



IDFC INFRASTRUCTURE FUND

An open ended equity scheme investing in Infrastructure sector

A dedicated Infrastructure fund, that invests across the infrastructure value chain with exclusions like Banking, Autos, IT, Pharma and FMCG. It is a diversified portfolio of companies that are participating in and benefitting from the Indian Infrastructure and Infrastructure related activities.

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 (2nd highest country allocation), will keep them interested in India going ahead as well.

CURRENT STRATEGY

The portfolio is built to monetize the existing infrastructure opportunity in India. Despite the argument of environment being slower, we believe that companies with a dominant market share and growing cash flows would consolidate the opportunity going forward. The focus is on companies with healthy balance sheet which are beneficiaries of ongoing capital formation and will capture a large part of that revenue pool. The current portfolio represents our version of such companies from the Construction & Logistics segments, Industrials space, the Utilities and Energy businesses.

FUND FEATURES: (Data as on 30th September’22)

Category: Sectoral/Thematic

Monthly Avg AUM: ₹ 657.91 Crores

Inception Date: 8th March 2011

Fund Manager: Mr. Sachin Relekar
(w.e.f. 08th December 2020)

Other Parameters:

Beta: 0.90

R Squared: 0.83

Standard Deviation (Annualized):
28.71%

Benchmark: S&P BSE India
Infrastructure 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)

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))

@Income Distribution cum capital withdrawal
The Scheme was being managed by Mr. Rajendra Kumar Mishra up to December 7, 2020.

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.

PORTFOLIO

(30 September 2022)

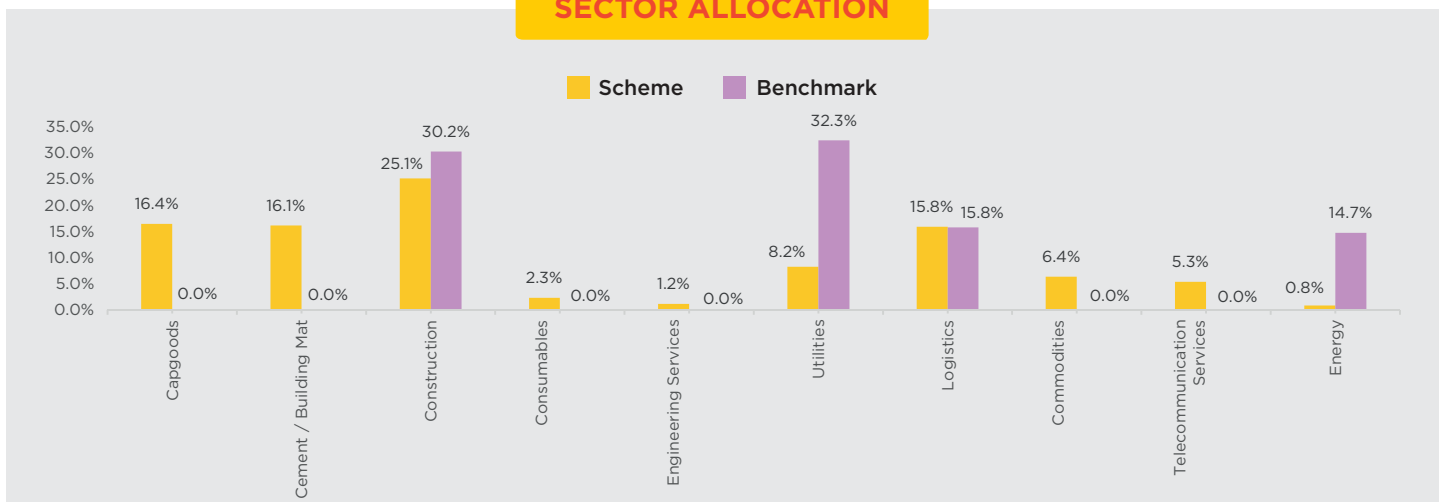


IDFC MUTUAL FUND

Name of the Instrument	% to NAV	Name of the Instrument	% to NAV
Equity and Equity related Instruments	99.08%	Gas	4.83%
Construction	27.08%	Gujarat Gas	2.58%
Larsen & Toubro	9.62%	Gujarat State Petronet	2.26%
H.G. Infra Engineering	4.29%	Industrial Products	4.81%
PNC Infratech	3.46%	Kirloskar Brothers	2.52%
Ahluwalia Contracts (India)	2.84%	Carborundum Universal	2.30%
ITD Cementation India	1.90%	Ferrous Metals	4.63%
GPT Infraprojects	1.51%	Jindal Steel & Power	3.25%
NCC	1.44%	Tata Steel	1.38%
Engineers India	1.17%	Aerospace & Defense	4.23%
ISGEC Heavy Engineering	0.85%	Bharat Electronics	4.23%
Cement & Cement Products	16.08%	Power	3.39%
UltraTech Cement	7.08%	Torrent Power	3.39%
JK Cement	4.63%	Transport Infrastructure	3.17%
Sagar Cements	3.17%	Adani Ports and Special Economic Zone	3.17%
Nuvoco Vistas Corporation	1.20%	Realty	1.48%
Transport Services	12.67%	Mahindra Lifespace Developers	1.48%
Transport Corporation of India	7.74%	Non - Ferrous Metals	0.87%
Container Corporation of India	3.13%	Hindalco Industries	0.87%
Gateway Distriparks	1.81%	Paper, Forest & Jute Products	0.86%
Electrical Equipment	8.80%	Century Textiles & Industries	0.86%
ABB India	4.55%	Petroleum Products	0.85%
Thermax	4.24%	Hindustan Petroleum Corporation	0.85%
Telecom - Services	5.33%	Net Cash and Cash Equivalent	0.92%
Bharti Airtel	5.33%	Grand Total	100.00%



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"> To create wealth over long term. Investment predominantly in equity and equity related instruments of companies that are participating in and benefiting from growth in Indian infrastructure and infrastructural related activities. <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<p>S&P BSE India Infrastructure TRI</p>