



IDFC FOCUSED EQUITY FUND

An open ended equity scheme investing in maximum 30 stocks with multi cap focus

IDFC Focused Equity Fund is a concentrated portfolio of up to 30 stocks with the flexibility to invest across sectors and across market cap.

FUND PHILOSOPHY*

IDFC Focused Equity Fund is an equity oriented fund investing across the market cap curve. It holds a concentrated portfolio comprising of a mix of core and tactical ideas limited to a maximum of 30 stocks. The core portfolio of the fund primarily invests in businesses that are growth oriented and have superior quality characteristics. The tactical part of the portfolio largely comprises of businesses that have the potential to turnaround driven by change in internal/external environment.

Under the newly defined SEBI scheme classification, IDFC Focused Equity Fund is categorized under “Focused” Funds. At an industry level, while these funds are classified as “Focused”, their market cap orientation is not defined clearly and by this nature they are also “Multi-Cap”.

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).

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: Focused

Monthly Avg AUM: ₹1,474.13 Crores

Inception Date: 16th March 2006

Fund Manager: Mr Sumit Agarwal
(w.e.f 20/10/2016)

Beta: 0.96

R Square: 0.68

Standard Deviation (Annualized):
14.90%

Benchmark: Nifty 50 TRI

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

Exit Load: 1.00% if redeemed before
365 days from the date of allotment.
(w.e.f. 1st September 2009)

Minimum SIP Amount[₹]: ₹1,000/-

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	26-Mar-18	0.83	13.4883
	10-Nov-17	2.00	15.6283
	24-Jan-17	1.00	12.1368
DIRECT	26-Mar-18	0.25	19.0688
	24-Jan-17	1.20	14.6625
	28-Jan-16	1.00	13.4869

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

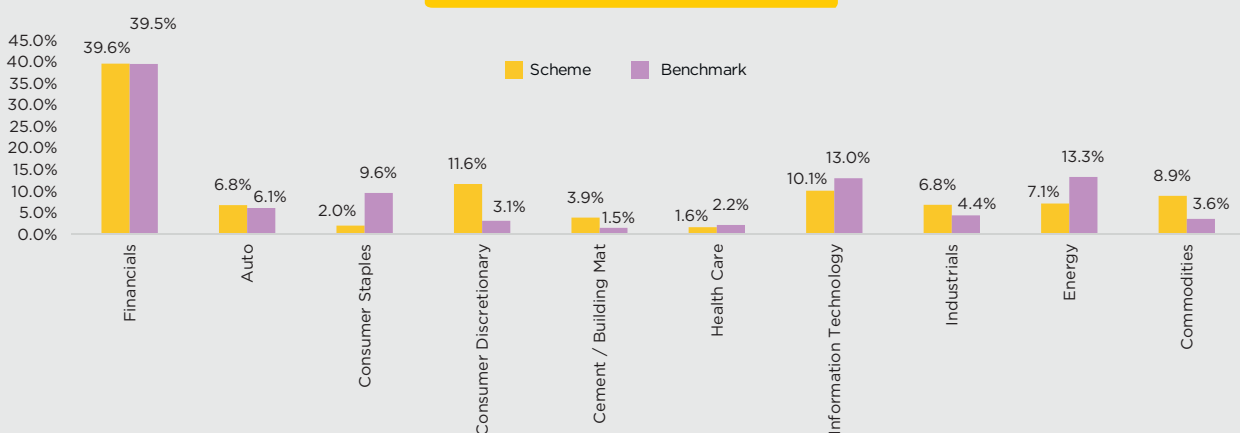
*The allocation mentioned above is as per current strategy and market conditions; this is however subject to change without notice.

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

Name of the Instrument	% to NAV
Equity and Equity related Instruments	98.48%
Banks	25.81%
HDFC Bank	7.72%
ICICI Bank	6.77%
RBL Bank	3.21%
Axis Bank	3.07%
Kotak Mahindra Bank	2.76%
State Bank of India	2.27%
Finance	13.77%
HDFC	5.56%
ICICI Securities	4.41%
Bajaj Finance	2.84%
Magma Fincorp	0.96%
Software	10.11%
Infosys	3.79%
Tata Consultancy Services	3.55%
Majesco	2.76%
Petroleum Products	7.11%
Reliance Industries	7.11%
Auto	6.79%
TVS Motor Company	4.60%
Maruti Suzuki India	2.19%
Chemicals	6.17%
Fine Organic Industries	6.17%
Consumer Non Durables	5.37%
Jubilant Foodworks	2.13%
Asian Paints	1.23%
GlaxoSmithKline Consumer Healthcare	1.01%
Nestle India	1.00%
Consumer Durables	4.37%
Voltas	2.42%
Titan Company	1.94%
Commercial Services	4.11%
Security and Intelligence Services (India)	4.11%
Cement	3.89%
UltraTech Cement	3.89%
Textile Products	3.52%
SRF	2.72%
Dollar Industries	0.80%
Retailing	3.12%
Aditya Birla Fashion and Retail	3.12%
Construction Project	2.73%
Larsen & Toubro	2.73%
Pharmaceuticals	1.63%
Dishman Carbogen Amcis	1.63%
Net Cash and Cash Equivalent	1.52%
Grand Total	100.00%



SECTOR ALLOCATION



This product is suitable for investors who are seeking*:

- To create wealth over long term
- Investment in a concentrated portfolio of equity and equity related instruments of up to 30 companies.

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

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