

TATA LARGE CAP FUND

(AN OPEN-ENDED EQUITY SCHEME PREDOMINANTLY INVESTING IN LARGE CAP STOCKS.)

DEC'21



Investment Approach

Stock Selection:

- The fund follows an elimination approach keeping in mind benchmark allocation. A company's financial strength, future growth expectation and valuation are key criteria for selection.
- Portfolio is expected to have buckets of compounders as well as rerating candidates. In large cap space, there is going to be a higher proportion of compounders as most of these companies are well discovered in terms of business understanding and valuation.
- The fund is sector agnostic, hence every business is evaluated only on the basis of our investing criteria
- 4 key filters for selecting investment:
 - a. reasonable management team
 - b. no obvious negative/red flags (This list is not constant but evolving)
 - c. competitive positioning and opportunity size
 - d. valuation

Portfolio Construction:

- It's a low churn but diversified portfolio. Along with diversification, bet sizing is as important to make most of the winners and less damage from losers.
- Ideally, we are looking for a portfolio of 40–42 stocks with +/- 5. Portfolio will be well diversified along with lower concentration. This should help us minimize adverse impact of stock specific problems.

Current Positioning

- While there is overlap between compounders and rerating candidates, currently, we believe 1/3rd of the portfolio holdings can be characterized as rerating investments.
- We continue to remain constructive on the market outlook over the long term; however, in the near term, we are a bit cautious. The market is building in a reasonable amount of earnings growth for FY22E, and market valuation is slightly higher than long-term averages. We believe the impact of the second wave is yet to be fully understood and hence we remain watchful. We will continue to follow our disciplined approach and whenever possible we would look to rebalance our portfolio by taking benefit of prevailing market conditions.
- In mid & small cap space, most of the companies are run by promoters; hence it's critical to put filters such as—presence of professional management along with board of directors, no obvious negative / red flags, competitive positioning, size of opportunity in the respective industry and valuation.

Large proportion of our holdings are currently meeting these criteria and we continue to refine our filtering lists.

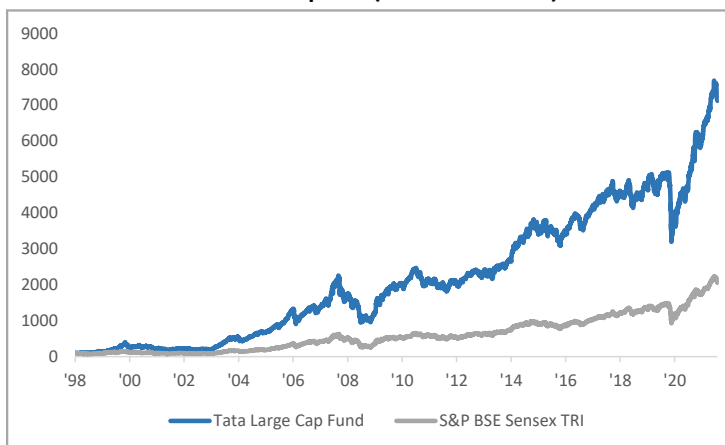
- As the economy recovers from the pandemic, we are expecting a gradual pick up in consumer spending. We have increased our exposure to stocks which are well placed to capture opportunities arising out of improving consumer sentiments and spending.

Sector Views

- Fund portfolio is mixture of cyclical sectors as well as defensive ones. In defensives, we are gradually increasing our IT sector exposure and relatively higher over weight in pharma along with some tweaks to consumer sector.
- In cyclical part of the portfolio, we have been positive on large banks and these banks are well capitalized with excess provisioning reserves. They are gaining market share and as and when credit growth picks up, we expect rerating of some our holdings to continue.
- In cyclicals, we are overweight on industrial automation and power sector which we believe, is a key differentiated positioning
- Current BFSI holdings has good mix of lenders as well as non-lenders. We believe current valuation is attractive for most of the lenders and factors in concerns on asset quality and growth due to second wave. Our holdings are carrying substantial excess provisioning as well as enjoy strong operating profitability. Hence, we believe they are well positioned to manage asset quality stress.
- We have been overweight on large banks in our portfolio due to their ability to gain market share, excess provisioning, strong capital buffers and reasonable valuation. However off late we have added few mid-size banks wherein valuation is cheap. For these names we expect earnings to revive in next 1-2 quarters which can drive returns for investors
- Valuation of IT sector continues to remain at higher end of average valuation band. Having said that, we remain constructive on large cap IT names and would continue to increase the said exposure.
- Even though the fund has relatively higher exposure to Pharma sector, exposure is differentiated, and we are trying to reduce correlation of stocks within the sector.

