



IDFC CORE EQUITY FUND

Large & Mid Cap Fund - An open ended equity scheme investing in both large cap and mid cap stocks

IDFC Core Equity Fund is a diversified equity fund with a large & mid cap bias currently. The focus of the fund is to build a portfolio of Quality companies while being cognizant of the relative valuation.

FUND PHILOSOPHY

The fund builds a portfolio of quality stocks with lower relative valuations. Quality (for non-financial stocks) is ascribed on three fronts – conversion of EBIDTA to operating cash – OCF as % of EBIDTA > 33%; Moderate leverage: Debt/EBIDTA < 3x; Profitability: EBIDTA / Net operating Assets > 30%. Companies that qualify on these three parameters and those which are relatively cheaper within a peer group on P/B basis form part of the 'quality' universe. Roughly 50% of the portfolio will comprise of such quality companies; ~30% would be for financial sector and balance 20% would be invested in benchmark heavyweights and themes, which we expect to play out over next 6/12 months. On a tactical basis, the fund may take a part of its overall holding through near month stock futures.

OUTLOOK

Corporates are reporting the lowest ever leverage and as per credit rating agencies, CY21 continued to report more upgrades over downgrades. With interest rates close to their historical lows, Corporates boosted by their balance sheet improvement are expected to announce cap-ex. Government policies like PLI, could be another factor which could spur a cap-ex cycle.

In such a context, the upcoming earnings season assumes greater criticality, as FY23 & FY24 estimates will be reviewed post the results. At first glance, the current commodity induced inflation will play havoc to Q1 FY23 estimates as Gross margins will be sharply impacted. This may have been already factored given the sharp fall during the last fortnight of March'22. What the market will focus on is the management commentary on rest of FY23 – sales growth momentum, price hikes and EBIDTA margin protection going ahead. Unless the commentary from managements underlines despair, FY24 estimates will be largely left untouched, as of now.

For the next couple of quarters, Indian markets could be influenced more by global gyrations rather than domestic news cycle. For investors, investing in periods of higher inflation, declining growth and uncertain geo-politics, caution over aggression may be a better strategy – give up FOMO (Fear of Missing Out) and embrace ALRE (Accept Lower Return Expectations).

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.

[^]The benchmark of the fund has been revised from S&P BSE 200 TRI to Nifty LargeMidcap 250 TRI w.e.f. 7th October 2019

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).

FUND FEATURES: (Data as on 31st March'22)

Category: Large & Mid Cap

Monthly Avg AUM: ₹ 2,340.93 Crores

Inception Date: 9th August 2005

Fund Manager: Mr. Anoop Bhaskar (w.e.f. 30/04/2016)

Benchmark: NIFTY LargeMidcap 250 TRI (w.e.f. 7th October 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))

Other Parameters:

Beta: 1.00

R Squared: 0.96

Standard Deviation (Annualized): 23.28%

PLAN	IDCW@ RECORD DATE	₹/UNIT	NAV
REGULAR	22-Jul-21	0.95	19.1100
	16-Mar-20	1.03	12.0100
	14-Mar-19	0.80	15.4200
DIRECT	22-Jul-21	1.19	23.9400
	16-Mar-20	0.39	13.7900
	14-Mar-19	0.90	17.4700

