



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

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).

FUND FEATURES:

Category: Large Cap

Monthly Avg AUM: ₹441.26 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: 0.95

Standard Deviation (Annualized): 12.70%

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.

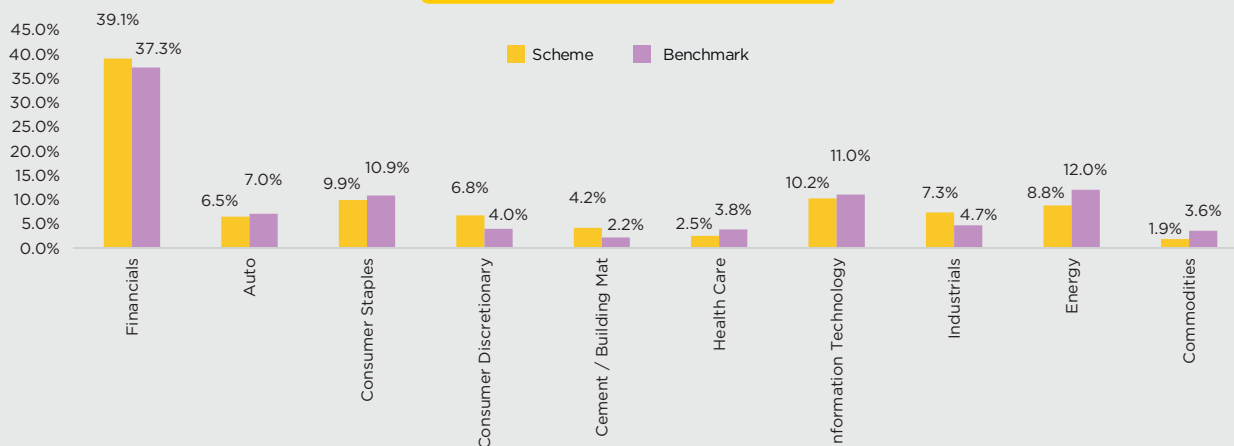
*The allocation mentioned above is as per current strategy and market conditions; this is however subject to change without notice.

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	97.04%	Auto	6.47%
Banks	28.17%	Maruti Suzuki India	2.78%
HDFC Bank	8.73%	Bajaj Auto	1.28%
ICICI Bank	7.24%	Hero MotoCorp	1.23%
Axis Bank	4.90%	Mahindra & Mahindra	1.18%
Kotak Mahindra Bank	3.93%	Construction Project	6.13%
State Bank of India	3.38%	Larsen & Toubro	5.09%
Consumer Non Durables	13.05%	KEC International	1.04%
Asian Paints	3.17%	Cement	4.17%
ITC	3.09%	UltraTech Cement	3.08%
Hindustan Unilever	3.05%	HeidelbergCement India	1.08%
Nestle India	2.75%	Consumer Durables	3.59%
Marico	0.99%	Titan Company	2.56%
Finance	10.92%	Havells India	1.03%
HDFC	6.72%	Pharmaceuticals	2.48%
Bajaj Finance	2.50%	IPCA Laboratories	1.37%
Aavas Financiers	1.70%	Divi's Laboratories	1.11%
Software	10.21%	Chemicals	1.86%
Infosys	4.86%	Fine Organic Industries	1.86%
Tata Consultancy Services	4.42%	Construction	1.21%
Majesco	0.93%	PSP Projects	1.21%
Petroleum Products	8.78%	Net Cash and Cash Equivalent	2.96%
Reliance Industries	8.78%	Grand Total	100.00%



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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