



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 (-4% MoM/ -18.1% YTD). India, Brazil, and China were outliers while all other regions declined (the US -3.3%/Euro area -5.7%). S&P 500 declined -by 4.2% MoM after the strong rally in the first half of August. Indian equities gained 3.9% MoM (in \$ terms) outperforming the broader markets in August (MSCI APxJ/EM: -0.5%/flat). The performance of both mid-caps (+6.2% MoM) and small caps (+6.1% MoM) was better than large caps (+4.2% MoM). All sectors barring IT ended the month in the green as NIFTY improved (+3.5% MoM), currently above the 17,000 level.

In the recently concluded earnings season, earnings growth was driven by strong sales momentum while margins contracted mainly on account of higher raw material prices. OMC (oil marketing companies) losses were a key drag. 1QFY23 EBITDA and Net Profits of the Nifty-50 Index increased 20% and 24% YoY respectively which was mostly in line with the consensus expectations. Looking forward, FY23 Earnings have been cut by ~4% post Q1 FY23 earnings, the downgrades are broad-based across sectors. As such, the FY23 earnings growth rate is expected to fall from 16% to 12%. FY24E EPS estimates have largely been retained - as analysts' expectations of pressures on gross margins to reduce given the softening in commodity prices since June'22.

In the past 2 months, Indian market shown a strong 13% return and has significantly outperformed the world and developing markets which have moved up by 4% and 3% respectively. Even on a 1year basis, Indian markets (in USD terms) have shown a 2% return while MSCI World Index is down 11%. Valuations, post the recent push, are again flirting around Oct-Dec'21 elevated levels. Stocks, it seems to have priced in all the "good news", and may be susceptible to unexpected "bad news" - rebound in crude oil; sharper than expected drop in economic metrics in the US; continued strengthening of US\$ & sharper rise in US 10-year bond yields - in the near term. Tread with caution, for the near term.

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 31st August'22)

Category: Focused

Monthly Avg AUM: ₹ 1,347.39 Crores

Inception Date: 16th March 2006

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

Other Parameters:

Beta: 0.89

R Squared: 0.90

Standard Deviation (Annualized):
21.04%

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.

PORTFOLIO

(31 August 2022)

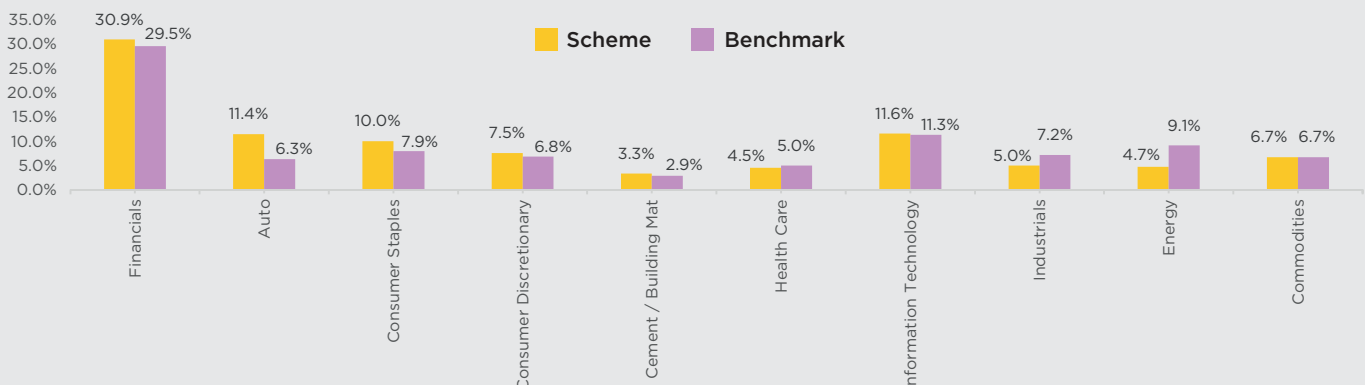


IDFC MUTUAL FUND

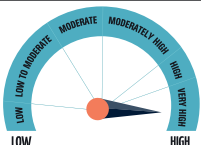
Name of the Instrument	% to NAV
Equity and Equity related Instruments	95.57%
Banks	24.01%
ICICI Bank	8.30%
HDFC Bank	6.31%
State Bank of India	5.58%
IndusInd Bank	3.81%
IT - Software	8.94%
Infosys	4.30%
Larsen & Toubro Infotech	2.38%
Mphasis	2.25%
Automobiles	8.28%
Maruti Suzuki India	4.82%
TVS Motor Company	3.46%
Finance	6.91%
Cholamandalam Invst and Fin Co	3.46%
Bajaj Finance	3.45%
Chemicals & Petrochemicals	6.68%
Anupam Rasayan India	3.43%
Rossari Biotech	3.25%
Petroleum Products	4.69%
Reliance Industries	4.69%
Pharmaceuticals & Biotechnology	4.51%
Divi's Laboratories	2.39%
Gland Pharma	2.11%
Diversified FMCG	4.03%
Hindustan Unilever	4.03%
Consumer Durables	3.97%
Voltas	2.94%
Bata India	1.03%
Leisure Services	3.57%
Jubilant Foodworks	3.57%
Cement & Cement Products	3.33%
UltraTech Cement	3.33%
Personal Products	3.32%
Godrej Consumer Products	3.32%
Industrial Products	3.14%
Bharat Forge	3.14%
Realty	2.83%
Suntech Realty	2.83%
IT - Services	2.63%
L&T Technology Services	2.63%
Food Products	2.61%
Prataap Snacks	2.61%
Diversified	2.14%
3M India	2.14%
Net Cash and Cash Equivalent	4.43%
Grand Total	100.00%



SECTOR ALLOCATION



Scheme risk-o-meter



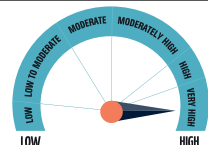
Investors understand that their principal will be at Very High risk

This product is suitable for investors who are seeking*

- To create wealth over long term.
- Investment in a concentrated portfolio of equity and equity related instruments of up to 30 companies.

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

Benchmark risk-o-meter



S&P BSE 500 TRI