



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:

While Taiwan, Korea, India and Japan were positive MoM, Global equities were down -1.2%. Indian markets have bounced back strongly in the past 3 months with +8% return v/s 3.2% for World. It is also holding up well on a 3-year basis. BSE100 returns of 3.2% (in Rupee terms) for the month were a mixed bag over the month. Auto and IT lead the pack while O&G and Utilities declined this month. Mid-caps (+5.5% MoM) and small caps (+5.5% MoM) improved sharply and outperformed the large caps (+3.2%).

How do we look ahead:

The Indian market has bounced back strongly in absolute terms and relative to emerging markets. Key reasons for this we believe are - the improving external accounts situation due to fall in energy prices and robust service exports which has made the currency outlook positive, continued economic momentum in India whereas many countries are slowing down and the disappointment on China growth where after the COVID restrictions going away, the economic rebound has disappointed. We believe these factors will continue to drive India's growth outperformance. Key risks going forward are - the monsoon outlook and state elections at the end of the year.

FUND FEATURES:

(Data as on 31st May'23)

Category: Small Cap Fund

Monthly Avg AUM: ₹ 1,553.52 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: 0.81

R Squared: 0.86

Standard Deviation (Annualized): 17.58%

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.

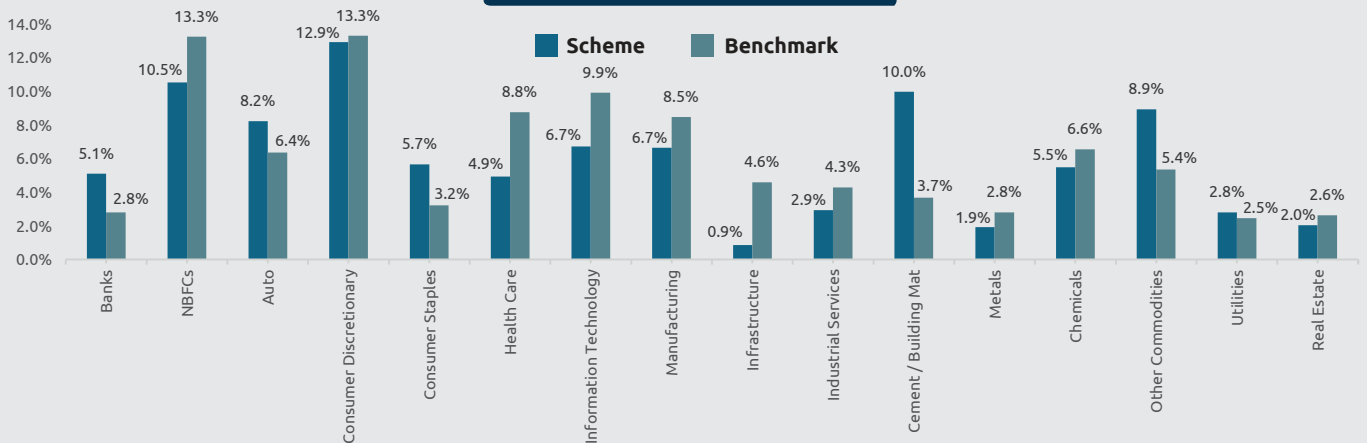
SIP (Minimum Amount): ₹ 100/- and in multiples of Rs.1 thereafter

@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	93.96%	Transport Services	2.93%
Industrial Products	9.16%	VR Logistics	1.60%
Shaily Engineering Plastics	2.30%	InterGlobe Aviation	1.33%
Carborundum Universal	2.28%	Chemicals & Petrochemicals	2.50%
Graphite India	1.92%	Chemplast Sanmar	1.03%
Kirloskar Brothers	1.15%	NOCL	0.91%
AIA Engineering	0.96%	Fine Organic Industries	0.56%
Finolex Industries	0.56%	Food Products	2.23%
Consumer Durables	9.04%	Avanti Feeds	1.13%
Metro Brands	2.12%	Heritage Foods	1.10%
Kajaria Ceramics	2.08%	Agricultural Food & other Products	2.21%
Mayur Uniquoters	1.86%	Balrampur Chini Mills	2.21%
Cera Sanitaryware	1.82%	Realty	2.04%
Greenply Industries	1.07%	Mahindra Lifespace Developers	1.13%
Safari Industries (India)	0.08%	Keystone Realtors	0.91%
Auto Components	6.76%	Power	1.89%
Wheels India	1.93%	NTPC	1.89%
Automotive Axles	1.70%	Commercial Services & Supplies	1.81%
Alicon Castalloy	1.34%	eClerx Services	1.81%
Jamna Auto Industries	0.96%	Pharmaceuticals & Biotechnology	1.79%
GNA Axles	0.49%	FDC	1.13%
Mahindra CIE Automotive	0.34%	Gland Pharma	0.66%
Finance	6.00%	IT - Services	1.70%
Can Fin Homes	1.75%	Cyient	1.70%
Poonawalla Fincorp	1.14%	Aerospace & Defense	1.62%
Power Finance Corporation	1.13%	Data Patterns (India)	1.62%
Mas Financial Services	1.10%	Industrial Manufacturing	1.54%
Cholamandalam Financial Holdings	0.87%	Syrma SGS Technology	1.54%
Leisure Services	5.11%	Textiles & Apparels	1.40%
Westlife Foodworld	2.45%	Nitin Spinners	0.81%
EIH	1.51%	Vardhman Textiles	0.59%
Taj GVK Hotels & Resorts	0.89%	Petroleum Products	1.09%
Jubilant Foodworks	0.26%	Gulf Oil Lubricants India	1.09%
Banks	5.09%	Cigarettes & Tobacco Products	1.00%
Axis Bank	1.82%	Godfrey Phillips India	1.00%
HDFC Bank	1.80%	Diversified	0.98%
Indian Bank	0.76%	DCM Shriram	0.98%
Equitas Small Finance Bank	0.70%	Gas	0.90%
Capital Markets	4.24%	Gujarat State Petronet	0.90%
Angel One	1.55%	Fertilizers & Agrochemicals	0.89%
Multi Commodity Exchange of India	1.54%	Heranba Industries	0.80%
UTI Asset Management Company	1.14%	Paradeep Phosphates	0.09%
Cement & Cement Products	4.22%	Construction	0.85%
JK Lakshmi Cement	1.64%	Kalpataru Power Transmission	0.85%
Sagar Cements	1.30%	Electrical Equipment	0.60%
Nuvoco Vistas Corporation	1.28%	Suzlon Energy	0.51%
Retailing	3.41%	Apar Industries	0.09%
V-Mart Retail	1.28%	Insurance	0.53%
Vedant Fashions	1.13%	Max Financial Services	0.53%
Aditya Birla Fashion and Retail	1.00%	Personal Products	0.52%
Healthcare Services	3.13%	Emami	0.52%
Narayana Hrudayalaya	1.56%	Entertainment	0.49%
Krishna Institute of Medical Sciences	1.01%	Zee Entertainment Enterprises	0.49%
Krsnaa Diagnostics	0.56%	Ferrous Metals	0.15%
IT - Software	3.07%	Kirloskar Ferrous Industries	0.15%
Birlasoft	1.65%	Automobiles	0.07%
Zensar Technologies	1.42%	Landmark Cars	0.07%
Beverages	3.02%	Net Cash and Cash Equivalent	6.04%
Radico Khaitan	3.02%	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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