



## IDFC FOCUSED EQUITY FUND

An open ended equity scheme investing in maximum 30 stocks with multi cap focus

IDFC Focused Equity Fund is a concentrated portfolio of up to 30 stocks with the flexibility to invest across sectors and across market cap.

### FUND PHILOSOPHY\*

IDFC Focused Equity Fund is an equity oriented fund investing across the market cap curve. It holds a concentrated portfolio comprising of a mix of core and tactical ideas limited to a maximum of 30 stocks. The core portfolio of the fund primarily invests in businesses that are growth oriented and have superior quality characteristics. The tactical part of the portfolio largely comprises of businesses that have the potential to turnaround driven by change in internal/external environment.

Under the SEBI scheme classification, IDFC Focused Equity Fund is categorized under "Focused" Funds. At an industry level, while these funds are classified as "Focused", their market cap orientation is not defined clearly and by this nature they are also "Multi-Cap".

### 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.

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:** Focused

**Monthly Avg AUM:** ₹ 1,339.64 Crores

**Inception Date:** 16th March 2006

**Fund Manager:** Mr Sumit Agarwal  
(w.e.f 20/10/2016)

**Other Parameters:**

**Beta:** 0.88

**R Squared:** 0.92

**Standard Deviation (Annualized):**  
20.82%

**Benchmark:** S&P BSE 500 TRI  
(w.e.f 11/11/2019)

**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)

**Minimum SIP Amount:** ₹1,00/-

**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	22-Jul-21	0.77	15.4500
	16-Mar-20	0.67	10.7600
	26-Mar-18	0.83	13.4883
DIRECT	22-Jul-21	1.29	25.8900
	26-Mar-18	0.25	19.0688
	24-Jan-17	1.20	14.6625

@Income Distribution cum capital withdrawal

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

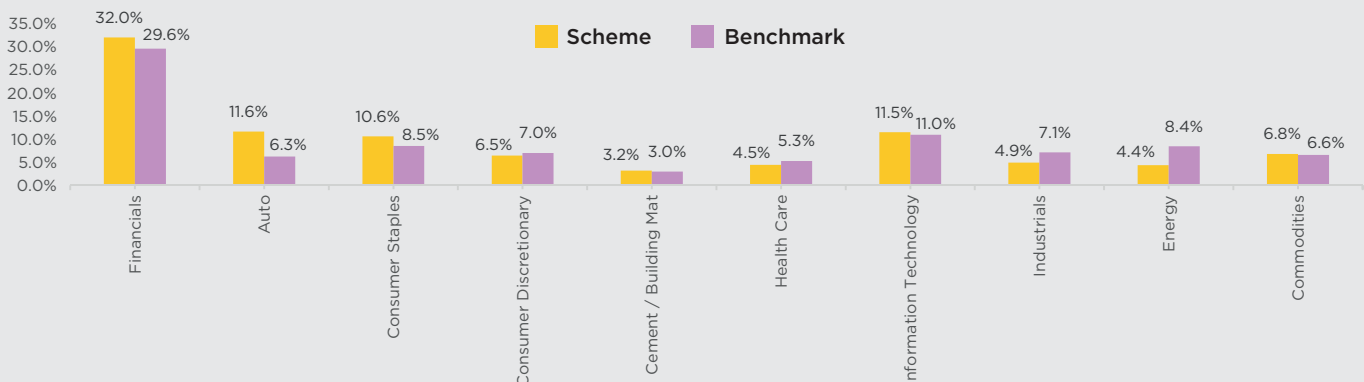
The above mentioned is the current strategy of the Fund Manager. However, asset allocation and investment strategy shall be within broad parameters of Scheme Information Document.

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

Name of the Instrument	% to NAV
<b>Equity and Equity related Instruments</b>	<b>96.03%</b>
<b>Banks</b>	<b>25.11%</b>
HDFC Bank	7.69%
ICICI Bank	7.43%
State Bank of India	5.77%
IndusInd Bank	4.22%
<b>IT - Software</b>	<b>8.86%</b>
Infosys	4.21%
Larsen & Toubro Infotech	2.37%
Mphasis	2.28%
<b>Automobiles</b>	<b>8.60%</b>
Maruti Suzuki India	4.85%
TVS Motor Company	3.75%
<b>Finance</b>	<b>6.90%</b>
Bajaj Finance	3.59%
Cholamandalam Invt and Fin Co	3.31%
<b>Chemicals &amp; Petrochemicals</b>	<b>6.84%</b>
Anupam Rasayan India	3.43%
Rossari Biotech	3.41%
<b>Pharmaceuticals &amp; Biotechnology</b>	<b>4.46%</b>
Divi's Laboratories	2.53%
Gland Pharma	1.93%
<b>Petroleum Products</b>	<b>4.37%</b>
Reliance Industries	4.37%
<b>Diversified FMCG</b>	<b>4.22%</b>
Hindustan Unilever	4.22%
<b>Leisure Services</b>	<b>3.73%</b>
Jubilant Foodworks	3.73%
<b>Personal Products</b>	<b>3.38%</b>
Godrej Consumer Products	3.38%
<b>Cement &amp; Cement Products</b>	<b>3.23%</b>
UltraTech Cement	3.23%
<b>Industrial Products</b>	<b>3.05%</b>
Bharat Forge	3.05%
<b>Food Products</b>	<b>3.01%</b>
Prataap Snacks	3.01%
<b>Consumer Durables</b>	<b>2.75%</b>
Voltas	2.75%
<b>IT - Services</b>	<b>2.63%</b>
L&T Technology Services	2.63%
<b>Realty</b>	<b>2.58%</b>
Sunteck Realty	2.58%
<b>Diversified</b>	<b>2.33%</b>
3M India	2.33%
<b>Net Cash and Cash Equivalent</b>	<b>3.97%</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 Very High risk</p>	<ul style="list-style-type: none"> <li>To create wealth over long term.</li> <li>Investment in a concentrated portfolio of equity and equity related instruments of up to 30 companies.</li> </ul> <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<p>S&amp;P BSE 500 TRI</p>