



## IDFC STERLING VALUE FUND

(Previously known as IDFC Sterling Equity Fund w.e.f. May 28, 2018)  
An open ended equity scheme following a value investment strategy

IDFC Sterling Value Fund is a value oriented fund with the current focus on the mid and small cap segment\*.

### FUND PHILOSOPHY\*

The focus of IDFC Sterling Value Fund has been on building a portfolio of Leader/Challengers and Emerging businesses with an emphasis on bottom up stock selection. As part of the current strategy, the portfolio looks to build on the leaders/challengers – these are the market leaders in the Non-Nifty sectors (like Tyres, Bearings) or Top Challengers in the Nifty sectors (such as FMCG, Banks). The key parameters that we look at while selecting the companies here are low debt to operating cash flow and ROIC (Return on Invested Capital) greater than the Cost of Capital (CoC). The other part of the portfolio focuses on the Emerging Businesses. These are businesses in down cycles or where scale is yet to be achieved or where companies can fund growth without repeated dilutions. Many a times, earnings do not capture fair value of the businesses in down cycles or that are yet to achieve scale and hence popular ratios such as P/E ratio might not be the relevant metric to value the company. Thus, we believe that a better parameter for relative value evaluation could be the Enterprise Value (EV)/Sales ratio & Price/Book (P/B). We also filter stocks for Sustained improvement in RoE (Return on Equity) and RoCE (Return on Capital Employed) and those with Earnings Growth higher than Nifty. This segregation helps in easy management of risk & liquidity aspects of the portfolio.

### OUTLOOK

The protracted Q4 FY20 earnings season has still not ended. Q1 FY21, is poised to create several economic historical milestones – 1st negative GDP print; an alarming fiscal deficit situation and an earnings season like never before.

While, investors might be bracing themselves for such an eventuality, the possibility of the actual being more sombre than what was forecasted is a factor which one should not overrule. On the other hand, March “Mayhem” – just as 9th March’09 has been underlined as the turning point during the GFC, could 23rd March’20 become the low point of this downward spiral? However, a downward plunge from current levels should not be ruled out in the coming weeks. Though, breaching March lows, may not be driven by disappointing June quarter results alone. So, don’t overlook the virus even when Unlock 1.0 is in full swing!

**FUND FEATURES:** (all data as on 29th May’ 20)

**Category:** Value

**Monthly Avg AUM:** ₹2,035.62 Crores

**Inception Date:** 7th March 2008

**Fund Manager:** Mr. Anoop Bhaskar (w.e.f. 30/04/2016) & Mr. Daylynn Pinto (w.e.f. 20/10/2016)

**Other Parameters:**

**Beta:** 1.02

**R Square:** 0.95

**Standard Deviation (Annualized):** 26.92%

**Benchmark:** S&P BSE 400 MidSmallCap TRI (w.e.f 11/11/2019)

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

**Exit Load:**

- If redeemed/switched out within 365 days from the date of allotment:
  - ▶ Upto 10% of investment: Nil,
  - ▶ For remaining investment: 1% of applicable NAV.

- If redeemed / switched out after 365 days from date of allotment: Nil. (w.e.f. May 08, 2020)

**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	20-Mar-20	0.73	12.8800
	18-Feb-16	1.38	23.2025
	17-Mar-10	1.31	18.6235
DIRECT	17-Mar-10	1.37	19.3894
	16-Mar-21	1.50	16.3433
	15-Mar-16	2.00	20.8582

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.

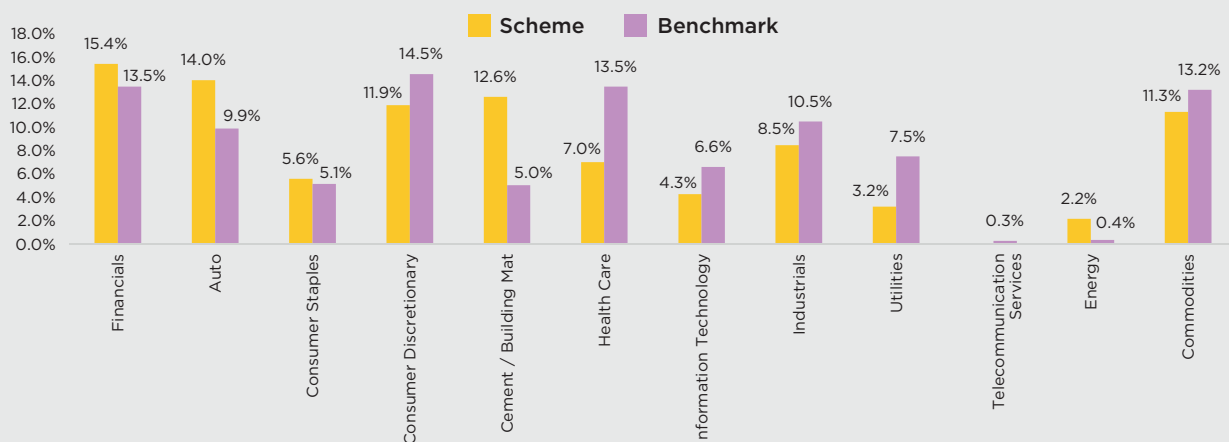
The above mentioned is the current strategy of the Fund Manager. However, asset allocation and investment strategy shall be within broad parameters of Scheme Information Document.

