



IDFC CORE EQUITY FUND

(Previously known as IDFC Classic Equity Fund w.e.f. May 28, 2018)
Large & Mid Cap Fund - An open ended equity scheme investing in both large cap and mid cap stocks

IDFC Core Equity Fund is a diversified equity fund with a large & mid cap bias currently. The focus of the fund is to build a portfolio of Quality companies while being cognizant of the relative valuation.

FUND PHILOSOPHY*

The fund builds a portfolio of quality stocks with lower relative valuations. Quality (for non-financial stocks) is ascribed on three fronts - conversion of EBIDTA to operating cash - OCF as % of EBIDTA > 33%; Moderate leverage: Debt/EBIDTA <3x; Profitability: EBIDTA / Net operating Assets >30%. Companies that qualify on these three parameters and those which are relatively cheaper within a peer group on P/B basis form part of the 'quality' universe. Roughly 50% of the portfolio will comprise of such quality companies; ~30% would be for financial sector and balance 20% would be invested in benchmark heavyweights and themes, which we expect to play out over next 6/12 months. On a tactical basis, the fund may take a part of its overall holding through near month stock futures.

OUTLOOK

Headline CPI rose to 4.0% in September (vs. 3.2% last month) and came above consensus estimates (3.8%). The increase was primarily led by food prices which rose +1.3% MoM. Earnings have beaten expectations led by Autos and Financials with pre-tax profits up 13% YoY and 6% ahead of expectations. In sync with global markets, Indian equities also rallied with the NIFTY, NSE Midcap 100 and NSE Smallcap 100 rising 3.5%, 4.9% and 2.7% MoM respectively. Of the various factors needed for Cyclical and Mid and Small Cap outperformance, we believe that quite a few are in favour namely - a good and above expected monsoon, government and RBI attention to turn around the flagging economy, favourable valuations, crude prices closer to USD 60, yields below 6.5% and a stable government at the centre.

Globally, sentiments could improve, if a comprehensive trade agreement between US-China, which could be perceived to reduce worries on the much forecasted US recession in 2020. US Real GDP growth at 1.9% QoQ in 3QCY19 came better-than-consensus estimates (1.6%). However, GDP growth has slowed down from previous quarters (3.0%/2.0% in 1QCY19/2QCY19). US-dollar broke below the 200-day moving average (down 2% MoM), despite Fed calling a halt to its rate cut cycle. UK pound (+5.3% MoM) and Euro (+2.3% MoM) rallied on reduced probability of a no-deal Brexit. Global equity markets rallied during the month with MSCI Emerging Markets (+4.1% MoM) outperforming MSCI Developed Markets (+2.5% MoM).

*The benchmark of the fund has been revised from S&P BSE 200 TRI to Nifty LargeMidcap 250 TRI w.e.f. 7th October 2019

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: Large & Mid Cap

Monthly Avg AUM: ₹2,788.83 Crores

Inception Date: 9th August 2005

Fund Manager: Mr. Anoop Bhaskar
(w.e.f. 30/04/2016)

Benchmark: LargeMidcap 250 TRI
(w.e.f. 7th October 2019)

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

Exit Load: 1% if redeemed within 365 days from the date of allotment. (w.e.f. 10th May 2016)

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))

Other Parameters:

Beta: 0.91

R Square: 0.95

Standard Deviation (Annualized):
13.89%

PLAN	DIVIDEND RECORD DATE	₹/UNIT	NAV
REGULAR	14-Mar-19	0.80	15.4200
	12-Mar-18	1.01	16.4254
	27-Feb-17	1.18	15.0036
DIRECT	14-Mar-19	0.90	17.4700
	12-Mar-18	1.13	18.3717
	27-Feb-17	1.30	16.4933

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

*The allocation mentioned 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.

