



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 last decade seems to have followed the Chinese proverb "May you live in interesting times". For equity investors, this period can be broadly categorized into four phases. Interestingly, each phase has its own set of winners and those who were left behind. The only single strategy which could emerge as a winner across these four phases - diversify across fund categories and stay invested for long period of time to profit from the growth potential of equity markets as different segments of the market have delivered in different market cycle.

Another learning for the investor would be to diversify across investment styles and not based on traditional market cap segment - Large, Mid and Small. Quality/Growth on the one hand and Valuation focused on the other hand would be the two broad styles. Funds, generally have remained consistent with this style though may have flirted with market cap segments in the past. With the new SEBI classification, funds have "tighter" market cap mandates and thus, tracking them on their investment style will become easier going ahead as compared to the past. The other observation, is the steep drawdowns which a segment like Small cap is unable to escape from, even if the focus is on "quality" or put in another manner, quality without growth gets de-rated swiftly irrespective of the market cap segment.

How the next decade will play out for equity investors is impossible to predict and we are neither brave nor buoyed by strong performance to dive into this issue. However, a diversified portfolio spread across investment styles and with selective sector bets could be the path to use for the next decade.

^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).

FUND FEATURES:

Category: Large & Mid Cap

Monthly Avg AUM: ₹2,774.96 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):
13.37%

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

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

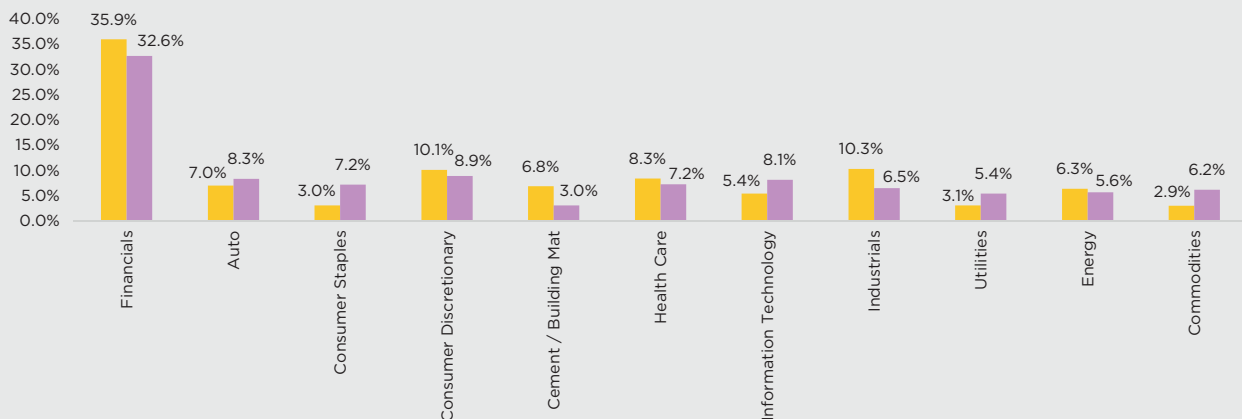
(31 December 2019)



Name of the Instrument	% to NAV	Name of the Instrument	% to NAV
Equity and Equity related Instruments	99.05%	Sundaram Finance	1.17%
Banks	30.91%	Mas Financial Services	0.62%
ICICI Bank	7.34%	Construction Project	4.98%
HDFC Bank	7.09%	Larsen & Toubro	3.63%
Axis Bank	5.46%	KEC International	1.34%
State Bank of India	5.10%	Retailing	4.40%
Kotak Mahindra Bank	2.51%	Future Retail	1.76%
RBL Bank	1.66%	Aditya Birla Fashion and Retail	1.44%
The Federal Bank	1.16%	Future Lifestyle Fashions	1.20%
City Union Bank	0.58%	Consumer Durables	3.52%
Pharmaceuticals	8.32%	Titan Company	1.49%
IPCA Laboratories	2.39%	Voltas	1.08%
Sun Pharmaceutical Industries	1.32%	Crompton Greaves Consumer Electricals	0.95%
Alkem Laboratories	1.14%	Industrial Products	3.45%
Indoco Remedies	1.13%	AIA Engineering	1.42%
Dr. Reddy's Laboratories	0.98%	Supreme Industries	1.34%
Cadila Healthcare	0.92%	Cummins India	0.68%
Lupin	0.43%	Consumer Non Durables	3.01%
Petroleum Products	6.33%	Colgate Palmolive (India)	1.25%
Reliance Industries	3.91%	GlaxoSmithKline Consumer Healthcare	1.05%
Bharat Petroleum Corporation	1.44%	Emami	0.42%
Hindustan Petroleum Corporation	0.99%	Tata Global Beverages	0.30%
Auto Ancillaries	6.12%	Power	2.76%
MRF	2.15%	Torrent Power	1.27%
Apollo Tyres	1.33%	Kalpataru Power Transmission	0.91%
Exide Industries	0.97%	Nava Bharat Ventures	0.58%
Balkrishna Industries	0.96%	Industrial Capital Goods	2.21%
Minda Industries	0.38%	Thermax	1.15%
Asahi India Glass	0.32%	Bharat Electronics	1.06%
Cement	5.45%	Hotels, Resorts And Other Recreational Activities	2.19%
ACC	1.56%	The Indian Hotels Company	2.19%
The Ramco Cements	1.44%	Ferrous Metals	1.69%
Ambuja Cements	1.36%	Jindal Steel & Power	1.69%
Dalmia Bharat	0.86%	Chemicals	1.22%
Deccan Cements	0.23%	Deepak Nitrite	1.22%
Software	5.39%	Gas	1.21%
Infosys	3.15%	Mahanagar Gas	1.21%
Mastek	0.61%	Auto	0.88%
Birlasoft	0.59%	Mahindra & Mahindra	0.88%
MindTree	0.58%	Preference Shares	0.01%
KPIT Technologies	0.46%	Media & Entertainment	0.01%
Finance	5.01%	Zee Entertainment Enterprises	0.01%
ICICI Securities	1.82%	Net Cash and Cash Equivalent	0.94%
M&M Financial Services	1.40%	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 in large and mid-cap companies

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

Distributed by: