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**FUND FEATURES:**

(Data as on 31st August'23)

**Category:** Small Cap Fund

**Monthly Avg AUM:** ₹ 1,926.20 Crores

**Inception Date:** 25th February 2020

**Fund Manager:** Mr. Manish Gunwani (w.e.f. 28 January, 2023) & Mr. Kirthi Jain (w.e.f. 05 June, 2023) Ms. Nishita Shah (will be managing overseas investment portion of the scheme.)

**Benchmark:** S&P BSE 250 SmallCapTRI

**Other Parameter:**

**Beta:** 0.85

**R Squared:** 0.88

**Standard Deviation (Annualized):** 16.71%

**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  
Mr. Anoop Bhaskar was managing this Scheme till 27th January 2023.

## Bandhan Emerging Businesses Fund<sup>§</sup>

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

(Formerly known as IDFC Emerging Businesses Fund)

- 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 were in red and have corrected across geographies (MSCI World -2.6% MoM / +14.7% CYTD). India delivered -2% MoM returns (+5.3% CYTD), outperforming the Emerging markets, which declined -6.4% MoM (+2.5% CYTD). August saw continued outperformance of the small/midcap space over large caps. The small cap indices have rebounded more than 40% since the March bottom.

**How do we look ahead:**

The combination of domestic and global liquidity combined with a resilient economy and corporate earnings profile provides strong market tailwinds. Overall, we are overweight on domestic sectors like Auto, Industrials, etc., but valuations have become rich, and we are heading into the election period; hence, we must carefully manage the domestic cyclical part of the portfolios. While small caps may see a tactical correction from a medium to long-term perspective, we see interesting opportunities in the space given the country’s healthy economic growth, vibrant corporate sector and strong domestic liquidity.

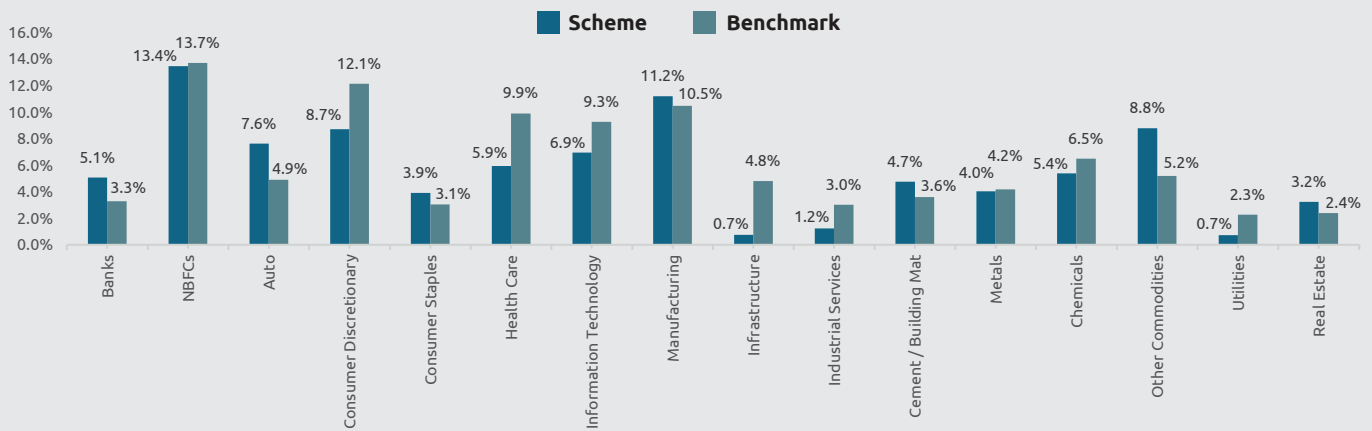
<sup>§</sup>With effect from 13th March 2023, the name of “IDFC Emerging Businesses Fund” has changed to “Bandhan Emerging Businesses Fund”

