



## IDFC Transportation and Logistics Fund

An open-ended equity scheme investing in transportation and logistics sector

The Scheme seeks to generate long-term capital growth by investing predominantly in equity and equity related securities of companies engaged in the transportation and logistics sector.

### FUND PHILOSOPHY

The fund would invest at least 80% of the corpus in securities of companies that broadly represent the transportation & logistics sector within basic industries like passenger vehicles, commercial vehicles, motorcycles, airlines, shipping, e-commerce companies into delivery business and logistics solution providers etc. The investment would be based on a bottom-up stock selection approach and would take a concentrated bet on certain businesses with stock concentration of 30-40 stocks. Fund would remain market cap agnostic and focus on businesses having long runaways for growth with no or limited technology/obsolescence risk.

### 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.

#### FUND FEATURES:

(Data as on 30th November'22)

**Category:** Sector

**Monthly Avg AUM:** ₹ 237.61 Crores

**Inception Date:** 27 October 2022

**Fund Manager:** Mr. Daylynn Pinto (equity portion), Mr. Harshal Joshi (debt portion) Ms. Nishita Doshi (will be managing overseas investment portion of the scheme.)

**Benchmark:** Nifty Transportation and Logistics Index

**Minimum Investment Amount:** ₹ 5,000/- and in multiples of Re. 1/- thereafter

#### Exit Load:

- ▶ If redeemed/switched out within 1 year from the date of allotment - 1% of applicable NAV.
- ▶ If redeemed/switched out after 1 year from the date of allotment - Nil.

**SIP Frequency:** Monthly, Quarterly

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

**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.

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

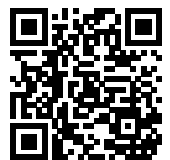
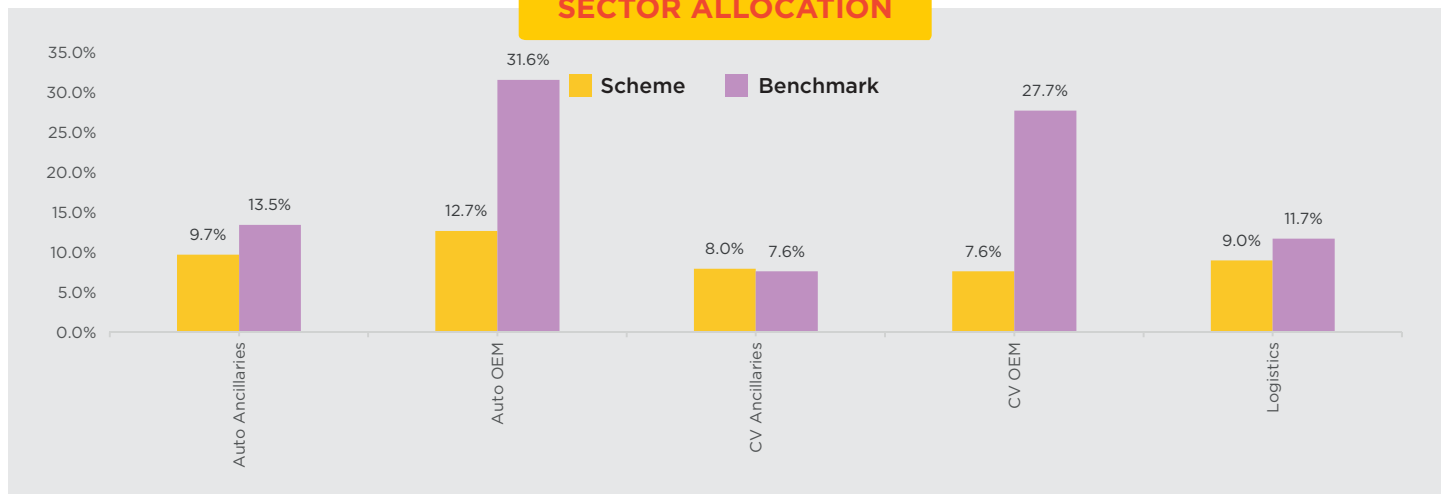
Disclaimer: There is no assurance or guarantee that the objectives of the scheme will be realised.

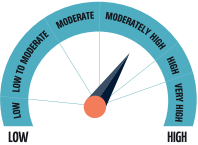
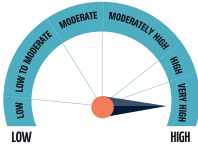
**MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.**

**PORTFOLIO**

(30 November 2022)

Name of the Instrument	Rating	% to NAV
<b>Equity and Equity related Instruments</b>		<b>47.06%</b>
<b>Automobiles</b>		<b>18.03%</b>
Maruti Suzuki India		4.38%
Hero MotoCorp		4.06%
Mahindra & Mahindra		3.98%
Bajaj Auto		2.29%
Eicher Motors		1.98%
Tata Motors		1.34%
<b>Auto Components</b>		<b>17.71%</b>
Apollo Tyres		3.22%
Bosch		2.07%
MRF		1.90%
Schaeffler India		1.74%
Sandhar Technologies		1.39%
Automotive Axles		1.23%
Exide Industries		1.15%
Jamna Auto Industries		1.15%
Sundram Fasteners		1.12%
Alicon Castalloy		1.03%
Steel Strips Wheels		0.94%
GNA Axles		0.77%
<b>Transport Services</b>		<b>6.31%</b>
InterGlobe Aviation		2.17%
Container Corporation of India		1.41%
Gateway Distriparks		1.37%
VRL Logistics		1.36%
<b>Transport Infrastructure</b>		<b>2.69%</b>
Adani Ports and Special Economic Zone		2.69%
<b>Agricultural, Commercial &amp; Construction Vehicles</b>		<b>2.32%</b>
Escorts Kubota		2.32%
<b>Net Cash and Cash Equivalent</b>		<b>52.94%</b>
<b>Grand Total</b>		<b>100.00%</b>


**SECTOR ALLOCATION**


Scheme risk-o-meter	This product is suitable for investors who are seeking*	Benchmark risk-o-meter
 <p>Investors understand that their principal will be at Moderately High Risk</p>	<ul style="list-style-type: none"> <li>To create wealth over a long term.</li> <li>Investment predominantly in equity and equity related instruments of the companies engaged in the transportation and logistics sector.</li> </ul> <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	 <p>Nifty Transportation and Logistics Index</p>