



IDFC STERLING VALUE FUND

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

Q2 FY22 corporate earnings result ended on a strong note and RBI maintained its stance as accommodative and kept the policy rate unchanged in its bi-monthly policy.

Aggregate profit of S&P BSE 200 companies touched higher than the previous peak of Mar'21 quarter.

Going forward, factors which would largely drive the market could be the macroeconomic data and the upcoming state elections on domestic side, while on the global term it would be the decision of central banks as well as the highly mutated Omicron variant of Covid-19 which could change the course of the pandemic.

Key sectors where earnings are forecasted to show strength/sustain in the near term could be the Banks, Automobiles, Telecom and Oil & Gas. Hopefully, the earnings estimate for FY22 and 23 could maintain the path of surprise, as has been the case till now."

^^W.e.f. December 1, 2021, the benchmark of the scheme will change to NIFTY500 Value 50 TRI

FUND FEATURES: (Data as on 30th November'21)

Category: Value

Monthly Avg AUM: ₹4,276.10 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: 1.11

R Squared: 0.97

Standard Deviation (Annualized): 29.68%

Benchmark^^: S&P BSE 400 MidSmallCap TRI (w.e.f. 11th November, 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))

PLAN	IDCW® RECORD DATE	₹/UNIT	NAV
REGULAR	26-Aug-21	1.46	28.4600
	20-Mar-20	0.73	12.8800
	16-Feb-18	1.38	23.2025
DIRECT	26-Aug-21	1.83	35.7600
	10-Mar-17	1.37	19.3894
	21-Mar-16	1.50	16.3433

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).

®Income Distribution cum capital withdrawal

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

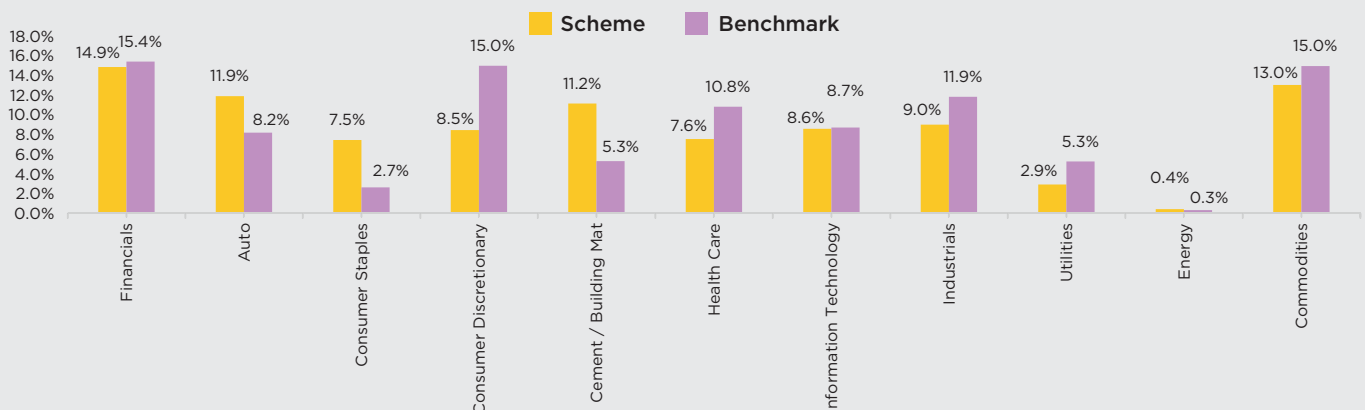
*The above mentioned is the current strategy of the Fund Manager. However, asset allocation and investment strategy shall be within broad parameters of Scheme Information Document.

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
Equity and Equity related Instruments	95.48%	Industrial Products	5.01%
Banks	9.45%	Polycab India	1.85%
ICICI Bank	4.51%	Bharat Forge	1.77%
Axis Bank	2.47%	Graphite India	1.39%
State Bank of India	2.46%	Ferrous Metals	3.71%
Consumer Non Durables	8.75%	Jindal Steel & Power	2.84%
Radico Khaitan	2.98%	Kirloskar Ferrous Industries	0.87%
Tata Consumer Products	1.89%	Leisure Services	3.13%
Emami	1.60%	The Indian Hotels Company	2.10%
Avanti Feeds	1.29%	EIH	1.02%
Godrej Consumer Products	0.99%	Finance	3.02%
Software	8.59%	Poonawalla Fincorp	1.85%
HCL Technologies	2.21%	Mas Financial Services	1.17%
Tata Consultancy Services	1.89%	Chemicals	2.94%
Persistent Systems	1.81%	Deepak Nitrite	2.94%
Zensar Technologies	1.52%	Gas	2.93%
Birlasoft	1.15%	Gujarat Gas	2.93%
Pharmaceuticals	7.56%	Power	2.65%
Cipla	2.36%	KEC International	2.27%
Aurobindo Pharma	1.36%	Kalpataru Power Transmission	0.38%
Sun Pharmaceutical Industries	1.10%	Insurance	2.40%
IPCA Laboratories	1.02%	SBI Life Insurance Company	1.35%
Alembic Pharmaceuticals	0.88%	ICICI Lombard General Insurance Company	1.05%
Laurus Labs	0.83%	Transportation	2.32%
Auto Ancillaries	7.37%	VRL Logistics	2.32%
Minda Industries	3.08%	Industrial Capital Goods	2.21%
Bosch	1.85%	CG Power and Industrial Solutions	2.21%
Wheels India	1.32%	Textile Products	2.18%
Tube Investments of India	1.12%	K.P.R. Mill	2.18%
Consumer Durables	7.29%	Auto	1.89%
Greenpanel Industries	2.60%	Tata Motors	1.89%
Volta	2.34%	Construction Project	1.83%
Butterfly Gandhimathi Appliances	1.33%	NCC	1.83%
Mayur Uniquoters	0.83%	Retailing	1.73%
Greenply Industries	0.20%	V-Mart Retail	1.73%
Cement & Cement Products	6.50%	Textiles - Cotton	1.58%
JK Cement	1.93%	Vardhman Textiles	1.58%
The Ramco Cements	1.60%	Petroleum Products	0.45%
Nuvoco Vistas Corporation	1.10%	Bharat Petroleum Corporation	0.45%
Ambuja Cements	1.00%	Net Cash and Cash Equivalent	4.52%
Sagar Cements	0.88%	Grand Total	100.00%



SECTOR ALLOCATION



<p>Scheme risk-o-meter</p>  <p>Investors understand that their principal will be at Very High risk</p>	<p>This product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> To create wealth over long term. Investment predominantly in equity and equity related instruments following a value investment strategy. <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<p>Benchmark risk-o-meter</p>  <p>S&P BSE 400 MidSmallCap TRI</p>
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