

## IDFC Imperial Equity Fund

An open-ended equity fund

### Fund characteristics

Fund name	IDFC Imperial Equity Fund (IDFC-IEF)
Nature	An open-ended equity fund
Fund manager	Tridib Pathak (w.e.f. 26 April 2010)
Investment objective	The investment objective of the Scheme is to seek to generate capital appreciation and/or provide income distribution from a portfolio of predominantly equity and equity related instruments. There is no assurance or guarantee that the objectives of the scheme will be realized.
Investment style	The Scheme seeks to invest predominantly in companies based on the potential value unlocking (subsidiary listing), strong growth in domestic demand and emerging sectors in the Indian economy.
Ideal investment horizon	3 years or more
Entry load	<b>Plan A:</b> Nil (w.e.f. August 01, 2009) <b>Plan B:</b> Nil (w.e.f. August 01, 2009)
Exit load	<b>(Plan A &amp; Plan B):</b> All Investment including SIP/Micro SIP/STP/FOF if redeemed / switched out within 365 days from the date of allotment - 1%. No Exit Loads / CDSC will be chargeable in case of switches made between different options of the Scheme. (w.e.f. September 01, 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.
Options available	Growth, Dividend (Payout and Reinvestment)
Minimum investment amount ( Plan A & Plan B)	Rs. 5,000
Additional investment amount	Re. 1
SIP (minimum amount) ( Plan A & Plan B)	Rs. 1,000
SIP Frequency & Dates	Daily Weekly - 7, 14, 21, 28 Fortnightly - 1, 16
Inception date (Plan A)	16 March 2006
Inception date (Plan B)	2 April 2009

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



### Investment opportunities and investor profile

- Are you a cautious / first time investor who seeks the security of a completely recognised portfolio of companies ?
- Do you feel that companies having the potential to exhibit high growth outside India and establishing themselves as global players present a great investment opportunity ?

If you do, IDFC Imperial Equity Fund offers you an attractive investment solution as it focuses on well managed growth companies that are available at reasonable value with proven track records and strong brands.

### Dominant investing theme

#### Globalisation

Indian companies are not just exporting but are even buying companies abroad. Viewed differently, such companies with high local market capitalization tend to be more of global mid-caps in the global arena; suddenly their growth potential does not appear all that limited.

In comparison in 1995, the Korean stock market was dominated by highly localized chaebols such as Samsung, Hyundai and Daewoo. What happened next is telling as the Korean companies played to their market strengths and expanded beyond their geographical boundaries, their market capitalization grew 100 times.

#### Growing domestic demand

India is demonstrating impressive growth rates-Indian Real GDP grew at 7.1% as at March 31, 2009 (nominal 15.5% at factor cost at current prices), according to Bloomberg. Bigger companies with established products, comprehensive distribution structures and favourable brands are bound to benefit the most as the growth spreads to more client segments and physical locations.

#### Value unlocking

Many larger companies are putting their size to better use by using their cash to either seed newer companies or by hiving off profitable functions into subsidiaries and providing them with greater autonomy with ICICI, Mahindra & Mahindra and Reliance as examples.

#### Emerging sectors

Over the years, different sectors have grown in prominence and presented opportunities to the alert investor. Proof of this is observed by the fact that the set of top 5 sectors by market capitalisation in 1990 has been totally replaced by a new set of 5 sectors at the top.

#### Fund manager's comment

Imperial fund is a diversified large cap biased fund. The portfolio construction has revolved around selecting well established companies which have high capital efficiency or are moving towards improving their capital efficiency further and are available at reasonable valuations.

### Rating & Rankings

★★★★★  
Value Research Ranking

★★★★★  
Morningstar Rating

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**Performance** (30 Jun 2010)

Performance Data	Annual Return%		Rs.1000-a-month SIP		
	Fund	S&P CNX Nifty	Investment	Value	Return (%)
Since inception CAGR	15.51	12.32	51,000	72,356	16.29
Last 3 year CAGR	13.24	7.14	36,000	46,696	17.69
Last 2 year CAGR	20.13	14.66	24,000	32,052	30.73
Last 1 year CAGR	24.32	23.80	12,000	13,032	16.47

Past Performance may or may not be sustained in future. Computed using NAV of Growth option on compounded annual basis. Investment and Value in Rs., Returns in %.

**Dividend History** (30 Jun 2010) (face value Rs.10/-)

Date	Rs./Unit	NAV
<b>IDFC-IEF Plan A</b>		
8 Jun 2009	1.20	12.4523
<b>IDFC-IEF Plan B</b>		
15 Jun 2009	1.20	12.0942
14 May 2008	1.50	13.9431

**Portfolio** (30 Jun 2010)

Name	Market Value in Lakhs	% of NAV
Mahindra & Mahindra Ltd.	2471.76	4.46
Bajaj Auto Limited	1957.74	3.53
<b>Auto Total</b>	<b>4429.50</b>	<b>7.99</b>
Bank of Baroda	2504.42	4.52
ICICI Bank Ltd.	2479.02	4.47
Union Bank of India	2382.64	4.30
Axis Bank Limited	2136.93	3.85