FUND SNAPSHOT

NAV Movement since inception (Rebased to 100)



Risk Metrics (on the basis of past 3 year performance)

Statistic	Fund	Sensex
Std. Dev	21.71	21.87
Sharpe Ratio	0.19	0.21
Portfolio Beta	0.97	1.00
R Squared	0.96	1.00
Treynor	1.24	1.29
Jenson	-0.04	NA

Performance in SEBI format

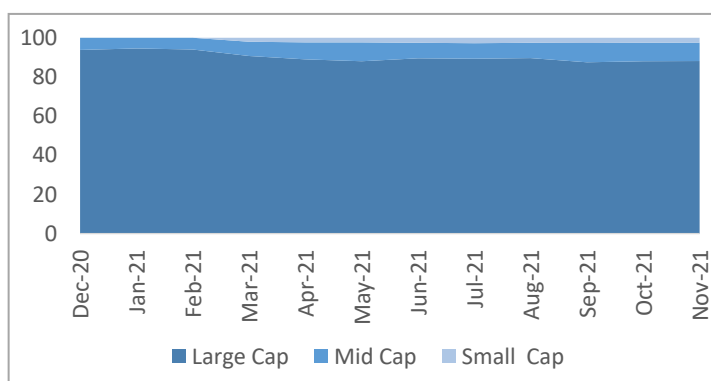
Returns	Tata Large Cap Fund		S&P BSE Sensex TRI*		
	Period	Return %	Rs.	Return %	Rs.
	1 Year	39.79%	14,018	30.28%	13,056
	3 Year	16.51%	15,822	17.67%	16,301
	5 Year	14.14%	19,381	17.80%	22,697
	Since Inception	19.83%	712,364	13.65%	204,425

Fund Managers: Amey Sathe (Managing Since 09-Mar-21) and Venkat Samala (Managing Since 26-Nov-20)
for other scheme performance managed by same fund manager refer page 4

Top 10 Holding (%)		
Company	Fund	Benchmark
ICICI Bank Ltd	8.91	7.81
Infosys Ltd	7.17	9.98
HDFC Bank Ltd	6.99	10.30
Reliance Industries Ltd	6.76	12.28
State Bank Of India	5.78	2.79
Bharti Airtel Ltd	3.73	2.78
Tata Consultancy Services Ltd	3.65	5.77
Axis Bank Ltd	3.60	2.83
Larsen & Toubro Ltd	3.27	3.36
Wipro Ltd	2.37	

Top 10 Sectors (%)		
Sector	Fund	Benchmark
Financial Services	35.37	40.83
IT	16.70	19.22
Pharma	7.41	2.18
Oil & Gas	6.76	12.28
Consumer Goods	6.33	11.20
Industrial Manufacturing	5.09	
Construction	4.21	3.36
Power	3.82	2.07
Telecom	3.73	2.78
Cement & Cement Products	3.61	1.35

Type of Fund	Open-ended equity scheme predominantly investing in large cap stocks.
Benchmark*	S&P BSE Sensex TRI
Monthly Average AUM	Rs. 1114.77 Crores
Inception Date	May 07,1998
Expense Ratio	Direct-1.67 Regular- 2.62
Fund Manager	Amey Sathe (Managing Since 09-Mar-21) and Venkat Samala (Managing Since 26-Nov-20)
No. of Stocks	47
Objective of the Fund	To provide income distribution and / or medium to long term capital gains while at all times emphasising the importance of capital appreciation.



