



## 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 (-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.

Arpit Kapoor managed this scheme up to 28th February 2022

**FUND FEATURES:** (Data as on 31st August'22)

**Category:** Large Cap

**Monthly Avg AUM:** ₹ 1,087.32 Crores

**Inception Date:** 9th June 2006

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

**Other Parameters:**

**Beta:** 0.89

**R Squared:** 0.95

**Standard Deviation (Annualized):** 20.00%

**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.**

# PORTFOLIO

(31 August 2022)

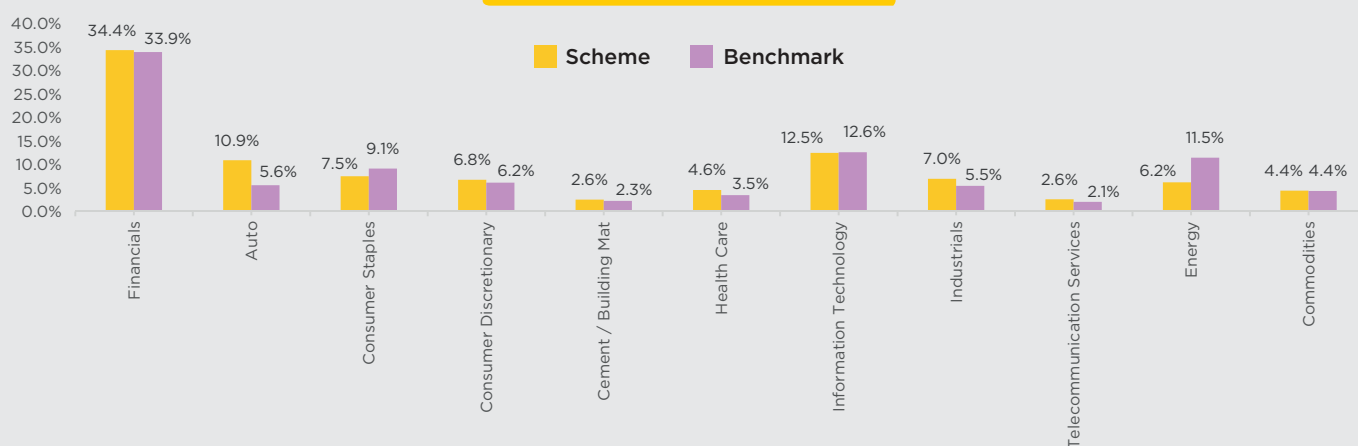


IDFC MUTUAL FUND

Name of the Instrument	% to NAV	Name of the Instrument	% to NAV
<b>Equity and Equity related Instruments</b>	<b>99.54%</b>	<b>Pharmaceuticals &amp; Biotechnology</b>	<b>4.10%</b>
<b>Banks</b>	<b>27.99%</b>	Gland Pharma	1.04%
HDFC Bank	8.62%	Sun Pharmaceutical Industries	0.94%
ICICI Bank	8.47%	Divi's Laboratories	0.90%
State Bank of India	7.05%	Dr. Reddy's Laboratories	0.62%
Kotak Mahindra Bank	2.63%	Cipla	0.61%
IndusInd Bank	1.22%	<b>Construction</b>	<b>3.89%</b>
<b>IT - Software</b>	<b>11.12%</b>	Larsen & Toubro	2.40%
Infosys	4.47%	PSP Projects	1.49%
Larsen & Toubro Infotech	2.99%	<b>Leisure Services</b>	<b>2.71%</b>
Tata Consultancy Services	2.59%	Jubilant Foodworks	2.13%
Mphasis	1.07%	The Indian Hotels Company	0.58%
<b>Automobiles</b>	<b>9.14%</b>	<b>Telecom - Services</b>	<b>2.60%</b>
Maruti Suzuki India	3.25%	Bharti Airtel	2.60%
Mahindra & Mahindra	2.11%	<b>Cement &amp; Cement Products</b>	<b>2.03%</b>
Tata Motors	1.66%	UltraTech Cement	2.03%
TVS Motor Company	1.18%	<b>Personal Products</b>	<b>1.96%</b>
Bajaj Auto	0.94%	Godrej Consumer Products	1.96%
<b>Petroleum Products</b>	<b>6.24%</b>	<b>Realty</b>	<b>1.93%</b>
Reliance Industries	6.24%	Suntech Realty	1.93%
<b>Diversified FMCG</b>	<b>5.58%</b>	<b>Industrial Products</b>	<b>1.76%</b>
ITC	3.03%	Bharat Forge	1.76%
Hindustan Unilever	2.54%	<b>IT - Services</b>	<b>1.39%</b>
<b>Finance</b>	<b>5.10%</b>	L&T Technology Services	1.39%
Bajaj Finance	3.26%	<b>Insurance</b>	<b>1.30%</b>
Cholamandalam Invt and Fin Co	1.11%	SBI Life Insurance Company	1.30%
Can Fin Homes	0.73%	<b>Electrical Equipment</b>	<b>1.18%</b>
<b>Chemicals &amp; Petrochemicals</b>	<b>4.43%</b>	ABB India	1.18%
Rossari Biotech	2.08%	<b>Healthcare Services</b>	<b>0.48%</b>
Anupam Rasayan India	1.97%	Apollo Hospitals Enterprise	0.48%
SRF	0.38%	<b>Textiles &amp; Apparels</b>	<b>0.30%</b>
<b>Consumer Durables</b>	<b>4.32%</b>	Page Industries	0.30%
Asian Paints	1.73%	<b>Corporate Bond</b>	<b>0.004%</b>
Titan Company	1.16%	Britannia Industries	0.004%
Voltas	0.89%	<b>Net Cash and Cash Equivalent</b>	<b>0.45%</b>
Kajaria Ceramics	0.55%	<b>Grand Total</b>	<b>100.00%</b>



## SECTOR ALLOCATION



### Scheme risk-o-meter



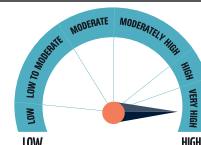
Investors understand that their principal will be at Very High risk

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

- To create wealth over long term.
- Investment predominantly in equity and equity related instruments of the large cap 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 100 TRI