



IDFC EMERGING BUSINESSES FUND

(Small Cap Fund – An open ended equity scheme predominantly investing in small cap stocks)

- Fund focuses on building a diversified portfolio within the small cap segment.
- Portfolio will contain buy and hold strategies as well as opportunistic picks in the cyclical space.
- Fund may also look to participate in new businesses via IPOs.

FUND PHILOSOPHY*

The fund aims to identify and invest in companies with steady growth prospects, operating in industries with a stable growth visibility over the medium term – 2-4 years. The fund would be willing to pay higher valuation for companies with distinct segment leadership advantages and/or for companies operating in segments which are witnessing a boost of growth due to change in industry dynamics; regulatory changes / geographical shifts. While not eschewing completely, the fund aims to limit exposure to “deep” cyclicals and focus more on companies and sectors with secular growth outlook. Hence, the valuation metrics of the fund – P/E; EV/EBIDTA; EV/Sales may appear to be more expensive than the benchmark.

Consumer facing rather than B to B is another focus area of the fund. The fund aims to ensure participation in non-small caps as a measure of higher liquidity as well addressability for investing in sectors where size brings noticeable advantage – BFSI, for example. The fund aims to hold cash levels of upto 10% across time periods, both as a measure of liquidity as well as to capitalize on opportunistic investing. Lastly, rather than try to outperform the benchmark on the upside, the fund would aim to conserve capital by limiting downside during periods of drawdowns, a dominant (and painful) characteristic of small cap investing.

OUTLOOK

- A focus on macros, especially global will gain more traction going ahead. Currently, the Indian economy's macro is far superior to May-Sept 2013, while facing the “original” taper tantrums.
- Indian equity markets escaping unscathed during such an event does not appear to be a completely realistic thought. Indian markets will get caught in the turmoil of tapering whenever it commences.
- However, India joining an unsavory “club” - remember Fragile Five, appears to have a low possibility.

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

Category: Small Cap Fund

Monthly Avg AUM: ₹1,374.24 Crores

Inception Date: 25th February 2020

Fund Manager: Mr. Anoop Bhaskar

Benchmark: S&P BSE 250 SmallCap-TRI

Exit Load:

1% if redeemed/switched out within 1 year from the date of allotment

Minimum SIP Amount: ₹100 and in multiples of ₹1 thereafter

SIP Frequency: Monthly

SIP Dates (Monthly): Investor may choose any day of the month except 29th, 30th and 31st as the date of instalment.

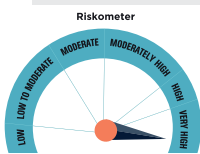
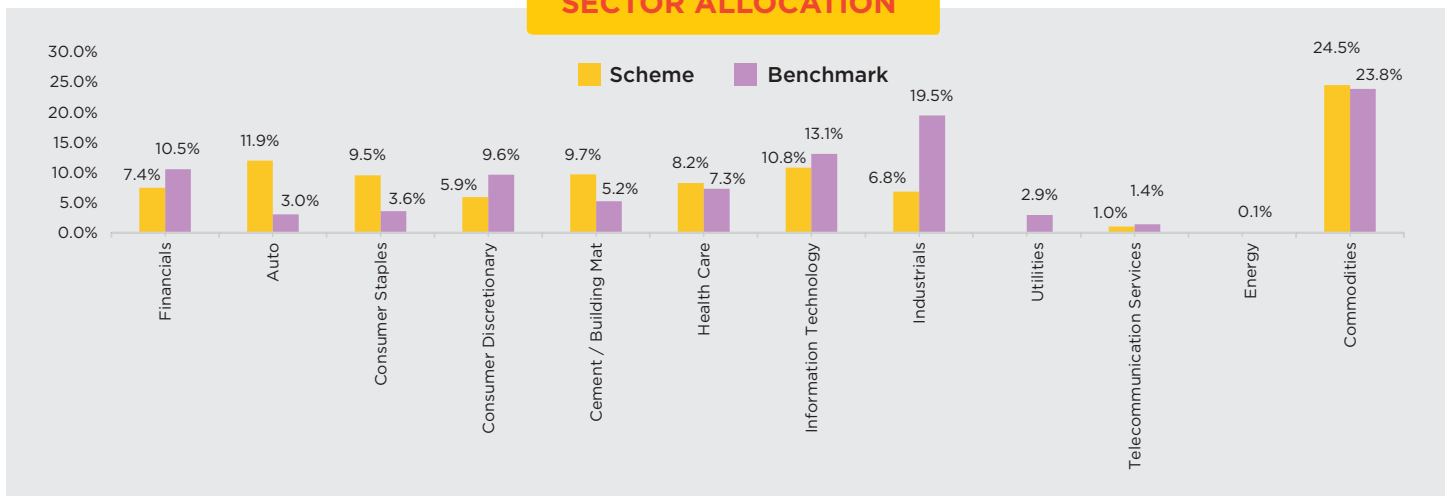
Options Available: The Scheme offer IDCW® Option & Growth Option. IDCW® Option under each Plan further offers of choice of Payout & Sweep facilities.

