



Bandhan Sterling Value Fund^{\$}

An open ended equity scheme following a value investment strategy

Bandhan Sterling Value Fund is a value focused investment strategy and follows a Flexi-cap approach in identifying value opportunities across market cap segments.

- The fund follows a market cap and benchmark agnostic approach.

To identify value opportunities, the Fund looks at a variety of relative valuation tools including ratios such as Enterprise Value (EV)/Sales ratio, Operating cash flow (OCF)/EV, and Price/Book (P/B).

FUND PHILOSOPHY*

The focus of Bandhan Sterling Value Fund has been on building a portfolio of Leader/Challengers and Emerging businesses with an emphasis on bottom up stock selection. As part of the current strategy, the portfolio looks to build on the leaders/challengers – these are the market leaders in the Non-Nifty sectors (like Tyres, Bearings) or Top Challengers in the Nifty sectors (such as FMCG, Banks). The key parameters that we look at while selecting the companies here are low debt to operating cash flow and ROIC (Return on Invested Capital) greater than the Cost of Capital (CoC). The other part of the portfolio focuses on the Emerging Businesses. These are businesses in down cycles or where scale is yet to be achieved or where companies can fund growth without repeated dilutions. Many a times, earnings do not capture fair value of the businesses in down cycles or that are yet to achieve scale and hence popular ratios such as P/E ratio might not be the relevant metric to value the company. Thus, we believe that a better parameter for relative value evaluation could be the Enterprise Value (EV)/Sales ratio & Price/Book (P/B). We also filter stocks for Sustained improvement in RoE (Return on Equity) and RoCE (Return on Capital Employed) and those with Earnings Growth higher than Nifty. This segregation helps in easy management of risk & liquidity aspects of the portfolio.

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.

^{\$}With effect from 13th March 2023, the name of “IDFC Sterling Value Fund ” has changed to “Bandhan Sterling Value Fund”

FUND FEATURES:

(Data as on 31st March '23)

Category: Value

Monthly Avg AUM: ₹ 5,183.52 Crores

Inception Date: 7th March 2008

Fund Manager: Mr. Manish Gunwani (w.e.f. 28 January, 2023) & Mr. Daylynn Pinto (w.e.f. 20th October 2016)

Other Parameters:

Beta: 0.99

R Squared: 0.77

Standard Deviation (Annualized): 19.00%

Benchmark: Tier 1: S&P BSE 500 TRI (w.e.f. 28th Dec, 2021) Tier 2: S&P BSE 400 MidSmallCap TRI

Minimum Investment Amount: ₹ 1,000/- 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)

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

Options Available: Growth, IDCW[®] (Payout, Reinvestment and Sweep (from Equity Schemes to Debt Schemes only))

SIP (Minimum Amount): ₹ 100/- (Minimum 6 instalments)

PLAN	IDCW [®] RECORD DATE	₹/UNIT	NAV
REGULAR	29-Aug-22	1.57	30.7750
	26-Aug-21	1.46	28.4600
	20-Mar-20	0.73	12.8800
DIRECT	29-Aug-22	1.99	39.0970
	26-Aug-21	1.83	35.7600
	10-Mar-17	1.37	19.3894

