



IDFC INFRASTRUCTURE FUND

An open ended equity scheme investing in Infrastructure sector

A dedicated Infrastructure fund, that invests across the infrastructure value chain with exclusions like Banking, Autos, IT, Pharma and FMCG. It is a diversified portfolio of companies that are participating in and benefitting from the Indian Infrastructure and Infrastructure related activities.

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.

CURRENT STRATEGY

The portfolio is built to monetize the existing infrastructure opportunity in India. Despite the argument of environment being slower, we believe that companies with a dominant market share and growing cash flows would consolidate the opportunity going forward. The focus is on companies with healthy balance sheet which are beneficiaries of ongoing capital formation and will capture a large part of that revenue pool. The current portfolio represents our version of such companies from the Construction & Logistics segments, Industrials space, the Utilities and Energy businesses.

FUND FEATURES:

Category: Sectoral

Monthly Avg AUM: ₹798.74 Crores

Inception Date: 8th March 2011

Fund Manager: Mr. Rajendra Kumar Mishra (w.e.f 27/06/2013)

Beta: 1.11

R Square: 0.88

Standard Deviation (Annualized): 20.45%

Benchmark: Nifty Infrastructure TRI

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

Exit Load: 1.00% if redeemed before 365 days from the date of allotment.

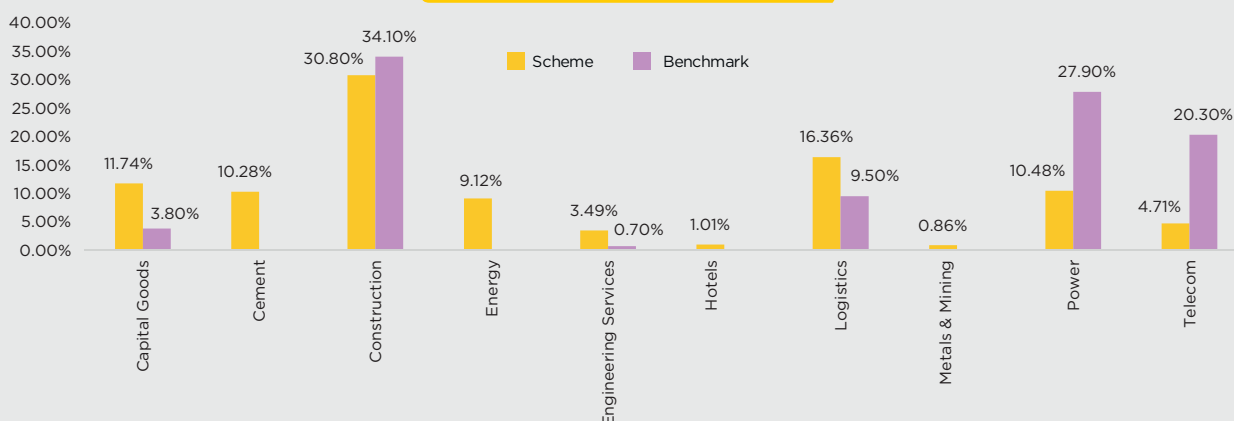
SIP Frequency: Monthly (Investor may choose any day of the month except 29th, 30th and 31st as the date of instalment.)

Options Available: Growth, Dividend - (Payout, Reinvestment and Sweep (from Equity Schemes to Debt Schemes only))

Name of the Instrument	% to NAV	Name of the Instrument	% to NAV
Equity and Equity related Instruments	98.81%	Cement	10.33%
Construction Project	22.23%	UltraTech Cement	5.21%
Larsen & Toubro	9.76%	JK Cement	3.66%
Engineers India	3.49%	Sagar Cements	1.47%
NCC	2.36%	Gas	9.13%
Sadbhav Engineering	2.09%	Gujarat Gas	3.68%
Dilip Buildcon	1.63%	Gujarat State Petronet	3.63%
H.G. Infra Engineering	1.61%	GAIL (India)	1.82%
RITES	1.30%	Telecom - Services	4.72%
Transportation	16.33%	Bharti Airtel	4.72%
Adani Ports and Special Economic Zone	6.22%	Industrial Products	4.39%
Container Corporation of India	4.84%	Cummins India	2.75%
Transport Corporation of India	3.20%	Kirloskar Brothers	1.64%
Gateway Distriparks	1.39%	Ferrous Metals	3.15%
Navkar Corporation	0.68%	Maharashtra Seamless	1.36%
Construction	12.02%	Jindal Saw	0.93%
PNC Infratech	4.29%	Jindal Steel & Power	0.86%
PSP Projects	1.55%	Industrial Capital Goods	2.30%
NBCC (India)	1.53%	Siemens	1.46%
Ahluwalia Contracts (India)	1.37%	ISGEC Heavy Engineering	0.84%
Gayatri Projects	1.20%	Consumer Durables	1.87%
J.Kumar Infraprojects	0.86%	Blue Star	1.87%
ITD Cementation India	0.79%	Hotels, Resorts And Other Recreational Activities	1.00%
GPT Infraprojects	0.43%	Taj GVK Hotels & Resorts	1.00%
Power	10.46%	Telecom - Equipment & Accessories	0.89%
NTPC	6.14%	Tejas Networks	0.89%
Torrent Power	3.07%	Net Cash and Cash Equivalent	1.19%
PTC India	1.25%	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 companies that are participating in and benefiting from growth in Indian infrastructure and infrastructural related activities.

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

Distributed by: