



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.

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!

FUND FEATURES:

(Data as on 31st December'22)

Category: MidCap

Monthly Avg AUM: ₹ 615.14 Crores

Inception Date: 18 August, 2022

Fund Manager: Mr. Sachin Relekar & Ms. Ritu Modi (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

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

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.

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.)

Disclaimer: There is no assurance or guarantee that the objectives of the scheme will be realised.

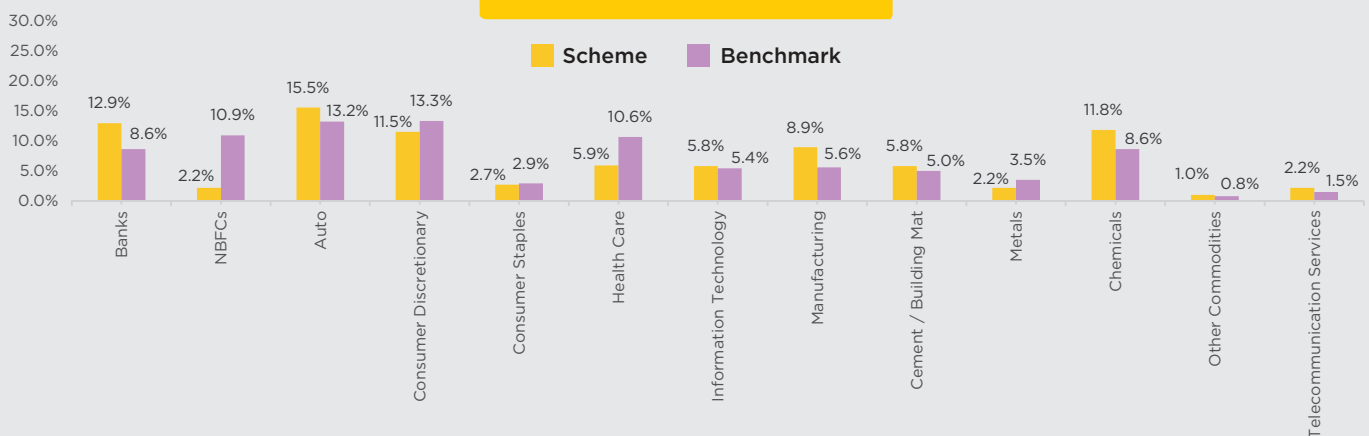
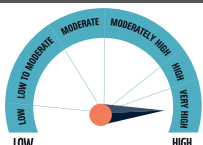
®Income Distribution and Capital Withdrawal

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 December 2022)

Name of the Instrument	% to NAV	Name of the Instrument	% to NAV
Equity and Equity related Instruments	88.22%	Aditya Birla Fashion and Retail	2.29%
Banks	12.82%	Consumer Durables	4.74%
ICICI Bank	4.84%	Kajaria Ceramics	2.37%
Axis Bank	3.28%	Metro Brands	1.90%
The Federal Bank	3.09%	Voltas	0.48%
Bank of Baroda	1.61%	Leisure Services	4.17%
Industrial Products	12.04%	The Indian Hotels Company	2.57%
Cummins India	3.10%	Jubilant Foodworks	1.60%
Astral	2.37%	Electrical Equipment	3.74%
APL Apollo Tubes	2.14%	CG Power and Industrial Solutions	2.14%
Bharat Forge	1.55%	Thermax	1.60%
Supreme Industries	1.06%	Pharmaceuticals & Biotechnology	3.61%
Carborundum Universal	1.00%	Abbott India	2.22%
Timken India	0.82%	IPCA Laboratories	1.39%
Chemicals & Petrochemicals	9.90%	Beverages	2.77%
Tata Chemicals	3.07%	United Breweries	2.77%
Navin Fluorine International	2.48%	Healthcare Services	2.26%
Vinati Organics	2.27%	Krishna Institute of Medical Sciences	1.25%
Atul	1.98%	Apollo Hospitals Enterprise	1.00%
Fine Organic Industries	0.09%	Telecom - Services	2.11%
Auto Components	7.13%	Tata Communications	2.11%
UNO Minda	2.87%	Fertilizers & Agrochemicals	1.87%
Schaeffler India	1.92%	Coromandel International	1.87%
Sundram Fasteners	1.23%	Diversified	1.14%
Bosch	1.10%	3M India	1.14%
Automobiles	5.99%	Capital Markets	1.10%
TVS Motor Company	3.78%	ICICI Securities	1.10%
Mahindra & Mahindra	2.21%	Finance	1.10%
IT - Software	5.71%	M&M Financial Services	1.10%
Persistent Systems	2.87%	Textiles & Apparels	0.99%
Infosys	2.34%	K.P.R. Mill	0.99%
Mphasis	0.50%	Net Cash and Cash Equivalent	11.78%
Retailing	5.03%	Grand Total	100.00%
Trent	2.74%		

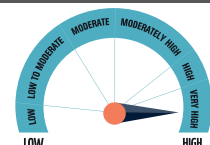
SECTOR ALLOCATION

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 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