



## 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

#### How has been the November for Equity markets?

Global equities strengthened across regions (+7.6% MoM/-16.4% YTD). Brazil was the only outlier while all other regions improved (US surging 5%/China +30%/Euro area up 11%).

**Indian equities (MSCI India) gained (USD terms, +5% MoM/-3% YTD)**, while underperforming the region and its peers (MSCI APxJ/EM: -17%/+15% MoM). Performance of both mid-caps (up -2% MoM) and small caps (up -3% MoM) was positive, though weaker than large caps (up -4% MoM). All sectors barring Consumer Discretionary, Auto and Utilities ended the month in the green as NIFTY improved (up ~4% MoM), clocking a new lifetime high of 18,758 at the close of the month. INR appreciated by 1.7% MoM, reaching -81.43/USD in November. DXY (Dollar Index) weakened 5% over the month, closing the month at 105.95 (from 111.53 a year earlier).

After the exhilarating moves in CY 20 and CY 21, market movement during CY 22 has been more sedate. Nifty50 till a few weeks back was flirting with negative return on a calendar year basis. Clearly, equity returns have been underwhelming. Yet, the markets have climbed the proverbial “walls of worry” to cross the previous peak touched in Oct’21.

Is the Indian market overvalued, as a result becomes a difficult question to answer. “Are we in bubble territory” would be a relatively easier question to answer – No. A simple, yet effective test of the market valuation would be to compare Small Cap Index earnings to Nifty50. In CY 17, Small cap index traded at a premium to Nifty and needed a trigger to unravel. Thankfully, in the market rally since Apr’2020, Small cap index has never traded at a premium to Nifty. Thus, while valuations may be elevated we are not in bubble territory.

This should be the most important take away for investors, moderate return expectations not equity allocation at the current juncture. this train can chug along for some more time.

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.

<sup>^</sup>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 30th November’22)

**Category:** Large & Mid Cap

**Monthly Avg AUM:** ₹ 2,498.66 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 Dates : (Monthly/Quarterly\*)** Investor may choose any day of the month except 29th, 30th & 31st of instalment. \*Any day of next month from the Quarter end.

**Options Available:** Growth, IDCW<sup>®</sup> - (Payout, Reinvestment and Sweep (from Equity Schemes to Debt Schemes only))

#### Other Parameters:

**Beta:** 0.98

**R Squared:** 0.97

**Standard Deviation (Annualized):** 23.54%

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

<sup>®</sup>Income Distribution cum capital withdrawal

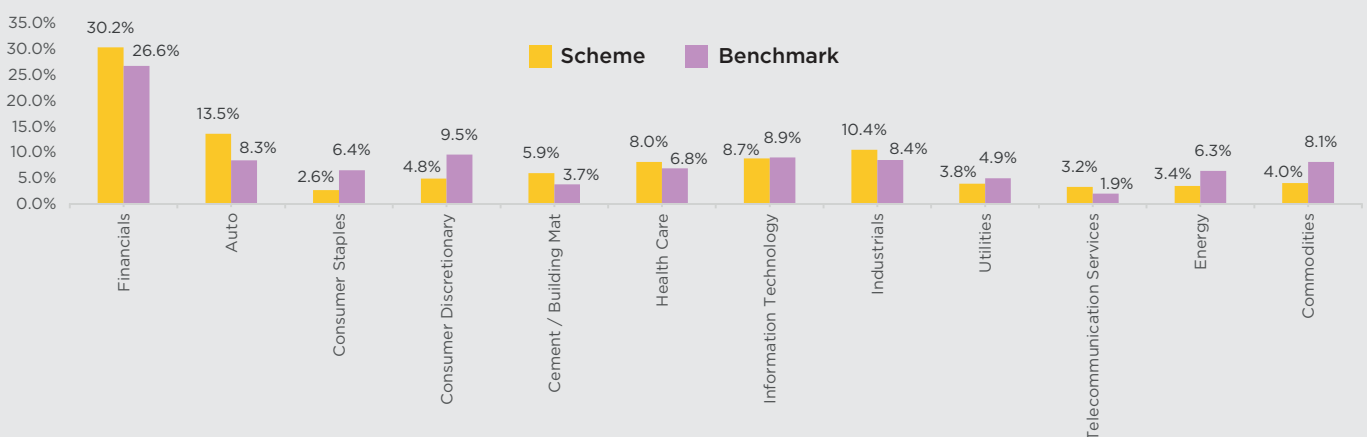
Ratios calculated on the basis of 3 years history of monthly data.

