

TATA LARGE CAP FUND

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

JUNE'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 the 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.

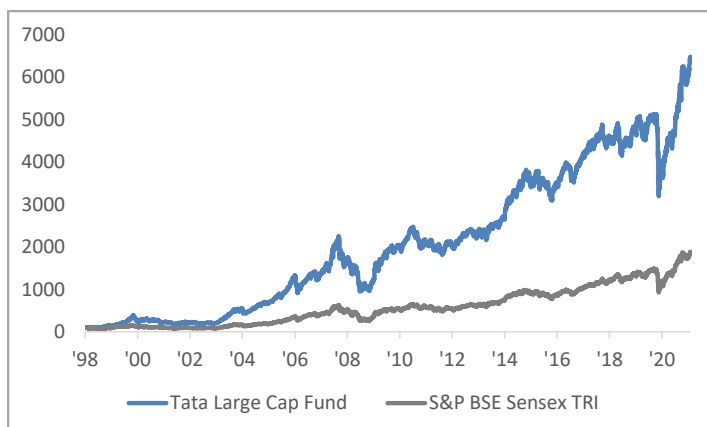
Large proportion of our holdings are currently meeting these criteria and we continue to refine our filtering lists.

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 OW 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 also increasing our allocation towards capital goods and power sector.
- Current BFSI holdings has good mix of lenders as well as non-lenders. Our lending portfolio has combination of compounders as well as rerating candidates. We believe valuation is still reasonable as there are concerns on asset quality and growth due to second wave. Our holdings are carrying substantial excess provisioning as well as strong operating profitability. Hence, we believe they are well positioned to manage asset quality stress.
 - However, there could be some challenges on overall credit growth, but for our holdings, current estimates are not factoring in any strong loan growth outlook. Thus, it offers margin of safety. We are also planning to increase weight of non-lenders further in coming months.
- 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

Fund Performance

NAV Movement since inception (Rebased to 100)



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

Statistic	Fund	Sensex
Std. Dev	22.58	22.21
Sharpe Ratio	0.14	0.17
Portfolio Beta	0.99	1.00
R Squared	0.95	1.00
Treynor	0.92	1.10
Jenson	-0.18	NA

Performance in SEBI format

Returns	Tata Large Cap Fund		S&P BSE Sensex TRI*		
	Period	Return %	Rs.	Return %	Rs.
	1 Year	64.97%	16,542	61.66%	16,209
	3 Year	12.32%	14,173	15.04%	15,230
	5 Year	12.39%	17,942	15.68%	20,721
	Since Inception	19.77%	643,755	13.47%	184,944
Fund Managers: Amey Sathe (Managing Since 09-Mar-21) and Venkat Samala (Managing Since 26-Nov-20)					

FUND SNAPSHOT

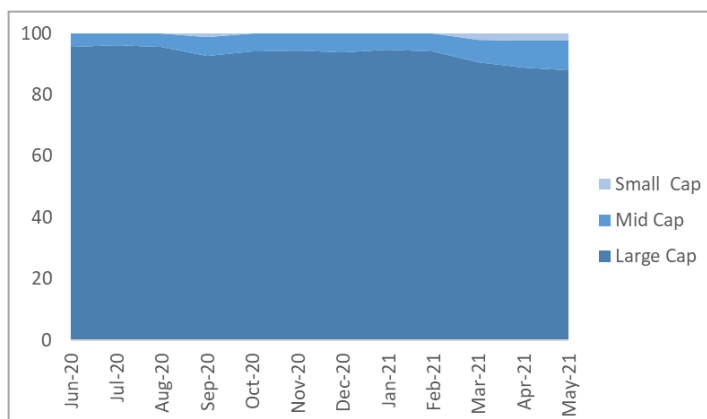
Top 10 Holding (%)

Company	Fund	Benchmark
ICICI Bank Ltd	9.86	8.07
HDFC Bank Ltd	8.26	10.90
Reliance Industries Ltd	7.62	12.31
State Bank Of India	7.22	2.87
Infosys Ltd	6.75	9.00
Axis Bank Ltd	4.48	3.48
Bharti Airtel Ltd	4.22	2.26
Tata Consultancy Services Ltd	3.15	5.77
Larsen & Toubro Ltd	3.06	3.12
Tata Steel Ltd	2.85	-

Top 10 Sectors (%)

Sector	Fund	Benchmark
Financial Services	36.97	42.50
IT	15.18	17.69
Pharma	7.97	2.41
Oil & Gas	7.62	13.04
Consumer Goods	5.86	11.67
Industrial Manufacturing	4.46	-
Telecom	4.22	2.26
Cement & Cement Products	3.85	1.37
Construction	3.06	3.12
Metals	2.85	-

Type of Fund	Open-ended equity scheme predominantly investing in large cap stocks.
Benchmark	S&P BSE Sensex TRI
Monthly Average AUM	Rs. 917.61 Crores
Inception Date	May 07,1998
Expense Ratio	Direct-1.72 Regular- 2.40
Fund Manager	Amey Sathe (Managing Since 09-Mar-21) and Venkat Samala (Managing Since 26-Nov-20)
No. of Stocks	38
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 31st May 2021

Performance of other funds managed by the Fund Managers

Amey Sathe	1 Year	3 Year	5 Year
Tata Young Citizens Fund	62.17	11.04	11.34
S&P BSE 200 TRI	68.04	14.48	15.80
Tata Banking And Financial Services Fund	65.67	11.00	17.23
Nifty Financial Services TRI	75.11	14.91	19.13
Tata Equity P/E Fund	53.43	7.62	14.65
S&P BSE Sensex TRI	61.66	15.04	15.68
VENKAT SAMALA	1 Year	3 Year	5 Year
Tata Digital India Fund	107.22	25.90	21.69
S&P BSE IT TRI*	98.83	29.66	21.47
Tata Focused Equity Fund	67.22	NA	NA
S&P BSE 200 TRI	68.04	NA	NA

Total Schemes managed by Amey Sathe: 4, Venkat Samala: 4

Venkat Samala also managed Tata Dividend Yield Fund, The fund has not completed 6 months

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 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 *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. Schemes in existence for less than 6 months, performance details for the same are not provided. 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

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 date 31-May-2007

Past performance may or may not be sustained in future

This product is suitable for investors who are seeking*

- Long Term Capital Appreciation.
- Investment predominantly in equity & equity related securities of large cap companies.

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



Data as on 31st May 2021

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