



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

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!

Arpit Kapoor managed this scheme up to 28th February 2022

FUND FEATURES:

(Data as on 31st December'22)

Category: Large Cap

Monthly Avg AUM: ₹ 1,100.35 Crores

Inception Date: 9th June 2006

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

Other Parameters:

Beta: 0.88

R Squared: 0.95

Standard Deviation (Annualized): 20.24%

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 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	0.89	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.

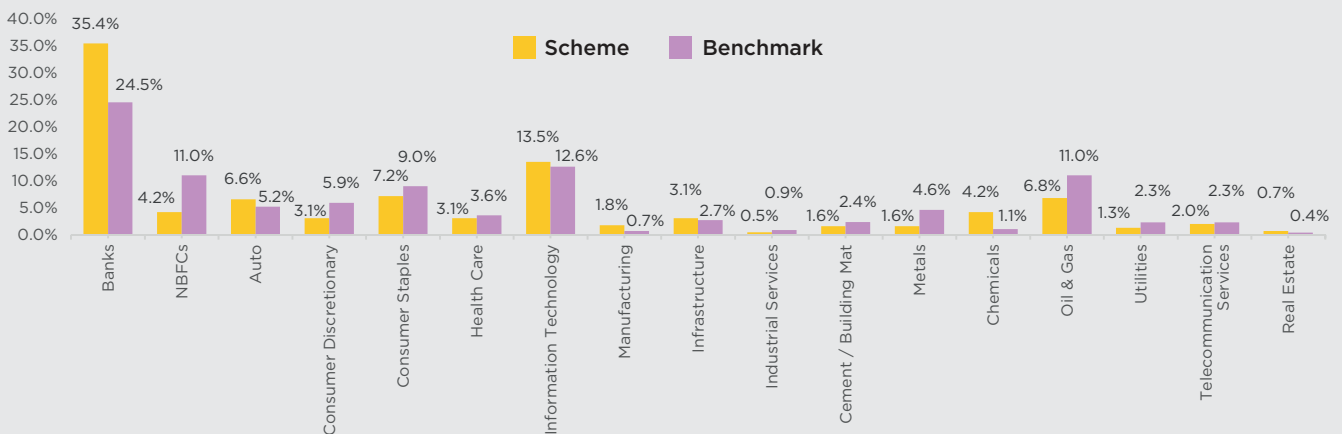
The above mentioned is the current strategy of the Fund Manager. However, asset allocation and investment strategy shall be within broad parameters of Scheme Information Document.

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

Name of the Instrument	% to NAV	Name of the Instrument	% to NAV
Equity and Equity related Instruments	96.80%	Dr. Reddy's Laboratories	0.76%
Banks	35.31%	Divi's Laboratories	0.74%
HDFC Bank	9.97%	Construction	3.07%
ICICI Bank	9.57%	Larsen & Toubro	2.54%
State Bank of India	8.18%	PSP Projects	0.53%
Axis Bank	3.04%	Telecom - Services	2.00%
Kotak Mahindra Bank	2.53%	Bharti Airtel	2.00%
IndusInd Bank	2.02%	Power	1.34%
IT - Software	12.44%	NTPC	0.85%
Infosys	5.94%	Tata Power Company	0.49%
Tata Consultancy Services	3.58%	Electrical Equipment	1.32%
LTI Mindtree	1.87%	ABB India	0.93%
HCL Technologies	0.65%	Siemens	0.39%
Tech Mahindra	0.41%	IT - Services	1.10%
Petroleum Products	6.79%	L&T Technology Services	1.10%
Reliance Industries	6.13%	Cement & Cement Products	1.07%
Bharat Petroleum Corporation	0.37%	UltraTech Cement	1.07%
Hindustan Petroleum Corporation	0.30%	Personal Products	1.03%
Diversified FMCG	5.94%	Godrej Consumer Products	1.03%
ITC	3.44%	Industrial Products	1.01%
Hindustan Unilever	2.50%	Bharat Forge	1.01%
Automobiles	5.58%	Ferrous Metals	0.82%
Maruti Suzuki India	2.65%	Tata Steel	0.82%
Mahindra & Mahindra	1.50%	Non - Ferrous Metals	0.76%
TVS Motor Company	1.10%	Hindalco Industries	0.76%
Tata Motors	0.34%	Realty	0.72%
Chemicals & Petrochemicals	4.22%	Sunteck Realty	0.72%
Anupam Rasayan India	2.31%	Insurance	0.61%
Rossari Biotech	1.91%	SBI Life Insurance Company	0.61%
Finance	3.55%	Transport Services	0.51%
Cholamandalam Invt and Fin Co	1.51%	InterGlobe Aviation	0.51%
Bajaj Finance	1.03%	Leisure Services	0.51%
HDFC	1.00%	Jubilant Foodworks	0.51%
Consumer Durables	3.19%	Aerospace & Defense	0.50%
Asian Paints	1.49%	Bharat Electronics	0.50%
Titan Company	1.17%	Food Products	0.28%
Kajaria Ceramics	0.53%	Nestle India	0.28%
Pharmaceuticals & Biotechnology	3.14%	Corporate Bond	0.004%
Sun Pharmaceutical Industries	0.85%	Britannia Industries AAA	0.004%
Cipla	0.79%	Net Cash and Cash Equivalent	3.20%
		Grand Total	100.00%



SECTOR ALLOCATION



<p>Scheme risk-o-meter</p> <p>Investors understand that their principal will be at Very High risk</p>	<p>This product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> To create wealth over long term. Investment predominantly in equity and equity related instruments of the large cap companies. <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<p>Benchmark risk-o-meter</p> <p>S&P BSE 100 TRI</p>
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