



## IDFC FOCUSED EQUITY FUND

An open ended equity scheme investing in maximum 30 stocks with multi cap focus

IDFC Focused Equity Fund is a concentrated portfolio of up to 30 stocks with the flexibility to invest across sectors and across market cap.

### FUND PHILOSOPHY\*

IDFC Focused Equity Fund is an equity oriented fund investing across the market cap curve. It holds a concentrated portfolio comprising of a mix of core and tactical ideas limited to a maximum of 30 stocks. The core portfolio of the fund primarily invests in businesses that are growth oriented and have superior quality characteristics. The tactical part of the portfolio largely comprises of businesses that have the potential to turnaround driven by change in internal/external environment.

Under the newly defined SEBI scheme classification, IDFC Focused Equity Fund is categorized under “Focused” Funds. At an industry level, while these funds are classified as “Focused”, their market cap orientation is not defined clearly and by this nature they are also “Multi-Cap”.

### OUTLOOK

Earnings have been in line with muted expectations with Sales, EBITDA and PBT growth of -4%, -3% and -1% YoY respectively. PAT growth, on the other hand has been 15% YoY aided by tax cuts. Tax cuts helped maintain earnings estimate for FY20. The market, since Jan-18 has been clearly two tiered with 70-80 stocks out of BSE 500 generating positive returns. The focus on “High Quality, Consistent Earnings” has been the most successful play during this period. Valuation gap between the “have beens” and the “has beens” is now at one of the widest levels. Given the slowdown in earnings growth even for the “High Quality Consistent Earnings” segment, a substantial part of the returns during the last 18 months has been derived from P/E re-rating.

Continuing from our last month’s theme of Sentiment being the first pillar to undergo change for a new market cycle, outperformance of mid-cap and positive returns in Small Cap could indicate early signs of such a reversal. To build on this, appropriate and positive news flow from the government would be a critical factor. Valuations for the broader market continue to remain benign compared to the narrow band of winners with mid and small caps in general offering more value than the Mega Caps. Fundamentals, as reflected in earnings growth may remain muted for atleast a couple of quarters. However, waiting for surety on this front in the past has been akin to bolting the door after the horse has left.

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:** Focused

**Monthly Avg AUM:** ₹1,514.53 Crores

**Inception Date:** 16th March 2006

**Fund Manager:** Mr Sumit Agarwal  
(w.e.f 20/10/2016)

**Beta:** 0.96

**R Square:** 0.76

**Standard Deviation (Annualized):**  
14.52%

**Benchmark:** S&P BSE 500 TRI  
(w.e.f 11/11/2019)

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

**Exit Load:** 1.00% if redeemed before  
365 days from the date of allotment.  
(w.e.f. 1st September 2009)

**Minimum SIP Amount<sup>₹</sup>:** ₹1,000/-

**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	26-Mar-18	0.83	13.4883
	10-Nov-17	2.00	15.6283
	24-Jan-17	1.00	12.1368
DIRECT	26-Mar-18	0.25	19.0688
	24-Jan-17	1.20	14.6625
	28-Jan-16	1.00	13.4869

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

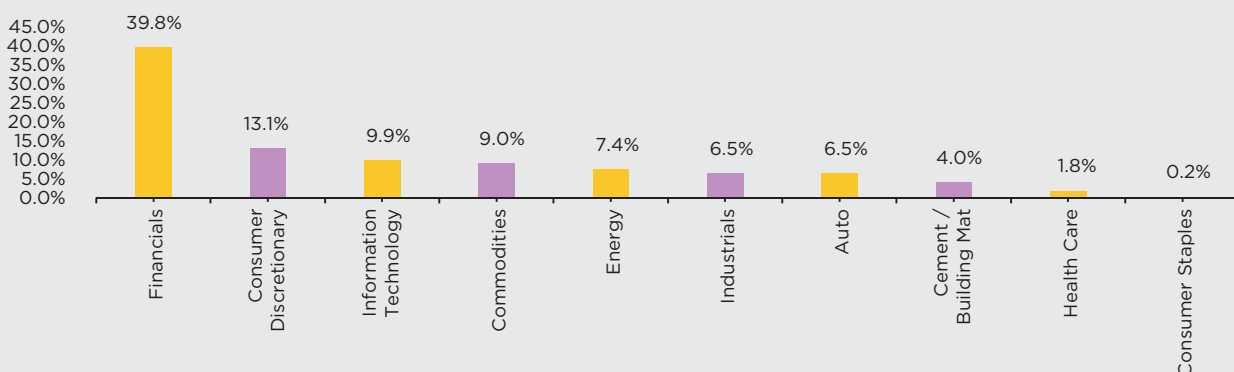
\*The allocation mentioned above is as per current strategy and market conditions; this is however subject to change without notice.

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

Name of the Instrument	% to NAV
<b>Equity and Equity related Instruments</b>	<b>97.93%</b>
<b>Banks</b>	<b>25.01%</b>
HDFC Bank	8.09%
ICICI Bank	4.86%
RBL Bank	3.92%
Axis Bank	3.12%
Kotak Mahindra Bank	2.76%
State Bank of India	2.27%
<b>Finance</b>	<b>14.70%</b>
HDFC	6.05%
ICICI Securities	4.77%
Bajaj Finance	3.88%
<b>Software</b>	<b>9.83%</b>
Infosys	3.89%
Tata Consultancy Services	3.25%
Majesco	2.69%
<b>Petroleum Products</b>	<b>7.20%</b>
Reliance Industries	7.20%
<b>Auto</b>	<b>6.53%</b>
TVS Motor Company	4.21%
Maruti Suzuki India	2.31%
<b>Chemicals</b>	<b>5.98%</b>
Fine Organic Industries	5.98%
<b>Consumer Durables</b>	<b>4.13%</b>
Voltas	2.42%
Titan Company	1.71%
<b>Commercial Services</b>	<b>4.09%</b>
Security and Intelligence Services (India)	4.09%
<b>Cement</b>	<b>4.04%</b>
UltraTech Cement	4.04%
<b>Textile Products</b>	<b>3.63%</b>
SRF	3.04%
Dollar Industries	0.59%
<b>Retailing</b>	<b>3.35%</b>
Aditya Birla Fashion and Retail	3.35%
<b>Media &amp; Entertainment</b>	<b>2.79%</b>
Zee Entertainment Enterprises	2.79%
<b>Consumer Non Durables</b>	<b>2.48%</b>
Jubilant Foodworks	2.18%
GlaxoSmithKline Consumer Health	0.10%
Asian Paints	0.10%
Nestle India	0.10%
<b>Construction Project</b>	<b>2.40%</b>
Larsen & Toubro	2.40%
<b>Pharmaceuticals</b>	<b>1.77%</b>
Dishman Carbogen Amcis	1.77%
<b>Net Cash and Cash Equivalent</b>	<b>2.07%</b>
<b>Grand Total</b>	<b>100.00%</b>



**SECTOR ALLOCATION**



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

- To create wealth over long term
- Investment in a concentrated portfolio of equity and equity related instruments of up to 30 companies.

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

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