



Bandhan Emerging Businesses Fund[§]

(Small Cap Fund – An open ended equity scheme predominantly investing in small cap stocks)

- Fund focuses on building a diversified portfolio within the small cap segment.
- Portfolio will contain buy and hold strategies as well as opportunistic picks in the cyclical space.
- Fund may also look to participate in new businesses via IPOs.

FUND PHILOSOPHY*

The fund aims to identify and invest in companies with steady growth prospects, operating in industries with a stable growth visibility over the medium term – 2-4 years. The fund would be willing to pay higher valuation for companies with distinct segment leadership advantages and/or for companies operating in segments which are witnessing a boost of growth due to change in industry dynamics; regulatory changes / geographical shifts. While not eschewing completely, the fund aims to limit exposure to “deep” cyclicals and focus more on companies and sectors with secular growth outlook. Hence, the valuation metrics of the fund – P/E; EV/EBIDTA; EV/Sales may appear to be more expensive than the benchmark.

Consumer facing rather than B to B is another focus area of the fund. The fund aims to ensure participation in non-small caps as a measure of higher liquidity as well addressability for investing in sectors where size brings noticeable advantage – BFSI, for example. The fund aims to hold cash levels of upto 10% across time periods, both as a measure of liquidity as well as to capitalize on opportunistic investing. Lastly, rather than try to outperform the benchmark on the upside, the fund would aim to conserve capital by limiting downside during periods of drawdowns, a dominant (and painful) characteristic of small cap investing.

OUTLOOK

How it went:

- Global equities delivered strong performance across regions in March (MSCI World +2.8% MoM), barring UK, Brazil and Malaysia. MSCI China was the strongest performer (+4.5% MoM) with the US (+3.4% MoM) also delivering strong returns.
- Indian equities gained (+1.2% MoM/-12.7% FYTD), while underperforming the region and peers (MSCI APxJ/EM: +2.5%/+2.7% MoM).
- Most sectors except IT, Auto and telecom ended the month in the green, as the NIFTY rose (+0.3% MoM), closing the month near 17,400 levels.
- Utilities was the strongest sector, followed by Oil & Gas and Staples (FMCG). Mid-caps (-1.1% MoM) and small caps (-1.3% MoM) declined and underperformed the large caps (+0.4%).

How do we look ahead:

- Continuing the trend, even the first 3 months of the equity markets have been volatile led by growing global uncertainties. Near term risk of volatility continuous to remains high.
- However there are some big positives emerging:
 - First - global interest rates are beginning to trend down especially at the long end (the US 10yr yield is almost 100bps lower from peak in October),
 - Second – India’s current account has improved materially with oil price coming down and services exports growing handsomely, and
 - Third – the US dollar is weakening which improves global liquidity.

FUND FEATURES:

(Data as on 31st March'23)

Category: Small Cap Fund

Monthly Avg AUM: ₹ 1,428.60 Crores

Inception Date: 25th February 2020

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

Benchmark: S&P BSE 250 SmallCapTRI

Other Parameter:

Beta: 0.77

R Squared: 0.85

Standard Deviation (Annualized): 17.66%

Exit Load:

1% if redeemed/switched out within 1 year from the date of allotment

Minimum Investment Amount: ₹ 1,000 and any amount thereafter

SIP Dates : (Monthly/Quarterly) Investor may choose any day of the month except 29th, 30th and 31st as the date of installment.

Options Available: The Scheme offer IDCW® Option & Growth Option. IDCW® Option under each Plan further offers of choice of Payout & Sweep facilities.

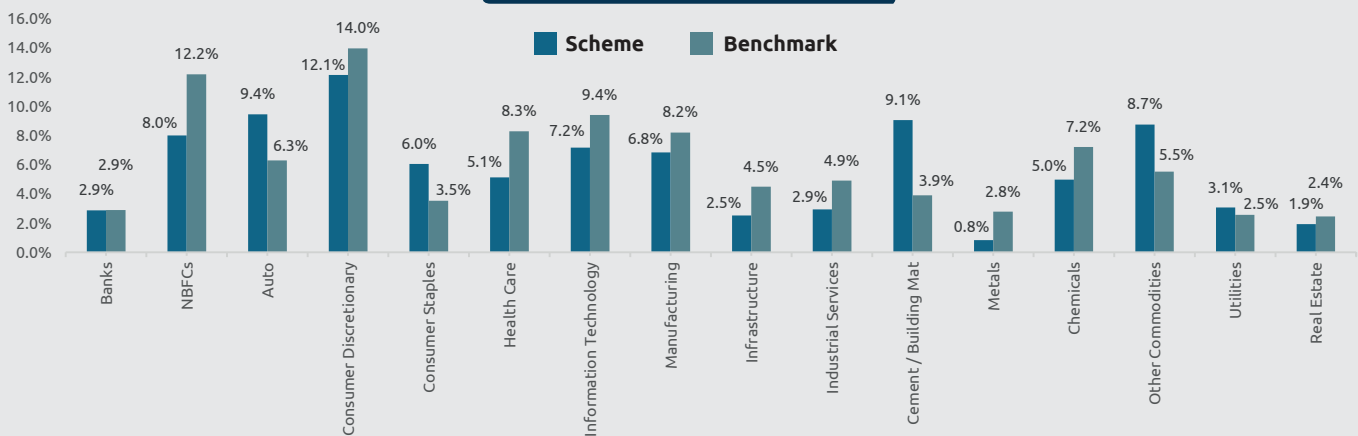
SIP (Minimum Amount): ₹ 100/- and in multiples of Rs.1 thereafter

