

IDFC Super Saver Income Fund-Medium Term

An Open-Ended Income Fund

IDFC SSIF Medium Term Fund is ideal for 6 months to 1 year investment horizon with average maturity of around 3 – 5 years. It invests in PSU bonds with tenure ranging from 1 – 5 years and gilts of average maturity of 5 years. It endeavors to capture mark-to-market gains and credit spread contractions with low volatility.

Fund characteristics

Fund name	IDFC Super Saver Income Fund - Medium Term
Nature	Debt
Fund manager	Anupam Joshi
Investment objective	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.
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	6 months or more
Entry load	Nil
Exit load	IDFC-SSIF-MT - Plan A & Plan B: 0.50% of NAV shall be the exit load payable by investors who purchase / switch in and seek to redeem / switch out such units within 182 days 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 amount	Rs. 5,000 and in multiples of Re. 1 in Plan A (Regular Plan), Rs. 25,00,000 and in multiples of Re. 1 in Plan B (Institutional Plan).(w.e.f. July 6, 2009)
Additional investment amount	Re. 1
SIP (minimum amount)	in Plan A Rs. 1,000
Inception date	8 July 2003



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 is invested in a mix of medium tenor corporate bonds and government bonds with weights allocated to certificate of deposits to temper duration. The fund will aim to maintain an average maturity between three to four years.

Rating & Rankings



Value Research Rating

Past performance is no guarantee of future results.
For Methodology of Ranking Please refer Page No. 2

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Performance (31 December 2009)

Period	IDFC-SSIF-MT Growth Returns	Benchmark Returns
Last 1 year CAGR	5.63%	6.58%
Last 2 year CAGR	10.44%	8.03%
Last 3 year CAGR	9.32%	8.02%
Last 5 year CAGR	7.92%	6.80%
Since Allotment CAGR	6.81%	6.11%

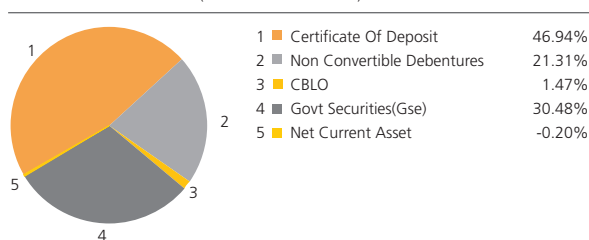
Inception date: 8 July 2003. Benchmark : CRISIL Short-Term Bond Fund Index(CSTBFI)

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-MT Plan A				
31-Dec-09	10.0062	Daily	0.00157969	0.00169747
30-Dec-09	10.0062	Daily	0.00632916	0.00680017
29-Dec-09	10.0062	Daily	0.00567373	0.00609640
30-Nov-09	10.4068	Bimonthly	0.1249	0.1342
18-Dec-09	10.0617	Fortnightly	0.0153	0.0165
31-Dec-09	10.1544	Monthly	0.2030	0.0218

Asset Allocation (31 December 2009)



Average AUM (31 December 2009)

IDFC-SSIF-MT	47.39 Crores
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Available from 8.00 a.m. to 7.00 p.m. on business days

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Dehradun	+91-09837500990	Lucknow	+91-522-305 69 00/01/02	Pune	+91-20-6602 09 65
Ahmedabad	+91-79-6450 58 81/58 87	Ludhiana	+91-161-502 21 55/ 56	Rajkot	+91-281-662 60 12
Bangalore	+91-80-6611 15 04/05/06	Mumbai	+91-22-2287 64 19	Surat	+91-261-247 50 60/70
Chandigarh	+91-172-507 19 18/19	Nagpur	+91-712-645 14 28	Vadodara	+91-265-662 09 19/ 39
Chennai	+91-44-3918 54 09/10/11	Nashik	+91-253-231 29 71/2/3/4	Visakhapatnam	+91- 99634-39222

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 will be achieved. The NAV of the Scheme 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 and may not necessarily provide a basis for comparison with other investments. IDFC Super Saver Income Fund-Medium Term (IDFC-SSIF-MT) is the name of the Scheme and does 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 Scheme beyond the corpus of the Trust of Rs. 30,000/-. **Terms of Issue & Load Structure:** IDFC SSIF MT Entry Load : Nil, Exit Load : Plan A & Plan B: 0.50% of NAV shall be the exit load payable by investors who purchase / switch in and seek to redeem / switch out such units within 182 days 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). **Investment Objective:** Seek to generate stable returns with a low risk strategy by investing in good quality fixed income securities and money market securities. 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.

Copy of Scheme Information Document and Key Information Memorandum along with application form may be obtained from the office of IDFC Mutual Fund, One IndiaBulls Centre, 841, Jupiter Mills Compound, Senapati Bapat Marg, Elphinstone Road, (West), Mumbai 400 013. Contact Call Free: 1-800-226622

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

Average Maturity (31 December 2009)

IDFC-SSIF-MT	3.30 Years
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Portfolio (31 December 2009)

Name	Rating	% of NAV
CBLO		1.47
CBLO Total		1.47
ING Vysya Bank Ltd.	P1+	10.34
Vijaya Bank	PR1+	10.25
ICICI Bank Ltd.	A1+	10.05
Oriental Bank of Commerce	P1+	7.97
UCO Bank	P1+	4.17
Central Bank of India	PR1+	4.15
Certificate Of Deposit Total		46.94
Power Grid Corporation Ltd.	AAA	10.75
ACC Ltd	AAA	10.56
Non Convertible Debentures Total		21.31
7.32% GOI 2014 MD 20-10-2014	SOV	10.55
7.02% GOI 2016 MD 17-08-2016	SOV	10.30
6.35% GOI 2020 MD 02-01-2020	SOV	9.63
Govt Securities(GSE) Total		30.48
Net Current Asset		-0.20
Grand Total		100.00

Value Research Rating:

Value Research Fund Ratings are a composite measure of historical risk-adjusted returns. In the case of equity and hybrid funds this rating is based on the weighted average monthly returns for the last 3 and 5-year periods. In the case of debt funds this rating is based on the weighted average weekly returns for the last 18 months and 3-year periods and in case of short-term debt funds - weekly returns for the last 18 months. These ratings do not take into consideration any entry or exit load.

Five-stars indicate that a fund is in the top 10% of its category in terms of historical risk-adjusted returns. Four stars indicate that a fund is in the next 22.5%, middle 35% receive three stars, the next 22.5% are assigned two stars while the bottom 10% receive one star. The number of schemes in each category is mentioned along side the categories name. Equity Diversified (142), Equity : Index (17), Equity Tax Planning (23), Hybrid Equity Oriented (25), Hybrid: Monthly Income (32), Debt: Medium-term (40), Gilt: Medium and Long-term (28), Gilt: Short-term (13), Debt: Ultra Short-term (40), Debt: Ultra Short-term Institutional (46), Debt: Short-term (15), Debt: Floating Rate Short-term (15), Debt: Floating Rate Long-term (10), Hybrid: Debt-oriented (16), Debt: Liquid Plus: (24), Debt: Liquid Plus Institutional:(23). These Fund Ratings are as on September 30, 2009.

The Value Research Ratings are published in Monthly Mutual Fund Performance Report and Mutual Fund Insight. The Ratings are subject to change every month. The Rating is based on primary data provided by respective funds, Value Research does not guarantee the accuracy.