



IDFC LARGE CAP FUND

Large Cap Fund - An open ended equity scheme predominantly investing in large cap stocks

FUND PHILOSOPHY*

The fund aims to generate steady returns by investing in the leading stocks of the chosen sectors, predominantly amongst the large cap universe. The portfolio approach is based on a robust three pillar strategy, namely:

Buying the right sectors - Identifying and investing in the right sectors with the flexibility to have large deviations from the benchmark sector weights.

Buying the sector leaders - Investing in the sector leader companies having strong fundamentals, solid execution track record as well as resilient balance sheet to withstand any cyclical downturns.

Tactical allocation to mid/small caps - Opportunistic allocation to take advantage of any mispriced opportunities or a benevolent risk-on environment.

The fund has a "Growth" and "Quality" oriented investment style, and is focused on companies having a strong visibility of earnings growth coupled with healthy return on capital employed.

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. **DIIs 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.

Arpit Kapoor managed this scheme up to 28th February 2022

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

Category: Large Cap

Monthly Avg AUM: ₹ 1,094.11 Crores

Inception Date: 9th June 2006

Fund Manager: Mr. Sumit Agrawal & Mr. Sachin Relekar (w.e.f. 1st March 2022)

Other Parameters:

Beta: 0.88

R Squared: 0.95

Standard Deviation (Annualized): 20.04%

Benchmark: S&P BSE 100 TRI
(w.e.f. 18/04/2017)

Minimum Investment Amount: ₹5,000/- and any amount thereafter.

Exit Load:

- If redeemed/switched out within 365 days from the date of allotment:
 - > Up to 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. 25th June 2021)

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	0.89	17.8600
	16-Mar-20	1.04	12.1800
	19-Mar-19	0.77	15.1200
DIRECT	22-Jul-21	1.11	22.3200
	16-Mar-20	1.27	14.9900
	19-Mar-19	0.95	18.4400

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).

®Income Distribution cum capital withdrawal

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

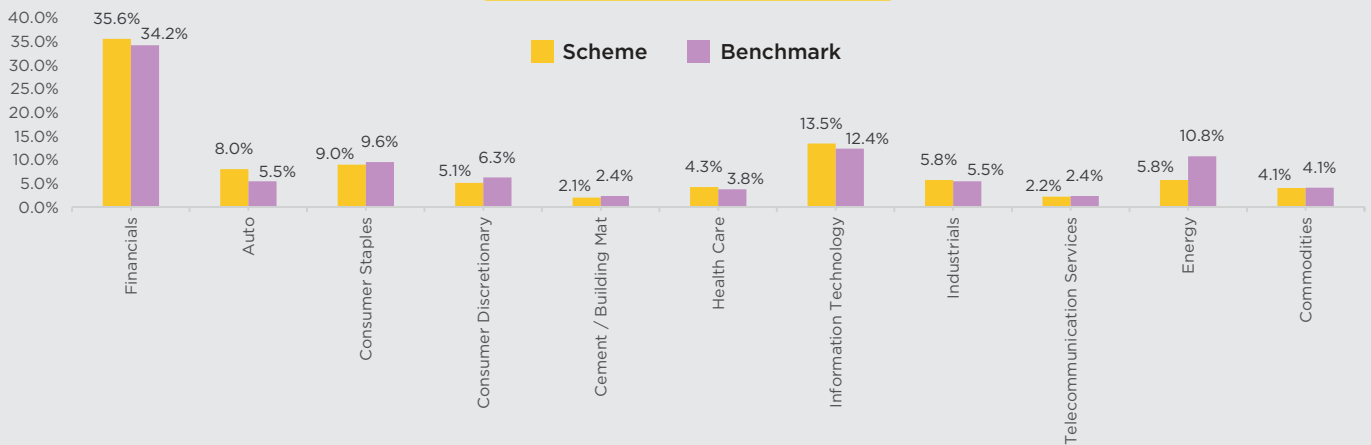
The above mentioned is the current strategy of the Fund Manager. However, asset allocation and investment strategy shall be within broad parameters of Scheme Information Document.

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

Name of the Instrument	% to NAV	Name of the Instrument	% to NAV
Equity and Equity related Instruments	95.39%	Rossari Biotech	2.10%
Banks	29.59%	Anupam Rasayan India	1.98%
HDFC Bank	9.66%	Consumer Durables	3.95%
ICICI Bank	8.44%	Asian Paints	1.74%
State Bank of India	7.22%	Titan Company	1.19%
Kotak Mahindra Bank	2.93%	Kajaria Ceramics	1.01%
IndusInd Bank	1.34%	Construction	3.40%
IT - Software	12.11%	Larsen & Toubro	2.36%
Infosys	5.60%	PSP Projects	1.03%
Larsen & Toubro Infotech	2.95%	Telecom - Services	2.22%
Tata Consultancy Services	2.48%	Bharti Airtel	2.22%
Mphasis	1.07%	Leisure Services	2.21%
Automobiles	7.05%	Jubilant Foodworks	2.21%
Maruti Suzuki India	3.24%	Personal Products	2.07%
Mahindra & Mahindra	1.53%	Godrej Consumer Products	2.07%
TVS Motor Company	1.26%	IT - Services	1.38%
Tata Motors	1.01%	L&T Technology Services	1.38%
Diversified FMCG	6.91%	Insurance	1.26%
ITC	3.89%	SBI Life Insurance Company	1.26%
Hindustan Unilever	3.02%	Realty	1.24%
Petroleum Products	5.76%	Sunteck Realty	1.24%
Reliance Industries	5.76%	Electrical Equipment	1.15%
Finance	4.72%	ABB India	1.15%
Bajaj Finance	3.67%	Cement & Cement Products	1.04%
Cholamandalam Invt and Fin Co	1.05%	UltraTech Cement	1.04%
Pharmaceuticals & Biotechnology	4.28%	Industrial Products	0.98%
Sun Pharmaceutical Industries	1.11%	Bharat Forge	0.98%
Dr. Reddy's Laboratories	1.07%	Corporate Bond	0.004%
Cipla	1.06%	Britannia Industries	AAA 0.004%
Divi's Laboratories	1.04%	Net Cash and Cash Equivalent	4.60%
Chemicals & Petrochemicals	4.08%	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 the large cap companies. <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<p>S&P BSE 100 TRI</p>