



## 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

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.

### 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:** ₹779.49 Crores

**Inception Date:** 8th March 2011

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

#### Other Parameters:

**Beta:** 1.01

**R Square:** 0.89

**Standard Deviation (Annualized):** 20.09%

**Benchmark:** S&P BSE India Infrastructure TRI (w.e.f 11/11/2019)

**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))

# PORTFOLIO

(31 January 2020)

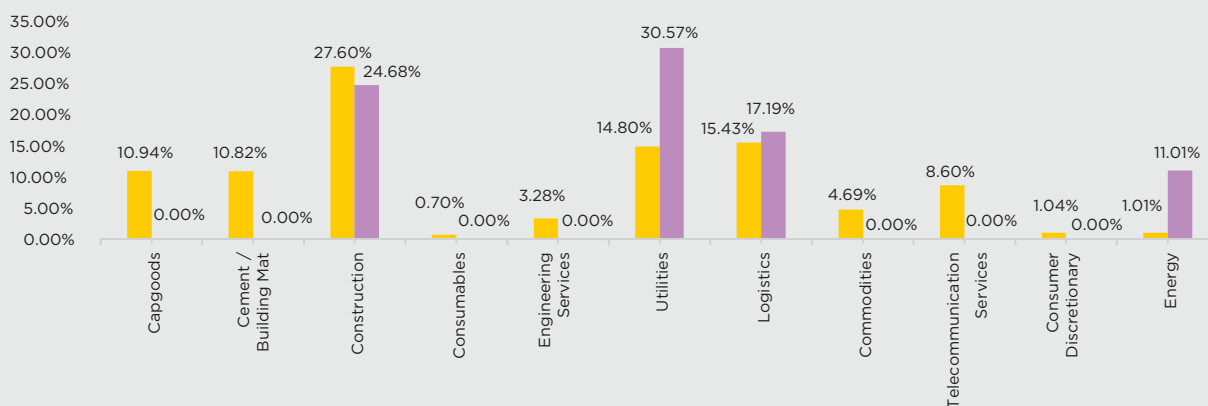


IDFC MUTUAL FUND

Name of the Instrument	% to NAV	Name of the Instrument	% to NAV
<b>Equity and Equity related Instruments</b>	<b>98.90%</b>	<b>Telecom - Services</b>	<b>6.55%</b>
<b>Construction Project</b>	<b>19.85%</b>	Bharti Airtel	6.55%
Larsen & Toubro	8.06%	<b>Industrial Products</b>	<b>4.97%</b>
Engineers India	3.19%	Cummins India	2.61%
NCC	2.40%	Kirloskar Brothers	1.67%
H.G. Infra Engineering	2.25%	Carborundum Universal	0.69%
Sadbhav Engineering	2.03%	<b>Industrial Capital Goods</b>	<b>4.51%</b>
Dilip Buildcon	1.92%	Thermax	1.96%
<b>Transportation</b>	<b>15.28%</b>	Bharat Electronics	1.55%
Container Corporation of India	5.52%	ISGEC Heavy Engineering	1.00%
Adani Ports and Special Economic Zone	4.97%	<b>Ferrous Metals</b>	<b>4.09%</b>
Transport Corporation of India	2.74%	Jindal Steel & Power	1.61%
Gateway Distriparks	1.43%	Maharashtra Seamless	1.44%
Navkar Corporation	0.61%	Jindal Saw	1.05%
<b>Construction</b>	<b>11.68%</b>	<b>Power</b>	<b>4.04%</b>
PNC Infratech	4.88%	Torrent Power	3.50%
NBCC (India)	1.49%	PTC India	0.54%
Ahluwalia Contracts (India)	1.18%	<b>Consumer Durables</b>	<b>2.19%</b>
J.Kumar Infraprojects	1.14%	Blue Star	2.19%
PSP Projects	1.09%	<b>Telecom - Equipment &amp; Accessories</b>	<b>1.75%</b>
ITD Cementation India	0.85%	Tejas Networks	0.95%
Gayatri Projects	0.62%	Bharti Infratel	0.80%
GPT Infraprojects	0.43%	<b>Hotels, Resorts And Other Recreational Activities</b>	<b>1.06%</b>
<b>Cement</b>	<b>10.75%</b>	Taj GVK Hotels & Resorts	1.06%
UltraTech Cement	5.81%	<b>Petroleum Products</b>	<b>1.00%</b>
JK Cement	3.53%	Reliance Industries	1.00%
Sagar Cements	1.42%	<b>Non - Ferrous Metals</b>	<b>0.58%</b>
<b>Gas</b>	<b>10.59%</b>	Vedanta	0.58%
Gujarat Gas	4.86%	<b>Net Cash and Cash Equivalent</b>	<b>1.10%</b>
Gujarat State Petronet	4.28%	<b>Grand Total</b>	<b>100.00%</b>
GAIL (India)	1.45%		



## 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.

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