PORTFOLIO

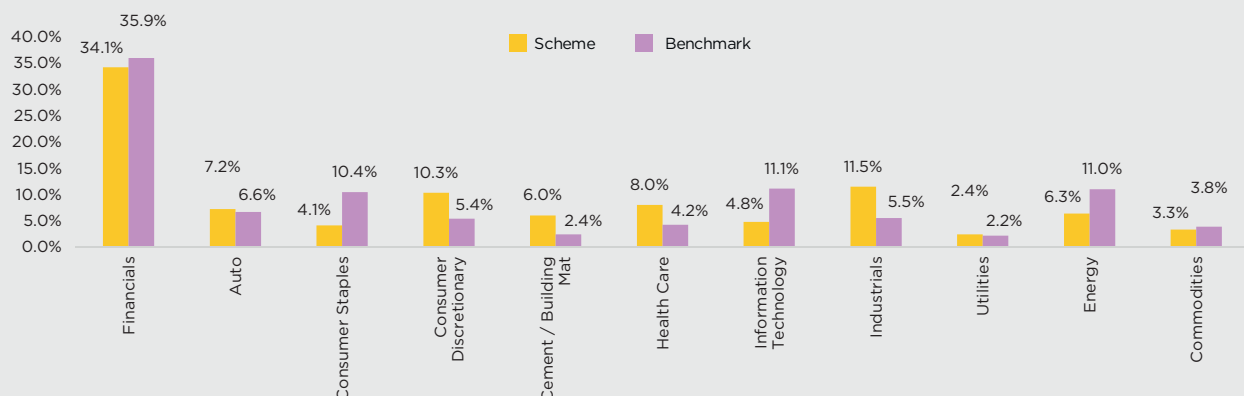
(31 October 2019)



Name of the Instrument	% to NAV	Name of the Instrument	% to NAV
Equity and Equity related Instruments	98.03%	Ambuja Cements	1.35%
Banks	28.77%	Deccan Cements	0.29%
HDFC Bank	7.00%	Retailing	4.34%
ICICI Bank	6.54%	Future Retail	1.89%
Axis Bank	5.21%	Aditya Birla Fashion and Retail	1.27%
State Bank of India	4.65%	Future Lifestyle Fashions	1.18%
Kotak Mahindra Bank	2.36%	Consumer Non Durables	4.09%
RBL Bank	1.44%	GlaxoSmithKline Consumer Healthcare	1.70%
The Federal Bank	1.07%	Colgate Palmolive (India)	1.30%
City Union Bank	0.51%	Nestle India	0.76%
Pharmaceuticals	8.02%	Emami	0.33%
IPCA Laboratories	1.99%	Consumer Durables	3.67%
Sun Pharmaceutical Industries	1.65%	Titan Company	1.61%
Cadila Healthcare	1.15%	Voltas	1.12%
Dr. Reddy's Laboratories	0.99%	Crompton Greaves Consumer Electricals	0.95%
Alkem Laboratories	0.92%	Industrial Products	3.39%
Indoco Remedies	0.92%	AIA Engineering	1.44%
Natco Pharma	0.41%	Supreme Industries	1.30%
Petroleum Products	6.32%	Cummins India	0.65%
Reliance Industries	3.60%	Industrial Capital Goods	2.76%
Bharat Petroleum Corporation	1.56%	Thermax	1.35%
Hindustan Petroleum Corporation	1.17%	Bharat Electronics	1.21%
Auto Ancillaries	6.04%	Bharat Electronics - Equity Futures	0.20%
MRF	2.05%	Power	2.73%
Apollo Tyres	1.39%	Torrent Power	1.26%
Exide Industries	0.97%	Kalpataru Power Transmission	0.92%
Balkrishna Industries	0.92%	Nava Bharat Ventures	0.55%
Minda Industries	0.38%	Hotels, Resorts And Other Recreational Activities	2.30%
Asahi India Glass	0.33%	The Indian Hotels Company	2.30%
Finance	5.36%	Chemicals	1.67%
M&M Financial Services	1.63%	Deepak Nitrite	1.11%
ICICI Securities	1.40%	Tata Chemicals	0.56%
Sundaram Finance	1.11%	Ferrous Metals	1.37%
Max Financial Services	0.71%	Jindal Steel & Power	1.37%
Mas Financial Services	0.52%	Auto	1.18%
Construction Project	5.13%	Mahindra & Mahindra	0.97%
Larsen & Toubro	3.97%	Mahindra & Mahindra - Equity Futures	0.21%
KEC International	1.16%	Gas	1.14%
Software	4.76%	Mahanagar Gas	1.14%
Infosys	2.85%	Fertilisers	0.25%
Birlasoft	0.53%	Coromandel International	0.25%
MindTree	0.50%	Preference Shares	0.005%
Mastek	0.48%	Media & Entertainment	0.005%
KPIT Technologies	0.39%	Zee Entertainment Enterprises	0.005%
Cement	4.71%	Net Cash and Cash Equivalent	1.97%
ACC	1.63%	Grand Total	100.00%
The Ramco Cements	1.44%		



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 in large and mid-cap companies

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

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