



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

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.

FUND FEATURES:

Category: Large Cap

Monthly Avg AUM: ₹458.26 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: 0.94

Standard Deviation (Annualized): 12.20%

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.

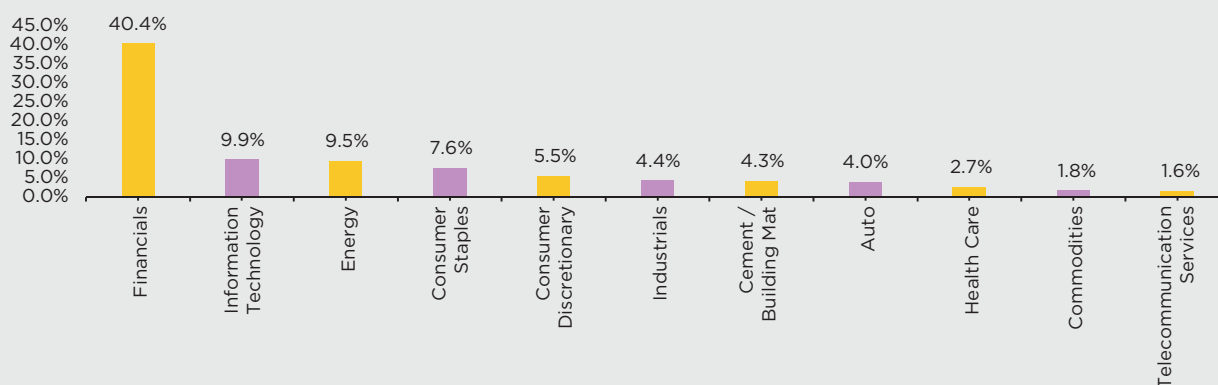
*The allocation mentioned above is as per current strategy and market conditions; this is however subject to change without notice.

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 | 91.48% | HeidelbergCement India | 1.09% |
| Banks | 27.77% | Auto | 4.06% |
| HDFC Bank | 9.93% | Maruti Suzuki India | 2.02% |
| ICICI Bank | 5.89% | Mahindra & Mahindra | 0.92% |
| Axis Bank | 4.56% | Hero MotoCorp | 0.57% |
| Kotak Mahindra Bank | 3.79% | Bajaj Auto | 0.55% |
| State Bank of India | 3.60% | Construction Project | 3.30% |
| Finance | 12.69% | Larsen & Toubro | 3.30% |
| HDFC | 7.19% | Pharmaceuticals | 2.71% |
| Bajaj Finance | 3.62% | IPCA Laboratories | 1.59% |
| Aavas Financiers | 1.88% | Divi's Laboratories | 1.12% |
| Software | 9.86% | Consumer Durables | 2.22% |
| Infosys | 4.91% | Titan Company | 2.22% |
| Tata Consultancy Services | 4.06% | Media & Entertainment | 1.87% |
| Majesco | 0.89% | Zee Entertainment Enterprises | 1.87% |
| Petroleum Products | 9.24% | Chemicals | 1.77% |
| Reliance Industries | 9.24% | Fine Organic Industries | 1.77% |
| Consumer Non Durables | 9.13% | Telecom - Services | 1.52% |
| ITC | 4.01% | Bharti Airtel | 1.52% |
| Hindustan Unilever | 2.57% | Construction | 1.09% |
| Asian Paints | 1.48% | PSP Projects | 1.09% |
| Nestle India | 1.07% | Net Cash and Cash Equivalent | 8.52% |
| Cement | 4.24% | Grand Total | 100.00% |
| UltraTech Cement | 3.15% | | |



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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