



## IDFC CORE EQUITY FUND

Large & Mid Cap Fund - An open ended equity scheme investing in both large cap and mid cap stocks

IDFC Core Equity Fund is a diversified equity fund with a large & mid cap bias currently. The focus of the fund is to build a portfolio of Quality companies while being cognizant of the relative valuation.

### FUND PHILOSOPHY

The fund builds a portfolio of quality stocks with lower relative valuations. Quality (for non-financial stocks) is ascribed on three fronts - conversion of EBIDTA to operating cash - OCF as % of EBIDTA > 33%; Moderate leverage: Debt/EBIDTA < 3x; Profitability: EBIDTA / Net operating Assets > 30%. Companies that qualify on these three parameters and those which are relatively cheaper within a peer group on P/B basis form part of the 'quality' universe. Roughly 50% of the portfolio will comprise of such quality companies; ~30% would be for financial sector and balance 20% would be invested in benchmark heavyweights and themes, which we expect to play out over next 6/12 months. On a tactical basis, the fund may take a part of its overall holding through near month stock futures.

### OUTLOOK

#### How it went:

During January, 2023 Global equities were stronger across regions (MSCI World +7.1% MoM). India (-3.1% MoM) was the only major outlier in the month, as China (+11.8% MoM) and Euro area (+8.3% MoM) too delivered strong positive performance. Indian equities fell (\$ terms, -2.9% MoM/-9.4% FYTD), while underperforming the region and peers (MSCI APxJ/EM: +8.6%/+7.9% MoM). Mid-caps (-2.1% MoM) and small caps (-2.2% MoM) though weak, outperformed the large caps (-2.7% MoM).

#### How do we look ahead:

After outperforming the other emerging markets handsomely in the calendar year 2022, the Indian market has lagged recently in the last three months. It is trailing the emerging market index by ~25% (in USD terms). Emerging markets have bounced back after a tough CY 2022 on the prospects of growth revival in China as it opens up post COVID along with the optimism that the worst of the inflation scare is behind us, and hence monetary policy globally will gradually ease.

On one hand, India is faced with challenges of slightly above average valuations and higher interest rates globally. On the other hand, there is relatively higher earnings visibility in India compared to most other markets. The currency has underperformed in the last few months making it more attractive given that the long term growth prospects of the economy are bright. Overall we feel that the market offers steady returns for the long term investor at this point.

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.

^The benchmark of the fund has been revised from S&P BSE 200 TRI to Nifty LargeMidcap 250 TRI w.e.f. 7th October 2019

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 January'23)

**Category:** Large & Mid Cap

**Monthly Avg AUM:** ₹ 2,457.72 Crores

**Inception Date:** 9th August 2005

**Fund Manager^^:** Mr. Manish Gunwani (w.e.f. 28 January, 2023)

**Benchmark:** NIFTY LargeMidcap 250 TRI (w.e.f. 7th October 2019)

**Minimum Investment Amount:** ₹ 1,000/- 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 Dates : (Monthly/Quarterly)** Investor may choose any day of the month except 29th, 30th and 31st as the date of installment.

**Options Available:** Growth, IDCW@  
- (Payout, Reinvestment and Sweep (from Equity Schemes to Debt Schemes only))

#### Other Parameters:

**Beta:** 0.98

**R Squared:** 0.96

**Standard Deviation (Annualized):** 23.69%

**SIP (Minimum Amount):** 100/- (Minimum 6 installments)

PLAN	IDCW@ RECORD DATE	₹/UNIT	NAV
REGULAR	22-Jul-21	0.95	19.1100
	16-Mar-20	1.03	12.0100
	14-Mar-19	0.80	15.4200
DIRECT	22-Jul-21	1.19	23.9400
	16-Mar-20	0.39	13.7900
	14-Mar-19	0.90	17.4700

@Income Distribution cum capital withdrawal

^^Mr. Anoop Bhaskar was managing this Scheme till 27th January 2023.

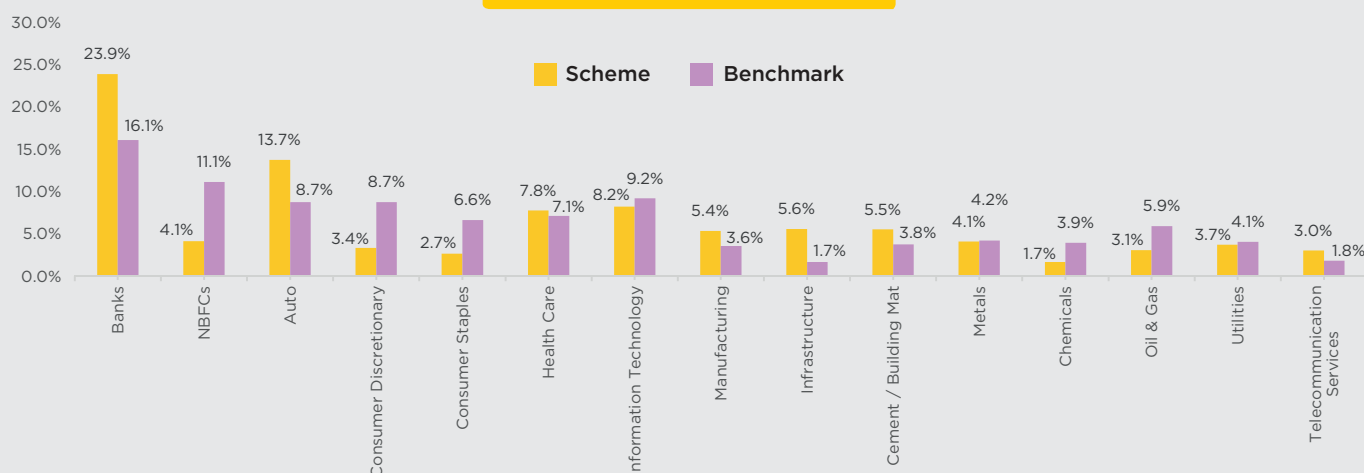
Ratios calculated on the basis of 3 years history of monthly data.

