

FUND INSIGHT

IDFC SUPER SAVER INCOME FUND-SHORT TERM

(AN OPEN ENDED INCOME FUND)

**TRUST
APPROVED
SCHEME**

Fund Features:

Nature:
Debt

Average AUM (Jul-Sep):
Rs. 600.97 Crores

Inception Date:
14 December 2000

Fund Manager:
Mr. Suyash Choudhary
(Since March 11, 2011)

A Short Term Income Fund, the portfolio is a mix of short duration corporate bonds and money market instruments. The residual maturity of any instrument bought will not ordinarily exceed 3 year. The average portfolio maturity will not ordinarily exceed 24 months. The fund will not have any exposure to government securities.

OUTLOOK:

With the RBI now explicitly flagging pause to the hike cycle (barring, of course, fresh pressures from inflation either via new spike in commodity prices or larger than expected pass through to domestic prices), market participants should feel more confident with respect to the short end of the curve. This is also being aided by the fact that pressure of issuance of CDs from banks has subsided, as deposit growth remains healthy versus incremental credit disbursements.

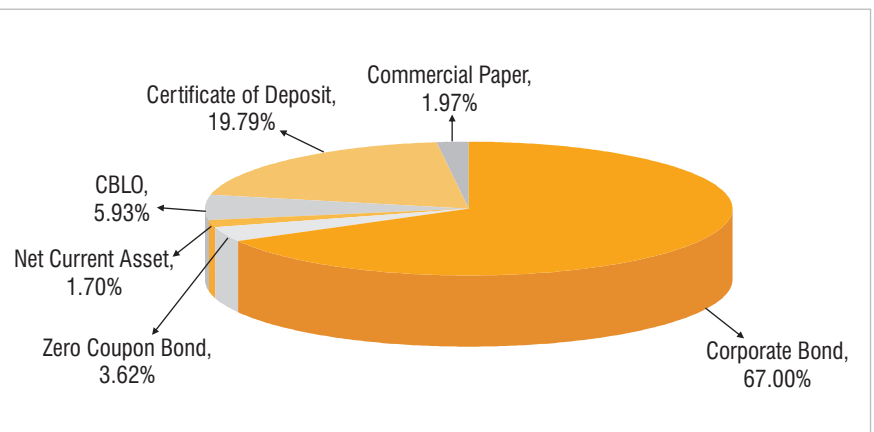
With respect to the long end, corporate spreads should remain supported given the relative lack of supply of corporate bonds. However, the G-Sec curve is struggling with excess supply, fears of further fiscal slippages, and now from potential illiquidity of current investments given that a new 10 year benchmark has been announced.

The market is looking for two possible event triggers:

- The announcement of an expected USD 5 billion hike in FII ceiling for government bonds.
- The start of RBI's open market operations (OMOs) to keep system liquidity deficit within 1% of NDTL of banks.

These will pretty much decide the direction of yields in the near term.

Current Strategy: The fund is invested in a mix of money market and short duration corporate bonds to optimize performance.

ASSET ALLOCATION:


Other Parameter:
Standard deviation:

0.71%

Modified Duration:

1.53 Years

Average Maturity:

1.77 Years

Yield to Maturity:

9.77%

Portfolio Turnover Ratio:

2.53 Times

Benchmark:

CRISIL Short-Term Bond Fund Index (CSTBFI)

Minimum Investment Amount:

Plan A: Rs.5, 000/- and in multiples of Re. 1/- thereafter, Plan B: Rs. 5 Crores and in multiples of Re.1/- thereafter, Plan C: Rs. 10 Crores and in multiples Re. 1/- thereafter,

Exit Load:

0.50% of NAV on investors who purchase / switch in and seek to redeem/ switch out such units within 6 months from the date of effecting such purchase/ switch in.

Options Available:

Growth, Dividend & Dividend Sweep

Dividend frequency:

Fortnightly & Monthly

PORTFOLIO:
Average Net Assets (01.07.2011 TO 30.09.2011) : 600.97 Crs.

Name	Rating	Total (%)
Clearing Corporation of India Ltd.		5.93
CBLO Total		5.93
State Bank of Bikaner & Jaipur	P1+	5.80
State Bank of Patiala	A1+	5.78
State Bank of Hyderabad	A1+	5.77
Oriental Bank of Commerce	P1+	1.92
IDBI Bank Ltd.	P1+	0.26
Axis Bank Ltd.	P1+	0.26
Certificate of Deposit Total		19.79
Sundaram Finance Ltd.	P1+	1.97
Commercial Paper Total		1.97
Housing Development Finance Corporation Ltd.	AAA	13.44
National Bank for Agriculture and Rural Development	AAA	12.51
Mahindra & Mahindra Financial Services Ltd.	AA+	7.74
Shriram Transport Finance Co. Ltd.	AA+	7.64
Sundaram Finance Ltd.	LAA+	6.13
Power Finance Corporation Ltd.	AAA	5.00
Tata Sons Ltd.	AAA	3.77
Export Import Bank of India	AAA	3.59
Bajaj Finance Ltd.	AA+	2.87
Shriram Transport Finance Co. Ltd.	AA	1.87
L&T Finance Ltd.	AA+	1.23
Bajaj Finance Ltd.	LAA+	1.22
Corporate Bond Total		67.00
Sundaram Finance Ltd.	LAA+	3.62
Zero Coupon Bond Total		3.62
Net Current Asset		1.70
Grand Total		100.00

Risk Factors: Mutual Funds and securities investments are subject to market risks, reinvestment risk, changes in political, economic environment and government policy and there is no assurance or guarantee that the objectives of the Scheme/s will be achieved. The NAV of the Scheme/s can go up or down depending on factors and forces affecting the Securities Market including fluctuation in interest rates, trading volumes and reinvestment risk. Past performance of the Sponsor/AMC/Mutual Fund is not necessarily indicative of the future performance of the Scheme/s and may not necessarily provide a basis for comparison with other investments. IDFC Super Saver Income Fund - Short Term (IDFC-SSIF-ST) is name of the Scheme and do not in any manner indicate either the quality of the Schemes, their future prospects or returns. The Sponsor or any of its associates is not responsible or liable for any loss resulting from the operation of the Schemes beyond the corpus of the Trust of Rs. 30,000/-.

Terms of Issue & Load Structure: IDFC-SSIF-ST: During the continuous offer, the AMC calculates and publishes NAVs and offers for sale and redemption of units of the Scheme on all Business days. **Entry & Exit Load-Entry load:** nil, **Exit load:** For all investment including SIP/Micro SIP/STP shall be 0.50% of the applicable NAV if redeemed /switched out within 6 months from the date of allotment. **Investment Objective:** IDFC-SSIF-ST: Seek to generate stable returns with a low risk strategy by investing in good quality fixed income securities and money market securities. However there is no assurance that the investment objective of the scheme will be realized. **Statutory Details:** IDFC Mutual Fund has been set up as a trust by Infrastructure Development Finance Company Limited (IDFC) (liability restricted to corpus of Trust of Rs. 30,000/-) with IDFC AMC Trustee Company Ltd. as the trustee and IDFC Asset Management Company Ltd. as the investment manager. Investors in the scheme(s) are not being offered any guaranteed or assured rate of return. Copy of Scheme Information Document and Key Information Memorandum along with application form for all the schemes may be obtained from the office of IDFC Mutual Fund, One India Bulls Centre, 841, Jupiter Mills Compound, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400 013. Contact 1-800-226622 for details.

For other scheme specific risk factors and other details please read the Offer Document / Scheme Information Document / Statement of Additional Information carefully before investing.