FUND SPOTLIGHT

IDFC MUTUAL FUND

# 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.

**FUND FEATURES:**

**Category:** Sectoral

**Monthly Avg AUM:** ₹950.16 Crores

**Inception Date:** 8th March 2011

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

**Beta:** 1.08

**R Square:** 0.86

**Standard Deviation (Annualized):** 19.40%

**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))

## OUTLOOK

Post the election verdict, market sentiments have improved even as underlying macros appear mixed with GDP growth coming in at a 20-quarter low, while crude oil fell sharply. Slowdown in consumption across staples and discretionary, mainly autos, was a key concern flagged by most of the companies. However, seasonally strong consumer discretionary spends – air conditioners, coolers recorded strong growth boosted by a hot summer. Hence the outlook on growth remains a mixed bag. Of the various factors needed for Cyclicals and Mid and small Cap outperformance, quite a few are in favour namely – favourable valuations, crude prices closer to $60, yields below 7% and last but not the least a stable government at the centre. Improvement in domestic and global growth outlook can be a key trigger for the broader markets going forward though the NIFTY may not see a significant uptick.

Globally, after several quarters of robust growth, US growth may be slowing. The Institute for Supply Management's (ISM's) factory gauge unexpectedly dropped in May to 52.1 from 52.8, missing all estimates and hitting the lowest level since October 2016. US-China trade tensions continue to weigh on stocks after Chinese state media reports underlined the country's scope to use rare-earth minerals, used in the production of an array of devices such as mobile phones, computer memory chips and rechargeable batteries, as an economic weapon. Minutes for the rate-setting Federal Open Market Committee's April 30-May 1 meeting indicated that the voting members agreed the current accommodative policy can remain for now and that they were comfortable with the wait-and-see approach. They were, however, split on whether higher rates were necessary if the economy continued to evolve along the predicted path while others argued that higher productivity could indicate more economic softness than the low unemployment rate suggests. Global growth concerns continued to put downward pressure on prices of most industrial metals with prices having corrected 14 to 22% over the last year. INR, EURO and the USD were relatively flat for the month but the Pound fell 3.1%

## 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.

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

## PORTFOLIO (28 June 2019)

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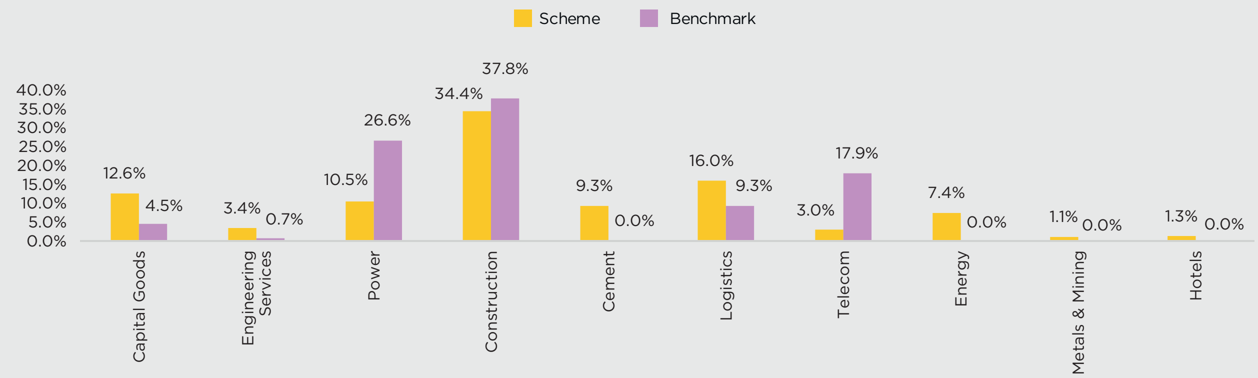
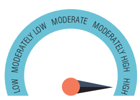
| Name of the Instrument | % to NAV |
|---|---|
| **Equity and Equity related Instruments** | **98.83%** |
| **Construction Project** | **25.04%** |
| Larsen & Toubro | 9.98% |
| NCC | 3.45% |
| Engineers India | 3.36% |
| Sadbhav Engineering | 3.11% |
| H.G. Infra Engineering | 1.93% |
| Dilip Buildcon | 1.74% |
| RITES | 1.47% |
| **Transportation** | **15.97%** |
| Adani Ports and Special Economic Zone | 6.09% |
| Container Corporation of India | 5.05% |
| Transport Corporation of India | 2.81% |
| Gateway Distriparks | 1.54% |
| Navkar Corporation | 0.48% |
| **Construction** | **12.72%** |
| PNC Infratech | 4.03% |
| NBCC (India) | 2.13% |
| Ahluwalia Contracts (India) | 1.50% |
| PSP Projects | 1.42% |
| Gayatri Projects | 1.24% |
| ITD Cementation India | 0.99% |
| J.Kumar Infraprojects | 0.97% |
| GPT Infraprojects | 0.45% |
| **Power** | **10.46%** |
| NTPC | 6.60% |
| Torrent Power | 2.62% |
| PTC India | 1.24% |

| Name of the Instrument | % to NAV |
|---|---|
| **Cement** | **9.32%** |
| UltraTech Cement | 4.83% |
| JK Cement | 3.08% |
| Sagar Cements | 1.41% |
| **Gas** | **7.41%** |
| Gujarat Gas | 2.93% |
| Gujarat State Petronet | 2.67% |
| GAIL (India) | 1.81% |
| **Industrial Products** | **4.70%** |
| Cummins India | 3.02% |
| Kirloskar Brothers | 1.68% |
| **Ferrous Metals** | **3.25%** |
| Maharashtra Seamless | 1.28% |
| Jindal Steel & Power | 1.05% |
| Jindal Saw | 0.92% |
| **Telecom - Services** | **3.01%** |
| Bharti Airtel | 3.01% |
| **Industrial Capital Goods** | **2.44%** |
| Siemens | 1.45% |
| ISGEC Heavy Engineering | 0.99% |
| **Consumer Durables** | **1.90%** |
| Blue Star | 1.90% |
| **Telecom - Equipment & Accessories** | **1.33%** |
| Tejas Networks | 1.33% |
| **Hotels, Resorts And Other Recreational Activities** | **1.28%** |
| Taj GVK Hotels & Resorts | 1.28% |
| **Net Cash and Cash Equivalent** | **1.17%** |
| **Grand Total** | **100.00%** |

## SECTOR ALLOCATION



Investors understand that their principal will be at High risk

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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