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Bandhan Sterling Value Fund^{\$}

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 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.

^{\$}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 August'23)

Category: Value

Monthly Avg AUM: ₹ 6,543.47 Crores

Inception Date: 7th March 2008

Fund Manager: Mr. Daylynn Pinto (w.e.f. 20th October 2016) Ms. Nishita Shah (will be managing overseas investment portion of the scheme.)

Other Parameters:

Beta: 0.94

R Squared: 0.75

Standard Deviation (Annualized): 15.71%

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	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).

[®]Income Distribution cum capital withdrawal

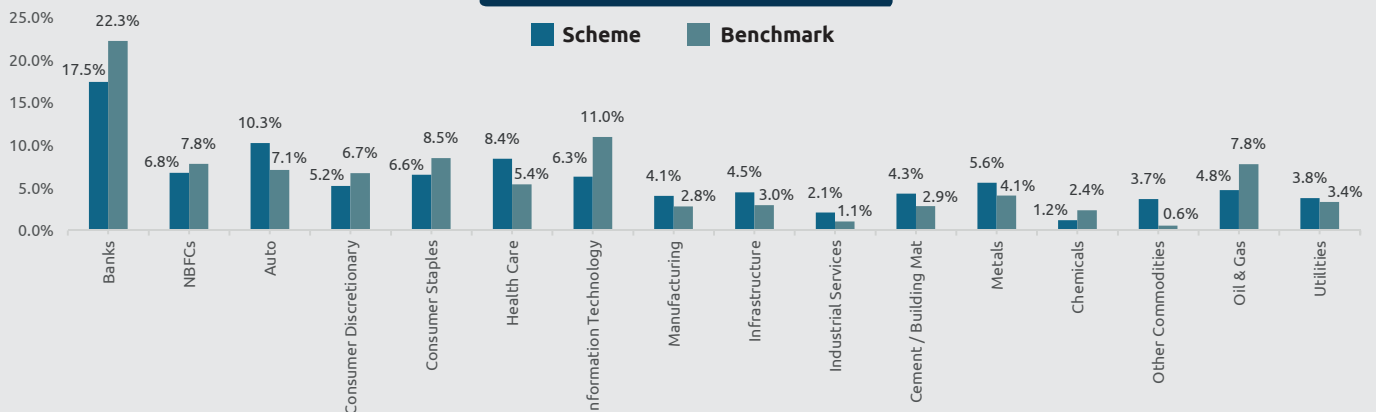
Ratios calculated on the basis of 3 years history of monthly data.

*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		94.14%	The Indian Hotels Company		2.03%
Banks		17.23%	EIH		1.16%
Axis Bank		4.39%	Automobiles		3.16%
ICICI Bank		4.33%	Hero MotoCorp		1.62%
HDFC Bank		2.60%	Tata Motors		1.54%
State Bank of India		2.28%	Diversified FMCG		2.65%
IndusInd Bank		1.97%	ITC		2.65%
Bank of Baroda		1.66%	Cement & Cement Products		2.53%
Pharmaceuticals & Biotechnology		8.50%	The Ramco Cements		1.57%
Cipla		2.17%	Nuvoco Vistas Corporation		0.96%
Sun Pharmaceutical Industries		1.67%	Power		2.47%
Lupin		1.24%	NTPC		1.82%
Dr. Reddy's Laboratories		1.18%	Power Grid Corporation of India		0.64%
Laurus Labs		1.02%	Beverages		2.41%
IPCA Laboratories		0.71%	Radico Khaitan		1.61%
Aurobindo Pharma		0.50%	United Spirits		0.80%
Electrical Equipment		6.32%	Industrial Products		2.39%
CG Power and Industrial Solutions		2.84%	Graphite India		1.26%
KEC International		2.24%	Bharat Forge		1.13%
Suzlon Energy		1.24%	Construction		2.22%
IT - Software		6.27%	NCC		2.22%
Tata Consultancy Services		2.15%	Transport Services		2.08%
HCL Technologies		1.76%	VRL Logistics		2.08%
Zensar Technologies		1.19%	Insurance		1.90%
Tech Mahindra		1.17%	ICICI Lombard General Insurance Company		1.90%
Finance		4.86%	Food Products		1.67%
Poonawalla Fincorp		2.57%	Avanti Feeds		1.67%
M&M Financial Services		1.18%	Personal Products		1.51%
Mas Financial Services		0.92%	Godrej Consumer Products		1.51%
Jio Financial Services		0.19%	Oil		1.31%
Auto Components		4.70%	Oil & Natural Gas Corporation		1.31%
UNO Minda		2.08%	Gas		1.22%
Bosch		1.72%	Gujarat Gas		1.22%
Wheels India		0.90%	Chemicals & Petrochemicals		1.20%
Ferrous Metals		4.23%	Deepak Nitrite		1.20%
Jindal Steel & Power		3.09%	Textiles & Apparels		1.18%
Kirloskar Ferrous Industries		1.14%	K.P.R. Mill		1.18%
Consumer Durables		3.39%	Non - Ferrous Metals		1.14%
Greenpanel Industries		1.73%	Hindalco Industries		1.14%
Crompton Greaves Consumer Electricals		0.86%	Retailing		1.04%
Mayur Uniquoters		0.80%	V-Mart Retail		1.04%
Petroleum Products		3.38%	Fixed Deposit		0.74%
Reliance Industries		2.53%	HDFC Bank		0.74%
Bharat Petroleum Corporation		0.85%	Net Cash and Cash Equivalent		5.12%
Leisure Services		3.19%	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 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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