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

Name of the Instrument	% to NAV	Name of the Instrument	% to NAV
<b>Equity and Equity related Instruments</b>	<b>95.90%</b>	Future Lifestyle Fashions	0.73%
<b>Auto Ancillaries</b>	<b>12.16%</b>	<b>Software</b>	<b>4.27%</b>
MRF	2.84%	Birlasoft	1.51%
Exide Industries	2.19%	Persistent Systems	1.31%
Minda Industries	1.94%	KPIT Technologies	0.92%
WABCO India	1.23%	Cyient	0.52%
Wheels India	1.10%	<b>Ferrous Metals</b>	<b>3.70%</b>
Asahi India Glass	1.08%	Jindal Steel & Power	2.46%
Tube Investments of India	1.06%	Maharashtra Seamless	0.84%
Igarashi Motors India	0.42%	Kirloskar Ferrous Industries	0.41%
Sterling Tools	0.29%	<b>Chemicals</b>	<b>3.59%</b>
<b>Cement</b>	<b>9.89%</b>	Deepak Nitrite	3.59%
JK Cement	3.26%	<b>Construction Project</b>	<b>3.57%</b>
The Ramco Cements	2.97%	KEC International	2.56%
ACC	2.44%	NCC	1.02%
Prism Johnson	0.87%	<b>Industrial Products</b>	<b>3.41%</b>
Sagar Cements	0.35%	Bharat Forge	1.45%
<b>Banks</b>	<b>7.79%</b>	Polycab India	1.21%
ICICI Bank	3.51%	Graphite India	0.75%
Axis Bank	3.15%	<b>Gas</b>	<b>2.66%</b>
RBL Bank	1.13%	Gujarat Gas	2.66%
<b>Finance</b>	<b>7.62%</b>	<b>Hotels, Resorts And Other Recreational Activities</b>	<b>2.17%</b>
ICICI Lombard General Insurance Company	2.82%	The Indian Hotels Company	1.66%
ICICI Securities	2.53%	EIH	0.51%
Mas Financial Services	2.01%	<b>Petroleum Products</b>	<b>2.15%</b>
Magma Fincorp	0.27%	Hindustan Petroleum Corporation	2.15%
<b>Pharmaceuticals</b>	<b>7.01%</b>	<b>Transportation</b>	<b>1.88%</b>
IPCA Laboratories	3.78%	VRL Logistics	1.49%
Aurobindo Pharma	2.69%	Future Supply Chain Solutions	0.39%
Dishman Carbogen Amcis	0.55%	<b>Textiles - Cotton</b>	<b>1.87%</b>
<b>Consumer Durables</b>	<b>6.18%</b>	Vardhman Textiles	1.50%
Voltas	2.19%	Nitin Spinners	0.37%
Crompton Greaves Consumer Electricals	2.16%	<b>Industrial Capital Goods</b>	<b>1.79%</b>
Greenply Industries	1.12%	Bharat Electronics	1.33%
Greenpanel Industries	0.37%	Skipper	0.27%
Butterfly Gandhimathi Appliances	0.33%	CG Power and Industrial Solutions	0.18%
<b>Consumer Non Durables</b>	<b>5.77%</b>	<b>Power</b>	<b>1.58%</b>
Tata Consumer Products	1.68%	Kalpataru Power Transmission	1.04%
Radico Khaitan	1.45%	Nava Bharat Ventures	0.54%
Procter & Gamble Hygiene and Health Care	1.29%	<b>Textile Products</b>	<b>1.46%</b>
Emami	1.17%	K.P.R. Mill	1.08%
HBL Power Systems	0.19%	Dollar Industries	0.38%
<b>Retailing</b>	<b>4.45%</b>	<b>Pesticides</b>	<b>0.72%</b>
V-Mart Retail	1.38%	Rallis India	0.72%
Future Retail	1.27%	<b>Media &amp; Entertainment</b>	<b>0.20%</b>
Aditya Birla Fashion and Retail	1.07%	Entertainment Network (India)	0.20%
		<b>Net Cash and Cash Equivalent</b>	<b>4.10%</b>
		<b>Grand Total</b>	<b>100.00%</b>



**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 following a value investment strategy

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