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
<b>Equity and Equity related Instruments</b>	<b>98.72%</b>	ACC	1.32%
<b>Banks</b>	<b>25.94%</b>	<b>Construction</b>	<b>4.42%</b>
ICICI Bank	7.02%	Larsen & Toubro	3.14%
HDFC Bank	6.05%	Kalpataru Power Transmission	1.28%
State Bank of India	4.72%	<b>Petroleum Products</b>	<b>3.42%</b>
Axis Bank	1.93%	Reliance Industries	3.42%
Canara Bank	1.49%	<b>Telecom - Services</b>	<b>3.23%</b>
The Federal Bank	1.41%	Bharti Airtel	3.23%
IndusInd Bank	1.34%	<b>Finance</b>	<b>2.56%</b>
Bank of Baroda	1.08%	LIC Housing Finance	0.89%
Indian Bank	0.91%	M&M Financial Services	0.86%
<b>IT - Software</b>	<b>8.73%</b>	Mas Financial Services	0.81%
Infosys	5.21%	<b>Ferrous Metals</b>	<b>2.48%</b>
HCL Technologies	1.89%	Jindal Steel & Power	2.48%
Tata Consultancy Services	1.23%	<b>Leisure Services</b>	<b>2.46%</b>
Zensar Technologies	0.40%	The Indian Hotels Company	2.46%
<b>Pharmaceuticals &amp; Biotechnology</b>	<b>8.04%</b>	<b>Gas</b>	<b>2.38%</b>
Sun Pharmaceutical Industries	2.32%	Gujarat Gas	1.20%
IPCA Laboratories	1.21%	Gujarat State Petronet	1.18%
Alkem Laboratories	1.01%	<b>Retailing</b>	<b>2.02%</b>
Alembic Pharmaceuticals	0.80%	Aditya Birla Fashion and Retail	2.02%
Torrent Pharmaceuticals	0.77%	<b>Electrical Equipment</b>	<b>1.97%</b>
Cipla	0.68%	ABB India	1.21%
Natco Pharma	0.45%	KEC International	0.76%
Zydus Lifesciences	0.44%	<b>Diversified FMCG</b>	<b>1.61%</b>
Lupin	0.36%	ITC	1.61%
<b>Industrial Products</b>	<b>6.60%</b>	<b>Chemicals &amp; Petrochemicals</b>	<b>1.50%</b>
Bharat Forge	1.82%	Deepak Nitrite	1.50%
Cummins India	1.77%	<b>Power</b>	<b>1.47%</b>
AIA Engineering	1.59%	NTPC	0.99%
Supreme Industries	1.41%	Tata Power Company	0.47%
<b>Automobiles</b>	<b>6.17%</b>	<b>Insurance</b>	<b>1.09%</b>
Mahindra & Mahindra	2.65%	Max Financial Services	0.74%
Tata Motors	1.67%	Life Insurance Corporation of India	0.35%
Maruti Suzuki India	1.09%	<b>Personal Products</b>	<b>1.02%</b>
Hero MotoCorp	0.76%	Emami	1.02%
<b>Auto Components</b>	<b>5.53%</b>	<b>Capital Markets</b>	<b>0.65%</b>
Bosch	1.24%	ICICI Securities	0.65%
UNO Minda	1.03%	<b>Diversified</b>	<b>0.63%</b>
Apollo Tyres	1.00%	3M India	0.63%
Wheels India	0.88%	<b>Consumer Durables</b>	<b>0.34%</b>
MRF	0.85%	Metro Brands	0.34%
Endurance Technologies	0.54%	<b>Net Cash and Cash Equivalent</b>	<b>1.28%</b>
<b>Cement &amp; Cement Products</b>	<b>4.48%</b>	<b>Grand Total</b>	<b>100.00%</b>
The Ramco Cements	1.65%		
UltraTech Cement	1.51%		



**SECTOR ALLOCATION**



<p><b>Scheme risk-o-meter</b></p> <p>Investors understand that their principal will be at Very High risk</p>	<p><b>This product is suitable for investors who are seeking*</b></p> <ul style="list-style-type: none"> <li>To create wealth over long term.</li> <li>Investment predominantly in equity and equity related instruments in large and mid-cap companies.</li> </ul> <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<p><b>Benchmark risk-o-meter</b></p> <p>NIFTY LargeMidcap 250 TRI</p>
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