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## Bandhan Sterling Value Fund<sup>\$</sup>

An open ended equity scheme following a value investment strategy (Formerly known as IDFC Sterling Value Fund)

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 rebound, in September, across geographies relative to the previous month (MSCI World 1% MoM / +11.6% CYTD). India delivered 0.9% MoM returns (+5.3% FYTD), outperforming the Emerging markets, which declined -0.9% MoM (+2.5% FYTD). All three indices – Large, Mid and Smallcap – were positive for September 2023. However, the markets felt nervous given the macro headwinds – high oil prices, global dollar appreciation, long-term term yields in the US, and forthcoming state elections.

#### How do we look ahead:

Given the high fiscal deficit, the supply of US bonds is proving to be challenging as two big buyers in recent times – the Fed and foreign countries (China, Saudi, etc) are not adding incrementally. On the other hand, the domestic economy indicators continue to display reasonable momentum with capex and affluent consumption being the relatively strong pockets. Our portfolios are broadly positioned to ride the domestic economy, but we need to monitor the risks of adverse global developments on the domestic economy along with political developments ahead.

<sup>\$</sup>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 30th September'23)

**Category:** Value

**Monthly Avg AUM:** ₹ 6,813.33 Crores

**Inception Date:** 7th March 2008

**Fund Manager<sup>^^</sup>:** Mr. Daylynn Pinto (w.e.f. 20th October 2016).

**Other Parameters:**

**Beta:** 0.94

**R Squared:** 0.75

**Standard Deviation (Annualized):** 15.70%

**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<sup>®</sup> (Payout, Reinvestment and Sweep (from Equity Schemes to Debt Schemes only))

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

<sup>^^</sup>Ms. Nishita Shah will be managing overseas investment portion of the scheme.

PLAN	IDCW <sup>®</sup> RECORD DATE	₹/UNIT	NAV
REGULAR	30-Aug-23	1.98	35.9250
	29-Aug-22	1.57	30.7750
	26-Aug-21	1.46	28.4600
DIRECT	30-Aug-23	2.54	46.1300
	29-Aug-22	1.99	39.0970
	26-Aug-21	1.83	35.7600

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).

<sup>®</sup>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.**

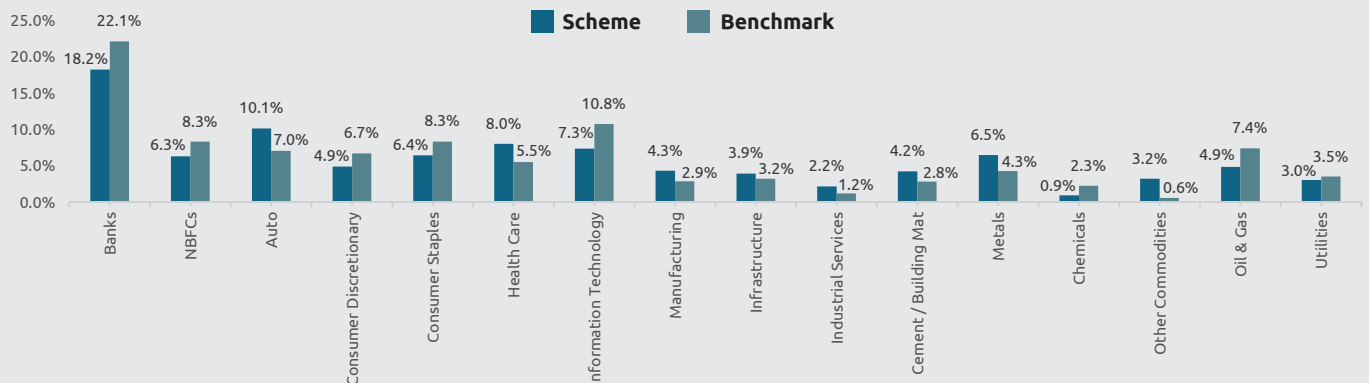
# PORTFOLIO

(30 September 2023)

