

THE PICK OF MID CAPS CAN GO A LONG, LONG WAY



What is Market Capitalization?

Market capitalization commonly referred as “Market cap” is a measure by which we classify a company's size. It is the market value of a company's outstanding shares. It is calculated as by multiplying a company's shares outstanding by the current market price of one share. For example, company with 20 crores shares selling at Rs.100 is having market cap of Rs.2000 crores (20 crores x Rs.100).

Based on market capitalization, companies are ranked as Large Cap, Mid Cap and Small Cap.

What are Mid Cap Companies?

- Mid Cap companies are those companies which fall between large cap and small cap companies.
- These companies are midsized companies generally smaller than large cap companies and but still have the potential of rapid growth.
- These companies are in the process of expanding and provide attractive investment options because of its growth prospective.
- Some of these companies might not be industry leaders, but they are well on their way to becoming one.
- Investment in these stocks is relatively more risky than investment in large cap stocks however they are not considered as risky as small cap companies. However if we invest in mid caps for the long term, these companies have potential to generate higher returns in 3 to 5 years as opposed to their big brother large cap stocks that can bring you moderate (yet safer) returns during this time frame.

Why to invest in Mid Cap Fund?

- **Balance of Growth & Stability-** Generally large cap stocks offer stability, but they offer lower growth prospects. On the contrary

Small cap stocks offer the growth potential, but they are more risky. Mid-cap stocks represent a mix of these two, providing a balance of growth and stability.

- **Performance-** Mid cap stocks have potential to outperform large cap stocks if one invests for a long duration. Performance of these mid cap stocks compensate for their higher volatility in long run.
- **Superior Growth-** Mid cap companies offer potential of superior growth in long run because of its presence in new areas/segments which are growing at faster pace. And these stocks have ability to acquire market share due to its advanced/new technology, better product/services etc.
- **Reasonable valuation-** Mid cap index mostly trades at attractive discount to large cap index despite stronger growth prospect. This makes investing in mid cap funds more attractive.
- **Tapping of Entrepreneurial Talent-** The widening pool of entrepreneurial talent in India is best tapped in small and midsized companies which appear to be on the edge of growth phase. These companies are more flexible and have better ability to respond to market opportunities than their large cap peers

What is IDBI Midcap Fund?

IDBI Midcap Fund is open ended equity scheme which invests minimum of 65% of total corpus in mid cap companies. Mid Cap Companies, for the purpose of this Scheme, is defined as 101st to 250th company in terms of full, market capitalization. These companies show high growth potential. This Scheme provides an opportunity to its investors to invest in such mid-sized but emerging companies which have potential to become tomorrow's large cap. Investors can witness and be a part of growth journey of these companies by investing in IDBI Midcap Fund.

What is Strategy of Investment in IDBI Midcap Fund?

IDBI Midcap Fund will endeavour to:

- be Sector agnostic
- focus on stocks with stable return ratio
- identify companies that can reap maximum benefit of the likely economic recovery, both global and domestic
- look for relative valuation: Relative valuation of the stock to its own long term valuation and also with other stocks in the same sector

What are the Features of IDBI Midcap Fund



1. **Type of Scheme** - Mid Cap Fund - An open-ended equity scheme predominantly investing in mid cap stocks



2. **Investment Objective** - The objective of the scheme is to provide investors with the opportunities for long-term capital appreciation by investing predominantly in Equity and Equity related instruments of Mid Cap Companies. However there can be no assurance that the investment objective under the scheme will be realized.

3. **Asset Allocation** - The asset allocation pattern for the scheme is detailed in the table below:

Instrument	Indicative allocation (% of total assets)		Risk Profile
	Minimum	Maximum	
Equity & Equity related instruments of Mid Cap companies	65%	100%	High
Equity & Equity related instruments of other than Mid Cap companies	0%	35%	High
Debt and Money Market instruments	0%	35%	Low to Medium
Units issued by Real Estate Investment Trusts (REITs) & Infrastructure Investment Trusts (InvITs)	0%	10%	Medium to High

For more details please refer Scheme Information Document (SID)



4. **Benchmark**
NIFTY Midcap 150 - TRI



5. **Fund Manager**
Mr. Alok Ranjan



6. **Minimum Application Amount**
- **New Purchase** - Rs. 5000
 - **Additional Purchase** - Rs. 1000
 - **Systematic Investment Plan (SIP)** -
 - Monthly Option: Rs.500 per month for a minimum period of 12 months or Rs. 1000 per month for a minimum period of 6 months
 - Quarterly Option- Rs. 1500 per quarter for a minimum period of 4 quarters

Investments above the minimum amount mentioned shall be made in multiples of Re.1



7. **Plans/Options for investment**
Regular Plan & Direct Plan.
Both the plans offer IDCW and Growth Options



8. **Special Products Available**
Systematic Investment Plan, Systematic Withdrawal Plan, Systematic Transfer Plan, IDCW Sweep Plan

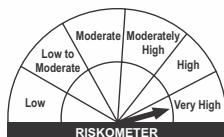


9. **Load**
Entry Load - Not Applicable
Exit Load - 1% for exit within 12 months from the date of allotment, Nil thereafter

Product Label

This product is suitable for investors who are seeking*:

- Long term capital growth
- Investment predominantly in equity & equity related instruments of Midcap companies



Investors understand that their principal will be at Very High Risk

NIFTY Midcap 150 - TRI



Benchmark Riskometer is at Very High Risk

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

IDBI MIDCAP FUND

(Mid Cap Fund - An open-ended equity scheme predominantly investing in mid cap stocks)



IDBI Asset Management Limited (Investment Manager to IDBI Mutual Fund)

CIN: U65100MH2010PLC199319 Regd. Off.: IDBI Tower, WTC Complex, Cuffe Parade, Colaba, Mumbai - 400 005.

Corp. Off.: 4th Floor, IDBI Tower, WTC Complex, Cuffe Parade, Colaba, Mumbai - 400 005.

Email ID:
contactus@idbimutual.co.in

Tel. No.: (+91 22) 6644 2800
Fax No.: (+91 22) 6644 2801
All India Toll Free No.: 1800-419-4324

Internet:
www.idbimutual.co.in

Facebook
IDBIMutual

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