



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:

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.

^{\$}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 May'23)

Category: Value

Monthly Avg AUM: ₹ 5,608.28 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: 0.98

R Squared: 0.72

Standard Deviation (Annualized): 17.38%

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.

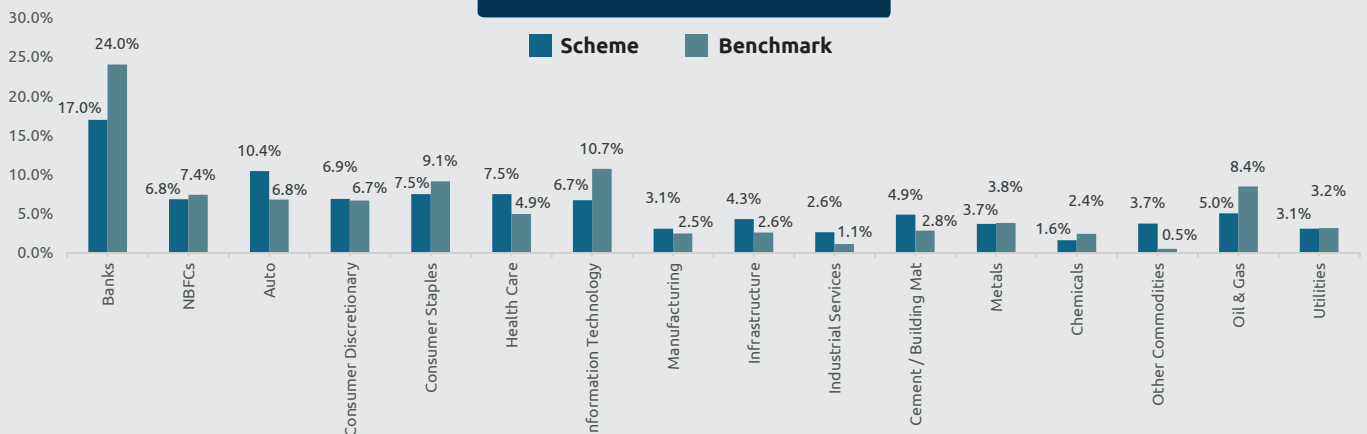
PORTFOLIO

(31 May 2023)



Name of the Instrument	Ratings	% to NAV	Name of the Instrument	Ratings	% to NAV
Equity and Equity related Instruments		94.72%	Industrial Products		3.23%
Banks		16.96%	Polycab India		1.14%
ICICI Bank		4.76%	Bharat Forge		1.09%
Axis Bank		3.48%	Graphite India		1.00%
State Bank of India		2.50%	Cement & Cement Products		3.15%
HDFC Bank		2.23%	The Ramco Cements		1.87%
IndusInd Bank		2.11%	Nuvoco Vistas Corporation		1.04%
Bank of Baroda		1.89%	Sagar Cements		0.24%
Pharmaceuticals & Biotechnology		7.50%	Diversified FMCG		3.08%
Cipla		1.89%	ITC		3.08%
Sun Pharmaceutical Industries		1.52%	Consumer Durables		2.88%
Dr. Reddy's Laboratories		1.17%	Greenpanel Industries		1.70%
Lupin		1.04%	Mayur Uniquoters		0.76%
Laurus Labs		0.97%	Voltas		0.42%
IPCA Laboratories		0.91%	Transport Services		2.61%
IT - Software		6.72%	VRL Logistics		2.61%
Tata Consultancy Services		2.27%	Beverages		2.56%
HCL Technologies		1.98%	Radico Khaitan		1.76%
Tech Mahindra		1.25%	United Spirits		0.80%
Zensar Technologies		1.21%	Construction		2.12%
Electrical Equipment		5.22%	NCC		2.12%
CG Power and Industrial Solutions		3.05%	Insurance		1.96%
KEC International		2.17%	ICICI Lombard General Insurance Company		1.96%
Finance		4.88%	Personal Products		1.83%
Poonawalla Fincorp		2.45%	Godrej Consumer Products		1.83%
M&M Financial Services		0.98%	Food Products		1.69%
Mas Financial Services		0.89%	Avanti Feeds		1.69%
LIC Housing Finance		0.56%	Chemicals & Petrochemicals		1.61%
Auto Components		4.80%	Deepak Nitrite		1.61%
UNO Minda		2.30%	Gas		1.58%
Bosch		1.60%	Gujarat Gas		1.58%
Wheels India		0.90%	Power		1.50%
Ferrous Metals		3.89%	NTPC		1.50%
Jindal Steel & Power		2.68%	Textiles & Apparels		1.29%
Kirloskar Ferrous Industries		1.21%	K.P.R. Mill		1.29%
Petroleum Products		3.82%	Oil		1.20%
Reliance Industries		2.35%	Oil & Natural Gas Corporation		1.20%
Bharat Petroleum Corporation		1.47%	Retailing		1.03%
Leisure Services		3.62%	V-Mart Retail		1.03%
The Indian Hotels Company		2.36%	Entertainment		0.67%
EIH		1.26%	Zee Entertainment Enterprises		0.67%
Automobiles		3.31%	Net Cash and Cash Equivalent		5.28%
Hero MotoCorp		1.76%			
Tata Motors		1.55%	Grand Total		100.00%

SECTOR ALLOCATION



Scheme risk-o-meter	This product is suitable for investors who are seeking*	Benchmark risk-o-meter	Benchmark risk-o-meter
<p>Investors understand that their principal will be at Very High risk</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>Tier 1: S&P BSE 500 TRI</p>	<p>Tier 2: S&P BSE 400 MidSmallCap TRI</p>