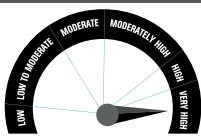


Name of the Instrument	Ratings	% to NAV	Name of the Instrument	Ratings	% to NAV
<b>Equity and Equity related Instruments</b>		<b>94.56%</b>	<b>Leisure Services</b>		<b>3.09%</b>
<b>Banks</b>		<b>18.24%</b>	The Indian Hotels Company		1.92%
Axis Bank		4.54%	EIH		1.17%
ICICI Bank		4.17%	<b>Power</b>		<b>3.04%</b>
HDFC Bank		3.34%	NTPC		1.97%
State Bank of India		2.36%	Power Grid Corporation of India		1.07%
IndusInd Bank		1.98%	<b>Diversified FMCG</b>		<b>2.73%</b>
Bank of Baroda		1.84%	ITC		2.73%
<b>Pharmaceuticals &amp; Biotechnology</b>		<b>8.03%</b>	<b>Cement &amp; Cement Products</b>		<b>2.56%</b>
Cipla		1.99%	The Ramco Cements		1.60%
Sun Pharmaceutical Industries		1.69%	Nuvoco Vistas Corporation		0.97%
Lupin		1.28%	<b>Petroleum Products</b>		<b>2.40%</b>
Dr. Reddy's Laboratories		1.14%	Reliance Industries		2.40%
Laurus Labs		0.98%	<b>Industrial Products</b>		<b>2.30%</b>
Aurobindo Pharma		0.80%	Graphite India		1.18%
IPCA Laboratories		0.14%	Bharat Forge		1.12%
<b>IT - Software</b>		<b>7.35%</b>	<b>Beverages</b>		<b>2.27%</b>
Tata Consultancy Services		2.71%	Radico Khaitan		1.49%
HCL Technologies		1.80%	United Spirits		0.77%
Tech Mahindra		1.34%	<b>Transport Services</b>		<b>2.14%</b>
Infosys		0.84%	VRL Logistics		2.14%
Zensar Technologies		0.66%	<b>Insurance</b>		<b>1.84%</b>
<b>Electrical Equipment</b>		<b>6.43%</b>	ICICI Lombard General Insurance Company		1.84%
CG Power and Industrial Solutions		2.71%	<b>Construction</b>		<b>1.78%</b>
KEC International		2.13%	NCC		1.78%
Suzlon Energy		1.26%	<b>Food Products</b>		<b>1.67%</b>
Rishabh Instruments		0.33%	Avanti Feeds		1.67%
<b>Auto Components</b>		<b>4.70%</b>	<b>Personal Products</b>		<b>1.45%</b>
UNO Minda		2.01%	Godrej Consumer Products		1.45%
Bosch		1.71%	<b>Oil</b>		<b>1.40%</b>
Wheels India		0.98%	Oil & Natural Gas Corporation		1.40%
<b>Finance</b>		<b>4.45%</b>	<b>Non - Ferrous Metals</b>		<b>1.19%</b>
Poonawalla Fincorp		2.08%	Hindalco Industries		1.19%
M&M Financial Services		1.16%	<b>Gas</b>		<b>1.09%</b>
Mas Financial Services		0.99%	GAIL (India)		1.09%
Power Finance Corporation		0.23%	<b>Consumable Fuels</b>		<b>1.08%</b>
<b>Ferrous Metals</b>		<b>4.20%</b>	Coal India		1.08%
Jindal Steel & Power		3.07%	<b>Chemicals &amp; Petrochemicals</b>		<b>0.93%</b>
Kirloskar Ferrous Industries		1.12%	Deepak Nitrite		0.93%
<b>Consumer Durables</b>		<b>3.24%</b>	<b>Retailing</b>		<b>0.92%</b>
Greenpanel Industries		1.66%	V-Mart Retail		0.92%
Crompton Greaves Consumer Electricals		0.86%	<b>Textiles &amp; Apparels</b>		<b>0.82%</b>
Mayur Uniquoters		0.72%	K.P.R. Mill		0.82%
<b>Automobiles</b>		<b>3.22%</b>	<b>Net Cash and Cash Equivalent</b>		<b>5.44%</b>
Hero MotoCorp		1.65%			
Tata Motors		1.56%	<b>Grand Total</b>		<b>100.00%</b>

## SECTOR ALLOCATION



### Scheme risk-o-meter



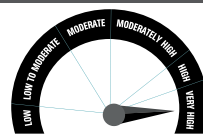
Investors understand that their principal will be at Very High risk

### This product is suitable for investors who are seeking\*

- To create wealth over long term.
- Investment predominantly in equity and equity related instruments following a value investment strategy.

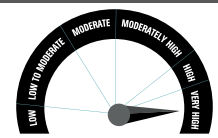
\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

### Benchmark risk-o-meter



Tier 1: S&P BSE 500 TRI

### Benchmark risk-o-meter



Tier 2: S&P BSE 400 MidSmallCap TRI