

# TATA LARGE & MIDCAP FUND– JULY 2021 UPDATE

(An open ended equity scheme investing in both large cap and midcap stocks)

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

- Long Term Capital Appreciation
- Investment in equity and equity related instruments of well researched value and growth oriented Large & Mid Cap Companies.

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

**RISK - O - METER**  
Investors understand that their principal will be at Very High Risk

**Mutual Fund investments are subject to market risk, read all scheme related documents carefully**

## Fund Snapshot

<b>Type of Fund</b>	An open-ended scheme investing in both large cap and midcap stocks
<b>Benchmark</b>	Nifty Large Midcap 250 TRI
<b>AUM</b>	2397.66 Crores
<b>Inception Date</b>	25 <sup>th</sup> February 1993
<b>Expense Ratio</b>	Reg: 2.12 Direct: 1.08
<b>No of Holdings</b>	38
<b>Fund Manager</b>	Chandraprakash Padiyar (Managing Since 3 <sup>rd</sup> September 2018); Meeta Shetty- Asst. Fund Manager (Managing since 1st November 2019)

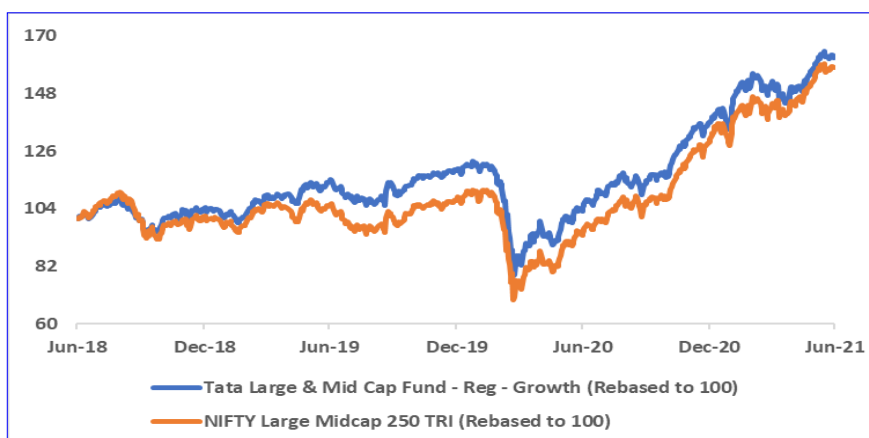
## About the Fund

The Fund aims at proactively taking advantage of potential capital appreciation opportunities arising from large and midcap segment of the market. It undertakes rigorous research to identify opportunities in equity markets for long term wealth creation.

## Market Capitalization-wise Exposure

<b>Large Cap</b>	<b>50.71%</b>
<b>Midcap</b>	<b>40.59%</b>
<b>Smallcap</b>	<b>8.70%</b>

## NAV Movement of the Fund



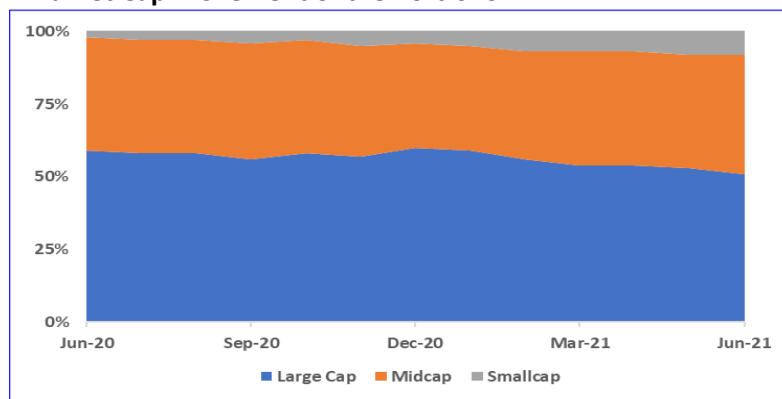
## Top 5 Sectors

<b>Financial Services</b>	<b>Oil &amp; Gas</b>	<b>Consumer Goods</b>	<b>Automobiles</b>	<b>Information Technology</b>
25.26%	11.93%	9.79%	9.17%	7.42%

## Fund Statistics

Statistic	Portfolio	Benchmark
Std. Deviation	22.80	24.18
Beta (Slope)	0.92	1.00
R (squared)	0.96	1.00
Sharpe	0.20	0.18
Treynor	1.39	1.23
Jenson	0.14	NA

## Market Cap Movement of the Portfolio



**Large Cap:** 1st -100th company in terms of full market capitalization  
**Midcap:** 101st -250th company in terms of full market capitalization  
**Small Cap:** 251st company onwards in terms of full market capitalization

