



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

Given the global slowdown, US China trade war and geopolitical risks, markets continued to be volatile. Developed markets were flat led by US (+1.2% QoQ) and Japan (+2% QoQ) whereas Emerging Markets fell 5.1% in the quarter. Indian markets fell 4.3% in USD terms, in line with other Emerging Markets. Drone attacks carried out on September 14 on two oil producing facilities in Saudi Arabia, resulted in a 50% supply cut in Saudi oil production. On the 1st day of trading post this event, crude oil shot 20% in early trading, before settling for the day +14% to \$69/bbl as a result. In the US, the Fed cut the policy rate by 25bps. In the Euro Area, ECB cut the deposit rate by 10bps to -0.50% and relaunched QE at a pace of €20bn/month. In Japan, the BoJ kept its policy rates unchanged.

In the home ground, after a disappointing Union Budget, the Government redefined its economic policy narrative with the announcement of the boldest tax cuts since 1997. 2019 has witnessed the best monsoon in last 25 years, though, dispersion of rain remained an issue. October quarter results could be the weakest or bottoming out of earnings with the October results - Glass half empty vs Glass half full. The continued under performance of broader market versus Nifty - valuations, volume and market cap point towards bottoming out process well under way. We believe, valuations are currently moderate across broader market. Sentiments are weak outside of narrow pack of gainers. Fundamentals hopefully should get better after the 2nd Quarter results!

*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: ₹2,744.81 Crores

Inception Date: 9th August 2005

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

Benchmark: S&P BSE 200 TRI[^]

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: 1.01

R Square: 0.93

Standard Deviation (Annualized):

13.87%

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

(30 September 2019)

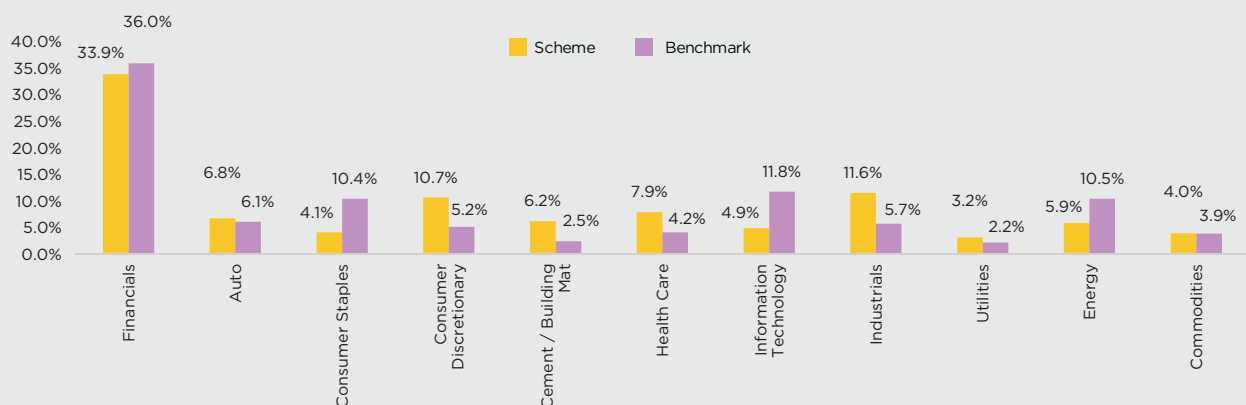


IDFC MUTUAL FUND

Name of the Instrument	% to NAV	Name of the Instrument	% to NAV
Equity and Equity related Instruments	99.22%	Deccan Cements	0.31%
Banks	28.46%	Retailing	4.47%
HDFC Bank	7.49%	Future Retail	1.94%
ICICI Bank	6.38%	Aditya Birla Fashion and Retail	1.30%
Axis Bank	4.96%	Future Lifestyle Fashions	1.23%
State Bank of India	4.13%	Consumer Non Durables	4.13%
Kotak Mahindra Bank	2.52%	GlaxoSmithKline Consumer Healthcare	1.71%
RBL Bank	1.25%	Colgate Palmolive (India)	1.29%
The Federal Bank	1.18%	Nestle India	0.80%
City Union Bank	0.54%	Emami	0.33%
Pharmaceuticals	7.91%	Power	3.86%
IPCA Laboratories	1.80%	Torrent Power	1.17%
Sun Pharmaceutical Industries	1.52%	Kalpataru Power Transmission	1.07%
Dr. Reddy's Laboratories	1.10%	NTPC	0.99%
Cadila Healthcare	1.09%	Nava Bharat Ventures	0.63%
Alkem Laboratories	0.90%	Consumer Durables	3.75%
Indoco Remedies	0.89%	Titan Company	1.67%
Natco Pharma	0.61%	Voltas	1.10%
Petroleum Products	5.89%	Crompton Greaves Consumer Electricals	0.98%
Reliance Industries	3.36%	Industrial Products	3.51%
Bharat Petroleum Corporation	1.42%	AIA Engineering	1.52%
Hindustan Petroleum Corporation	1.11%	Supreme Industries	1.42%
Auto Ancillaries	5.87%	Cummins India	0.57%
MRF	2.03%	Industrial Capital Goods	2.52%
Apollo Tyres	1.36%	Thermax	1.38%
Exide Industries	1.00%	Bharat Electronics	1.14%
Balkrishna Industries	0.83%	Hotels, Resorts And Other Recreational Activities	2.47%
Minda Industries	0.36%	The Indian Hotels Company	2.47%
Asahi India Glass	0.29%	Chemicals	1.54%
Finance	5.46%	Deepak Nitrite	1.00%
M&M Financial Services	1.79%	Tata Chemicals	0.54%
ICICI Securities	1.23%	Gas	1.04%
Sundaram Finance	1.15%	Mahanagar Gas	1.04%
Max Financial Services	0.76%	Ferrous Metals	0.96%
Mas Financial Services	0.52%	Jindal Steel & Power	0.96%
Construction Project	5.27%	Auto	0.90%
Larsen & Toubro	4.07%	Mahindra & Mahindra	0.90%
KEC International	1.20%	Non - Ferrous Metals	0.82%
Software	4.92%	National Aluminium Company	0.82%
Infosys	3.43%	Fertilisers	0.66%
Birlasoft	0.57%	Coromandel International	0.66%
Mastek	0.50%	Preference Shares	0.01%
KPIT Technologies	0.42%	Media & Entertainment	0.01%
Cement	4.83%	Zee Entertainment Enterprises	0.01%
ACC	1.71%	Net Cash and Cash Equivalent	0.77%
The Ramco Cements	1.42%	Grand Total	100.00%
Ambuja Cements	1.39%		



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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