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	% to NAV	Name of the Instrument	% to NAV
<b>Equity and Equity related Instruments</b>	<b>93.77%</b>	Tech Mahindra	0.60%
<b>Finance</b>	<b>10.41%</b>	<b>Realty</b>	<b>3.23%</b>
Power Finance Corporation	2.15%	Mahindra Lifespace Developers	1.13%
Cholamandlam Financial Holdings	1.46%	Kolte - Patil Developers	1.07%
Ujivan Financial Services	1.32%	Keystone Realtors	0.88%
REC	1.02%	Sobha	0.15%
PNB Housing Finance	0.94%	<b>Capital Markets</b>	<b>3.07%</b>
Mas Financial Services	0.90%	Multi Commodity Exchange of India	1.30%
Poonawalla Fincorp	0.85%	UTI Asset Management Company	0.70%
Piramal Enterprises	0.67%	Angel One	0.61%
Manappuram Finance	0.65%	ICICI Securities	0.46%
IDFC	0.36%	<b>Textiles &amp; Apparels</b>	<b>2.73%</b>
Rane Holdings	0.09%	Nitin Spinners	1.41%
<b>Industrial Products</b>	<b>8.87%</b>	Arvind	1.32%
Shaily Engineering Plastics	2.40%	<b>Ferrous Metals</b>	<b>2.53%</b>
Carborundum Universal	1.38%	Kirloskar Ferrous Industries	1.14%
Kirloskar Brothers	1.36%	Tata Steel	0.73%
Graphite India	1.13%	Tata Metaliks	0.47%
AIA Engineering	0.70%	Jindal Stainless	0.19%
Finolex Industries	0.60%	<b>Agricultural Food &amp; other Products</b>	<b>2.30%</b>
RHI Magnesita India	0.54%	Triveni Engineering & Industries	1.34%
KEI Industries	0.30%	Balrampur Chini Mills	0.95%
Finolex Cables	0.27%	<b>Cement &amp; Cement Products</b>	<b>2.27%</b>
Sundaram Clayton DCD	0.18%	JK Lakshmi Cement	1.46%
<b>Auto Components</b>	<b>6.83%</b>	Nuvoco Vistas Corporation	0.76%
Wheels India	1.78%	Sagar Cements	0.05%
Alicon Castalloy	1.20%	<b>Leisure Services</b>	<b>2.16%</b>
TVS Holdings	1.09%	Westlife Foodworld	1.76%
Exide Industries	1.00%	Taj GVK Hotels & Resorts	0.40%
CIE Automotive India	0.69%	<b>Food Products</b>	<b>2.08%</b>
Steel Strips Wheels	0.48%	Heritage Foods	1.02%
Amara Raja Batteries	0.45%	Avanti Feeds	0.87%
Automotive Axles	0.15%	Mrs. Bectors Food Specialities	0.19%
<b>Consumer Durables</b>	<b>6.58%</b>	<b>IT - Services</b>	<b>1.86%</b>
Mayur Uniquoters	1.75%	Cyient	1.34%
Senco Gold	1.00%	Affle (India)	0.52%
Greenply Industries	0.89%	<b>Beverages</b>	<b>1.81%</b>
Kalyan Jewellers India	0.74%	Radico Khaitan	1.81%
Kajaria Ceramics	0.53%	<b>Commercial Services &amp; Supplies</b>	<b>1.62%</b>
Cera Sanitaryware	0.43%	eClerx Services	1.61%
Metro Brands	0.43%	TeamLease Services	0.00%
Stove Kraft	0.29%	<b>Industrial Manufacturing</b>	<b>1.49%</b>
Safari Industries (India)	0.20%	Syrma SGS Technology	1.49%
VIP Industries	0.17%	<b>Retailing</b>	<b>1.47%</b>
Butterfly Gandhimathi Appliances	0.17%	V-Mart Retail	0.77%
<b>Banks</b>	<b>5.05%</b>	Aditya Birla Fashion and Retail	0.71%
Axis Bank	1.09%	<b>Diversified</b>	<b>1.36%</b>
DCB Bank	1.03%	DCM Shriram	0.84%
Equitas Small Finance Bank	0.73%	Godrej Industries	0.52%
The Karnataka Bank	0.68%	<b>Transport Services</b>	<b>1.21%</b>
RBL Bank	0.66%	VRL Logistics	1.15%
Bandhan Bank	0.57%	Transport Corporation of India	0.06%
Indian Bank	0.29%	<b>Non - Ferrous Metals</b>	<b>0.83%</b>
<b>Electrical Equipment</b>	<b>4.65%</b>	National Aluminium Company	0.83%
Suzlon Energy	2.05%	<b>Construction</b>	<b>0.75%</b>
Apar Industries	1.33%	Kalpataru Projects International	0.75%
Hitachi Energy India	0.70%	<b>Aerospace &amp; Defense</b>	<b>0.73%</b>
Inox Wind	0.57%	Data Patterns (India)	0.73%
<b>Chemicals &amp; Petrochemicals</b>	<b>3.83%</b>	<b>Gas</b>	<b>0.66%</b>
Chemplast Sanmar	1.13%	Gujarat State Petronet	0.66%
Vishnu Chemicals	0.84%	<b>Petroleum Products</b>	<b>0.65%</b>
NOCIL	0.71%	Gulf Oil Lubricants India	0.65%
PCBL	0.68%	<b>Consumable Fuels</b>	<b>0.57%</b>
Fine Organic Industries	0.48%	Coal India	0.57%
<b>Healthcare Services</b>	<b>3.44%</b>	<b>Automobiles</b>	<b>0.52%</b>
Krishna Institute of Medical Sciences	0.99%	Landmark Cars	0.52%
Yatharth Hospital And Trauma Care Services	0.91%	<b>Cigarettes &amp; Tobacco Products</b>	<b>0.46%</b>
Narayana Hrudayalaya	0.90%	Godfrey Phillips India	0.46%
Krsnaa Diagnostics	0.64%	<b>Miscellaneous</b>	<b>0.45%</b>
<b>Pharmaceuticals &amp; Biotechnology</b>	<b>3.42%</b>	Rishabh Instruments	0.45%
FDC	1.06%	<b>Household Products</b>	<b>0.40%</b>
Suven Pharmaceuticals	0.57%	Jyothy Labs	0.40%
Gland Pharma	0.52%	<b>Fertilizers &amp; Agrochemicals</b>	<b>0.09%</b>
JB Chemicals & Pharmaceuticals	0.48%	Paradeep Phosphates	0.09%
Piramal Pharma	0.40%	<b>Power</b>	<b>0.07%</b>
Concord Biotech	0.39%	SJVN	0.07%
<b>IT - Software</b>	<b>3.33%</b>	<b>Fixed Deposit</b>	<b>2.48%</b>
Birlasoft	1.45%	HDFC Bank	2.48%
Zensar Technologies	1.28%	<b>Net Cash and Cash Equivalent</b>	<b>3.74%</b>
		<b>Grand Total</b>	<b>100.00%</b>

**SECTOR ALLOCATION**



<p><b>Scheme risk-o-meter</b></p> <p>Investors understand that their principal will be at Very High risk</p>	<p><b>This product is suitable for investors who are seeking*</b></p> <ul style="list-style-type: none"> <li>To create wealth over long term.</li> <li>Investment in equity and equity related instrument of small cap companies.</li> </ul> <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<p><b>Benchmark risk-o-meter</b></p> <p>S&amp;P BSE 250 SmallCap TRI</p>
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