



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

“CY21 was a year of strong earnings growth, driven by cyclical earnings recovery. The earnings upgrades have been broad-based, though some narrowing has been seen in the last 2 quarters. CY22 sees the return of state elections. While elections by themselves may not trigger a market collapse, volatility could be more pronounced in CY22 as compared to earlier years. After the unintended consequence of inflation, as registered by metal and cement companies, more impact of inflation could be felt during CY22. While the last two decades have implanted China as the manufacturing hub for the world, the recent geopolitical tensions provide India with an opportunity to move from the side stage of global supply to an emerging and central player in the global supply chain for the future. CY2022 could be a year where the markets revisit a higher level of volatility, a feature missing through most of the period since April'20.”

FUND FEATURES: (Data as on 31st December'21)
Category: Value
Monthly Avg AUM: ₹4263.63 Crores
Inception Date: 7th March 2008
Fund Manager: Mr. Anoop Bhaskar (w.e.f. 30th April 2016) & Mr. Daylynn Pinto (w.e.f. 20th October 2016)
Other Parameters:
Beta: 1.27
R Squared: 0.87
Standard Deviation (Annualized): 29.84%
Benchmark: Tier 1: S&P BSE 500 TRI (w.e.f. 28th Dec, 2021) Tier 2: S&P BSE 400 MidSmallCap TRI
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.

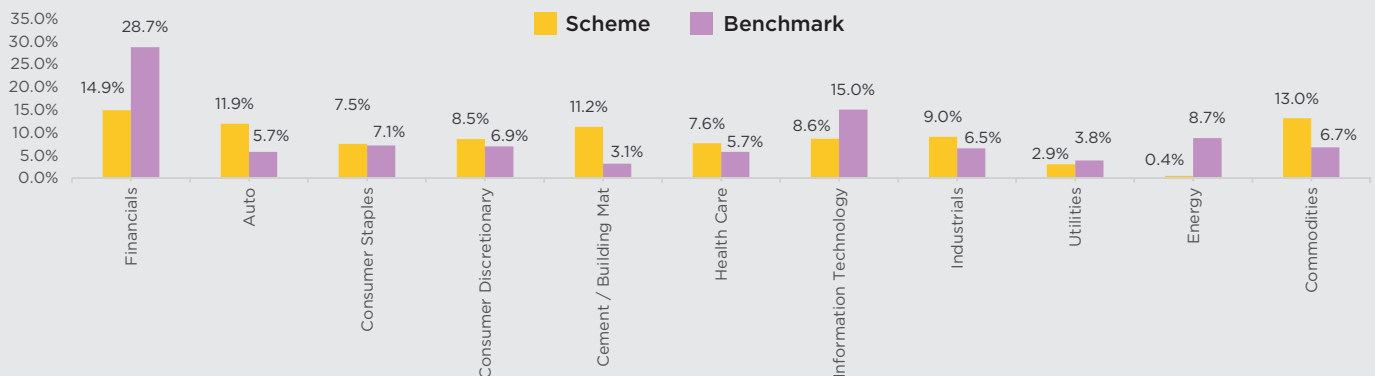
*The above mentioned is the current strategy of the Fund Manager. However, asset allocation and investment strategy shall be within broad parameters of Scheme Information Document.

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	96.12%	Sagar Cements	0.85%
Banks	10.13%	Industrial Products	5.09%
ICICI Bank	4.34%	Polycab India	1.83%
Axis Bank	2.68%	Bharat Forge	1.65%
State Bank of India	2.28%	Graphite India	1.61%
Bank of Baroda	0.83%	Ferrous Metals	3.65%
Software	8.83%	Jindal Steel & Power	2.89%
Tata Consultancy Services	2.74%	Kirloskar Ferrous Industries	0.76%
HCL Technologies	2.68%	Leisure Services	3.17%
Persistent Systems	1.77%	The Indian Hotels Company	2.19%
Zensar Technologies	1.65%	EIH	0.98%
Consumer Non Durables	8.49%	Chemicals	3.09%
Radico Khaitan	2.99%	Deepak Nitrite	3.09%
Tata Consumer Products	1.68%	Finance	3.07%
Emami	1.49%	Poonawalla Fincorp	2.08%
Avanti Feeds	1.30%	Mas Financial Services	1.00%
Godrej Consumer Products	1.03%	Industrial Capital Goods	2.67%
Pharmaceuticals	8.02%	CG Power and Industrial Solutions	2.67%
Cipla	2.13%	Power	2.66%
Aurobindo Pharma	1.41%	KEC International	2.38%
Sun Pharmaceutical Industries	1.33%	Kalpataru Power Transmission	0.28%
IPCA Laboratories	1.31%	Gas	2.58%
Laurus Labs	1.03%	Gujarat Gas	2.58%
Alembic Pharmaceuticals	0.81%	Textile Products	2.41%
Auto Ancillaries	7.85%	K.P.R. Mill	2.41%
Minda Industries	3.79%	Insurance	2.24%
Bosch	1.83%	SBI Life Insurance Company	1.29%
Wheels India	1.19%	ICICI Lombard General Insurance Company	0.95%
Tube Investments of India	1.03%	Transportation	2.03%
Consumer Durables	7.27%	VRL Logistics	2.03%
Greenpanel Industries	2.65%	Auto	1.85%
Voltas	2.10%	Tata Motors	1.85%
Butterfly Gandhimathi Appliances	1.62%	Construction Project	1.68%
Mayur Uniquoters	0.90%	NCC	1.68%
Cement & Cement Products	6.36%	Retailing	1.52%
JK Cement	1.88%	V-Mart Retail	1.52%
The Ramco Cements	1.58%	Textiles - Cotton	1.47%
Nuvoco Vistas Corporation	1.07%	Vardhman Textiles	1.47%
Ambuja Cements	0.98%	Net Cash and Cash Equivalent	3.88%
		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 following a value investment strategy. <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>Tier 1: S&P BSE 500 TRI</p>	<p>Benchmark risk-o-meter</p> <p>Tier 2: S&P BSE 400 MidSmallCap</p>
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