



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

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 Cyclical 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.

FUND FEATURES:

Category: Sectoral

Monthly Avg AUM: ₹917.76 Crores

Inception Date: 8th March 2011

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

Beta: 1.09

R Square: 0.86

Standard Deviation (Annualized): 19.50%

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))

PORTFOLIO

(31 May 2019)

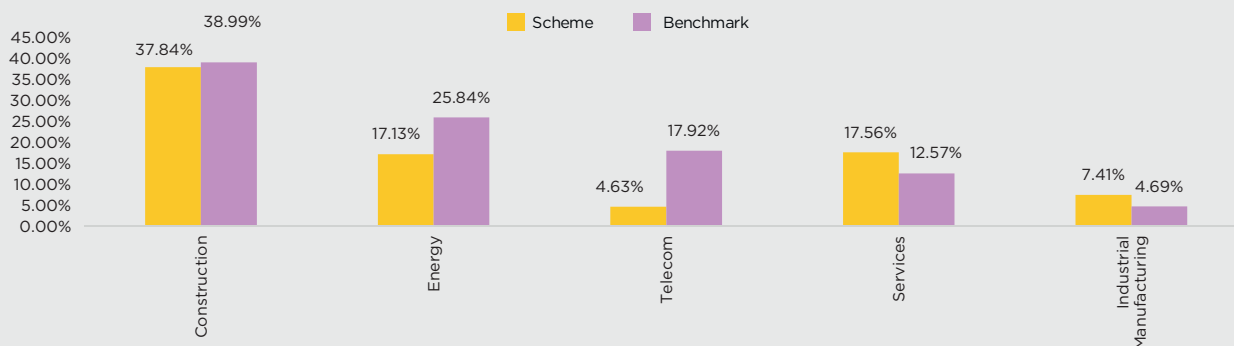


IDFC MUTUAL FUND

Name of the Instrument	% to NAV	Name of the Instrument	% to NAV
Equity and Equity related Instruments	99.94%	Power	9.50%
Construction Project	25.08%	NTPC	6.04%
Larsen & Toubro	9.99%	Torrent Power	2.23%
NCC	3.36%	PTC India	1.24%
Engineers India	3.27%	Gas	7.63%
Sadbhav Engineering	3.12%	Gujarat Gas	3.04%
Dilip Buildcon	2.01%	Gujarat State Petronet	2.56%
H.G. Infra Engineering	1.95%	GAIL (India)	2.03%
RITES	1.37%	Industrial Products	4.87%
Transportation	16.19%	Cummins India	3.23%
Adani Ports and Special Economic Zone	6.09%	Kirloskar Brothers	1.64%
Container Corporation of India	5.05%	Ferrous Metals	3.40%
Transport Corporation of India	2.81%	Maharashtra Seamless	1.31%
Gateway Distriparks	1.67%	Jindal Steel & Power	1.15%
Navkar Corporation	0.57%	Jindal Saw	0.95%
Construction	12.76%	Telecom - Services	2.94%
PNC Infratech	3.93%	Bharti Airtel	2.94%
NBCC (India)	2.15%	Industrial Capital Goods	2.54%
Ahluwalia Contracts (India)	1.57%	Siemens	1.50%
Gayatri Projects	1.39%	ISGEC Heavy Engineering	1.05%
PSP Projects	1.31%	Consumer Durables	2.35%
ITD Cementation India	1.05%	Blue Star	2.35%
J.Kumar Infraprojects	0.92%	Telecom - Equipment & Accessories	1.69%
GPT Infraprojects	0.46%	Tejas Networks	1.69%
Cement	9.61%	Hotels, Resorts And Other Recreational Activities	1.37%
UltraTech Cement	4.94%	Taj GVK Hotels & Resorts	1.37%
JK Cement	3.25%	Net Cash and Cash Equivalent	0.06%
Sagar Cements	1.42%	Grand Total	100.00%



SECTOR ALLOCATION



This product is suitable for investors who are seeking*:

- To create wealth over long term
- Investments 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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