

# IDFC MIDCAP FUND

(Mid Cap Fund - An open ended equity scheme predominantly investing in mid cap stocks)

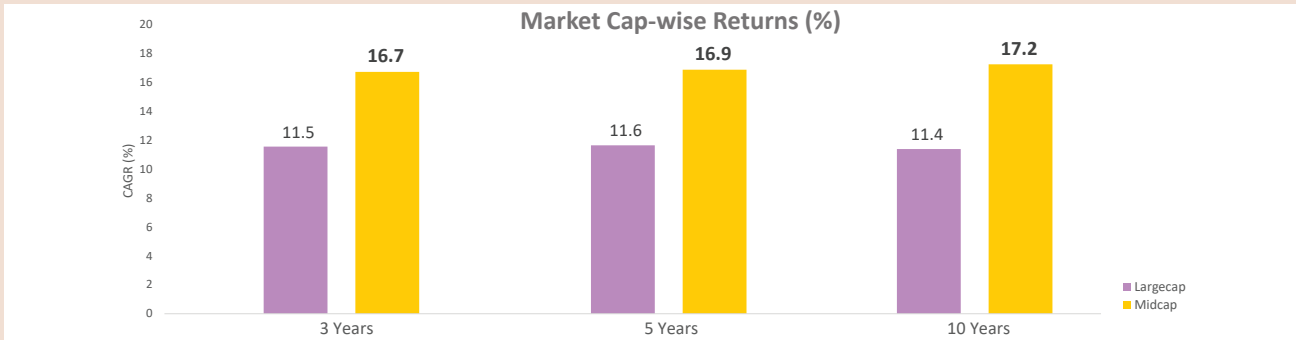
Sweet spot between Risks and Returns



NFO opens on 28th July 2022 | NFO closes on 11th August 2022

## Midcaps have established strong performance across time periods

Midcap segment has generated relatively higher returns across 3Y, 5Y as well as 10Y periods

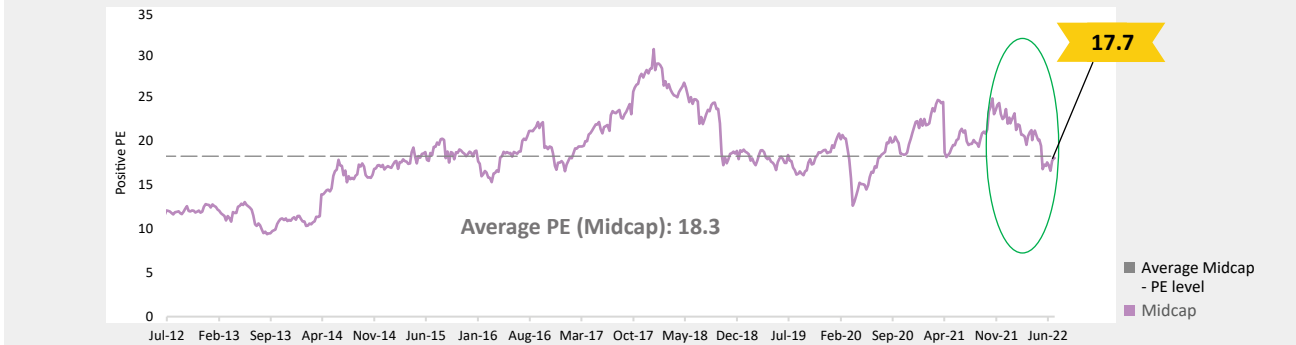


Source: ICRA MFI. Large Cap – S&P BSE 100 TRI; Mid Cap - S&P BSE 150 Mid Cap TRI; The period considered – 10 years: From 30th June 2012 to 30th June 2022. Returns are CAGR. The above graph shows the performance as an average of various periods (3, 5 & 10 years) rolling return. Past performance may or may not be sustained in the future.

## Midcap valuation could be at a reasonable level

Midcap is trading at moderate discount to its long-term average

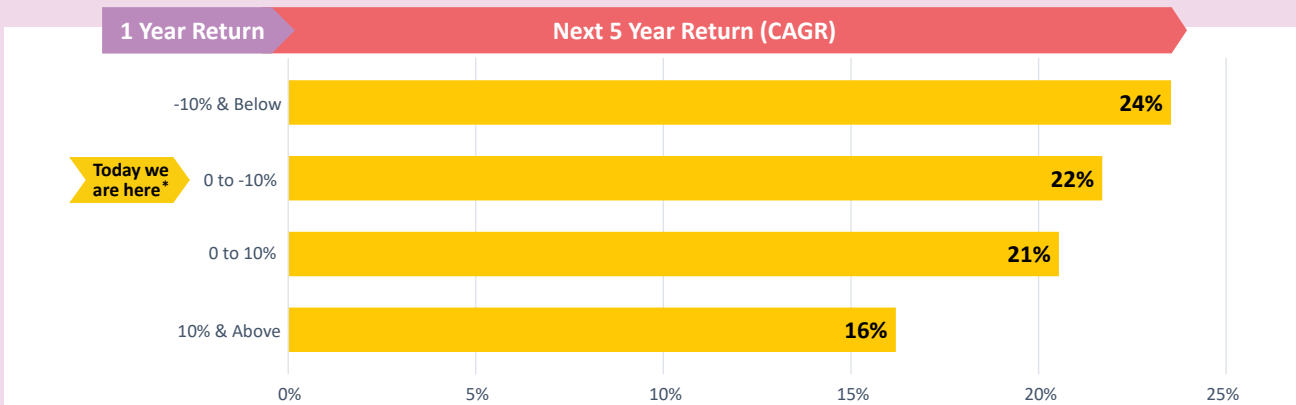
Current PE level is at 17.7 vis-à-vis the 10-year average of 18.3



Source : Bloomberg, Midcap: Nifty Midcap 100 Index; Trailing PE considered from June-2012 to June- 2022. PE data as on June 20, 2022. Past performance may or may not be sustained in the future.

