



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

In FY 19, despite outperforming Stable segment in terms of Sales and PAT growth, Cyclical sectors saw a significant de-rating and underperformance in terms of stock performance. The key worry for investors especially in the cyclical segment is visibility beyond FY 21 as government ordering has slowed down. Mid and Small Cap indices now trade at a discount to NIFTY This is in marked contrast to the position in Jan-18 when the NIFTY was trading significantly cheaper to the mid and small cap indices. Of the various factors needed for Cyclical and Mid and small Cap outperformance, 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 \$60, yields below 6.5% and last but not the least a stable government at the centre.

The key concerns that are faced by the markets are: (1) ongoing NBFC credit crunch (2) slowdown in both domestic consumption and government spend on infra (3) global slowdown and trade wars. 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. After a fairly normal monsoon, the festive season will be keenly watched for signs of pickup in demand.

Despite the doom and gloom, the only silver lining for investors is reasonable valuations, especially for small and mid-caps and a reasonable base for H2 earnings.

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: ₹2,680.16 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: 0.99

R Square: 0.93

Standard Deviation (Annualized):

13.50%

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

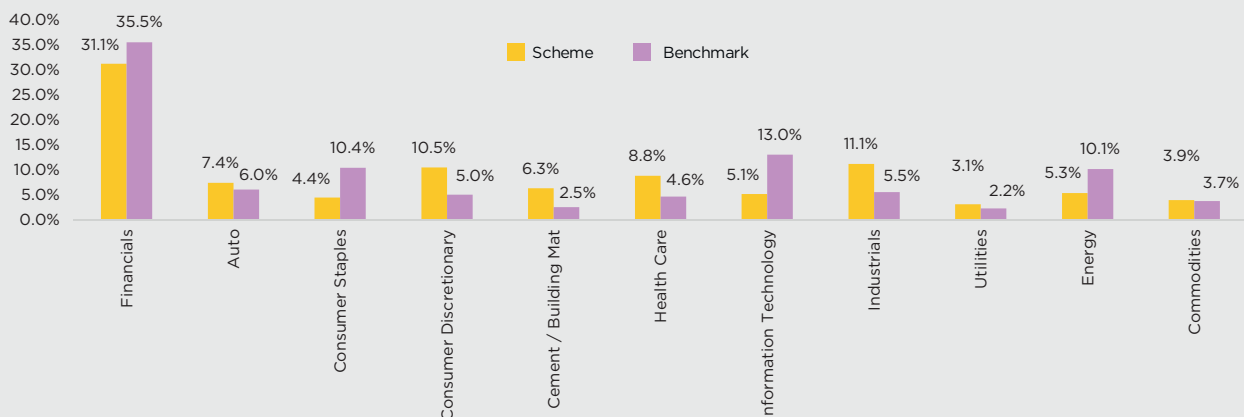
(30 August 2019)



Name of the Instrument	% to NAV	Name of the Instrument	% to NAV
Equity and Equity related Instruments	96.97%	Deccan Cements	0.32%
Banks	26.21%	Retailing	4.65%
ICICI Bank	6.34%	Future Retail	2.11%
HDFC Bank	6.25%	Future Lifestyle Fashions	1.32%
State Bank of India	4.40%	Aditya Birla Fashion and Retail	1.23%
Axis Bank	4.16%	Consumer Non Durables	4.43%
Kotak Mahindra Bank	2.09%	GlaxoSmithKline Consumer Healthcare	1.71%
RBL Bank	1.31%	Nestle India	1.25%
The Federal Bank	1.14%	Colgate Palmolive (India)	1.15%
City Union Bank	0.53%	Emami	0.32%
Pharmaceuticals	8.73%	Power	3.95%
IPCA Laboratories	2.01%	Torrent Power	1.19%
Sun Pharmaceutical Industries	1.84%	NTPC	1.08%
Dr. Reddy's Laboratories	1.31%	Kalpataru Power Transmission	1.02%
Cadila Healthcare	1.11%	Nava Bharat Ventures	0.66%
Alkem Laboratories	0.90%	Consumer Durables	3.56%
Indoco Remedies	0.90%	Titan Company	1.53%
Natco Pharma	0.66%	Voltas	1.09%
Auto Ancillaries	6.04%	Crompton Greaves Consumer Electricals	0.95%
MRF	2.00%	Industrial Products	3.31%
Apollo Tyres	1.35%	AIA Engineering	1.38%
Exide Industries	0.97%	The Supreme Industries	1.34%
Balkrishna Industries	0.89%	Cummins India	0.60%
Minda Industries	0.53%	Industrial Capital Goods	2.42%
Asahi India Glass	0.31%	Thermax	1.28%
Petroleum Products	5.31%	Bharat Electronics	1.14%
Reliance Industries	3.52%	Hotels, Resorts And Other Recreational Activities	2.26%
Bharat Petroleum Corporation	0.97%	The Indian Hotels Company	2.26%
Hindustan Petroleum Corporation	0.83%	Chemicals	1.53%
Software	5.12%	Deepak Nitrite	0.97%
Infosys	3.65%	Tata Chemicals	0.56%
Mastek	0.52%	Auto	1.33%
Birlasoft	0.50%	Mahindra & Mahindra	0.99%
KPIT Technologies	0.45%	Maruti Suzuki India	0.35%
Finance	5.02%	Ferrous Metals	0.94%
M&M Financial Services	1.64%	Jindal Steel & Power	0.94%
Sundaram Finance	1.13%	Gas	0.80%
ICICI Securities	1.00%	Mahanagar Gas	0.80%
Max Financial Services	0.79%	Non - Ferrous Metals	0.77%
Mas Financial Services	0.46%	National Aluminium Company	0.77%
Construction Project	4.99%	Fertilisers	0.65%
Larsen & Toubro	3.86%	Coromandel International	0.65%
KEC International	1.13%	Preference Shares	0.01%
Cement	4.92%	Media & Entertainment	0.01%
ACC	1.70%	Zee Entertainment Enterprises	0.01%
Ambuja Cements	1.45%	Net Cash and Cash Equivalent	3.02%
The Ramco Cements	1.44%	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 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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