



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 factors supporting the argument for economic led earnings recovery are: A) The government and RBI measures announced since Aug'19 to revive growth. B) Recent pick-up in inflation and potential bumper Rabi crop offer hope for rural consumption recovery – agri incomes are likely to grow 10-11% vs 6-7% in the previous two years. C) Liquidity conditions have certainly improved owing to RBI's measures. This should trickle down to real economy going ahead. D) Low base of FY20 across sectors helping a YoY comparison

Investors need to watch out for key risks emanating out of: A) The impact of Corona virus on global supply chains and the timelines for resolution. B) Government spending in FY21 is heavily dependent on success of divestment drive + significant inflow from telecom sector. Both these are event dependent, and failure on any of these counts can result in lower government spending impacting aggregate demand. C) In FY20, the fall in input prices boosted margins. However, this is now largely in the base and incremental tailwinds are unlikely unless, there is a fresh leg down in international commodity prices.

The market remains two tiered, with companies and segments which are reporting consistent earnings trading at valuations which may be close to 2 standard deviation above their last 5 years average. On the other hand, the broader market, where earnings have been erratic continue to be ignored by smart investors. Most of these “value” segments are those, which have close ties with Government spending or are dependent on investment cycle revival. The outlook for both these segments remains hazy at the current juncture. Emergence of small cap as a new segment, where investor flows have commenced over the last couple of months, is an interesting development.

FUND FEATURES:

Category: Large & Mid Cap

Monthly Avg AUM: ₹2,769.63 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: 0.91

R Square: 0.94

Standard Deviation (Annualized):
13.29%

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

(28 February 2020)

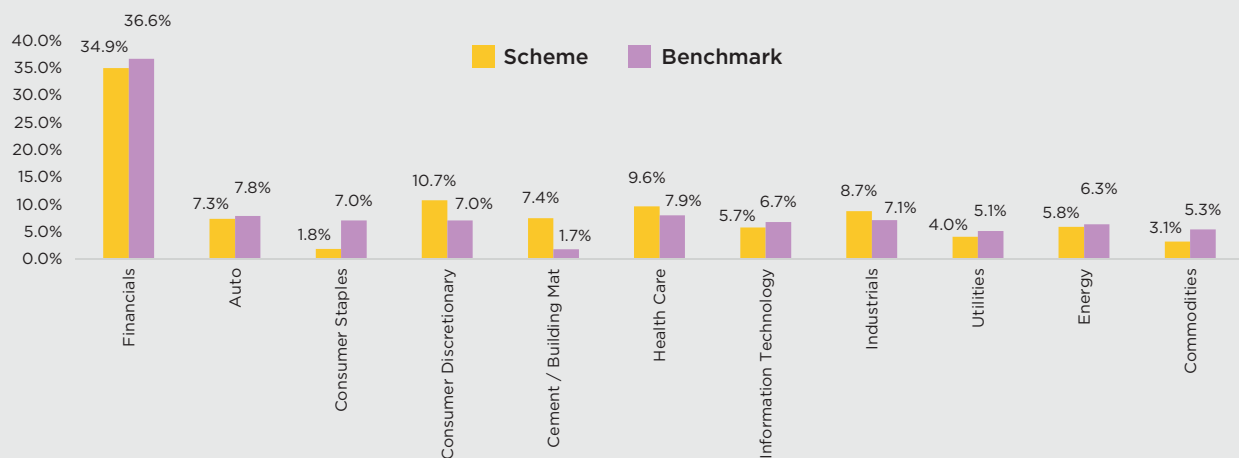


IDFC MUTUAL FUND

Name of the Instrument	% to NAV	Name of the Instrument	% to NAV
Equity and Equity related Instruments	98.67%	Sundaram Finance	1.21%
Banks	29.21%	Mas Financial Services	0.77%
ICICI Bank	7.01%	Retailing	4.46%
HDFC Bank	6.54%	Aditya Birla Fashion and Retail	1.68%
Axis Bank	5.42%	Future Retail	1.68%
State Bank of India	4.96%	Future Lifestyle Fashions	1.11%
Kotak Mahindra Bank	1.94%	Construction Project	4.37%
RBL Bank	1.47%	Larsen & Toubro	2.90%
The Federal Bank	1.29%	KEC International	1.48%
City Union Bank	0.57%	Industrial Products	4.01%
Pharmaceuticals	9.57%	AIA Engineering	1.65%
IPCA Laboratories	2.90%	Supreme Industries	1.60%
Alkem Laboratories	1.54%	Cummins India	0.68%
Indoco Remedies	1.24%	Bharat Forge	0.08%
Sun Pharmaceutical Industries	1.22%	Consumer Durables	3.98%
Dr. Reddy's Laboratories	1.07%	Titan Company	1.69%
Cadila Healthcare	1.01%	Voltas	1.19%
Lupin	0.58%	Crompton Greaves Consumer Electricals	1.10%
Auto Ancillaries	6.16%	Power	2.91%
MRF	2.23%	Torrent Power	1.44%
Apollo Tyres	1.24%	Kalpataru Power Transmission	0.93%
Balkrishna Industries	0.92%	Nava Bharat Ventures	0.54%
Exide Industries	0.92%	Hotels, Resorts And Other Recreational Activities	2.19%
Asahi India Glass	0.43%	The Indian Hotels Company	2.19%
Minda Industries	0.42%	Gas	2.01%
Petroleum Products	5.80%	Mahanagar Gas	1.20%
Reliance Industries	3.68%	Gujarat State Petronet	0.80%
Bharat Petroleum Corporation	1.34%	Consumer Non Durables	1.79%
Hindustan Petroleum Corporation	0.79%	GlaxoSmithKline Consumer Healthcare	1.56%
Cement	5.77%	Tata Consumer Products	0.23%
The Ramco Cements	1.58%	Chemicals	1.62%
ACC	1.52%	Deepak Nitrite	1.62%
Ambuja Cements	1.52%	Ferrous Metals	1.47%
Dalmia Bharat	0.90%	Jindal Steel & Power	1.47%
Deccan Cements	0.25%	Industrial Capital Goods	1.05%
Software	5.68%	Thermax	1.05%
Infosys	3.38%	Auto	1.03%
Birlasoft	0.80%	Bajaj Auto	1.03%
Mastek	0.63%	Preference Shares	0.004%
KPIT Technologies	0.43%	Media & Entertainment	0.004%
Mphasis	0.43%	Zee Entertainment Enterprises	0.004%
Finance	5.58%	Net Cash and Cash Equivalent	1.33%
ICICI Securities	2.28%		
M&M Financial Services	1.32%		
		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: