



IDFC LARGE CAP FUND

(Previously known as IDFC Equity Fund w.e.f. May 14, 2018)
Large Cap Fund - An open ended equity scheme predominantly investing in large cap stocks

FUND PHILOSOPHY*

IDFC Large Cap Fund is an equity oriented fund investing predominantly in large cap stocks. The investment philosophy of the fund is based on investing in well-established growth oriented businesses which scores high on capital efficiency and operating cash flow generation.

For this fund, we have been following the “Barbell” strategy in terms of portfolio construction between large caps & small/mid caps. The large cap allocation of the fund ranges from a minimum 80% to as high as 100%. Currently, the remaining 0-20% allocation are in small-caps and a single stock position does not exceed 1% (at initiation) and 2% (at any point in time), respectively.

We believe, this “Barbell” construct, offers investors a combination of participating in steady performance of large caps and return potential of small caps, with an overlay of strong risk management in place.

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 Cap

Monthly Avg AUM: ₹469.36 Crores

Inception Date: 9th June 2006

Fund Manager: Mr. Sumit Agrawal and Mr. Arpit Kapoor (w.e.f. 01/03/2017)

Other Parameters:

Beta: 0.94

R Square: 0.93

Standard Deviation (Annualized): 11.98%

Benchmark: S&P BSE 100 TRI (w.e.f. 18/04/2017)

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

Exit Load: NIL (w.e.f. 4th February 2019)

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	19-Mar-19	0.77	15.1200
	19-Mar-18	0.89	14.7165
	10-Mar-17	0.83	13.8551
DIRECT	19-Mar-19	0.95	18.4400
	19-Mar-18	1.08	17.8004
	10-Mar-17	1.00	16.6595

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.

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

PORTFOLIO

(31 January 2020)

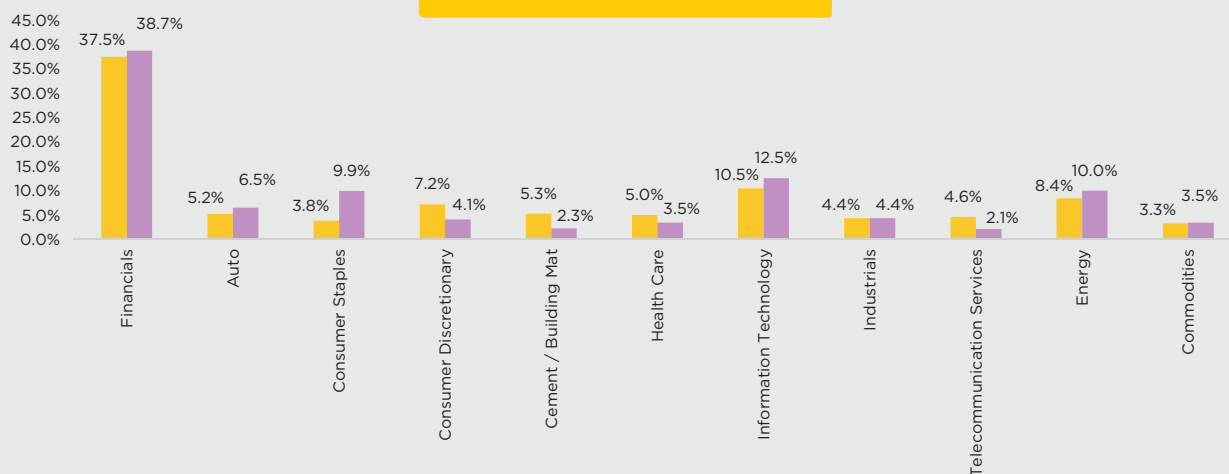


IDFC MUTUAL FUND

Name of the Instrument	% to NAV	Name of the Instrument	% to NAV
Equity and Equity related Instruments	97.70%	Auto	5.21%
Banks	23.78%	Maruti Suzuki India	1.99%
HDFC Bank	9.14%	Hero MotoCorp	1.09%
ICICI Bank	5.95%	Mahindra & Mahindra	1.07%
Kotak Mahindra Bank	3.58%	Bajaj Auto	1.05%
Axis Bank	3.03%	Telecom - Services	4.51%
State Bank of India	2.07%	Bharti Airtel	4.51%
Finance	13.24%	Pharmaceuticals	3.94%
HDFC	7.45%	IPCA Laboratories	1.72%
Bajaj Finance	3.74%	Divi's Laboratories	1.20%
Aavas Financiers	2.05%	Dr. Reddy's Laboratories	1.01%
Consumer Non Durables	11.72%	Construction Project	3.34%
ITC	4.10%	Larsen & Toubro	3.34%
Jubilant Foodworks	2.75%	Consumer Durables	3.14%
Hindustan Unilever	2.53%	Titan Company	2.04%
Asian Paints	1.22%	Voltas	1.10%
Nestle India	1.12%	Chemicals	2.20%
Software	10.04%	Fine Organic Industries	2.20%
Infosys	6.12%	Textile Products	1.12%
Tata Consultancy Services	3.92%	SRF	1.12%
Petroleum Products	7.98%	Construction	1.11%
Reliance Industries	7.98%	PSP Projects	1.11%
Cement	5.32%	Industrial Products	1.06%
UltraTech Cement	3.22%	Prince Pipes And Fittings	1.06%
HeidelbergCement India	1.09%	Net Cash and Cash Equivalent	2.30%
JK Cement	1.01%	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 the large cap companies

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

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