

Fund Spotlight



IDFC Super Saver Income Fund - Investment Plan

An Open - Ended Income Fund

AAAf (by CRISIL) rated income fund, investing in a mix of Govt Securities and bonds of renowned companies. Providing high interest income and benefiting from declining interest rates.

Fund characteristics

Fund name	IDFC Super Saver Income Fund - Investment Plan
Nature	Debt
Fund manager	Arjun Parthasarathy
Investment objective	Seek to generate stable returns by creating a portfolio that is invested in good quality fixed income and money market securities. However there is no assurance that the investment objective of the scheme will be realized.
Investment style	The Scheme seeks to invest in a mix of government securities and highly rated corporate bonds and aims to generate stable long-term returns through mix of accrual income and capital appreciation.
Ideal investment horizon	1 year or more
Entry load	Nil
Exit load	IDFC-SSIF-IP - Plan A , Plan B & Plan C: 1.00% of NAV on investors who purchase/switch in and seek to redeem/switch out such units within 365 days such from the date of effecting such purchase/switch in. Investors opting for PEP / Dividend reinvestment option / SWP or switch between options will not be levied an exit load. (w.e.f. August 24, 2009)
Options available	Growth, Dividend & Dividend Sweep (w.e.f. 16-Nov-2009)
Minimum investment	Rs. 5,000 and in multiples of Re. 1 in Plan A (Regular Plan), Rs. 25 Lakh and in multiples of Re. 1 in Plan B (Institutional Plan), Rs. 5 Crores and in multiples of Re. 1 in Plan C. (w.e.f. July 6, 2009)
Additional investment amount	Re. 1
SIP (minimum amount)	in Plan A Rs. 1,000
Inception date	14 July 2000

Rating & Rankings



Past performance is no guarantee of future results. For Methodology of Ranking Please refer Page No. 3.

Interest rates are facing multiple headwinds going forward. The IIP nos for November 2009 at 11.7% has further cemented fears of a rate hike in the policy review scheduled later this month. Inflation is expected to come in at over 7% for the month of December 2009.

The case for rates trending higher are

- ◆ Higher trending inflation expectations
- ◆ Negatives on the fiscal front
- ◆ Monetary policy tightening
- ◆ Growth forecasts revised upwards
- ◆ Pickup in Credit demand on back of higher growth.
- ◆ Size of government borrowing for the next fiscal

The case for rates trending lower are

- ◆ Adequate system liquidity as RBI withdraws its loose monetary policy in a measured manner, bond redemptions, interest payments and portfolio related inflows
- ◆ Low Credit growth hovering around 11.3% y-o-y and 6% y-t-d as against RBI target of 18%
- ◆ Steep yield curve

Government finances are not looking healthy with fiscal deficit touching 76% of budget estimates as of November 2009. Revenues are lagging behind with only 50% of budget being achieved. The government has delayed the 3G auction which is budgeted to bring in Rs 35,000 crores adding on the uncertainty on finances, increased spending of Rs 30000 crores on account of higher oil subsidy. Disinvestments are being pushed through to make up for some of lost revenues but it remains to be seen if government will stick to its scheduled borrowing for the fiscal 2009-10.

Source :Bloomberg

Fund manager's comment

The fund increased duration at higher levels of yields and will manage duration in a ranged interest rate environment. The fund will actively monitor the dynamic interest rate and credit spread environment to optimize performance.

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Performance (31 December 2009)

Period	IDFC-SSIF-IP Growth Returns	Benchmark Returns
Last 1 year CAGR	-4.48%	3.50%
Last 2 year CAGR	9.81%	6.24%
Last 3 year CAGR	9.58%	6.46%
Last 5 year CAGR	7.45%	5.62%
Since Allotment CAGR	8.70%	-

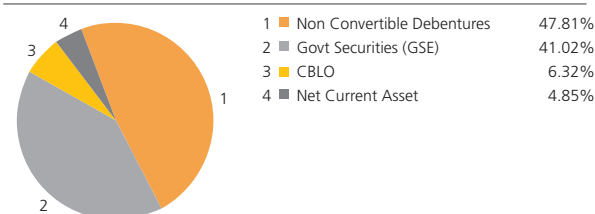
Inception date: 14 July 2000. Benchmark : Crisil Composite Bond Fund Index (CCBFI)

Past performance may or may not be sustained in future.

