



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

- 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: Value
Monthly Avg AUM: ₹3,950.42 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: 1.07
R Square: 0.97
Standard Deviation (Annualized): 30.60%
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.

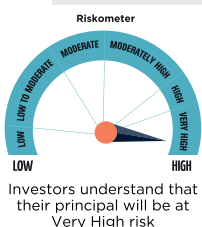
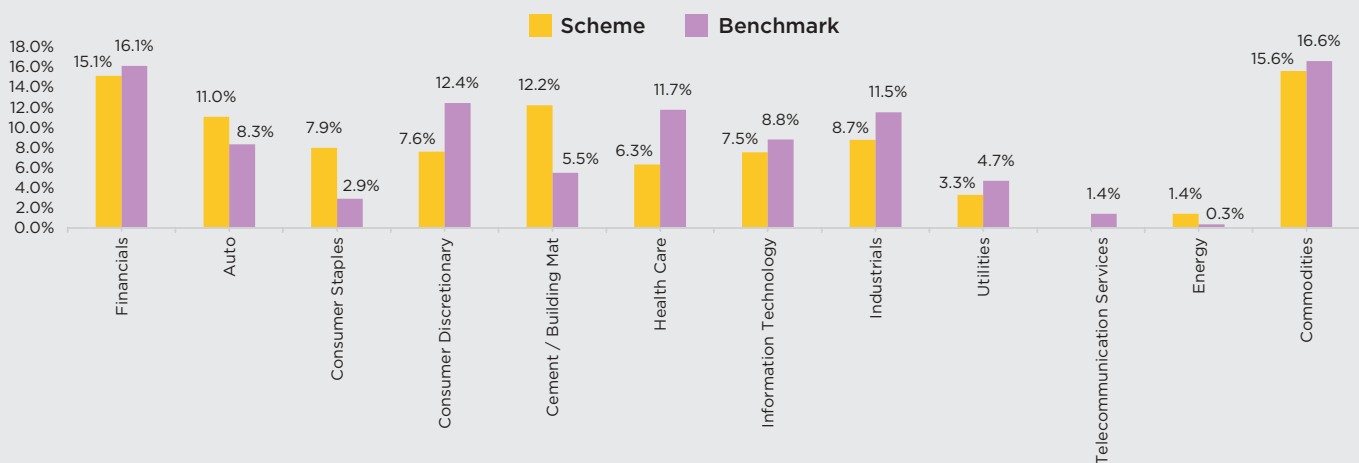
*The above mentioned is the current strategy of the Fund Manager. However, asset allocation and investment strategy shall be within broad parameters of Scheme Information Document.

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	96.50%	Bharat Forge	1.92%
Banks	8.94%	Polycab India	1.87%
ICICI Bank	4.14%	Chemicals	5.02%
Axis Bank	2.07%	Deepak Nitrite	4.01%
State Bank of India	1.82%	SRF	1.02%
RBL Bank	0.91%	Ferrous Metals	4.30%
Consumer Non Durables	8.79%	Jindal Steel & Power	2.83%
Emami	2.54%	Kirloskar Ferrous Industries	0.92%
Radico Khaitan	2.52%	Maharashtra Seamless	0.56%
Tata Consumer Products	2.06%	Power	3.43%
Avanti Feeds	0.85%	KEC International	2.45%
Godrej Consumer Products	0.83%	Kalpataru Power Transmission	0.98%
Cement & Cement Products	7.68%	Gas	3.26%
JK Cement	2.42%	Gujarat Gas	3.26%
The Ramco Cements	1.77%	Finance	3.17%
Ambuja Cements	1.16%	Poonawalla Fincorp	1.82%
Sagar Cements	1.02%	Mas Financial Services	1.35%
Nuvoco Vistas Corporation	0.70%	Insurance	2.63%
Prism Johnson	0.62%	SBI Life Insurance Company	1.43%
Software	7.48%	ICICI Lombard General Insurance Company	1.20%
HCL Technologies	2.37%	Leisure Services	2.61%
Birlasoft	2.09%	The Indian Hotels Company	1.72%
Persistent Systems	1.67%	EIH	0.89%
Zensar Technologies	1.35%	Construction Project	2.11%
Auto Ancillaries	6.90%	NCC	2.11%
Minda Industries	2.50%	Transportation	1.85%
Wheels India	1.74%	VRL Logistics	1.85%
Bosch	1.63%	Textiles - Cotton	1.82%
Tube Investments of India	1.03%	Vardhman Textiles	1.82%
Consumer Durables	6.61%	Textile Products	1.81%
Voltas	2.00%	K.P.R. Mill	1.60%
Greenpanel Industries	1.82%	Dollar Industries	0.21%
Butterfly Gandhimathi Appliances	1.13%	Retailing	1.62%
Mayur Uniquoters	0.86%	V-Mart Retail	1.62%
Greenply Industries	0.81%	Petroleum Products	1.36%
Pharmaceuticals	6.27%	Bharat Petroleum Corporation	1.36%
Cipla	2.08%	Industrial Capital Goods	1.33%
Aurobindo Pharma	1.50%	CG Power and Industrial Solutions	1.33%
IPCA Laboratories	1.16%	Auto	1.30%
Sun Pharmaceutical Industries	0.75%	Tata Motors	1.30%
Alembic Pharmaceuticals	0.61%	Capital Markets	0.36%
Laurus Labs	0.17%	ICICI Securities	0.36%
Industrial Products	5.83%	Net Cash and Cash Equivalent	3.50%
Graphite India	2.04%	Grand Total	100.00%



SECTOR ALLOCATION



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.