@Income Distribution cum capital withdrawal

Name of the Instrument	% to NAV	Name of the Instrument	% to NAV
Equity and Equity related Instruments	95.83%	Pharmaceuticals	4.30%
Consumer Non Durables	13.12%	Gland Pharma	1.50%
Radico Khaitan	4.35%	FDC	1.42%
Balrampur Chini Mills	2.39%	Laurus Labs	1.38%
DCM Shriram	1.20%	Healthcare Services	3.93%
Heritage Foods	1.10%	Narayana Hrudayalaya	1.87%
DFM Foods	0.97%	Krishna Institute of Medical Sciences	1.05%
United Spirits	0.86%	Krsnaa Diagnostics	1.01%
Emami	0.86%	Cement & Cement Products	3.69%
Godfrey Phillips India	0.73%	Sagar Cements	2.05%
Jyothy Labs	0.65%	JK Lakshmi Cement	1.64%
Industrial Products	11.20%	Capital Markets	3.67%
Shaily Engineering Plastics	3.57%	Multi Commodity Exchange of India	1.95%
Graphite India	1.84%	UTI Asset Management Company	1.73%
Polycab India	1.77%	Pesticides	2.95%
Carborundum Universal	1.39%	Heranba Industries	1.54%
EPL	1.08%	Rallis India	1.42%
Kirloskar Brothers	0.81%	Banks	2.29%
Huhtamaki India	0.74%	State Bank of India	1.90%
Software	10.79%	Suryoday Small Finance Bank	0.39%
Birlasoft	3.27%	Auto	2.19%
Zensar Technologies	2.36%	Ashok Leyland	1.22%
Cyient	2.11%	Tata Motors	0.97%
eClerx Services	2.04%	Commercial Services	2.14%
Mastek	1.01%	TeamLease Services	2.14%
Chemicals	8.22%	Petroleum Products	1.73%
NOCIL	3.47%	Gulf Oil Lubricants India	1.73%
Navin Fluorine International	3.20%	Power	1.49%
Chemcon Speciality Chemicals	0.79%	Kalpataru Power Transmission	1.49%
Chemplast Sanmar	0.77%	Textiles - Cotton	1.47%
Auto Ancillaries	8.02%	Nitin Spinners	0.88%
Wheels India	1.95%	Vardhman Textiles	0.59%
Alicon Castalloy	1.92%	Retailing	1.30%
GNA Axles	1.65%	V-Mart Retail	1.30%
Jamna Auto Industries	1.46%	Telecom - Services	0.99%
Automotive Axles	1.04%	Bharti Airtel	0.99%
Consumer Durables	5.27%	Construction Project	0.98%
Kajaria Ceramics	2.71%	Power Mech Projects	0.98%
Mayur Uniquoters	1.07%	Finance	0.94%
Cera Sanitaryware	0.94%	JM Financial	0.63%
Greenply Industries	0.55%	Poonawalla Fincorp	0.31%
Leisure Services	4.63%	Insurance	0.51%
Westlife Development	2.01%	SBI Life Insurance Company	0.51%
Jubilant Foodworks	1.06%	Net Cash and Cash Equivalent	4.17%
EIH	0.85%		
Burger King India	0.70%	Grand Total	100.00%



SECTOR ALLOCATION



This product is suitable for investors who are seeking*:

- To create wealth over long term
- Investment in equity and equity related instruments of Small 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