



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

From Indian equities point of view, the solid December'20 quarter earnings were clearly a key highlight. Few, if any, would have been able to forecast, at the start of the current fiscal in April'20, that December'20 quarter would deliver the highest ever quarterly profits for the BSE200 set of companies!

Domestic equity markets continued to trend higher in February. Rally was majorly broad based and across the sectors. For the month, Small cap (12%) and Mid cap (10%) delivered the highest returns followed by Large cap (7%).

Globally, however, the worries on inflation and the unsettling moves on the US 10-year yield gave a glimpse, a “trailer” of reality – valuations could compress; economic growth could get stunted, if bonds yields sustained and moved ahead.

For the current economic recovery to sustain, containing bond yields, not through “yield curve management” but through moderating inflation expectation will be a key variable to track for the rest of the year.

FUND FEATURES: (Data as on 28th February'21)
Category: Value
Monthly Avg AUM: ₹3,129.87 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: 1.05
R Square: 0.97
Standard Deviation (Annualized): 30.68%
Benchmark: S&P BSE 400 MidSmallCap TRI (w.e.f 11/11/2019)
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, Dividend (Payout, Reinvestment and Sweep (from Equity Schemes to Debt Schemes only))

PLAN	DIVIDEND RECORD DATE	₹/UNIT	NAV
REGULAR	20-Mar-20	0.73	12.8800
	16-Feb-18	1.38	23.2025
	10-Mar-17	1.31	18.6235
DIRECT	10-Mar-17	1.37	19.3894
	21-Mar-16	1.50	16.3433
	16-Mar-15	2.00	20.8582

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.

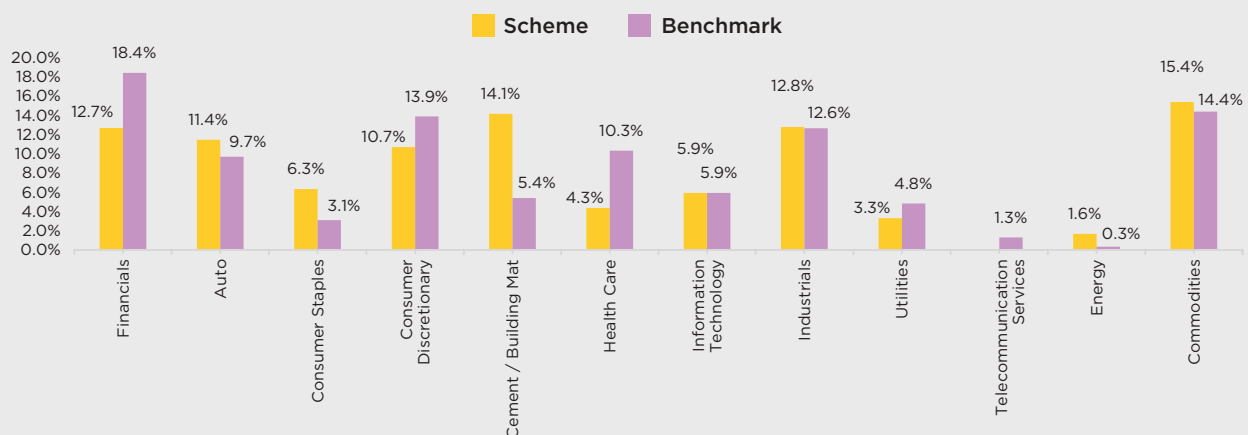
The above mentioned is the current strategy of the Fund Manager. However, asset allocation and investment strategy shall be within broad parameters of Scheme Information Document.

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

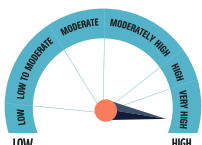
Name of the Instrument	% to NAV	Name of the Instrument	% to NAV
Equity and Equity related Instruments	98.62%	KPIT Technologies	0.98%
Consumer Durables	9.58%	Banks	5.79%
Voltas	2.57%	ICICI Bank	4.15%
Crompton Greaves Consumer Electricals	1.76%	RBL Bank	1.64%
Greenpanel Industries	1.71%	Ferrous Metals	4.97%
Greenply Industries	1.49%	Jindal Steel & Power	3.18%
Butterfly Gandhimathi Appliances	1.26%	Kirloskar Ferrous Industries	0.94%
Mayur Uniquoters	0.79%	Maharashtra Seamless	0.84%
Cement	9.24%	Pharmaceuticals	4.33%
JK Cement	3.25%	Aurobindo Pharma	1.89%
The Ramco Cements	2.14%	IPCA Laboratories	1.31%
Prism Johnson	1.81%	Alembic Pharmaceuticals	0.87%
ACC	1.42%	Dishman Carbogen Amcis	0.26%
Sagar Cements	0.63%	Chemicals	4.15%
Auto Ancillaries	8.58%	Deepak Nitrite	4.15%
Minda Industries	2.68%	Industrial Capital Goods	3.07%
Bosch	2.06%	Bharat Electronics	1.56%
Tube Investments of India	1.43%	CG Power and Industrial Solutions	1.14%
MRF	1.07%	Skipper	0.37%
Wheels India	0.99%	Gas	3.04%
Sterling Tools	0.35%	Gujarat Gas	3.04%
Finance	6.88%	Hotels/ Resorts and Other Recreational Activities	2.69%
Mas Financial Services	1.92%	The Indian Hotels Company	1.82%
ICICI Lombard General Insurance Company	1.80%	EIH	0.87%
ICICI Securities	1.60%	Textiles - Cotton	2.31%
Magma Fincorp	1.55%	Vardhman Textiles	1.81%
Construction Project	6.49%	Nitin Spinners	0.50%
KEC International	3.40%	Transportation	1.95%
NCC	3.09%	VRL Logistics	1.95%
Industrial Products	6.34%	Textile Products	1.94%
Graphite India	2.13%	K.P.R. Mill	1.37%
Bharat Forge	1.93%	Dollar Industries	0.56%
Polycab India	1.69%	Retailing	1.88%
SRF	0.61%	V-Mart Retail	1.50%
Consumer Non Durables	6.33%	Aditya Birla Fashion and Retail	0.38%
Emami	2.44%	Petroleum Products	1.63%
Radico Khaitan	2.06%	Bharat Petroleum Corporation	1.63%
Tata Consumer Products	1.83%	Power	1.49%
Software	5.92%	Kalpataru Power Transmission	1.26%
Birlasoft	2.22%	Nava Bharat Ventures	0.23%
Persistent Systems	1.57%	Net Cash and Cash Equivalent	1.38%
HCL Technologies	1.15%	Grand Total	100.00%



SECTOR ALLOCATION



Riskometer



Investors understand that their principal will be at Very High risk

This product is suitable for investors who are seeking*:

- To create wealth over long term
- Investment predominantly in equity and equity related instruments following a value investment strategy

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