



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 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 Cap

Monthly Avg AUM: ₹469.68 Crores

Inception Date: 9th June 2006

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

Other Parameters:

Beta: 0.91

R Square: 0.92

Standard Deviation (Annualized): 12.10%

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

(28 February 2020)

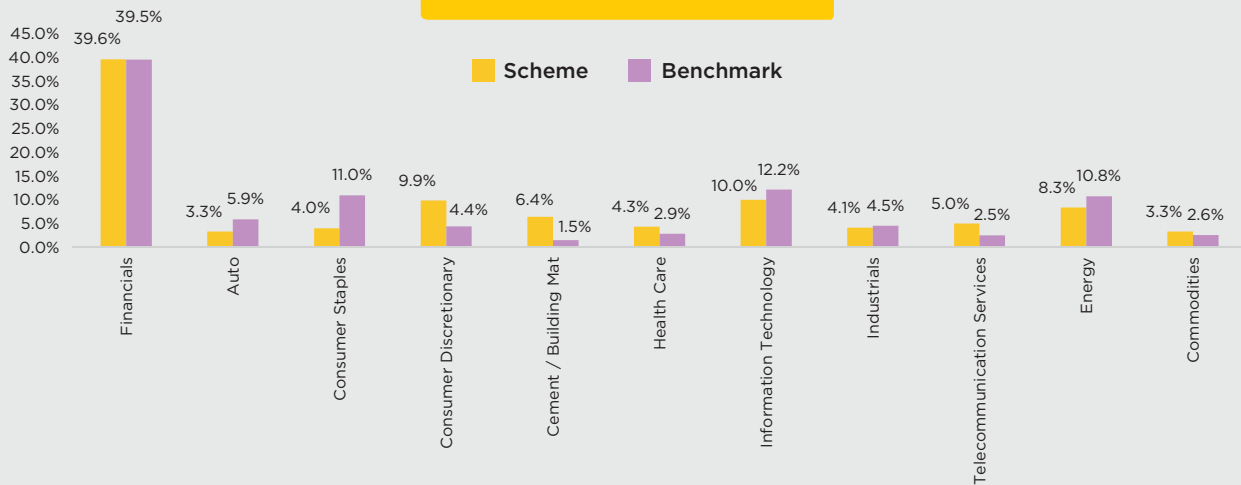


IDFC MUTUAL FUND

Name of the Instrument	% to NAV	Name of the Instrument	% to NAV
Equity and Equity related Instruments	98.40%	Telecom - Services	4.98%
Banks	26.53%	Bharti Airtel	4.98%
HDFC Bank	9.47%	Pharmaceuticals	4.31%
ICICI Bank	6.34%	IPCA Laboratories	1.96%
Kotak Mahindra Bank	5.10%	Divi's Laboratories	1.36%
Axis Bank	3.04%	Dr. Reddy's Laboratories	1.00%
State Bank of India	2.59%	Consumer Durables	3.38%
Finance	13.07%	Titan Company	2.25%
HDFC	7.04%	Voltas	1.13%
Bajaj Finance	4.01%	Auto	3.34%
Aavas Financiers	2.03%	Maruti Suzuki India	2.01%
Software	10.00%	Bajaj Auto	1.33%
Infosys	6.05%	Construction Project	3.04%
Tata Consultancy Services	3.95%	Larsen & Toubro	3.04%
Petroleum Products	8.35%	Retailing	2.55%
Reliance Industries	8.35%	Avenue Supermarts	2.55%
Consumer Non Durables	8.00%	Chemicals	2.11%
Hindustan Unilever	2.83%	Fine Organic Industries	2.11%
Jubilant Foodworks	2.68%	Textile Products	1.21%
Asian Paints	1.28%	SRF	1.21%
Nestle India	1.20%	Construction	1.11%
Cement	5.34%	PSP Projects	1.11%
UltraTech Cement	3.22%	Industrial Products	1.08%
JK Cement	1.06%	Prince Pipes And Fittings	1.08%
HeidelbergCement India	1.05%	Net Cash and Cash Equivalent	1.60%
		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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