[®]Income Distribution cum capital withdrawal

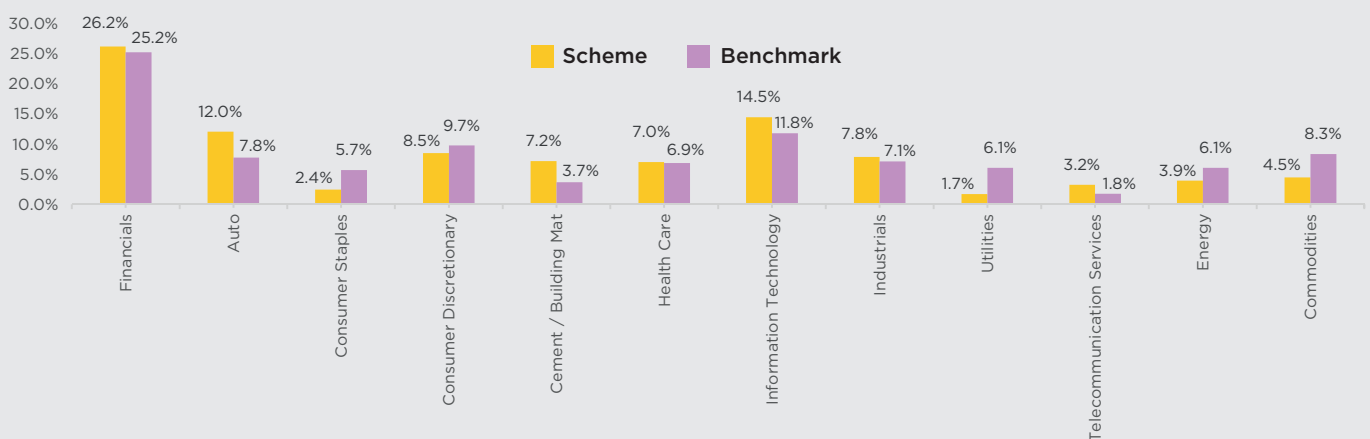
Ratios calculated on the basis of 3 years history of monthly data.

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	98.86%	Minda Industries	0.91%
Banks	23.48%	Wheels India	0.77%
ICICI Bank	6.77%	MRF	0.51%
HDFC Bank	5.67%	Petroleum Products	3.95%
State Bank of India	4.76%	Reliance Industries	3.76%
Axis Bank	2.34%	Bharat Petroleum Corporation	0.19%
The Federal Bank	1.52%	Telecom - Services	3.20%
Bank of Baroda	0.92%	Bharti Airtel	3.20%
Canara Bank	0.77%	Leisure Services	2.99%
Indian Bank	0.72%	The Indian Hotels Company	2.99%
Software	14.45%	Ferrous Metals	2.68%
Infosys	7.24%	Jindal Steel & Power	2.68%
HCL Technologies	2.32%	Power	2.62%
Tata Consultancy Services	2.28%	Kalpataru Power Transmission	0.97%
Birlasoft	1.08%	Torrent Power	0.92%
Tech Mahindra	0.88%	KEC International	0.72%
Zensar Technologies	0.64%	Retailing	2.53%
Mastek	0.02%	Aditya Birla Fashion and Retail	2.53%
Pharmaceuticals	7.02%	Construction Project	2.47%
Sun Pharmaceutical Industries	2.11%	Larsen & Toubro	2.47%
IPCA Laboratories	1.40%	Consumer Non Durables	2.42%
Alkem Laboratories	1.21%	Tata Consumer Products	0.91%
Alembic Pharmaceuticals	1.04%	Emami	0.77%
Natco Pharma	0.60%	Godrej Consumer Products	0.74%
Laurus Labs	0.48%	Chemicals	1.75%
Indoco Remedies	0.18%	Deepak Nitrite	1.75%
Industrial Products	5.99%	Consumer Durables	1.50%
Bharat Forge	1.80%	Voltas	1.29%
Cummins India	1.76%	Metro Brands	0.21%
Supreme Industries	1.26%	Insurance	1.47%
AIA Engineering	0.83%	Max Financial Services	0.78%
Astral	0.33%	SBI Life Insurance Company	0.69%
Auto	5.59%	Entertainment	1.47%
Mahindra & Mahindra	2.40%	PVR	1.47%
Tata Motors	2.32%	Industrial Capital Goods	1.08%
Maruti Suzuki India	0.87%	ABB India	1.08%
Cement & Cement Products	5.58%	Capital Markets	0.79%
ACC	1.90%	ICICI Securities	0.79%
The Ramco Cements	1.46%	Gas	0.78%
UltraTech Cement	1.24%	Gujarat State Petronet	0.78%
Nuvoco Vistas Corporation	0.64%	Finance	0.40%
Ambuja Cements	0.33%	Mas Financial Services	0.40%
Auto Ancillaries	4.65%	Net Cash and Cash Equivalent	1.14%
Apollo Tyres	1.36%		
Bosch	1.10%	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 in large and mid-cap companies. <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>NIFTY LargeMidcap 250 TRI</p>
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