## Top 10 Holdings

Stock	Allocation
ICICI BANK LTD.	7.50%
RELIANCE INDUSTRIES LTD.	7.39%
HDFC BANK LTD.	6.56%
STATE BANK OF INDIA	5.59%
VARUN BEVERAGES LTD.	4.87%
SUNDRAM FASTENERS LTD.	4.69%
GUJARAT STATE PETRONET LTD.	4.54%
TATA CONSULTANCY SERVICES	3.56%
BHARTI AIRTEL LTD.	3.18%
NATCO PHARMA LTD.	2.87%

## Fund Performance

Period	Tata Large & Mid Cap Fund		Nifty Large Midcap 250 TRI *		S&P BSE Sensex TRI #	
	Return %	Rs.	Return %	Rs.	Return %	Rs.
1 Year	57.33%	15,733	67.87%	16,787	52.38%	15,238
3 Year	17.25%	16,133	16.18%	15,694	15.32%	15,350
5 Year	14.18%	19,414	16.74%	21,692	15.58%	20,638
Since Inception	12.75%	300,730	NA	NA	12.45%	278,688
Inception Date	25-Feb-93				Managing Since	03-Sep-18

**Fund Manager: Chandraprakash Padiyar; Assistant Fund Manager: Meeta Shetty**

For Performance of other schemes managed, please refer to page 3 and 4.

## Portfolio Construction\*

- **Portfolio Size:** Currently the portfolio contains 38 stocks. The fund manager makes a sizeable allocation to top 10 stocks and significant weightages to the rest of the portfolio as well. This means that even the tail end of the portfolio is not benchmark hugging, showing that it is a completely bottom-up portfolio.
- **Types of Stocks in the Portfolio:** The portfolio is deployed in two broad groups. The first is comprised of safe, good quality stocks that provided safety, stability and liquidity to the portfolio. The second group of stocks are those that have the potential to provide earnings surprises.
- **Bottom-Up Stock Picking:** Portfolio is constructed with a bottom up approach and oriented towards Growth at Reasonable Price. FM prefers companies which are low debt and have potential for growth. Essential characteristics of stocks picked as compounders are low debt and high free cash flows.
- **Sectors Avoided:** The fund manager avoids cyclical sectors with potential for high debt. The fund manager also avoids investing in commodities as they are influenced by too many factors such as demand and supply and global economic conditions.
- **Portfolio Turnover:** The fund manager does not churn the portfolio much and takes a buy and hold approach.

\*Current portfolio construction strategy, and is subject to change in the future

## Outlook for Equity Markets

### Medium-to-Long Term Perspective (3-5 Years)

India from our perspective is at the cusp of a capital expenditure upcycle. It is observed from historical analysis that whenever businesses start generating higher return on invested capital over the risk free rate, balance sheet improvement is very strong and the appetite to invest increases on sustainable basis. Over the past 20 years or so we did witness the period of FY03 to FY08 whereby corporate India was generating a spread of 4%-8% over the risk free rate which led to strong pick up in the corporate capex cycle leading to high earnings growth overall for business for a sustained period of time leading to strong equity market returns.

FY23 onwards, the spread earned by corporate India is once again likely to move up beyond 4% over the risk free rate. And we already are aware of the fact that balance sheet health of corporate India is at one of its best levels currently with high free cash expected to be generated over the next few years and the narrative from many sectors like Steel, Power, Chemicals, Pharmaceuticals, Electronics, etc is towards a significant pick up in capex over the next 3-5 years. Government policies on one hand in terms of production linked incentives along with ease of doing business is helping a lot and at the same time Indian competitiveness over other economies like China, Vietnam etc has improved significantly over the years.

## Short Term Perspective (6-9 Months)

Given current uncertainty, the coming months hinge around how the coronavirus pandemic situation pans out. The economy would benefit if number of cases begin to fall and the vaccination program picks up. A third wave of the coronavirus could have an impact on the soft economic recovery that has happened so far.

## Sectoral Positions

### Financial Services (25.25% of the Portfolio)

The fund has taken significant positions in large cap banks (~22% of the portfolio) as they are likely to be one of the main beneficiaries of the capex cycle. They also hold a strong position in terms of retail lending as well as raising funds from depositors and the markets. The fund holds ~18% in private sector banks and ~6% in a PSU Bank. The fund also holds ~2% in an HFC. The fund is underweight in financial services in this sector with respect to the benchmark.