**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
<b>Equity and Equity related Instruments</b>	<b>95.79%</b>	Kalpataru Power Transmission	1.36%
<b>Banks</b>	<b>23.87%</b>	<b>Cement &amp; Cement Products</b>	<b>3.70%</b>
ICICI Bank	6.34%	The Ramco Cements	1.72%
HDFC Bank	6.28%	ACC	1.05%
State Bank of India	3.06%	UltraTech Cement	0.93%
Axis Bank	1.94%	<b>Petroleum Products</b>	<b>3.07%</b>
IndusInd Bank	1.52%	Reliance Industries	3.07%
The Federal Bank	1.33%	<b>Telecom - Services</b>	<b>3.05%</b>
Canara Bank	1.30%	Bharti Airtel	3.05%
Indian Bank	1.22%	<b>Finance</b>	<b>2.97%</b>
Bank of Baroda	0.88%	LIC Housing Finance	1.14%
<b>IT - Software</b>	<b>8.21%</b>	M&M Financial Services	1.03%
Infosys	4.80%	Mas Financial Services	0.79%
HCL Technologies	1.77%	<b>Ferrous Metals</b>	<b>2.82%</b>
Tata Consultancy Services	0.85%	Jindal Steel & Power	2.82%
Zensar Technologies	0.43%	<b>Gas</b>	<b>2.70%</b>
LTIMindtree	0.36%	Gujarat Gas	1.46%
<b>Pharmaceuticals &amp; Biotechnology</b>	<b>7.77%</b>	Gujarat State Petronet	1.23%
Sun Pharmaceutical Industries	1.82%	<b>Electrical Equipment</b>	<b>2.05%</b>
IPCA Laboratories	1.23%	ABB India	1.19%
Alkem Laboratories	1.01%	KEC International	0.86%
Alembic Pharmaceuticals	0.75%	<b>Leisure Services</b>	<b>1.74%</b>
Torrent Pharmaceuticals	0.73%	The Indian Hotels Company	1.74%
Lupin	0.68%	<b>Diversified FMCG</b>	<b>1.73%</b>
Cipla	0.63%	ITC	1.73%
Zydus Lifesciences	0.46%	<b>Chemicals &amp; Petrochemicals</b>	<b>1.68%</b>
Natco Pharma	0.45%	Deepak Nitrite	1.28%
<b>Industrial Products</b>	<b>6.95%</b>	Tata Chemicals	0.40%
Bharat Forge	1.91%	<b>Minerals &amp; Mining</b>	<b>1.27%</b>
AIA Engineering	1.79%	NMDC	1.27%
Cummins India	1.72%	<b>Insurance</b>	<b>1.16%</b>
Supreme Industries	1.52%	Max Financial Services	1.16%
<b>Automobiles</b>	<b>6.23%</b>	<b>Retailing</b>	<b>1.15%</b>
Mahindra & Mahindra	2.91%	Aditya Birla Fashion and Retail	1.15%
Tata Motors	1.79%	<b>Power</b>	<b>1.03%</b>
Hero MotoCorp	0.77%	NTPC	1.03%
Maruti Suzuki India	0.76%	<b>Personal Products</b>	<b>0.92%</b>
<b>Auto Components</b>	<b>5.61%</b>	Emami	0.92%
Bosch	1.29%	<b>Consumer Durables</b>	<b>0.77%</b>
Apollo Tyres	1.08%	Metro Brands	0.46%
UNO Minda	0.95%	Kajaria Ceramics	0.31%
MRF	0.90%	<b>Diversified</b>	<b>0.66%</b>
Wheels India	0.85%	3M India	0.66%
Endurance Technologies	0.54%	<b>Net Cash and Cash Equivalent</b>	<b>4.21%</b>
<b>Construction</b>	<b>4.70%</b>	<b>Grand Total</b>	<b>100.00%</b>
Larsen & Toubro	3.34%		



**SECTOR ALLOCATION**



<p><b>Scheme risk-o-meter</b></p> <p>Investors understand that their principal will be at Very High risk</p>	<p><b>This product is suitable for investors who are seeking*</b></p> <ul style="list-style-type: none"> <li>To create wealth over long term.</li> <li>Investment predominantly in equity and equity related instruments in large and mid-cap companies.</li> </ul> <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<p><b>Benchmark risk-o-meter</b></p> <p>NIFTY LargeMidcap 250 TRI</p>
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