## Midcaps may have potential return opportunities over the long term

Modest past year returns may lead to attractive return potential over the next 5 year period



\* As on June 30, 2022 @ Trailing 1Y CAGR of -1.21%; Source: ICRA MFI; Mid Cap - S&P BSE 150 Mid Cap TRI The period considered is 10 years i.e. from 30th June 2012 to 30th June 2022. Returns are CAGR. The above graph shows the performance as an average of 5 years (Forward) period return. Past performance may or may not be sustained in the future.

## ABOUT IDFC MIDCAP FUND

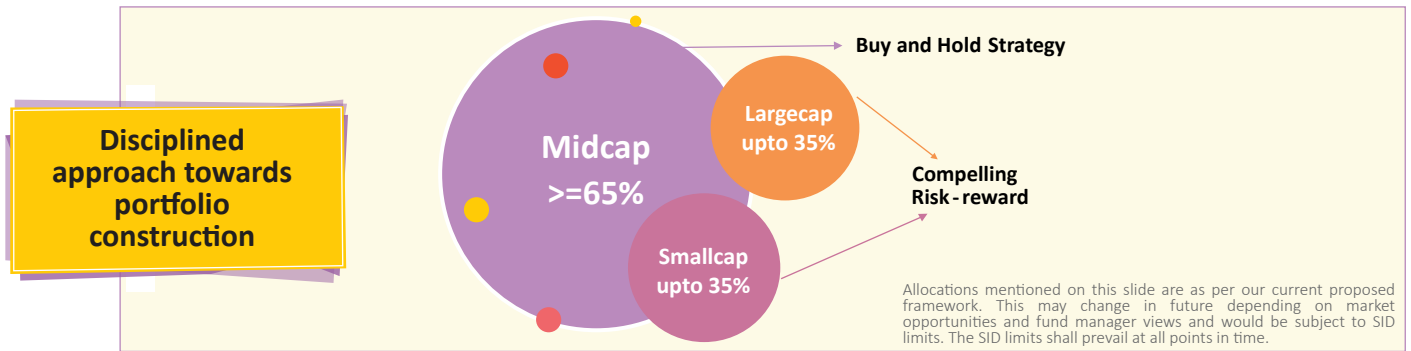
IDFC Midcap Fund offers an opportunity to benefit from the strong growth potential of the midcap companies over the long term. The fund's portfolio construction would be executed with a bottom-up investing approach. While the approach does not guarantee immunity to volatility from the macroeconomic factors, it brings in a sharper focus on business-specific aspects and aligns the execution with a long-term view.

### IDFC Midcap Fund - 5 Filter Framework for Stock Selection

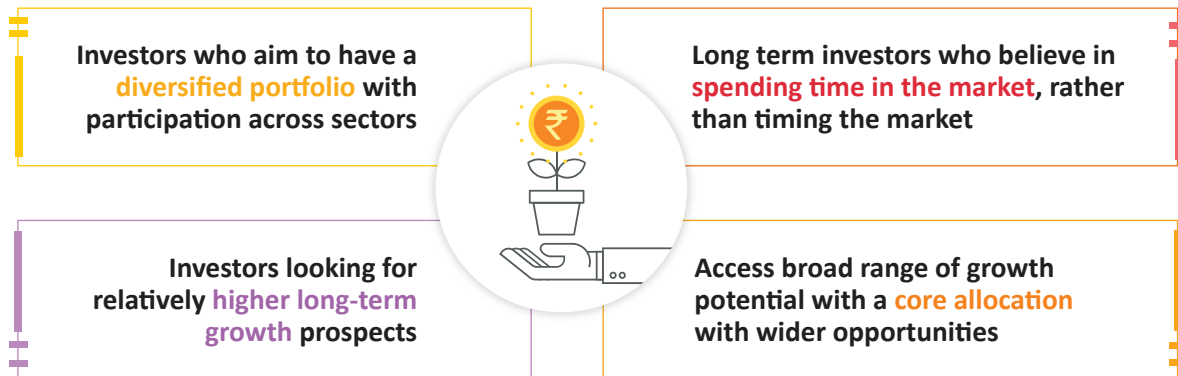
Addressable Investment Universe

<b>Governance / Sustainability</b>	<b>Enables to take longer-term view on business</b> - Strong governance, capital allocation track record and sustainable business model
<b>Capital Efficiency</b>	<b>Key for shareholder value creation</b> - Structural opportunity for business to earn optimal return on invested capital (RoIC)
<b>Competitive Edge</b>	<b>Leads to strong franchise network creation</b> - Clear value proposition for customers through cost/product differentiation
<b>Scalability</b>	<b>Results into longer-term earning growth</b> - Large market opportunity available
<b>Acceptable Risk / Reward</b>	<b>Non-adherence to discipline could result into inferior investment outcomes</b> - Avoiding to pay excess for right kind of business

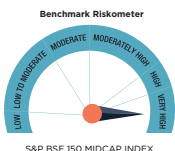
Note: Above mentioned framework is part of portfolio stock selection approach. The selection however would be evaluated on an ongoing basis



### Fund Suitability



<b>Benchmark</b>	S&P BSE 150 MIDCAP INDEX	<b>Fund Managers</b>	Sachin Relekar (Equity portion)/ Harshal Joshi (Debt portion)
<b>Exit Load</b>	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	<b>Minimum Application Amount</b>	Rs. 5000 and in multiples of Re. 1 thereafter



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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

Distributed by:

#### Disclaimer

Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.

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\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.