



## 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

**Global equities weakened** across regions (-10.1% MoM/ -26.7% YTD). All major Emerging markets (EM) / Developed markets (DM) regions were in the red with India outperforming the World and Emerging markets (-10.1%/-11.8%). In the current episode of US Dollar strengthening, Emerging markets have remained largely unscathed, as compared to previous periods in 2008 & 2013. With US 2-year yields crossing 4%, the spreads between US 10-year and EM 10-year Bonds have remained stable. Thus, defying the “conventional” response of expanding spreads during phases of US\$ strengthening.

**FIIIs again turned sellers** of Indian equities in September (-\$1.4bn, following +\$6.8bn inflow in August). So far, India has seen YTD FII outflows of \$22.4bn. **DIIIs saw buying** of \$1.8bn in September, with YTD inflows of \$32.6bn. Mutual funds and Insurance funds were both net buyers in September with \$0.8bn outflows and \$0.9bn outflows respectively.

Emerging market indices continue to be “plagued” by the underperformance of China, the largest weight within MSCI EM Index (31.4%). Chinese markets for the month registered a decline of 14.3% as against EM declining by 11.8%. A country’s outperformance is driven by a combination of superior earnings trajectory combined with multiples re-rating. Viewed from the prism of valuations, Indian equities are trading at a record premium to MSCI EM valuations. On the earnings front, estimates have been downgraded since Jan’22, with Nifty 50 estimated to deliver growth of 13.8% for Cy 22 (as per FTSE) while CY23 estimated growth is more impressive at 18.1%. Not the highest within Asia but clearly superior to China (FTSE estimates of 4.5% growth for CY22 and 17.1% for CY23). While FIIIs have been sellers over the last 12 months (though July & August saw positive inflows), the impressive earnings forecast and the increasing weight of India within MSCI EM Index (2<sup>nd</sup> highest country allocation), will keep them interested in India going ahead as well.

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.

<sup>^</sup>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 September’22)

**Category:** Large & Mid Cap

**Monthly Avg AUM:** ₹ 2,419.94 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:** 0.98

**R Squared:** 0.97

**Standard Deviation (Annualized):** 23.45%

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.**

# PORTFOLIO

(30 September 2022)

