



IDFC FOCUSED EQUITY FUND

An open ended equity scheme investing in maximum 30 stocks with multi cap focus

IDFC Focused Equity Fund is a concentrated portfolio of up to 30 stocks with the flexibility to invest across sectors and across market cap.

FUND PHILOSOPHY*

IDFC Focused Equity Fund is an equity oriented fund investing across the market cap curve. It holds a concentrated portfolio comprising of a mix of core and tactical ideas limited to a maximum of 30 stocks. The core portfolio of the fund primarily invests in businesses that are growth oriented and have superior quality characteristics. The tactical part of the portfolio largely comprises of businesses that have the potential to turnaround driven by change in internal/external environment.

Under the newly defined SEBI scheme classification, IDFC Focused Equity Fund is categorized under "Focused" Funds. At an industry level, while these funds are classified as "Focused", their market cap orientation is not defined clearly and by this nature they are also "Multi-Cap".

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.

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: Focused

Monthly Avg AUM: ₹1,519.34 Crores

Inception Date: 16th March 2006

Fund Manager: Mr Sumit Agarwal
(w.e.f 20/10/2016)

Other Parameters:

Beta: 0.91

R Square: 0.73

Standard Deviation (Annualized):
14.19%

Benchmark: S&P BSE 500 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.
(w.e.f. 1st September 2009)

Minimum SIP Amount*: ₹1,000/-

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	26-Mar-18	0.83	13.4883
	10-Nov-17	2.00	15.6283
	24-Jan-17	1.00	12.1368
DIRECT	26-Mar-18	0.25	19.0688
	24-Jan-17	1.20	14.6625
	28-Jan-16	1.00	13.4869

Ratios calculated on the basis of 3 years history of monthly data.

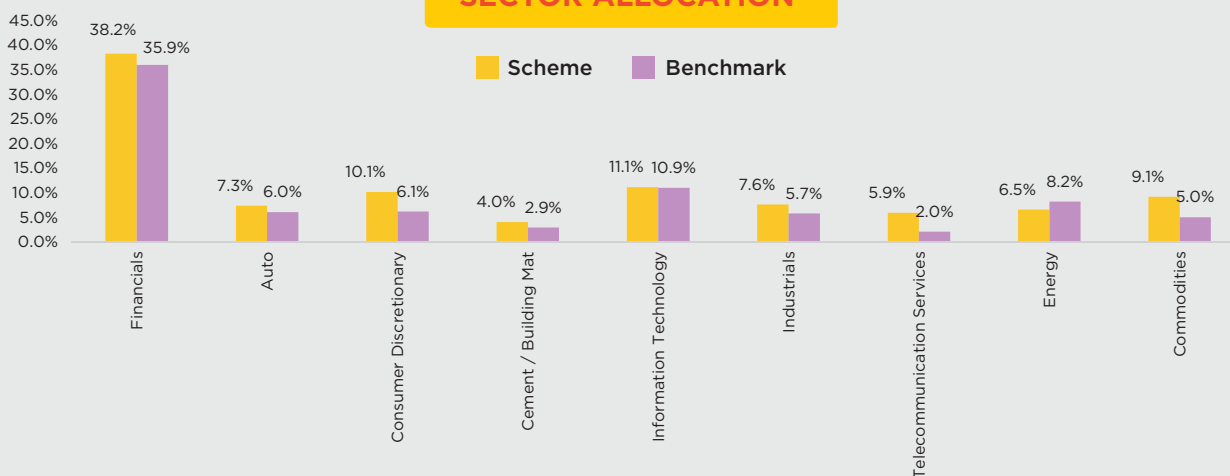
*The allocation mentioned above is as per current strategy and market conditions; this is however subject to change without notice.

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

Name of the Instrument	% to NAV
Equity and Equity related Instruments	99.63%
Banks	21.87%
HDFC Bank	7.90%
Kotak Mahindra Bank	6.26%
ICICI Bank	5.07%
Axis Bank	2.64%
Finance	16.31%
ICICI Securities	6.45%
HDFC	5.98%
Bajaj Finance	3.88%
Software	11.05%
Infosys	4.81%
Tata Consultancy Services	3.41%
Majesco	2.83%
Auto	7.28%
TVS Motor Company	3.85%
Maruti Suzuki India	3.43%
Chemicals	6.82%
Fine Organic Industries	6.82%
Petroleum Products	6.51%
Reliance Industries	6.51%
Telecom - Services	5.88%
Bharti Airtel	5.88%
Commercial Services	5.30%
Security and Intelligence Services (India)	5.30%
Consumer Durables	4.16%
Voltas	3.08%
Titan Company	1.08%
Cement	3.97%
UltraTech Cement	3.97%
Consumer Non Durables	3.28%
Jubilant Foodworks	3.28%
Retailing	2.65%
Aditya Birla Fashion and Retail	2.65%
Textile Products	2.29%
SRF	2.29%
Construction Project	2.26%
Larsen & Toubro	2.26%
Net Cash and Cash Equivalent	0.37%
Grand Total	100.00%



SECTOR ALLOCATION



This product is suitable for investors who are seeking*:

- To create wealth over long term
- Investment in a concentrated portfolio of equity and equity related instruments of up to 30 companies.

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

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