



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

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.

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: ₹795.82 Crores

Inception Date: 8th March 2011

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

Beta: 1.01

R Square: 0.90

Standard Deviation (Annualized): 20.46%

Benchmark: S&P BSE India Infrastructure 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.

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))

PORTFOLIO

(29 November 2019)

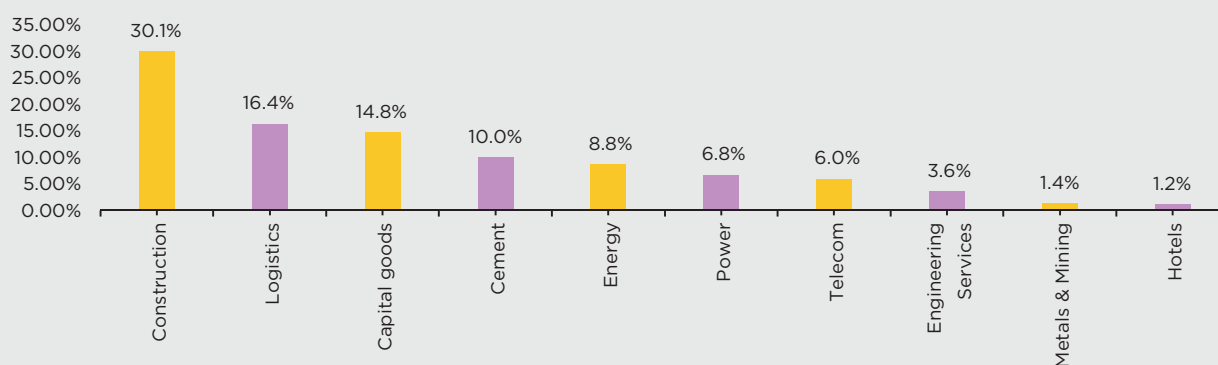


IDFC MUTUAL FUND

Name of the Instrument	% to NAV	Name of the Instrument	% to NAV
Equity and Equity related Instruments	99.00%	Gujarat State Petronet	3.52%
Construction Project	21.98%	GAIL (India)	1.53%
Larsen & Toubro	9.43%	Power	6.86%
Engineers India	3.57%	Torrent Power	3.07%
NCC	2.53%	NTPC	3.02%
Sadbhav Engineering	1.96%	PTC India	0.78%
H.G. Infra Engineering	1.92%	Telecom - Services	5.66%
Dilip Buildcon	1.86%	Bharti Airtel	5.66%
BITES	0.71%	Industrial Products	4.72%
Transportation	16.48%	Cummins India	2.57%
Adani Ports and Special Economic Zone	6.00%	Kirloskar Brothers	1.50%
Container Corporation of India	5.46%	Carborundum Universal	0.65%
Transport Corporation of India	2.96%	Industrial Capital Goods	4.66%
Gateway Distriparks	1.42%	Thermax	1.82%
Navkar Corporation	0.65%	Bharat Electronics	1.71%
Construction	11.74%	ISGEC Heavy Engineering	1.13%
PNC Infratech	4.64%	Ferrous Metals	3.75%
NBCC (India)	1.66%	Jindal Steel & Power	1.43%
J.Kumar Infraprojects	1.16%	Maharashtra Seamless	1.34%
PSP Projects	1.15%	Jindal Saw	0.99%
Ahluwalia Contracts (India)	1.03%	Consumer Durables	1.99%
ITD Cementation India	0.87%	Blue Star	1.99%
Gayatri Projects	0.77%	Hotels, Resorts And Other Recreational Activities	1.25%
GPT Infraprojects	0.46%	Taj GVK Hotels & Resorts	1.25%
Cement	9.99%	Telecom - Equipment & Accessories	1.13%
UltraTech Cement	5.42%	Tejas Networks	1.13%
JK Cement	3.22%	Net Cash and Cash Equivalent	1.00%
Sagar Cements	1.35%	Grand Total	100.00%
Gas	8.80%		
Gujarat Gas	3.75%		



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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