



IDFC Midcap Fund

An open ended equity scheme predominantly investing in mid cap stocks, mid cap, small cap stocks

The Fund seeks to generate long term capital appreciation by investing predominantly in equities and equity linked securities of mid cap segment.

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

Category: MidCap

Monthly Avg AUM: ₹ 235.99 Crores

Inception Date: 18 August, 2022

Fund Manager: Mr. Sachin Relekar (equity portion) Mr. Harshal Joshi (debt portion) Ms. Nishita Doshi will be managing overseas investment portion of the scheme.

Benchmark: S&P BSE 150 Midcap Index

SIP (Minimum Amount): ₹100/- and in multiples of Re. 1 thereafter

SIP Frequency: Monthly

Minimum Investment Amount: Rs 5,000/- and any amount thereafter Monthly

SIP Dates (Monthly): Investor may choose any day of the month except 29th, 30th and 31st as the date of instalment.

Exit Load:

If redeemed/switched out within 1 year from the date of allotment - 1% of applicable NAV; If redeemed/switched out after 1 year from the date of allotment - Nil

Options Available: Growth, IDCW® - (Payout of Income Distribution cum capital withdrawal option and in case the amount of Income Distribution cum capital withdrawal payable to the Unitholder is Rs.100/- or less under a Folio, the same will be compulsorily reinvested in the Scheme.).

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.

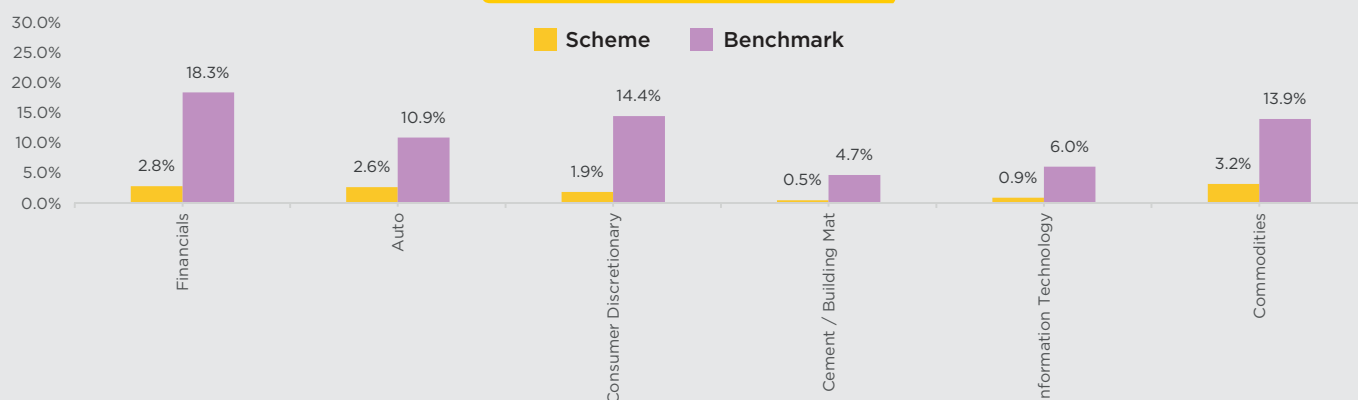
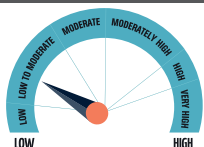
®Income Distribution and Capital Withdrawal

Portfolio Beta, Standard Deviation, R Squared, Sharpe Ratio and Tracking Error of the Scheme is not computed owing to the short time frame (<3years) since launch of the Scheme

PORTFOLIO

(31 August 2022)

Name of the Instrument	Ratings	% to NAV
Equity and Equity related Instruments		11.87%
Chemicals & Petrochemicals		3.19%
Tata Chemicals		1.13%
Navin Fluorine International		0.99%
Vinati Organics		0.58%
Atul		0.49%
Banks		2.81%
ICICI Bank		2.81%
Auto Components		2.65%
Schaeffler India		1.71%
UNO Minda		0.94%
Retailing		1.27%
Trent		1.27%
IT - Software		0.88%
Persistent Systems		0.88%
Consumer Durables		0.58%
Kajaria Ceramics		0.48%
Metro Brands		0.10%
Leisure Services		0.49%
The Indian Hotels Company		0.49%
Net Cash and Cash Equivalent		88.13%
Grand Total		100.00%

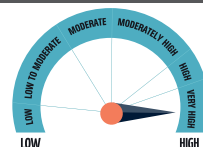
SECTOR ALLOCATION

Scheme risk-o-meter


Investors understand that their principal will be at Low to Moderate risk

This product is suitable for investors who are seeking*

- To create wealth over a long term.
- Investment in a portfolio of equity and equity related securities of mid 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 150 Midcap Index