

Pick mid cap companies with large growth potential



Invest in L&T Midcap Fund

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An open ended equity scheme predominantly investing in mid cap stocks

From a long-term perspective, midcap stocks have been known to outperform large cap companies despite underperformance over short terms. History also suggests that after sluggish periods, midcaps have performed stronger than large cap stocks. Midcaps are under-researched and hence under-owned. As a result, opportunities to pick under-valued stocks are abound. There are many sectors / areas in the Indian economy which are dominated by midcap companies. A midcap fund could be in a better position to capitalize on investment opportunities in such sectors. A shift from unorganized to organized sector is likely to gain momentum given government's thrust to formalise larger part of the economy. Midcap companies are likely to be key beneficiaries of this change. Due to all the above, Midcap stocks, if chosen carefully, likely have the potential to reward investors handsomely, provided the investors have patience to endure short term volatility and stay invested for the long term.

Why invest in L&T Midcap Fund?

L&T Midcap Fund follows a bottom-up stock picking approach and looks to own scalable businesses having strong competitive advantage, at reasonable valuation levels. The Fund is suitable for relatively aggressive investors looking to make allocation to funds with high alpha generation potential over the long term. The Fund could also help investors in achieving portfolio style diversification given the fund's strategy of focusing on midcap segment of the market.

L&T Midcap Fund has potential for higher growth as it invests in companies that could potentially grow at a pace faster than the broader market. Vast research coverage backed by a strong investment team and disciplined investing approach are also some of the factors why one can consider this fund.

Fund Strategy



Moats - Look for competitive advantage in a business, for e.g. low cost advantage, edge in distribution network, brand recall, etc



Scalability - Focus on owning businesses that are likely to grow at a higher rate than the broader market and can potentially achieve significant size



Valuations - prevailing valuations should be reasonable after factoring in the future growth prospects

- A well diversified portfolio with individual stock positions typically in the range of not exceeding 3-4%
- Actively look for investment opportunities arising out of (a) shift from unorganized to organized sector and (b) significantly higher growth of certain smaller sectors of the economy
- Bottom up stock picking to choose under owned and under research stocks

Portfolio Positioning (as on October 31, 2019)

| Sectors | Commodities | Consumer | Energy | Financial Services | Health Care | Information Technology | Manufacturing | Services | Telecom |
|-----------------------|-------------|----------|--------|--------------------|-------------|------------------------|---------------|----------|---------|
| Marketcap | | | | | | | | | |
| Top 100 stocks | 4.1 | 2.2 | | 1.7 | 1.7 | | 1.7 | | |
| Next 150 stocks | 12.7 | 8.2 | 2.5 | 15.3 | 6.4 | 1.3 | 17.2 | 4.4 | |
| Beyond Top 250 stocks | 2.3 | 3.6 | 0.5 | 3.1 | 0.3 | 1.6 | 4.3 | 1.5 | |

Fund Facts

Minimum Application Amount

Lump sum: Initial investment: Rs.5,000 per application

Additional investment: Rs.1,000 per application

SIP: Rs.500 (minimum 6 monthly installments or minimum 4 quarterly installments)

Asset Allocation

80% - 100% in equity and equity-related instruments

0% - 20% in debt securities, securitised debt and money market instruments (including cash/ call money)

Load

Entry Load: Nil; **Exit Load:** If the units redeemed or switched out are upto 10% of the units purchased or switched in ("the limit") within 1 year from the date of allotment - Nil. If units redeemed or switched out are over and above the limit within 1 year from the date of allotment - 1%. If units are redeemed or switched out on or after 1 year from the date of allotment - Nil.

Fund Manager

Mr. S. N. Lahiri and Mr. Vihang Naik

| Sectors | Weight in Scheme (%) | Weight in benchmark (%) |
|--------------------|----------------------|-------------------------|
| Manufacturing | 38.69 | 23.64 |
| Consumer | 18.92 | 22.03 |
| Commodities | 9.99 | 14.89 |
| Financial Services | 7.99 | 10.31 |
| Healthcare | 4.37 | 10.74 |
| Energy | 4.19 | 5.07 |
| IT | 3.22 | 6.57 |
| Services | 2.70 | 6.03 |
| Telecommunications | 0.00 | 0.77 |

Source: Bloomberg, ICRA mfie, Internal. Data as on 31st October 2019

Scheme Performance vs. benchmarks (as on October 31, 2019)

| (Regular Plan - Growth) | CAGR returns % (period) | | | Date of inception of the Scheme | Since inception | |
|-----------------------------------|-------------------------|---------|---------|---------------------------------|------------------|-----------------------------------|
| | 1 year | 3 years | 5 years | | CAGR Returns (%) | Value of investment of Rs. 10,000 |
| L&T Midcap Fund (G) | 3.76% | 7.05% | 11.71% | 09/Aug/2004 | 18.46% | 1,32,020.00 |
| Nifty Midcap 100 TRI [§] | -1.17% | 3.13% | 8.43% | | 16.14% | 97,711.19 |
| S&P BSE SENSEX TRI [^] | 17.97% | 14.18% | 8.99% | | 15.63% | 91,429.30 |

Past performance may or may not be sustained in the future. Returns greater than 1 year period are compounded annualized. Dividends are assumed to be reinvested and bonus is adjusted. Load is not taken into consideration. Different plans viz. Regular Plan and Direct Plan have different expense structure. [§]Benchmark [^]Additional Benchmark

Other funds managed by Mr. S. N. Lahiri

| Period | 1 Year | | 3 Year | | 5 Year | |
|------------------------------|----------------|-------------------|----------------|-------------------|----------------|-------------------|
| | Scheme return% | Benchmark return% | Scheme return% | Benchmark return% | Scheme return% | Benchmark return% |
| L&T Tax Advantage Fund | 4.94 | 13.66 | 7.94 | 11.27 | 9.29 | 9.39 |
| L&T Infrastructure Fund | 1.49 | 14.19 | 7.48 | 6.83 | 9.64 | 1.85 |
| L&T Equity Fund | 7.53 | 12.23 | 7.26 | 10.41 | 7.64 | 9.10 |
| L&T Hybrid Equity Fund | 8.35 | 13.04 | 7.03 | 10.35 | 9.24 | 9.29 |
| L&T Balanced Advantage Fund | 8.31 | 12.55 | 6.43 | 9.66 | 6.40 | 8.21 |
| L&T Emerging Businesses Fund | -4.52 | -3.53 | 6.34 | 1.10 | 11.87 | 5.31 |

Mr. S.N Lahiri manages 9 schemes (managing this fund since June 22, 2013) and Mr. Vihang Naik (for investments in foreign securities) manages 3 schemes (managing this fund since June 28, 2016) of L&T Mutual Fund respectively. In case of number of schemes managed by fund manager is more than 6, performance data of top 3 and bottom 3 schemes has been provided.

Top 3 and bottom 3 funds have been selected basis the 3 year CAGR performance of regular plan - growth. Different plans viz. Regular Plan and Direct Plan have different expense structure

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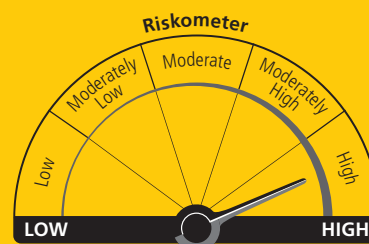


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This product is suitable for investors who are seeking*

- Long term capital appreciation
- Investment primarily in midcap equity and equity-related securities

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



Investors understand that their principal will be at high risk

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

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