### Oil & Gas (~12% of the Portfolio)

The fund is significantly overweight in the Oil & Gas sector. The sector positions are a play on a) a diversified conglomerate with predominantly a petrochemical business but also with significant revenue from retail and telecom services and b) increasing gas consumption driven by government policies to increase piped gas connections to homes.

### Automobiles (~9% of the Portfolio)

The fund holds an overweight position in the Auto sector, specifically in the auto ancillaries segment (~7% of the portfolio) to capitalize on global growth in the auto sector, for which India is a key supplier.

The fund holds significant positions in sectors such as Cement, Industrial Manufacturing and chemicals as they likely to benefit from the expected sustained increase in capex over the coming years as well as the government's PLI scheme to boost manufacturing capacity and export.

The fund holds underweight, yet significant positions in sectors such as IT (~9%), Consumer Goods (~10%). These businesses are expected to provide compounded growth over the long term. The positions in the IT sector are mostly in large IT services companies. Positions in the Consumer Goods sector are mainly in the consumer staples segment.

## Performance of Other Schemes Managed by Chandraprakash Padiyar in SEBI Format

	Tata Small Cap Fund		Nifty Smallcap 100 TRI*		Nifty 50 TRI <sup>#</sup>	
Period	Return %	Rs.	Return %	Rs.	Return %	Rs.
1 Year	98.97%	19,897	112.73%	21,273	54.58%	15,458
3 Year	NA	NA	NA	NA	NA	NA
5 Year	NA	NA	NA	NA	NA	NA
Since Inception	27.43%	18,931	19.45%	15,965	18.03%	15,473
Inception Date	12-Nov-18			Managing Since		19-Oct-18

	Tata Hybrid Equity Fund <sup>^</sup>		Crisil Hybrid 25+75 - Aggressive Index*		S&P BSE Sensex TRI <sup>#</sup>	
Period	Return %	Rs.	Return %	Rs.	Return %	Rs.
1 Year	42.24%	14,224	43.59%	14,359	52.38%	15,238
3 Year	10.99%	13,681	14.68%	15,095	15.32%	15,350
5 Year	9.70%	15,888	14.26%	19,478	15.58%	20,638
Since Inception	15.43%	402,348	NA	NA	12.69%	216,807
Inception Date	08-Oct-95			Managing Since		03-Sep-18

<sup>^</sup>Manages Equity Portfolio

\*Scheme Benchmark

<sup>#</sup>Additional Benchmark

## Performance of Other Schemes Managed by Meeta Shetty in SEBI Format

Period	Tata Digital India Fund		S&P BSE IT TRI*		S&P BSE Sensex TRI#	
	Return %	Rs.	Return %	Rs.	Return %	Rs.
1 Year	114.94%	21,494	105.86%	20,586	52.38%	15,238
3 Year	29.44%	21,716	31.73%	22,891	15.32%	15,350
5 Year	24.47%	29,896	24.26%	29,648	15.58%	20,638
Since Inception	22.44%	30,513	22.27%	30,276	15.01%	21,611
Inception Date	28-Dec-15		Managing Since		09-Mar-21	

Period	Tata India Pharma And Healthcare Fund		Nifty Pharma TRI*		Nifty 50 TRI#	
	Return %	Rs.	Return %	Rs.	Return %	Rs.
1 Year	54.03%	15,403	44.04%	14,404	54.58%	15,458
3 Year	26.20%	20,127	16.82%	15,957	15.00%	15,220
5 Year	12.98%	18,412	5.81%	13,263	15.08%	20,191
Since Inception	10.35%	17,207	3.86%	12,321	14.70%	21,290
Inception Date	28-Dec-15		Managing Since		09-Mar-21	

\*Scheme Benchmark

#Additional Benchmark

### Disclaimers

- 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 - data are not available for the period.
- 5.Period for which schemes performance has been provided is computed basis last day of the month - end 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. All payouts during the period have been reinvested in the units of the scheme at the then prevailing NAV. Load is not considered for computation of returns. While calculating returns dividend distribution tax is excluded. Schemes in existence for less than 1 year, performance details for the same are not provided.
- 7.The last 2 columns represent the additional benchmark.
- 8.For Benchmark Indices Calculations, Total Return Index (TRI) has been used. Wherever TRI not available Composite CAGR has been used.

Tata Hybrid Equity Fund - Reg - Growth	S&P BSE Sensex TRI	As TRI data is not available Since Inception of the scheme, benchmark performance is calculated using composite CAGR of S&P BSE Sensex PRI values from date 06-Oct-1995 to date 19-Aug-1996 and TRI values since date 19-Aug-1996
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9. Chandraprakash Padiyar manages and Meeta Shetty Manage 3 schemes each

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