08%	Net Cash and Cash Equivalent	4.18%
Construction Project	6.77%	Grand Total	100.00%
Larsen & Toubro	5.54%		



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 the large cap companies

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

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