

IDFC Arbitrage Fund

(IDFC - AF)

An open-ended equity fund

Data as of 30 June 2010

Fund features

Nature : Equity & Equity Derivatives

Average AUM : Rs. 249.22 Crore

Fund Manager : Ashwin Patni & Arjun Parthasarathy

Investment objective : The investment objective of the Scheme is to generate capital appreciation and income by predominantly investing in arbitrage opportunity in the cash and the derivative segments of the equity markets and the arbitrage opportunity available within the derivative segments and by investing the balance in debt and money market instruments. However there is no assurance that the investment objective of the scheme will be realized.

Investment style : The Scheme seeks to capture the "Cost of Carry" by executing simultaneous buy (in the cash market) and sell (in the futures) trades. The amount not so invested is invested in FDs and money market instruments.

Ideal investment horizon : 1 year or more

Entry load : Nil

Exit load : 0.25% in both Plan A and Plan B, if redemption / switch is requested within 30 days from the date of purchase, during ongoing period. (w.e.f. August 24, 2009)

In case of Switches, Exit load shall be NIL for all switch transactions between equity schemes of IDFC Mutual Fund. (w.e.f. October 12, 2009.)

Plans available : Plan A (Regular), Plan B (Institutional)

Options available : Growth, Dividend & Dividend Sweep (w.e.f. 16-Nov-2009)

Minimum investment amount : Plan A: Rs. 5,000, Plan B: Rs. 25,00,000

(w.e.f. July 6, 2009)

Additional investment amount : Re. 1

SIP (minimum amount) : NA

Inception Date : 21 December 2006

Statistical Measures :

Standard deviation 0.32%

Dividend frequency : Monthly, subject to availability of distributable surplus

Last 8 dividends (Rs./ unit) :

13-July-09 B	0.0400	NAV 10.4089
26-Aug-09 B	0.0200	NAV 10.4190
12-Nov-09 A	0.0600	NAV 10.3214
12-Nov-09 B	0.0600	NAV 10.4668
14-Dec-09 A	0.0200	NAV 10.3226
14-Dec-09 B	0.0200	NAV 10.4729
12-Jan-10 A	0.0200	NAV 10.3285
12-Jan-10 B	0.0200	NAV 10.4834
11-Feb-10 A	0.0200	NAV 10.3249
11-Feb-10 B	0.0200	NAV 10.4843
10-Mar-10 A	0.0100	NAV 10.3287
10-Mar-10 B	0.0100	NAV 10.4922
19-Apr-10 B	0.0100	NAV 10.5203
11-May-10 B	0.0100	NAV 10.5498
21-Jun-10 B	0.0100	NAV 10.5834

NAV (Rs.):

Plan A (Regular) Growth 12.3272

Plan A (Regular) Dividend 10.4324

Plan B (Institutional) Growth 12.5468

Plan B (Institutional) Dividend 10.5831

Face value (Rs. / unit) : 10

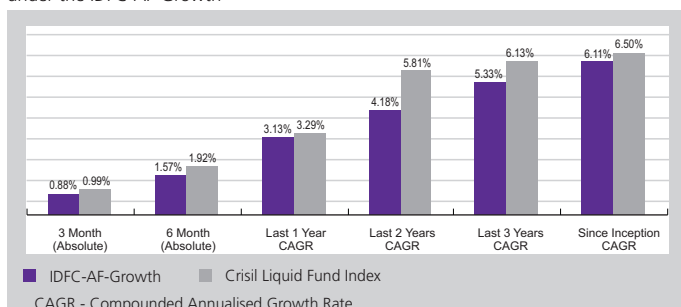
Asset allocation (equity / debt / cash) : 72.85% / 29.24% / -2.09%

Fund manager's comment:

Cash-future spreads improved as FII arbitrage books shrunk in size. The fund was able to successfully roll-over its futures positions into July.

Fund performance

under the IDFC-AF-Growth



Past performance may or may not be sustained in future.

Benchmark : Crisil Liquid Fund Index

Portfolio

Name	Market Value in Lac (Rs.)	% of NAV	Value of Futures
Century Textiles & Industries Ltd.	1150.07	4.89	-1146.33
Hindustan Petroleum Corporation Ltd.	896.75	3.82	-898.75
Piramal Healthcare Limited	879.77	3.74	-885.63
Jaiprakash Associates Ltd.	755.87	3.22	-761.46
Orchid Chemicals & Pharmaceuticals Ltd.	742.59	3.16	-703.57
Pantaloon Retail (India) Ltd.	705.76	3.00	-711.88
Hindalco Industries Ltd.	656.03	2.79	-661.48
Balrampur Chini Mills Ltd.	638.44	2.72	-639.95
Ispat Industries Ltd	574.20	2.44	-578.99
JSW Steel Ltd.	570.53	2.43	-574.56
Reliance Industries Ltd.	542.20	2.31	-543.89
Firstsource Solutions Limited	535.25	2.28	-539.97
Welspun Corp Ltd.	531.24	2.26	-535.80
Shree Renuka Sugars Ltd	515.66	2.19	-520.22
ICSA India Ltd	515.31	2.19	-514.42
Biocon Limited	491.43	2.09	-489.39
Housing Development & Infrastr Ltd	454.82	1.94	-458.46
India Infoline Ltd.	433.89	1.85	-437.70
Mercator Lines Limited	397.46	1.69	-400.01
Vijaya Bank	392.46	1.67	-380.30
Moser Baer India Limited	389.65	1.66	-392.49
Indiabulls Real Estate Limited	327.91	1.40	-330.82
KS Oil Limited	312.02	1.33	-316.01
Bajaj Hindustan Ltd.	308.75	1.31	-310.86
Rohta India Ltd.	295.59	1.26	-298.14
Unitech Ltd.	252.79	1.08	-254.66
Canara Bank	242.33	1.03	-243.97
Reliance Mediaworks Ltd.	229.32	0.98	-231.48
Cairn India Limited	224.78	0.96	-226.33
Oil & Natural Gas Corporation Ltd.	191.52	0.82	-191.94
Television Eighteen India Ltd.	177.65	0.76	-179.58
Reliance Power Limited	164.54	0.70	-165.84
Mphasis Limited	163.42	0.70	-164.39
Yes Bank Ltd.	158.89	0.68	-159.71
Praj Industries Limited	157.25	0.67	-158.50
Reliance Infrastructure Limited	150.13	0.64	-151.16
Jain Irrigation Systems Ltd.	147.37	0.63	-148.36
Noida Toll Bridge Co. Ltd.	143.18	0.61	-143.87
India Cements Ltd.	135.89	0.58	-133.69
Tata Teleservices (Mah) Limited	102.36	0.44	-103.28
IFCI Limited	93.40	0.40	-94.14
Bharat Forge Ltd.	92.61	0.39	-93.15
Wipro Ltd.	83.28	0.35	-83.89
Nagarjuna Fertilizers & Chemicals Ltd.	71.79	0.31	-71.23
Mangalore Refinery & Petrochemicals Ltd.	69.64	0.30	-70.15
Kingfisher Airlines Ltd	35.68	0.15	-36.00
Triveni Engineering And Industries Ltd.	16.31	0.07	-16.45
Total	17117.74	72.85	-17152.82
Call / Reverse Repo/ CBLO Total	2870.41	12.22	
Bank Deposit Total	4000.00	17.02	
Net Current Asset	-490.51	-2.09	
Grand Total	23497.64	100.00	