



IDFC CORE EQUITY FUND

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 S&P BSE Sensex Index and Nifty 50 Index ended the roller-coaster ride of the month almost flat (0.3%) in July. Mid and Small caps were up 3% and 8%, respectively; outperforming Large caps in July.

Earnings growth for Q1 FY22 also commenced. The earnings' results so far has depicted mixed trends - reflecting increasing margin pressure, moderation in top-line momentum, and an increase in retail NPAs for some banks. Moreover, the ongoing earnings season reflects a few key trends:

- i. The momentum of activity visible in the Jan-Mar 2021 quarter stalled during the Apr-Jun 2021 quarter due to the 2nd wave of the pandemic.
- ii. Management commentary post-Apr-Jun 2021 quarter is more muted about the near term, as worries of a 3rd wave and its impact on business continuity remains an open question.
- iii. The cycle of upgrades witnessed from the Sep 2020 quarter will take a breather with the current quarter. Earnings for FY22 will be marginally downgraded, while earnings for FY23 remain unimpacted.

While, we believe there are few headwinds which could provide near term break to growth in the form of rising fears of Covid-19 third wave and associated slow pace of unlocking of economy in progress.

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.

*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

Income Distribution cum capital withdrawal is not guaranteed and past performance may or may not be sustained in future. Pursuant to payment of Income Distribution cum capital withdrawal, the NAV of the scheme would fall to the extent of payout and statutory levy (as applicable).

FUND FEATURES: (Data as on 31st July'21)

Category: Large & Mid Cap

Monthly Avg AUM: ₹2,430.37 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:

● 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, IDCW[®] - (Payout, Reinvestment and Sweep (from Equity Schemes to Debt Schemes only))

Other Parameters:

Beta: 0.99

R Square: 0.98

Standard Deviation (Annualized): 23.95%

PLAN	IDCW@ RECORD DATE	₹/UNIT	NAV
REGULAR	22-Jul-21	0.95	19.1100
	16-Mar-20	1.03	12.0100
	14-Mar-19	0.80	15.4200
DIRECT	22-Jul-21	1.19	23.9400
	16-Mar-20	0.39	13.7900
	14-Mar-19	0.90	17.4700

[®]Income Distribution cum capital withdrawal

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

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

PORTFOLIO

(31 July 2021)

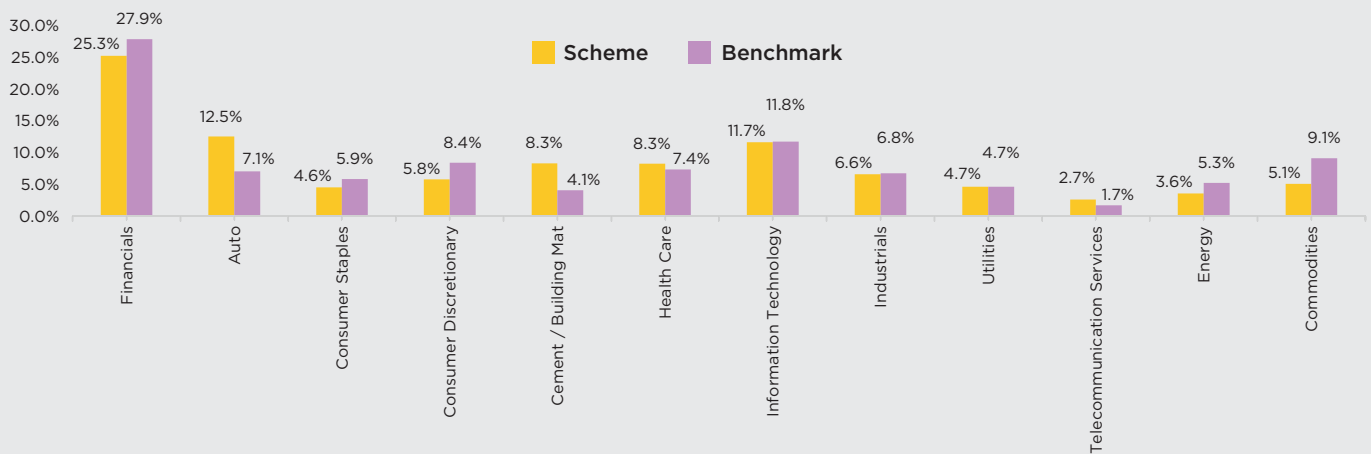


IDFC MUTUAL FUND

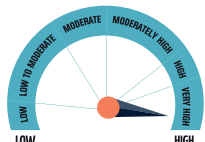
Name of the Instrument	% to NAV	Name of the Instrument	% to NAV
Equity and Equity related Instruments	99.12%	3M India	0.49%
Banks	21.41%	Power	4.52%
ICICI Bank	6.89%	Torrent Power	1.48%
HDFC Bank	4.79%	Kalpataru Power Transmission	1.43%
State Bank of India	4.13%	KEC International	0.96%
Axis Bank	3.22%	Tata Power Company	0.65%
The Federal Bank	1.45%	Auto	3.86%
Kotak Mahindra Bank	0.93%	Mahindra & Mahindra	1.78%
Software	11.67%	Tata Motors	1.60%
Infosys	7.16%	TVS Motor Company	0.47%
HCL Technologies	1.92%	Petroleum Products	3.57%
Birlasoft	1.56%	Reliance Industries	2.24%
Mastek	1.03%	Bharat Petroleum Corporation	1.33%
Pharmaceuticals	8.32%	Ferrous Metals	2.93%
Sun Pharmaceutical Industries	1.65%	Jindal Steel & Power	2.19%
Dr. Reddy's Laboratories	1.56%	Steel Authority of India	0.74%
IPCA Laboratories	1.27%	Telecom - Services	2.66%
Alkem Laboratories	1.19%	Bharti Airtel	2.66%
Aurobindo Pharma	0.66%	Gas	2.52%
Cadila Healthcare	0.62%	Mahanagar Gas	1.75%
Alembic Pharmaceuticals	0.57%	Gujarat State Petronet	0.77%
Natco Pharma	0.44%	Consumer Durables	2.22%
Indoco Remedies	0.37%	Voltas	1.21%
Auto Ancillaries	6.73%	Crompton Greaves Consumer Electricals	1.00%
Wheels India	1.77%	Chemicals	2.21%
Minda Industries	1.10%	Deepak Nitrite	2.21%
Bosch	1.05%	Retailing	1.81%
Apollo Tyres	1.01%	Aditya Birla Fashion and Retail	1.81%
MRF	0.95%	Construction Project	1.80%
Balkrishna Industries	0.87%	Larsen & Toubro	1.80%
Cement & Cement Products	6.38%	Leisure Services	1.79%
ACC	2.75%	The Indian Hotels Company	1.79%
The Ramco Cements	1.95%	Insurance	1.78%
Ambuja Cements	1.68%	Max Financial Services	1.09%
Industrial Products	6.30%	SBI Life Insurance Company	0.69%
Supreme Industries	1.97%	Capital Markets	1.48%
Bharat Forge	1.86%	ICICI Securities	1.48%
AIA Engineering	1.48%	Finance	0.61%
Cummins India	0.99%	Mas Financial Services	0.61%
Consumer Non Durables	4.55%	Preference Shares	0.002%
Emami	1.22%	Entertainment	0.002%
Marico	1.01%	Zee Entertainment Enterprises	0.002%
Tata Consumer Products	0.96%	Net Cash and Cash Equivalent	0.88%
Godrej Consumer Products	0.86%	Grand Total	100.00%



SECTOR ALLOCATION



Riskometer



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.

Investors understand that their principal will be at Very High risk