**Portfolio** (Contd.)

Name	Market Value in Lakhs	% of NAV
HDFC Bank Ltd.	1746.29	3.15
<b>Banks Total</b>	<b>11249.30</b>	<b>20.29</b>
Grasim Industries Ltd.	1187.97	2.14
<b>Cement Total</b>	<b>1187.97</b>	<b>2.14</b>
Nestle India Ltd.	1835.89	3.31
ITC Ltd	1823.54	3.29
<b>Consumer Non Durables Total</b>	<b>3659.42</b>	<b>6.60</b>
Jindal Steel & Power Ltd.	1786.07	3.22
<b>Ferrous Metals Total</b>	<b>1786.07</b>	<b>3.22</b>
Housing Development Finance Cor Ltd	1663.47	3.00
<b>Finance Total</b>	<b>1663.47</b>	<b>3.00</b>
GAIL (India) Ltd.	1394.89	2.52
<b>GAS Total</b>	<b>1394.89</b>	<b>2.52</b>
Bharat Heavy Electricals Ltd.	3812.54	6.88
<b>Industrial Capital Goods Total</b>	<b>3812.54</b>	<b>6.88</b>
Oil & Natural Gas Corporation Ltd.	3890.28	7.02
<b>Oil Total</b>	<b>3890.28</b>	<b>7.02</b>
Reliance Industries Ltd.	3628.43	6.55
Indian Oil Corporation Ltd.	1578.14	2.85
Bharat Petroleum Corporation Ltd.	1093.54	1.97
<b>Petroleum Products Total</b>	<b>6300.10</b>	<b>11.36</b>
Cipla Ltd.	1912.53	3.45
Glaxosmithkline Pharmaceuticals Ltd.	1450.80	2.62
Dr. Reddys Laboratories Ltd.	1066.67	1.92
<b>Pharmaceuticals Total</b>	<b>4429.99</b>	<b>7.99</b>
NTPC Ltd.	1596.80	2.88
<b>Power Total</b>	<b>1596.80</b>	<b>2.88</b>
Infosys Technologies Ltd.	2201.12	3.97
Tata Consultancy Services Ltd.	1573.35	2.84
Mphasis Limited	1383.39	2.50
<b>Software Total</b>	<b>5157.86</b>	<b>9.30</b>
<b>Others Total</b>	<b>1303.77</b>	<b>2.35</b>
<b>Money Market Instrument Total</b>	<b>993.69</b>	<b>1.79</b>
<b>Call / Reverse Repo/ CBLO Total</b>	<b>1000.14</b>	<b>1.80</b>
<b>Net Current Asset</b>	<b>1579.52</b>	<b>2.85</b>
<b>Grand Total</b>	<b>55435.33</b>	<b>100.00</b>

## Call Free 1-800-226622

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

# IDFC Imperial Equity Fund

## Methodology of Ranking

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### 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. Each category must have a minimum of 10 funds for it to be rated. Effective, July 2008, we have put an additional qualifying criteria, whereby a fund with less than Rs 5 crore of average AUM in the past six months will not be eligible for rating.

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 (155), Equity : Index (19), Equity Tax Planning (28), Hybrid Equity Oriented (30), Hybrid: Monthly Income (35), Debt: Medium-term (39), Gilt: Medium and Long-term (32), Gilt: Short-term (11), Debt: Ultra Short-term (40), Debt: Ultra Short-term Institutional (48), Debt: Short-term (19), Debt: Short-term Institutional (10) Debt: Floating Rate Short-term (14), Hybrid: Debt-oriented (17), Debt: Liquid Plus: (28), Debt: Liquid Plus Institutional:(28), Hybrid: Arbitrage (10). These Fund Ratings are as on February 28, 2010.

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.

### ICRA Mutual Fund Awards 2009

**IDFC Imperial Equity Fund – Plan A** has been ranked as a 5 Star Fund in the category of 'Open Ended Diversified Equity - Defensive' schemes (65 Schemes) for its 1 year performance till March 31, 2009.

**IDFC Imperial Equity Fund – Plan A** has been ranked as a 5 Star Fund in the category of 'Open Ended Diversified Equity - Defensive' schemes (57 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.**

### Morningstar Rating

This Morningstar-sourced information is provided to you by IDFC AMC and is at your own risk. Morningstar is not responsible for any damages or losses arising from any use of this information. Also, this information must not be relied upon without appropriate verification. IDFC AMC informs you as follows: (i) no investment decision should be made in relation to any of the information provided other than on the advice of a professional financial advisor; (ii) past performance is no guarantee of future results; and (iii) the value and income derived from investments can go down as well as up.

The Morningstar fund rating methodology is based on a fund's risk-adjusted return within a given Morningstar category. Morningstar ratings are calculated every month for the 3 year, 5 year and 10 year period. Within each rating period, the top 10% funds receive a five star rating, the next 22.5% earn a four star rating, the next 35% get three stars, the next 22.5% receive two stars, and the bottom 10% get one star. Loads are not considered for the rating purpose. The rating is based on NAV provided by respective funds. The current fund rating is for the 3 year period as of December 31, 2009, IDFC Imperial Equity Fund Growth has been rated 5-Star fund in the category of Large Cap schemes (342 Schemes),