Market capitalization as per SEBI circular: A) Large Cap: 1st-100th company in terms of full market capitalization. B) Mid Cap: 101st-250th company in terms of full market capitalization. C) Small Cap: 251st company onwards in terms of full market capitalization.

Data as on 30th Nov 2021

*As a consequence of SEBI circular on Uniformity of Benchmarks, effective 1st Dec 2021—The scheme's benchmark has been revised to Nifty 100 TRI

Performance of other funds managed by the Fund Managers

Amey Sathe	1 Year	3 Year	5 Year
Tata Young Citizens Fund	38.15	18.60	12.98
S&P BSE 200 TRI	35.95	18.29	17.17
Tata Banking And Financial Services Fund	20.35	14.49	15.77
Nifty Financial Services TRI	23.11	15.81	18.90
Tata Equity P/E Fund	32.24	14.54	13.80
S&P BSE Sensex TRI	30.28	17.67	17.80
VENKAT SAMALA	1 Year	3 Year	5 Year
Tata Digital India Fund	82.70	39.01	32.82
S&P BSE IT TRI*	60.71	36.39	30.84
Tata Focused Equity Fund	39.70	NA	NA
S&P BSE 200 TRI	35.95	NA	NA

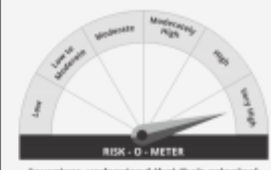

Lumpsum Performance of recently launched scheme managed by Venkat Samala

	6 Months	1 Year	3 Year	5 Year
Tata Dividend Yield Fund	16.81	NA	NA	NA
Nifty Dividend Opportunities 50 TRI	24.71	NA	NA	NA

Disclaimer: 1) Scheme returns in terms of CAGR are provided for past 1 year, 3 years, 5 years and since inception. 2) Point-to-point returns on a standard investment of Rs. 10,000/- are in addition to CAGR for the schemes. 3) Different plans shall have a different expense structure. The performance details provided herein are of regular plan growth option 4) NA stands for schemes in existence for more than 1 year but less than 3 years or 5 years, or instances where benchmark data for corresponding period not available. 5) Period for which schemes performance has been provided is computed basis last day of the month - ended preceding the date of advertisement. 6) Past performance may or may not be sustained in future. For computation of since inception returns the allotment NAV has been taken as Rs. 10.00. 7) For Benchmark Indices Calculations, Total Return Index(TRI) has been used. Where ever TRI not available Composite CAGR has been disclosed. Please refer Disclaimer sheet for composite CAGR disclosure. 8) Scheme in existence for more than six months but less than one year, simple annualized growth rate of the scheme for the past 6 months from the last day of month-end is provided. 9) Total Schemes managed by Amey Sathe: 4, Venkat Samala: 5. 10) Schemes in existence for less than 6 months, performance details are not provided. Scheme in existence for more than six months but less than one year, simple annualized growth rate of the scheme for the past 6 months from the last day of month-end is provided.

Scheme Name	Index Name	Since Inception
Tata Large Cap Fund - Reg - Growth	S&P BSE Sensex TRI	As TRI data is not available since Since Inception of the scheme, benchmark performance is calculated using composite CAGR of S&P BSE Sensex PRI values from date 06-May-1998 to date 31-May-2007 and TRI values since

Past performance may or may not be sustained in future

Product Label	Tata Large Cap Fund	S&P BSE Sensex TRI
<p>This product is suitable for investors who are seeking*</p> <ul style="list-style-type: none"> Long Term Capital Appreciation. Investment predominantly in equity & equity related securities of large cap companies. <p>*Investors should consult their financial advisors if in doubt about whether the product is suitable for them</p>	 <p>RISK - O - METER Investors understand that their principal will be at Very High Risk</p>	 <p>RISK - O - METER Investors understand that their principal will be at Very High Risk</p>

Data as on 30th Nov 2021

Mutual Fund Investments are subject to market risks, read all Scheme related documents carefully.