



## 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

#### How it went:

Global equities declined by 4.3% MoM, positive returns from China, Spain, Malaysia and Japan were not sufficient to cushion downturn. Emerging markets lost 1.6% MoM while India underperformed with a decline of 5.4% MoM after touching all-time high, due to stretched valuations, covid fears returning, persisting Central Banks' hawkish stance, and FII outflows. However, India has outperformed on 6 month, 1 year and 3 year basis by a decent margin. Indian markets closed the year in red in USD terms, however in local currency Indian markets were slightly in green. The Indian stock market delivered 4.3% returns in CY 2022 in INR terms however falling 5.1% in USD terms. PSUs, Financials, Utilities and Industrials outperformed the market, while IT Services, healthcare and consumer durables underperformed the market. Large caps (BSE 100) did better than the mid-caps (BSE 150 Mid Cap) while small-caps (BSE 250 Small Cap) ended the CY2022 with a negative 2% return.

#### Outlook for 2023:

Going ahead, at the global front - trajectory of rate hike by US Fed and the cumulative impact of the rate hikes since 2022 on the economic growth could be the biggest global factor which investors will track and try to predict/forecast. On the geo-political front, the continuing Ukraine/Russia war may impact commodity prices only if it escalates to a higher level. Any resolution, though, could be a sentiment booster. A bigger impact on commodities could be driven by the state of the Chinese economy, which amidst a slowdown faces the additional challenge of a sharp spurt in Covid-19 related cases. The embattled European economy could slide into a deeper recession if the weight of "oversized" fuel costs does not drop sharply in the coming months. Gas prices today are trading at an equivalent of 2-2.25x current crude oil prices (diesel to generate power would be cheaper than using LNG to generate power in Europe today). Three of our neighboring countries (Bangladesh; Nepal and Sri Lanka) are in different stages of negotiations with World Bank for an economic package to alleviate the post pandemic downturn. Our focus should be on earnings delivery. Surprising to many, yet correct, would be the importance of delivery of earnings growth since Dec '19. While liquidity has been the other pillar on which the market returns have been built upon, earnings growth has been the dominant factor for this uptrend. With valuations at an elevated level - delivery of earnings will be the key driver for the markets ahead.

While global factors are important, delivery of earnings, to us remains paramount. Ceteris paribus, all things remaining the same, market returns would be positive, if earnings get delivered!

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 December'22)

**Category:** Focused

**Monthly Avg AUM:** ₹ 1,281.75 Crores

**Inception Date:** 16th March 2006

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

**Other Parameters:**

**Beta:** 0.88

**R Squared:** 0.92

**Standard Deviation (Annualized):** 20.91%

**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 Dates: (Monthly/Quarterly\*)** Investor may choose any day of the month except 29th, 30th & 31st of instalment.

\*Any day of next month from the Quarter end.

**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.

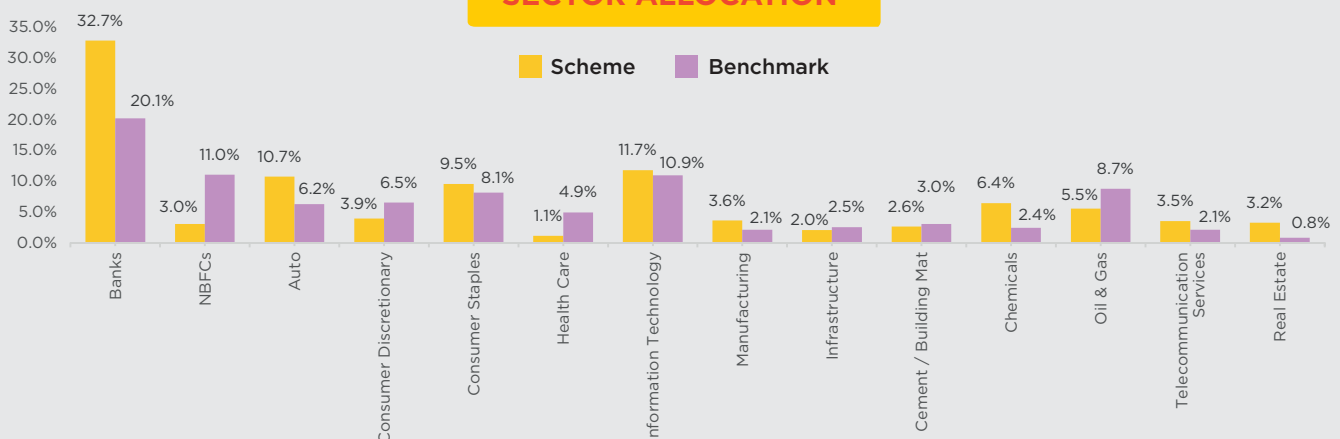
The above mentioned is the current strategy of the Fund Manager. However, asset allocation and investment strategy shall be within broad parameters of Scheme Information Document.

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

Name of the Instrument	% to NAV
<b>Equity and Equity related Instruments</b>	<b>99.31%</b>
<b>Banks</b>	<b>32.60%</b>
HDFC Bank	9.84%
ICICI Bank	9.06%
State Bank of India	5.66%
Axis Bank	4.03%
IndusInd Bank	4.01%
<b>IT - Software</b>	<b>8.77%</b>
Infosys	6.35%
LTIMindtree	2.42%
<b>Automobiles</b>	<b>8.42%</b>
Maruti Suzuki India	4.55%
TVS Motor Company	3.87%
<b>Chemicals &amp; Petrochemicals</b>	<b>6.36%</b>
Anupam Rasayan India	3.47%
Rossari Biotech	2.89%
<b>Petroleum Products</b>	<b>5.50%</b>
Reliance Industries	5.50%
<b>Diversified FMCG</b>	<b>5.41%</b>
ITC	3.53%
Hindustan Unilever	1.88%
<b>Telecom - Services</b>	<b>3.50%</b>
Bharti Airtel	3.50%
<b>Realty</b>	<b>3.24%</b>
The Phoenix Mills	2.31%
Sunteck Realty	0.93%
<b>Food Products</b>	<b>3.12%</b>
Prataap Snacks	3.12%
<b>Finance</b>	<b>3.01%</b>
Cholamandalam Invt and Fin Co	3.01%
<b>IT - Services</b>	<b>2.91%</b>
L&T Technology Services	2.91%
<b>Cement &amp; Cement Products</b>	<b>2.61%</b>
UltraTech Cement	2.61%
<b>Industrial Products</b>	<b>2.33%</b>
Bharat Forge	2.33%
<b>Retailing</b>	<b>2.05%</b>
Trent	2.05%
<b>Construction</b>	<b>1.96%</b>
Larsen & Toubro	1.96%
<b>Diversified</b>	<b>1.93%</b>
3M India	1.93%
<b>Leisure Services</b>	<b>1.86%</b>
The Indian Hotels Company	1.86%
<b>Electrical Equipment</b>	<b>1.66%</b>
ABB India	1.66%
<b>Pharmaceuticals &amp; Biotechnology</b>	<b>1.08%</b>
Divi's Laboratories	1.08%
<b>Personal Products</b>	<b>0.99%</b>
Godrej Consumer Products	0.99%
<b>Net Cash and Cash Equivalent</b>	<b>0.69%</b>
<b>Grand Total</b>	<b>100.00%</b>



**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"> <li>To create wealth over long term.</li> <li>Investment in a concentrated portfolio of equity and equity related instruments of up to 30 companies.</li> </ul> <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<p>S&amp;P BSE 500 TRI</p>