



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

The outperformance of Indian markets relative to global markets continued in Apr'22. Since Jan'21 the divergence in performance between US and India has been eye-popping. Given that Apr'22 witnessed large FII outflows, the strength of Indian retail flows – direct as well as through Mutual Funds was the fulcrum on which this performance was achieved. Over the longer term, earnings growth usually sets the pattern for the market. On that front, the early results, though a mixed bag, are not reporting anything alarming. While earning estimates may be cut for FY23, estimates for FY24 are still largely intact. Aggregate earnings may not appear to have changed much, as upgrades will be limited to a few sectors – Oil & Gas; Metals; Coal & Autos (maybe) the quantum of these upgrades will be equal to or higher than the cuts across a swathe of sectors like consumer staples; discretionary; pharmaceuticals; engineering; EPC, in short users of commodities.

We continue to believe that the elevated commodity prices could lead to either or both of these conditions – a) demand shrinkage, and or b) producers ramping up production, a combination of both should lead to a cooling-off price during the Second half of FY23! Whether this hypothesis works or we have a full-blown inflation scare, will have a material impact on the market move, going forward.

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 30th April'22)

Category: Large & Mid Cap

Monthly Avg AUM: ₹ 2,419.64 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[®] - (Payout, Reinvestment and Sweep (from Equity Schemes to Debt Schemes only))

Other Parameters:

Beta: 1.00

R Squared: 0.96

Standard Deviation (Annualized): 23.25%

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

[®]Income Distribution cum capital withdrawal

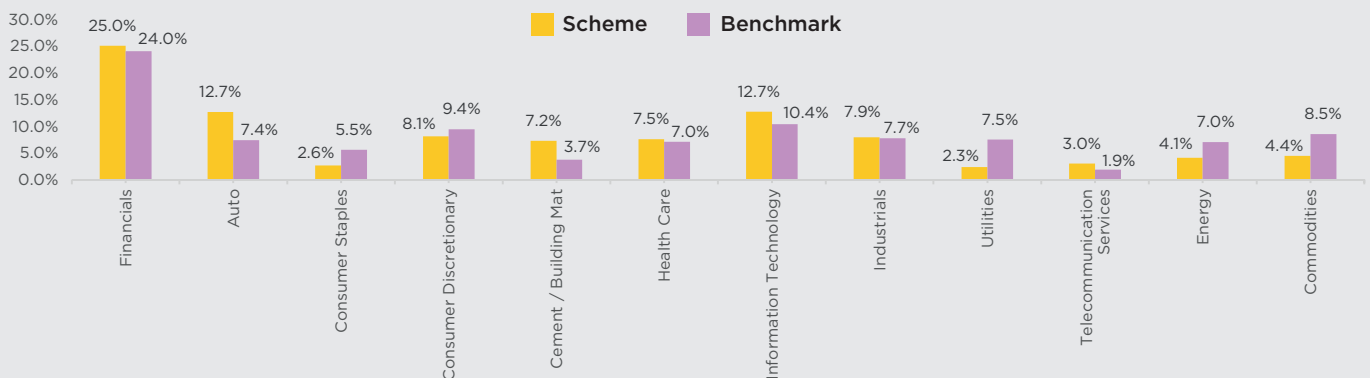
Ratios calculated on the basis of 3 years history of monthly data.

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
Equity and Equity related Instruments	97.43%	Apollo Tyres	0.86%
Banks	22.40%	MRF	0.58%
ICICI Bank	6.71%	Endurance Technologies	0.33%
HDFC Bank	5.44%	Petroleum Products	4.05%
State Bank of India	4.19%	Reliance Industries	4.05%
Axis Bank	2.28%	Construction	3.38%
The Federal Bank	1.12%	Larsen & Toubro	2.41%
Canara Bank	0.95%	Kalpataru Power Transmission	0.97%
Bank of Baroda	0.92%	Telecom - Services	2.95%
Indian Bank	0.78%	Bharti Airtel	2.95%
IT - Software	12.68%	Leisure Services	2.89%
Infosys	6.07%	The Indian Hotels Company	2.89%
Tata Consultancy Services	2.20%	Ferrous Metals	2.58%
HCL Technologies	2.11%	Jindal Steel & Power	2.58%
Birlasoft	0.98%	Retailing	2.34%
Tech Mahindra	0.71%	Aditya Birla Fashion and Retail	2.34%
Zensar Technologies	0.62%	Electrical Equipment	1.84%
Pharmaceuticals & Biotechnology	7.55%	ABB India	1.07%
Sun Pharmaceutical Industries	2.18%	KEC International	0.77%
IPCA Laboratories	1.35%	Chemicals & Petrochemicals	1.81%
Alembic Pharmaceuticals	1.12%	Deepak Nitrite	1.81%
Alkem Laboratories	1.07%	Personal Products	1.65%
Natco Pharma	0.63%	Emami	0.86%
Gland Pharma	0.54%	Godrej Consumer Products	0.79%
Laurus Labs	0.48%	Consumer Durables	1.52%
Indoco Remedies	0.16%	Voltas	1.33%
Automobiles	6.08%	Metro Brands	0.19%
Mahindra & Mahindra	2.79%	Power	1.50%
Tata Motors	2.39%	Torrent Power	1.02%
Maruti Suzuki India	0.90%	NTPC	0.48%
Industrial Products	5.96%	Entertainment	1.33%
Bharat Forge	1.80%	PVR	1.33%
Cummins India	1.65%	Finance	1.10%
Supreme Industries	1.20%	Mas Financial Services	0.65%
AIA Engineering	1.01%	SBI Cards and Payment Services	0.45%
Astral	0.31%	Agricultural Food & other Products	0.98%
Cement & Cement Products	5.73%	Tata Consumer Products	0.98%
ACC	1.99%	Gas	0.80%
The Ramco Cements	1.54%	Gujarat State Petronet	0.80%
UltraTech Cement	1.27%	Insurance	0.80%
Nuvoco Vistas Corporation	0.58%	Max Financial Services	0.80%
Ambuja Cements	0.34%	Capital Markets	0.73%
Auto Components	4.78%	ICICI Securities	0.73%
Bosch	1.13%	Net Cash and Cash Equivalent	2.57%
Wheels India	0.97%	Grand Total	100.00%
Minda Industries	0.91%		



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 in large and mid-cap 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>NIFTY LargeMidcap 250 TRI</p>
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