



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

“The most hated bull markets”, as many observers have termed the current market uptrend since Mar’20, is poised at an interesting juncture. Well, the same could have been said at the end of Q1 CY 21 or Q2 CY 21 or as of today. Except for a minor “bump” during H1 CY 20, the Indian equity market has been on a roll.

For many investors waiting on the sidelines, this has been a key grouse. As this “one-way” move sustains, the murmurs get louder. Market corrections are part of a bull market. However, this one seems keen to skip the “tradition” making many grate their teeth (in disbelief and anger).

FY 22 onwards, sales growth may be the key driver for profit growth across most sectors. Banks may be an exception as a large push to their FY 22 PAT may come through “normalised” credit costs rather than loan growth.

FUND FEATURES: (Data as on 30th September’21)

Category: Value

Monthly Avg AUM: ₹4,097.38 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: 0.98

Standard Deviation (Annualized): 29.68%

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, 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.

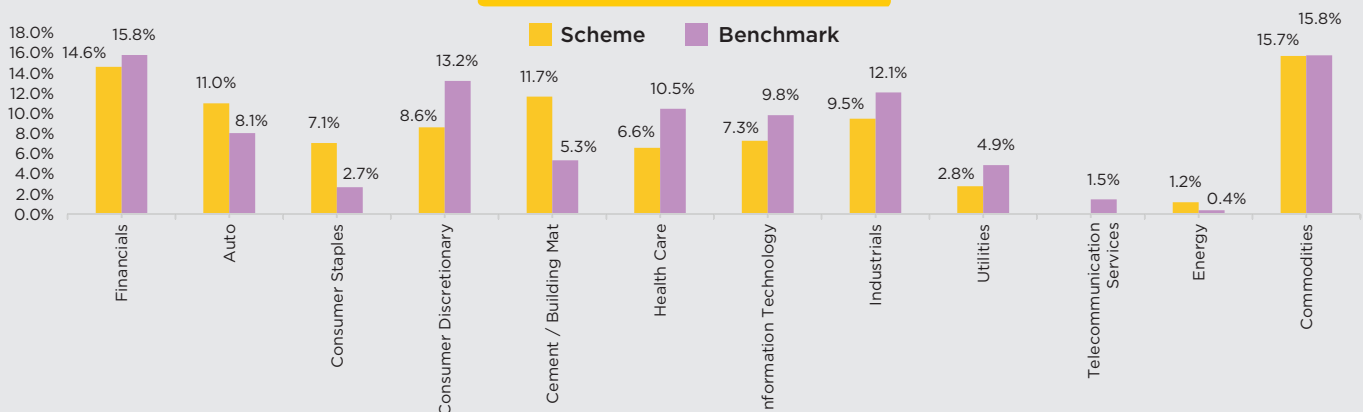
*The above mentioned is the current strategy of the Fund Manager. However, asset allocation and investment strategy shall be within broad parameters of Scheme Information Document.

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	96.01%	Graphite India	1.93%
Banks	9.05%	Polycab India	1.92%
ICICI Bank	3.92%	Bharat Forge	1.79%
Axis Bank	2.24%	Chemicals	4.96%
State Bank of India	1.87%	Deepak Nitrite	3.86%
RBL Bank	1.02%	SRF	1.10%
Consumer Non Durables	8.03%	Ferrous Metals	4.45%
Radico Khaitan	2.36%	Jindal Steel & Power	3.03%
Tata Consumer Products	1.88%	Kirloskar Ferrous Industries	0.91%
Emami	1.82%	Maharashtra Seamless	0.51%
Godrej Consumer Products	1.00%	Power	3.36%
Avanti Feeds	0.98%	KEC International	2.48%
Consumer Durables	7.47%	Kalpataru Power Transmission	0.88%
Voltas	2.37%	Leisure Services	3.26%
Greenpanel Industries	2.11%	The Indian Hotels Company	2.16%
Butterfly Gandhimathi Appliances	1.43%	EIH	1.10%
Mayur Uniquoters	0.82%	Finance	2.99%
Greenply Industries	0.75%	Poonawalla Fincorp	1.66%
Software	7.28%	Mas Financial Services	1.33%
HCL Technologies	2.49%	Gas	2.79%
Birlasoft	1.86%	Gujarat Gas	2.79%
Persistent Systems	1.63%	Insurance	2.58%
Zensar Technologies	1.31%	SBI Life Insurance Company	1.42%
Cement & Cement Products	6.89%	ICICI Lombard General Insurance Company	1.16%
JK Cement	1.89%	Transportation	2.14%
The Ramco Cements	1.68%	VRL Logistics	2.14%
Ambuja Cements	1.07%	Construction Project	2.12%
Sagar Cements	1.00%	NCC	2.12%
Nuvoco Vistas Corporation	0.92%	Industrial Capital Goods	1.85%
Prism Johnson	0.33%	CG Power and Industrial Solutions	1.85%
Auto Ancillaries	6.84%	Textile Products	1.76%
Minda Industries	2.51%	K.P.R. Mill	1.76%
Bosch	1.77%	Textiles - Cotton	1.73%
Wheels India	1.55%	Vardhman Textiles	1.73%
Tube Investments of India	1.01%	Retailing	1.55%
Pharmaceuticals	6.60%	V-Mart Retail	1.55%
Cipla	2.09%	Auto	1.46%
Aurobindo Pharma	1.59%	Tata Motors	1.46%
Sun Pharmaceutical Industries	1.09%	Petroleum Products	1.21%
IPCA Laboratories	1.06%	Bharat Petroleum Corporation	1.21%
Alembic Pharmaceuticals	0.62%	Net Cash and Cash Equivalent	3.99%
Laurus Labs	0.15%	Grand Total	100.00%
Industrial Products	5.63%		



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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