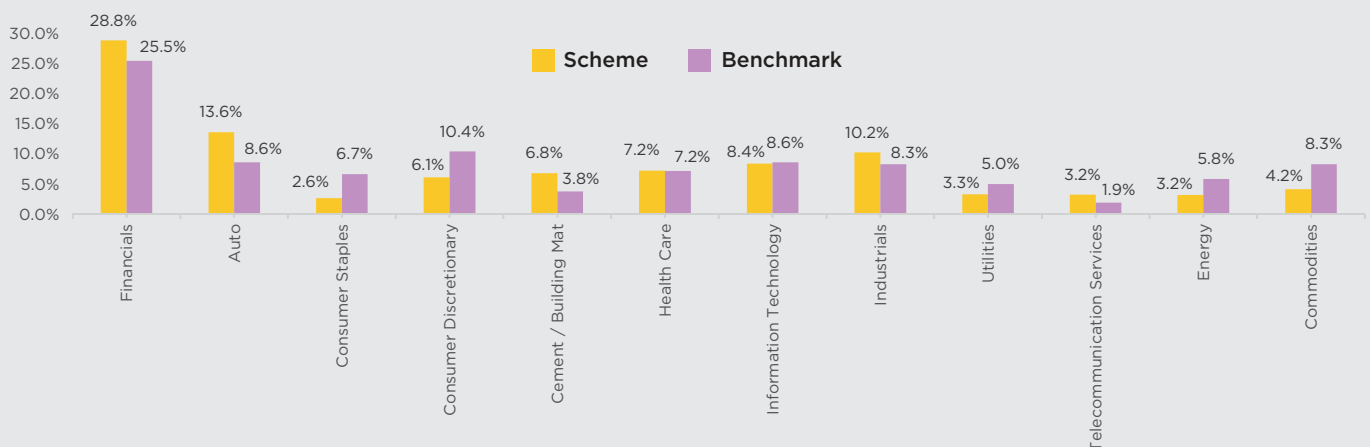


IDFC MUTUAL FUND

Name of the Instrument	% to NAV	Name of the Instrument	% to NAV
<b>Equity and Equity related Instruments</b>	<b>97.76%</b>	<b>Construction</b>	<b>4.11%</b>
<b>Banks</b>	<b>24.01%</b>	Larsen & Toubro	2.97%
ICICI Bank	6.86%	Kalpataru Power Transmission	1.14%
HDFC Bank	5.42%	<b>Telecom - Services</b>	<b>3.24%</b>
State Bank of India	4.47%	Bharti Airtel	3.24%
Axis Bank	2.09%	<b>Petroleum Products</b>	<b>3.17%</b>
The Federal Bank	1.39%	Reliance Industries	3.17%
Canara Bank	1.19%	<b>Leisure Services</b>	<b>2.96%</b>
IndusInd Bank	1.18%	The Indian Hotels Company	2.96%
Bank of Baroda	0.96%	<b>Retailing</b>	<b>2.86%</b>
Indian Bank	0.45%	Aditya Birla Fashion and Retail	2.86%
<b>IT - Software</b>	<b>8.39%</b>	<b>Finance</b>	<b>2.84%</b>
Infosys	5.07%	LIC Housing Finance	1.01%
HCL Technologies	1.57%	Mas Financial Services	0.75%
Tata Consultancy Services	1.35%	SBI Cards and Payment Services	0.60%
Zensar Technologies	0.40%	M&M Financial Services	0.48%
<b>Pharmaceuticals &amp; Biotechnology</b>	<b>7.24%</b>	<b>Ferrous Metals</b>	<b>2.24%</b>
Sun Pharmaceutical Industries	2.27%	Jindal Steel & Power	2.24%
IPCA Laboratories	1.36%	<b>Electrical Equipment</b>	<b>2.19%</b>
Alkem Laboratories	1.13%	ABB India	1.32%
Alembic Pharmaceuticals	0.87%	KEC International	0.87%
Torrent Pharmaceuticals	0.77%	<b>Personal Products</b>	<b>2.10%</b>
Natco Pharma	0.52%	Emami	1.14%
Lupin	0.33%	Godrej Consumer Products	0.96%
<b>Automobiles</b>	<b>6.32%</b>	<b>Chemicals &amp; Petrochemicals</b>	<b>1.92%</b>
Mahindra & Mahindra	2.84%	Deepak Nitrite	1.58%
Tata Motors	1.73%	Tata Chemicals	0.34%
Maruti Suzuki India	1.15%	<b>Power</b>	<b>1.76%</b>
Hero MotoCorp	0.59%	NTPC	0.98%
<b>Industrial Products</b>	<b>6.22%</b>	Torrent Power	0.78%
Cummins India	1.91%	<b>Gas</b>	<b>1.56%</b>
Bharat Forge	1.67%	Gujarat Gas	0.85%
AIA Engineering	1.33%	Gujarat State Petronet	0.71%
Supreme Industries	1.31%	<b>Insurance</b>	<b>1.28%</b>
<b>Auto Components</b>	<b>5.63%</b>	Max Financial Services	0.81%
Bosch	1.23%	Life Insurance Corporation of India	0.47%
UNO Minda	1.11%	<b>Diversified</b>	<b>0.71%</b>
Apollo Tyres	1.05%	3M India	0.71%
Wheels India	0.97%	<b>Capital Markets</b>	<b>0.68%</b>
MRF	0.74%	ICICI Securities	0.68%
Endurance Technologies	0.53%	<b>Diversified FMCG</b>	<b>0.54%</b>
<b>Cement &amp; Cement Products</b>	<b>5.50%</b>	ITC	0.54%
ACC	1.87%	<b>Consumer Durables</b>	<b>0.27%</b>
The Ramco Cements	1.66%	Metro Brands	0.27%
UltraTech Cement	1.42%	<b>Net Cash and Cash Equivalent</b>	<b>2.24%</b>
Nuvoco Vistas Corporation	0.55%	<b>Grand Total</b>	<b>100.00%</b>



## SECTOR ALLOCATION



### Scheme risk-o-meter



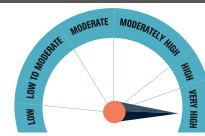
Investors understand that their principal will be at Very High risk

### This product is suitable for investors who are seeking\*

- To create wealth over long term.
- Investment predominantly in equity and equity related instruments in large and mid-cap companies.

\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

### Benchmark risk-o-meter



NIFTY LargeMidcap 250 TRI