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

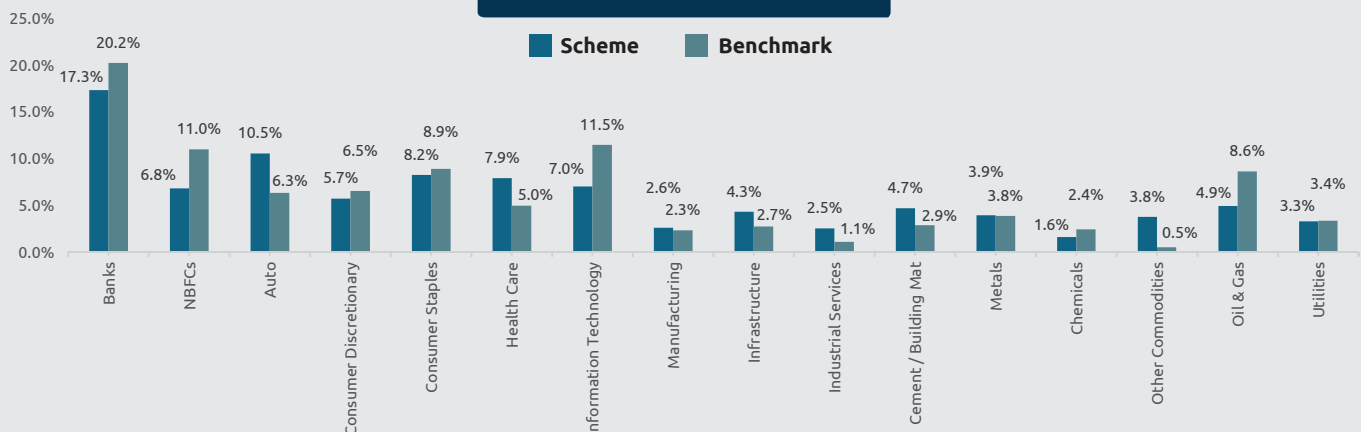
Ratios calculated on the basis of 3 years history of monthly data.

*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	Ratings	% to NAV	Name of the Instrument	Ratings	% to NAV
Equity and Equity related Instruments			95.05%		
Banks			17.32%		
ICICI Bank		4.87%	Polycab India		1.10%
Axis Bank		3.62%	Graphite India		0.77%
State Bank of India		2.51%	Cement & Cement Products		
HDFC Bank		2.47%	The Ramco Cements		1.74%
IndusInd Bank		1.94%	Nuvoco Vistas Corporation		0.99%
Bank of Baroda		1.91%	Sagar Cements		0.36%
Pharmaceuticals & Biotechnology			Automobiles		
7.91%			Hero MotoCorp		1.62%
Cipla		1.98%	Tata Motors		1.37%
Sun Pharmaceutical Industries		1.60%	Diversified FMCG		
Dr. Reddy's Laboratories		1.33%	ITC		2.94%
IPCA Laboratories		1.16%	Consumer Durables		
Lupin		0.93%	Greenpanel Industries		1.58%
Laurus Labs		0.90%	Mayur Uniquoters		0.72%
IT - Software			Beverages		
7.00%			Radico Khaitan		2.04%
Tata Consultancy Services		2.46%	United Spirits		0.58%
HCL Technologies		2.08%	Transport Services		
Tech Mahindra		1.37%	VRL Logistics		2.53%
Zensar Technologies		1.00%	Construction		
Mphasis		0.09%	NCC		2.15%
Finance			Insurance		
4.84%			ICICI Lombard General Insurance Company		1.97%
Poonawalla Fincorp		2.30%	Personal Products		
Mas Financial Services		1.07%	Godrej Consumer Products		1.85%
LIC Housing Finance		0.88%	Power		
M&M Financial Services		0.58%	NTPC		1.68%
Auto Components			Food Products		
4.80%			Avanti Feeds		1.59%
UNO Minda		2.21%	Chemicals & Petrochemicals		
Bosch		1.86%	Deepak Nitrite		1.59%
Wheels India		0.73%	Gas		
Electrical Equipment			Gujarat Gas		
4.73%			1.58%		
CG Power and Industrial Solutions		2.59%	Textiles & Apparels		
KEC International		2.14%	K.P.R. Mill		
Ferrous Metals			1.45%		
4.56%			Oil		
Jindal Steel & Power		3.14%	Oil & Natural Gas Corporation		
Kirloskar Ferrous Industries		1.43%	1.16%		
Petroleum Products			Retailing		
3.78%			V-Mart Retail		
Reliance Industries		2.23%	0.85%		
Bharat Petroleum Corporation		1.54%	Agricultural Food & other Products		
Leisure Services			Tata Consumer Products		
3.29%			0.81%		
The Indian Hotels Company		2.17%	Net Cash and Cash Equivalent		
EIH		1.11%	4.95%		
Industrial Products			Grand Total		
3.20%			100.00%		
Bharat Forge		1.33%			

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 following a value investment strategy. <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>Tier 1: S&P BSE 500 TRI</p>	<p>Benchmark risk-o-meter</p> <p>Tier 2: S&P BSE 400 MidSmallCap TRI</p>
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