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 FEATURES:

Category: Focused

Monthly Avg AUM: ₹1,392.50 Crores

Inception Date: 16th March 2006

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

Beta: 0.92

R Square: 0.68

Standard Deviation (Annualized): 14.20%

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

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

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 Cyclicals 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).

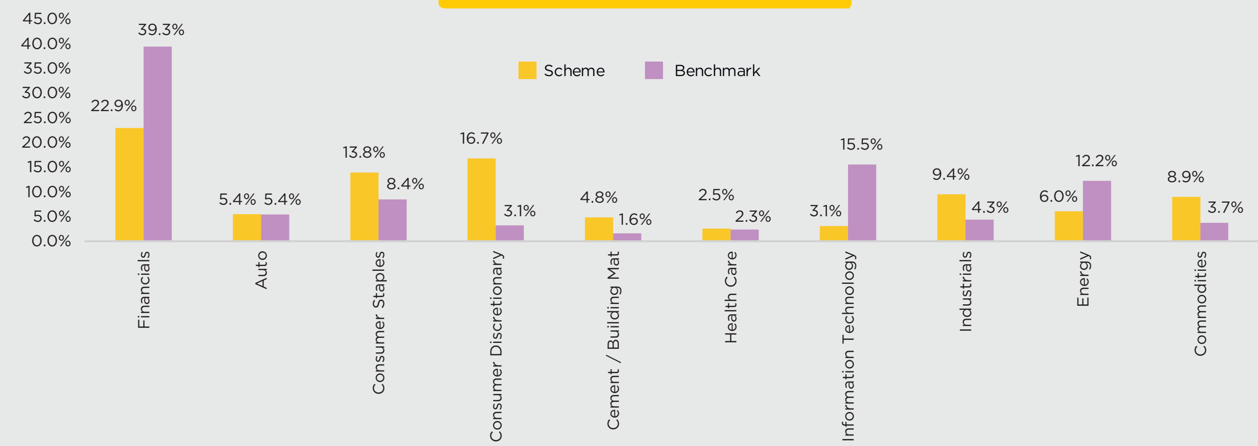
Ratios calculated on the basis of 3 years history of monthly data.

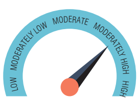
*The allocation mentioned above is as per current strategy and market conditions; this is however subject to change without notice.

PORTFOLIO (30 August 2019)

Name of the Instrument	% to NAV
Equity and Equity related Instruments	**93.59%**
Consumer Non Durables	**19.02%**
Nestle India	7.45%
GlaxoSmithKline Consumer Healthcare	6.35%
Asian Paints	3.09%
Jubilant Foodworks	2.13%
Banks	**13.94%**
ICICI Bank	5.92%
RBL Bank	3.18%
Axis Bank	3.07%
State Bank of India	1.76%
Finance	**9.03%**
ICICI Securities	3.24%
M&M Financial Services	3.24%
Magma Fincorp	1.39%
BSE	1.15%
Consumer Durables	**7.10%**
Voltas	3.91%
Titan Company	3.20%
Chemicals	**6.05%**
Fine Organic Industries	6.05%
Petroleum Products	**6.00%**
Reliance Industries	6.00%
Construction Project	**5.57%**
Larsen & Toubro	5.57%
Auto	**5.47%**
TVS Motor Company	3.70%
Maruti Suzuki India	1.77%
Cement	**4.81%**
UltraTech Cement	4.81%
Textile Products	**3.85%**
SRF	2.89%
Dollar Industries	0.96%
Commercial Services	**3.77%**
Security and Intelligence Services (India)	3.77%
Retailing	**3.40%**
Aditya Birla Fashion and Retail	3.40%
Software	**3.05%**
Majesco	3.05%
Pharmaceuticals	**2.54%**
Dishman Carbogen Amcis	2.54%
Net Cash and Cash Equivalent	**6.41%**
Grand Total	**100.00%**

SECTOR ALLOCATION





Investors understand that their principal will be at moderately high risk

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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