



## 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

The market, since Jan-18 has been clearly two tiered with 70-80 stocks out of BSE 500 generating positive returns. The focus on "High Quality, Consistent Earnings" has been the most successful play during this period. Valuation gap between the "have beens" and the "has beens" is now at one of the widest levels. Given the slowdown in earnings growth even for the "High Quality Consistent Earnings" segment, a substantial part of the returns during the last 18 months has been derived from P/E re-rating.

Continuing from our last month's theme of Sentiment being the first pillar to undergo change for a new market cycle, outperformance of mid-cap and positive returns in Small Cap could indicate early signs of such a reversal. Domestic Sentiments, from being weak, have improved on account of positive Government announcements - Corporate Tax, the 100 trillion INR infra plan, though the budget has been a dampener. Globally, Sentiments did improve as the US-China trade war shows signs of resolving, but the outbreak of the Coronavirus has put a new spanner in the works. Liquidity, the second "building block", is already being tackled domestically, with increased pressure on PSU banks to re-start lending to NBFCs, payments delayed by Government have also been speeded. Valuations, as mentioned earlier, are more modest for the broader market, approaching appetizing levels. Despite the low GDP growth, earnings growth is expected to be at least double digit driven by corporate tax cuts and recovery in Corporate Bank NPAs. If the first three "building blocks" of "SLV" converge, a new upswing could commence. The folly, would be to wait for the Fundamentals, alone, as the most critical ingredient for any new upswing.

#### FUND FEATURES:

**Category:** Large & Mid Cap

**Monthly Avg AUM:** ₹2,806.60 Crores

**Inception Date:** 9th August 2005

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

**Benchmark:** LargeMidcap 250 TRI  
(w.e.f. 7th October 2019)

**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:** 0.92

**R Square:** 0.94

**Standard Deviation (Annualized):**  
13.06%

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

\*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).

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

(31 January 2020)

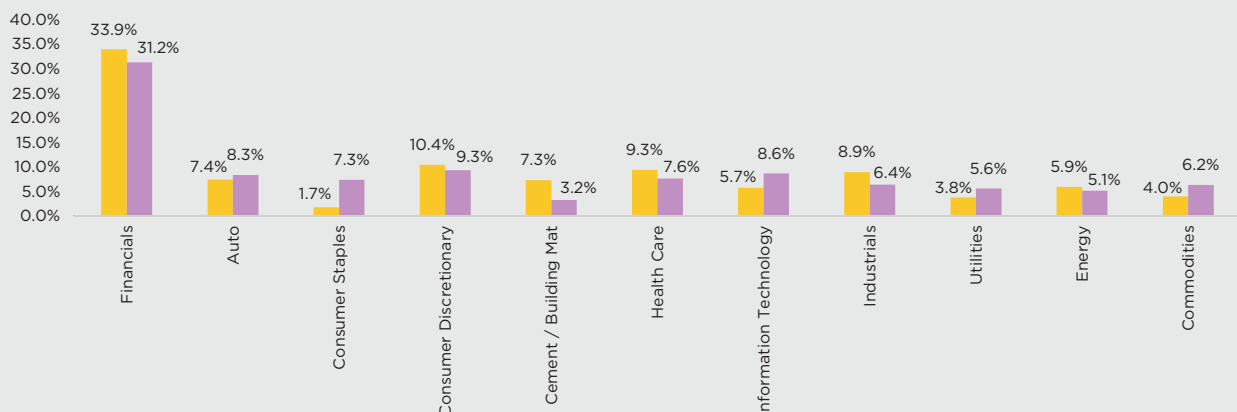


IDFC MUTUAL FUND

Name of the Instrument	% to NAV	Name of the Instrument	% to NAV
<b>Equity and Equity related Instruments</b>	<b>98.19%</b>	<b>Construction Project</b>	<b>4.62%</b>
<b>Banks</b>	<b>28.76%</b>	Larsen & Toubro	3.12%
ICICI Bank	6.92%	KEC International	1.50%
HDFC Bank	6.35%	<b>Retailing</b>	<b>4.38%</b>
Axis Bank	5.29%	Future Retail	1.70%
State Bank of India	4.87%	Aditya Birla Fashion and Retail	1.46%
Kotak Mahindra Bank	1.89%	Future Lifestyle Fashions	1.23%
RBL Bank	1.53%	<b>Industrial Products</b>	<b>3.85%</b>
The Federal Bank	1.34%	Supreme Industries	1.58%
City Union Bank	0.58%	AIA Engineering	1.53%
<b>Pharmaceuticals</b>	<b>9.19%</b>	Cummins India	0.71%
IPCA Laboratories	2.59%	Bharat Forge	0.02%
Alkem Laboratories	1.36%	<b>Consumer Durables</b>	<b>3.75%</b>
Sun Pharmaceutical Industries	1.33%	Titan Company	1.49%
Indoco Remedies	1.28%	Voltas	1.13%
Dr. Reddy's Laboratories	1.06%	Crompton Greaves Consumer Electricals	1.13%
Cadila Healthcare	0.97%	<b>Power</b>	<b>2.93%</b>
Lupin	0.61%	Torrent Power	1.39%
<b>Auto Ancillaries</b>	<b>6.43%</b>	Kalpataru Power Transmission	0.99%
MRF	2.26%	Nava Bharat Ventures	0.55%
Apollo Tyres	1.35%	<b>Hotels, Resorts And Other Recreational Activities</b>	<b>2.15%</b>
Exide Industries	1.03%	The Indian Hotels Company	2.15%
Balkrishna Industries	0.98%	<b>Gas</b>	<b>1.78%</b>
Minda Industries	0.42%	Mahanagar Gas	1.31%
Asahi India Glass	0.39%	Gujarat State Petronet	0.47%
<b>Petroleum Products</b>	<b>5.85%</b>	<b>Ferrous Metals</b>	<b>1.77%</b>
Reliance Industries	3.65%	Jindal Steel & Power	1.77%
Bharat Petroleum Corporation	1.34%	<b>Consumer Non Durables</b>	<b>1.67%</b>
Hindustan Petroleum Corporation	0.87%	GlaxoSmithKline Consumer Healthcare	1.11%
<b>Cement</b>	<b>5.74%</b>	Emami	0.32%
ACC	1.62%	Tata Global Beverages	0.23%
The Ramco Cements	1.49%	<b>Chemicals</b>	<b>1.26%</b>
Ambuja Cements	1.42%	Deepak Nitrite	1.26%
Dalmia Bharat	0.94%	<b>Industrial Capital Goods</b>	<b>1.13%</b>
Deccan Cements	0.27%	Thermax	1.13%
<b>Finance</b>	<b>5.58%</b>	<b>Non - Ferrous Metals</b>	<b>0.92%</b>
ICICI Securities	2.10%	Vedanta - Equity Futures	0.92%
M&M Financial Services	1.60%	<b>Auto</b>	<b>0.86%</b>
Sundaram Finance	1.18%	Mahindra & Mahindra	0.86%
Mas Financial Services	0.70%	<b>Preference Shares</b>	<b>0.01%</b>
<b>Software</b>	<b>5.57%</b>	<b>Media &amp; Entertainment</b>	<b>0.01%</b>
Infosys	3.35%	Zee Entertainment Enterprises	0.01%
Birlasoft	0.66%	<b>Net Cash and Cash Equivalent</b>	<b>1.80%</b>
Mastek	0.64%	<b>Grand Total</b>	<b>100.00%</b>
KPIT Technologies	0.49%		
Mphasis	0.43%		



## 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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