Dividend History (31 December 2009) (face value Rs.10/-)

Date	Nav	Freq.	Others	I & H
IDFC-SSIF-IP-Plan A				
30-Mar-09	10.4462	Quarterly	0.3669	0.3942
30-Jun-09	10.4659	Quarterly	0.3669	0.3942
31-Dec-09	10.4941	Quarterly	0.0090	0.0097
29-Sep-09	10.6641	Half Yearly	0.3636	0.3907
30-Mar-09	10.6717	Half Yearly	0.5462	0.5869
30-Mar-09	10.9413	Annual	0.7663	0.8234
IDFC-SSIF-IP-Plan B				
30-Jun-09	10.2589	Quarterly	0.1223	0.1314
31-Dec-09	10.2880	Quarterly	0.0296	0.0318
IDFC-SSIF-IP-Plan C				
30-Jun-09	10.1243	Quarterly	0.0408	0.0438
31-Dec-09	10.1529	Quarterly	0.0227	0.0244

Asset Allocation (31 December 2009)



Average AUM (31 December 2009)

IDFC-SSIF-IP	255.04 Crores
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Average Maturity (31 December 2009)

IDFC-SSIF-IP	7.73Years
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Portfolio (31 December 2009)

Name	Rating	% of NAV
CBLO		6.32
CBLO TOTAL		6.32
Rural Electrification Corp Ltd	AAA	10.95
ACC Ltd	AAA	8.93
ONGC Videsh Limited	AAA	8.90
HDFC Bank Ltd.	AAA	7.51
Power Grid Corporation Ltd.	AAA	6.76
State Bank of India	AAA	4.76
Non Convertible Debentures Total		47.81
7.02% GOI 2016 MD 17-08-2016	SOV	15.25
8.24% GOI 2027 MD 15-02-2027	SOV	11.15
6.90% GOI 2019 MD 13-07-2019	SOV	10.55
6.35% GOI 2020 MD 02-01-2020	SOV	4.07
Govt Securities(GSE) Total		41.02
Net Current Asset		4.85
Grand Total		100.00

CRISIL Credit Quality Rating:

IDFC Super Saver Income Fund - Investment Plan: "Credit Quality Rating AAAF" - The assigned rating AAAF is valid only for "IDFC Super Saver Income Fund - Investment Plan". The rating of CRISIL is not an opinion on the Asset Management Company's willingness or ability to make timely payments to the investor. The rating is also not an opinion on the stability of the NAV of the Fund, which could vary with market developments.

CRISIL Credit Quality Rating Methodology:

CRISIL's credit quality ratings are based on the analysis of the credit risk of securities held by the fund. CRISIL has developed a Credit Quality Matrix to evaluate fund's overall level of protection against losses associated with credit default. The matrix is a set of credit factors and credit scores derived scientifically from CRISIL's rating default and transition rates.

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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 Schemes will be achieved. The NAV of the Schemes 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 Schemes and may not necessarily provide a basis for comparison with other investments. IDFC Super Saver Income Fund (IDFC-SSIF) is the name of the Scheme and do not in any manner indicate either the quality of the Scheme, its 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: 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. There is no entry /exit load for IDFC-SSIF Investment Plan (IP) Plan B. There is no entry load for IDFC-SSIF Investment Plan (IP) Plan A and Plan C. Exit Load: IDFC-SSIF-IP - Plan A, Plan B & Plan C: 1.00% of NAV on investors who purchase/switch in and seek to redeem/switch out such units within 365 days such from the date of effecting such purchase/switch in. Investors opting for PEP / Dividend reinvestment option / SWP or switch between options will not be levied an exit load. (w.e.f. August 24, 2009).

Minimum Investment: Minimum investment amount for application in IDFC-SSIF Investment Plan (IP) - Plan A, IDFC SSIF-Short Term Plan (ST) - Plan A, Plan C and Plan D, IDFC-SSIF Medium Term (MT) - Plan A is Rs.5000. Minimum investment amount for application in IDFC-SSIF Investment Plan (IP) - Plan B is Rs.1000000. Minimum investment amount for application in IDFC SSIF-Short Term Plan (ST) - Plan B is Rs.100000.