@Income Distribution cum capital withdrawal

[§]With effect from 13th March 2023, the name of “IDFC Emerging Businesses Fund” has changed to “Bandhan Emerging Businesses Fund”

Name of the Instrument	% to NAV	Name of the Instrument	% to NAV
Equity and Equity related Instruments	91.61%	Transport Services	2.92%
Consumer Durables	9.25%	VRL Logistics	1.71%
Metro Brands	2.71%	InterGlobe Aviation	1.21%
Kajaria Ceramics	2.13%	Banks	2.86%
Cera Sanitaryware	1.76%	Axis Bank	1.93%
Mayur Uniquoters	1.57%	Indian Bank	0.92%
Greenply Industries	1.08%	Retailing	2.67%
Industrial Products	8.57%	V-Mart Retail	1.55%
Carborundum Universal	3.10%	Vedant Fashions	1.13%
Shaily Engineering Plastics	2.08%	Construction	2.52%
AIA Engineering	1.02%	Kalpataru Power Transmission	2.52%
Kirloskar Brothers	0.93%	Agricultural Food & other Products	2.52%
Graphite India	0.83%	Balrampur Chini Mills	2.52%
Finolex Industries	0.61%	Power	2.16%
Auto Components	8.34%	NTPC	2.16%
Automotive Axles	2.70%	Pharmaceuticals & Biotechnology	2.12%
Wheels India	1.60%	FDC	1.10%
Jamna Auto Industries	1.42%	Gland Pharma	1.02%
Alicon Castalloy	1.37%	IT - Services	1.96%
GNA Axles	1.26%	Cyient	1.96%
Leisure Services	5.59%	Food Products	1.94%
Westlife Foodworld	2.45%	Avanti Feeds	1.11%
EIH	1.47%	Heritage Foods	0.83%
Taj GVK Hotels & Resorts	0.93%	Realty	1.93%
Jubilant Foodworks	0.74%	Mahindra Lifespace Developers	1.00%
Capital Markets	4.05%	Keystone Realtors	0.93%
Multi Commodity Exchange of India	1.81%	Aerospace & Defense	1.79%
UTI Asset Management Company	1.17%	Data Patterns (India)	1.79%
Angel One	0.99%	Commercial Services & Supplies	1.62%
ICICI Securities	0.08%	eClerx Services	1.62%
Finance	3.94%	Textiles & Apparels	1.47%
Can Fin Homes	1.48%	Nitin Spinners	0.79%
Mas Financial Services	1.36%	Vardhman Textiles	0.68%
Poonawalla Fincorp	1.09%	Cigarettes & Tobacco Products	1.18%
IT - Software	3.58%	Godfrey Phillips India	1.18%
Zensar Technologies	2.16%	Industrial Manufacturing	1.16%
Birlasoft	1.42%	Syrma SGS Technology	1.16%
Beverages	3.49%	Petroleum Products	1.09%
Radico Khaitan	3.49%	Gulf Oil Lubricants India	1.09%
Cement & Cement Products	3.48%	Diversified	0.96%
JK Lakshmi Cement	2.11%	DCM Shriram	0.96%
Sagar Cements	1.38%	Gas	0.90%
Chemicals & Petrochemicals	3.11%	Gujarat State Petronet	0.90%
NOCIL	2.21%	Fertilizers & Agrochemicals	0.89%
Chemplast Sanmar	0.89%	Heranba Industries	0.80%
Navin Fluorine International	0.01%	Paradeep Phosphates	0.10%
Healthcare Services	3.01%	Personal Products	0.54%
Narayana Hrudayalaya	1.53%	Emami	0.54%
Krishna Institute of Medical Sciences	0.99%	Net Cash and Cash Equivalent	8.39%
Krsnaa Diagnostics	0.50%	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 in equity and equity related instrument of small 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 250 SmallCap TRI</p>
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