

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 3-5%
- 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 May 31, 2022)**

| Sectors               | Commodities | Consumer Discretionary | Diversified | Energy | FMCG | Financial Services | Healthcare | Industrials | Information Technology | Services | Telecomm | Utilities |
|-----------------------|-------------|------------------------|-------------|--------|------|--------------------|------------|-------------|------------------------|----------|----------|-----------|
| <b>Marketcap</b>      |             |                        |             |        |      |                    |            |             |                        |          |          |           |
| Top 100 stocks        |             | 1.1                    |             |        | 0.8  | 0.5                | 1.1        |             | 3.5                    |          |          | 0.3       |
| Next 150 stocks       | 11.6        | 14.8                   | 1.8         | 0.8    | 3.5  | 13.8               | 9.5        | 9.2         |                        |          | 0.4      | 0.3       |
| Beyond Top 250 stocks | 0.1         | 1.4                    |             | 1.0    | 1.2  | 2.8                | 2.7        | 6.3         | 2.2                    | 4.1      |          |           |

Market capitalization cut offs (based on SEBI guidelines) used to define Large / Mid / Small cap stocks are as per the AMFI definitions as on December 2021.

## 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:** Not Applicable; **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. Vihang Naik** (w.e.f. June 28, 2016) & **Mr. Venugopal Manghat**

(w.e.f. Dec 17, 2019)

### Benchmark

S&P BSE Midcap 150 TRI

## Sector Allocation

| Sectors                    | Weight in Scheme (%) | Weight in benchmark (%) |
|----------------------------|----------------------|-------------------------|
| Consumer Discretionary     | 17.26                | 27.79                   |
| Financial Services         | 17.08                | 18.35                   |
| Industrials                | 15.42                | 11.29                   |
| Healthcare                 | 13.36                | 8.73                    |
| Commodities                | 11.72                | 12.53                   |
| Information Technology     | 5.69                 | 6.52                    |
| Fast Moving Consumer Goods | 5.54                 | 2.55                    |
| Services                   | 4.08                 | 1.12                    |
| Diversified                | 1.83                 | 0.36                    |
| Energy                     | 1.79                 | 3.81                    |
| Utilities                  | 0.50                 | 5.74                    |
| Telecommunication          | 0.43                 | 1.21                    |

Source: Bloomberg, ICRA MFI, Internal. Data as on May 31, 2022

## Scheme Performance vs. benchmarks (as on May 31, 2022)

| (Regular Plan - Growth)             | 1 year           |                     | 3 year           |                     | 5 year           |                     | Inception Date | Since Inception  |                     |
|-------------------------------------|------------------|---------------------|------------------|---------------------|------------------|---------------------|----------------|------------------|---------------------|
|                                     | CAGR Returns (%) | PTP Returns* (in ₹) | CAGR Returns (%) | PTP Returns* (in ₹) | CAGR Returns (%) | PTP Returns* (in ₹) |                | CAGR Returns (%) | PTP Returns* (in ₹) |
| L&T Midcap Fund (G)                 | 4.53%            | 10,453              | 12.86%           | 14,381              | 8.72%            | 15,191              | 09/Aug/2004    | 18.04%           | 1,92,040            |
| S&P BSE Midcap 150 TRI <sup>§</sup> | 10.60%           | 11,060              | 20.86%           | 17,663              | 13.76%           | 19,056              |                | NA               | NA                  |
| S&P BSE SENSEX TRI <sup>^</sup>     | 8.39%            | 10,839              | 13.22%           | 14,518              | 13.69%           | 18,997              |                | 15.77%           | 1,35,880            |

**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. Benchmark: S&P BSE Midcap 150 TRI. Different plans viz. Regular Plan and Direct Plan have different expense structure. <sup>§</sup>Benchmark <sup>^</sup>Additional Benchmark \*Point-to-Point (PTP) returns on Standard Investment of Rs. 10,000/-.

### Other funds managed by Mr. Vihang Naik

| Period                                    | 1 Year         |                   | 3 Year         |                   | 5 Year         |                   |
|---|----------------|-------------------|----------------|-------------------|----------------|-------------------|
|   | Scheme return% | Benchmark return% | Scheme return% | Benchmark return% | Scheme return% | Benchmark return% |
| L&T Focused Equity Fund <sup>®</sup>      | 1.89           | 8.08              | 10.44          | 14.25             | NA             | NA                |
| L&T Flexicap Fund <sup>®^</sup>           | 3.85           | 8.30              | 10.05          | 14.65             | 8.34           | 12.68             |
| L&T Balanced Advantage Fund <sup>+*</sup> | 2.60           | 4.65              | 7.14           | 10.80             | 6.81           | 10.40             |

### Other funds managed by Mr. Venugopal Manghat

|   |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|
| L&T Emerging Businesses Fund <sup>€</sup>     | 20.83 | 9.10  | 20.29 | 17.11 | 12.75 | 9.28  |
| L&T India Value Fund <sup>€</sup>             | 8.61  | 8.30  | 13.38 | 14.65 | 9.63  | 12.68 |
| L&T Infrastructure Fund <sup>€</sup>          | 15.06 | 14.50 | 10.95 | 15.42 | 8.10  | 10.63 |
| L&T Business Cycles Fund <sup>€</sup>         | 8.00  | 8.30  | 10.69 | 14.65 | 7.29  | 12.68 |
| L&T India Large Cap Fund <sup>€</sup>         | 3.50  | 8.29  | 10.09 | 13.44 | 9.56  | 12.71 |
| L&T Arbitrage Opportunities Fund <sup>€</sup> | 3.41  | 3.73  | 4.33  | 3.87  | 5.07  | 4.46  |

<sup>®</sup>Also managed by Mr. Venugopal Manghat. <sup>€</sup>Fund is co-managed by Mr. Vihang Naik and by Mr. Sonal Gupta (for investments in foreign securities). <sup>+</sup>Fund is co-managed by Ms. Cheenu Gupta and by Mr. Sonal Gupta (for investments in foreign securities). <sup>€</sup>Also managed by Ms. Cheenu Gupta. <sup>§</sup>Fund is co-managed by Mr. Praveen Ayathan for equity portion, Mr. Jalpan Shah (Debt Portion) and by Mr. Sonal Gupta (for investments in foreign securities). <sup>\*</sup>Fund is co-managed by Mr. Praveen Ayathan for equity portion and Mr. Jalpan Shah (Debt Portion). <sup>^</sup>Co-managed by Mr. Sonal Gupta (for investments in foreign securities).

**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. Mr. Vihang Naik manages or co-manages 8 schemes and Mr. Venugopal Manghat manages or co-manages 12 schemes of L&T Mutual Fund respectively. Performance data of other schemes primarily managed by the fund managers is given in terms of SEBI circular dated March 15, 2017. This performance is on the basis of the 3 years CAGR of Regular plan - Growth. Different plans viz. Regular Plan and Direct Plan have different expense structure.

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Mutual Fund

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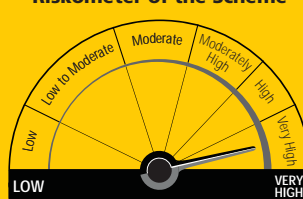
**This product is suitable for investors who are seeking\***

- 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.

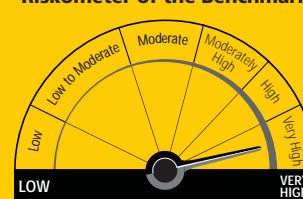
All data mentioned above is as on May 31, 2022, unless otherwise stated above.

### Riskometer of the Scheme



Investors understand that their principal will be at very high risk

### Riskometer of the Benchmark



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

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