Investment Objective: IDFC-SSIF is an open-ended income scheme, seeking to generate stable returns with a low risk strategy by investing in good quality fixed income securities and money market instruments. However, there can be 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. 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 details please read the Scheme Information Document (SID)/ Offer Document (OD)/ Statement of Additional Information (SAI) carefully before investing.



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Methodology of Ranking

ICRA Mutual Fund Awards 2009:

IDFC Super Saver Income – Investment Plan – Plan A has been ranked as a 4 Star Fund in the category of 'Open Ended Debt – Long Term' schemes (25 Schemes) for its 1 year performance till March 31, 2009.

IDFC Super Saver Income – Investment Plan – Plan A has been ranked as a 4 Star Fund in the category of 'Open Ended Debt – Long Term' schemes (20 Schemes) for its 3 year performance till March 31, 2009.

The rank is an outcome of an objective and comparative analysis against various parameters, including: risk adjusted return, fund size, company concentration, portfolio turnover and liquidity. The ranking methodology did not take into account entry and exit loads imposed by the Fund. The ranks are neither a certificate of statutory compliance nor any guarantee on the future performance

Ranking Source & Publisher: ICRA Online Ltd.

ICRA Credit Risk Rating:

IDFC Money Manager Fund - Treasury Plan: "Credit Risk Rating mfAAA" - The Fund carries the lowest credit risk, similar to that associated with long-term debt obligations rated in the highest-credit-quality category.

IDFC Money Manager Fund – Investment Plan: "Credit Risk Rating mfAAA" - The Fund carries the lowest credit risk, similar to that associated with long-term debt obligations rated in the highest-credit-quality category.

IDFC Cash Fund: "Credit Risk Rating mfA1+" - The highest-credit-quality short-term rating assigned by ICRA to debt funds. Debt funds rated in this category carry the lowest credit risk in the short term and are similar to that of fixed income obligations of highest-credit-quality category with maturity of upto one year.

This rating should however, not be construed as an indication of the performance of the Mutual Fund scheme or of volatility in its returns.

Source: ICRA Ltd.

ICRA Credit Risk Rating Methodology:

ICRA's Credit Risk rating is an analytical process characterised by both width and depth, and following on the organisation's extensive knowledge base encompassing almost every sector of the Indian economy, besides the economy itself. Our goal in Credit Risk Rating of debt mutual funds is to provide investors with a simple-to-use measure of credit risk. The Credit Risk Ratings incorporate ICRA's assessment of a debt fund's published investment objectives and policies, its management characteristics, and the creditworthiness of its investment portfolio.

ICRA's analysts obtain and rely on relevant data from public and non-public sources. While this data may vary according to the type and nature of the debt fund, the following information is typically used in the Rating process:

Prospectus and related documents:

-Debt fund portfolio data, including periodic investor reports and public filings.

- Industry surveys, studies, and special reports

- Internal documents describing the Asset Management Company's (AMC's) structure, investment philosophy, decision making process, and performance track record

In addition, ICRA encourages continual dialogue with the AMC's management. ICRA's analysts would normally meet the company representatives for a discussion of the relevant factors in connection with the assignment of an initial Credit Risk Rating, and on a periodic basis thereafter.

ICRA's Credit Matrix provides debt fund managers with investment decision flexibility. The Credit Matrix is a tool used by ICRA to analyse the investment portfolios of debt mutual funds. The analysis involves measuring a portfolio's aggregate credit quality through a review of the credit quality of each underlying debt security. A portfolio's weighted average credit quality is then measured against the appropriate benchmark credit score. Separate benchmark credit scores are used for liquid and bond funds. Short-term debt funds have weighted average portfolio maturities of up to one year and are typically liquid/cash funds. Long-term debt funds, on the other hand, have weighted average maturity of more than one year and are typically bond funds. ICRA benchmarks short-term debt funds including liquid/cash funds against a 12-month benchmark credit score, while long-term debt funds are benchmarked against the long-term benchmark credit score. ICRA generally assigns short-term MF Credit Risk Ratings to short-term/liquid funds, but gives an option to these funds to seek long-term MF Credit Risk Rating. Similarly, ICRA generally assigns long-term MF Credit Risk Ratings to bond funds, but gives an option to these funds with weighted average maturity of less than 12 months to seek short-term MF Credit Risk Ratings.

CRISIL Credit Quality Rating:

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