



## 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

Q3 FY22 results have been largely encouraging, demand remained strong while, EBIDTA margin has compressed largely on account of the inflation across commodities. However, lower finance costs and robust cash generation has boosted profitability. Indian corporates, including Banks, enter FY23 with the strongest balance sheet probably since FY12.

Near term worries post the Ukraine-Russia conflict have stoked fears of further dislocation in supply chain, especially Gas, key industrial Metals and Agri Commodities. As a result, commodity prices have soared, with Brent crossing \$110/barrel levels. This could affect inflation in the coming months. In this context, a swift resolution to peace could be critical, as levers to boost supply of these commodities from RoW remain limited. The ferocity of the move in inflation could dampen investor sentiments. For equity investors, conflicts and wars have been phases of mixed emotion - during the crisis, regret of being fully invested (RoFI) and once past the crisis, regret of missed opportunities (FOMO). Looking back, continuing with one's equity investments through such crisis generally has been the ideal strategy.

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 28th February'22)

**Category:** Large & Mid Cap

**Monthly Avg AUM:** ₹ 2,427.10 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<sup>®</sup> - (Payout, Reinvestment and Sweep (from Equity Schemes to Debt Schemes only))

**Other Parameters:**

**Beta:** 1.00

**R Squared:** 0.97

**Standard Deviation (Annualized):** 23.57%

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

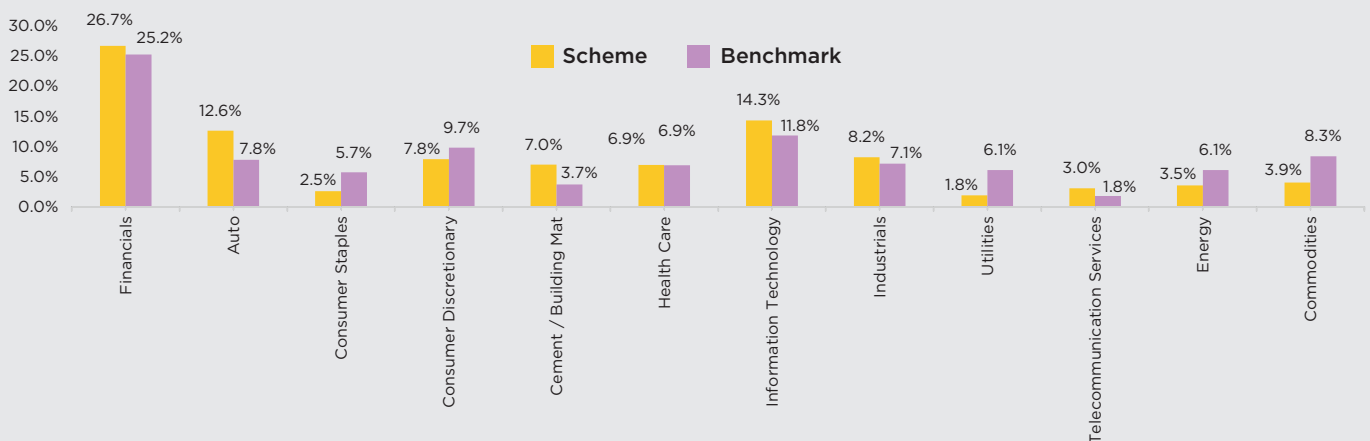
Ratios calculated on the basis of 3 years history of monthly data.

**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>98.24%</b>	Wheels India	0.93%
<b>Banks</b>	<b>23.76%</b>	MRF	0.53%
ICICI Bank	7.19%	<b>Petroleum Products</b>	<b>3.50%</b>
HDFC Bank	5.54%	Reliance Industries	3.15%
State Bank of India	4.83%	Bharat Petroleum Corporation	0.35%
Axis Bank	2.36%	<b>Telecom - Services</b>	<b>3.02%</b>
The Federal Bank	1.57%	Bharti Airtel	3.02%
Bank of Baroda	0.83%	<b>Power</b>	<b>2.92%</b>
Canara Bank	0.73%	Kalpataru Power Transmission	1.07%
Indian Bank	0.70%	Torrent Power	0.93%
<b>Software</b>	<b>14.30%</b>	KEC International	0.92%
Infosys	6.90%	<b>Construction Project</b>	<b>2.64%</b>
HCL Technologies	2.33%	Larsen & Toubro	2.64%
Tata Consultancy Services	2.28%	<b>Leisure Services</b>	<b>2.59%</b>
Birlasoft	1.00%	The Indian Hotels Company	2.59%
Tech Mahindra	0.89%	<b>Consumer Non Durables</b>	<b>2.54%</b>
Zensar Technologies	0.56%	Emami	0.88%
Mastek	0.33%	Tata Consumer Products	0.87%
<b>Pharmaceuticals</b>	<b>6.91%</b>	Godrej Consumer Products	0.79%
Sun Pharmaceutical Industries	2.02%	<b>Retailing</b>	<b>2.33%</b>
IPCA Laboratories	1.33%	Aditya Birla Fashion and Retail	2.33%
Alkem Laboratories	1.14%	<b>Ferrous Metals</b>	<b>2.33%</b>
Alembic Pharmaceuticals	1.06%	Jindal Steel & Power	2.33%
Natco Pharma	0.71%	<b>Chemicals</b>	<b>1.62%</b>
Laurus Labs	0.46%	Deepak Nitrite	1.62%
Indoco Remedies	0.19%	<b>Insurance</b>	<b>1.57%</b>
<b>Auto</b>	<b>5.74%</b>	Max Financial Services	0.89%
Tata Motors	2.41%	SBI Life Insurance Company	0.68%
Mahindra & Mahindra	2.39%	<b>Consumer Durables</b>	<b>1.55%</b>
Maruti Suzuki India	0.95%	Voltas	1.35%
<b>Industrial Products</b>	<b>5.62%</b>	Metro Brands	0.19%
Bharat Forge	1.81%	<b>Entertainment</b>	<b>1.36%</b>
Cummins India	1.56%	PVR	1.36%
Supreme Industries	1.31%	<b>Industrial Capital Goods</b>	<b>1.12%</b>
AIA Engineering	0.87%	ABB India	1.12%
Astral	0.08%	<b>Gas</b>	<b>0.90%</b>
<b>Cement &amp; Cement Products</b>	<b>5.59%</b>	Gujarat State Petronet	0.90%
ACC	1.92%	<b>Capital Markets</b>	<b>0.88%</b>
The Ramco Cements	1.56%	ICICI Securities	0.88%
UltraTech Cement	1.17%	<b>Finance</b>	<b>0.44%</b>
Nuvoco Vistas Corporation	0.58%	Mas Financial Services	0.44%
Ambuja Cements	0.36%	<b>Preference Shares</b>	<b>0.003%</b>
<b>Auto Ancillaries</b>	<b>5.00%</b>	<b>Entertainment</b>	<b>0.003%</b>
Apollo Tyres	1.37%	Zee Entertainment Enterprises	0.003%
Bosch	1.25%	<b>Net Cash and Cash Equivalent</b>	<b>1.76%</b>
Minda Industries	0.93%	<b>Grand Total</b>	<b>100.00%</b>



**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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