



IDFC FOCUSED EQUITY FUND

An open ended equity scheme investing in maximum 30 stocks with multi cap focus

IDFC Focused Equity Fund is a concentrated portfolio of up to 30 stocks with the flexibility to invest across sectors and across market cap.

FUND PHILOSOPHY*

IDFC Focused Equity Fund is an equity oriented fund investing across the market cap curve. It holds a concentrated portfolio comprising of a mix of core and tactical ideas limited to a maximum of 30 stocks. The core portfolio of the fund primarily invests in businesses that are growth oriented and have superior quality characteristics. The tactical part of the portfolio largely comprises of businesses that have the potential to turnaround driven by change in internal/external environment.

Under the SEBI scheme classification, IDFC Focused Equity Fund is categorized under "Focused" Funds. At an industry level, while these funds are classified as "Focused", their market cap orientation is not defined clearly and by this nature they are also "Multi-Cap".

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.

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: Focused

Monthly Avg AUM: ₹ 1,317.86 Crores

Inception Date: 16th March 2006

Fund Manager: Mr Sumit Agarwal
(w.e.f 20/10/2016)

Other Parameters:

Beta: 0.88

R Squared: 0.91

Standard Deviation (Annualized):
20.75%

Benchmark: S&P BSE 500 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)

Minimum SIP Amount*: ₹1,00/-

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® - (Payout, Reinvestment and Sweep (from Equity Schemes to Debt Schemes only))

PLAN	IDCW® RECORD DATE	₹/UNIT	NAV
REGULAR	22-Jul-21	0.77	15.4500
	16-Mar-20	0.67	10.7600
	26-Mar-18	0.83	13.4883
DIRECT	22-Jul-21	1.29	25.8900
	26-Mar-18	0.25	19.0688
	24-Jan-17	1.20	14.6625

@Income Distribution cum capital withdrawal

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

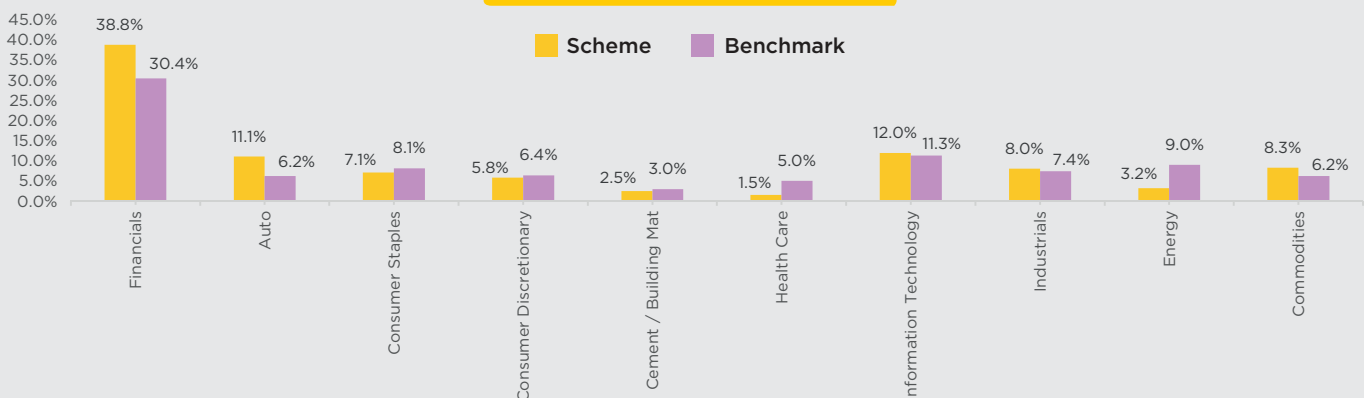
The above mentioned is the current strategy of the Fund Manager. However, asset allocation and investment strategy shall be within broad parameters of Scheme Information Document.

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

Name of the Instrument	% to NAV
Equity and Equity related Instruments	98.28%
Banks	34.54%
HDFC Bank	9.83%
ICICI Bank	9.81%
State Bank of India	6.42%
Axis Bank	4.24%
IndusInd Bank	4.24%
IT - Software	9.18%
Infosys	5.58%
Larsen & Toubro Infotech	2.56%
Mphasis	1.04%
Automobiles	8.43%
Maruti Suzuki India	4.80%
TVS Motor Company	3.63%
Chemicals & Petrochemicals	8.29%
Anupam Rasayan India	3.50%
Rossari Biotech	2.99%
Tata Chemicals	1.81%
Finance	4.21%
Cholamandalam Invt and Fin Co	3.22%
Bajaj Finance	1.00%
Realty	4.13%
Sunteck Realty	2.47%
The Phoenix Mills	1.66%
Leisure Services	3.85%
The Indian Hotels Company	1.97%
Jubilant Foodworks	1.88%
Food Products	3.25%
Prataap Snacks	3.25%
Petroleum Products	3.22%
Reliance Industries	3.22%
IT - Services	2.78%
L&T Technology Services	2.78%
Industrial Products	2.63%
Bharat Forge	2.63%
Cement & Cement Products	2.53%
UltraTech Cement	2.53%
Diversified	2.01%
3M India	2.01%
Retailing	1.99%
Trent	1.99%
Diversified FMCG	1.94%
Hindustan Unilever	1.94%
Personal Products	1.90%
Godrej Consumer Products	1.90%
Electrical Equipment	1.87%
ABB India	1.87%
Pharmaceuticals & Biotechnology	1.53%
Divi's Laboratories	1.53%
Net Cash and Cash Equivalent	1.72%
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 in a concentrated portfolio of equity and equity related instruments of up to 30 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>S&P BSE 500 TRI</p>
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