

FUND INSIGHT

IDFC CLASSIC EQUITY FUND

(AN OPEN ENDED EQUITY FUND)

Fund Features:**Nature:** Equity**Average AUM (Jul-Sep):**
Rs. 177.30 Crores**Inception Date:** 9 August 2005**Fund Manager:** Mr. Tridib Pathak
(Since July 6, 2009)

The portfolio is a diversified equity fund which invests across the breadth of the market. The Scheme seeks to achieve outperformance through sector rotation, theme selection, market cap bias and bottom up stock picking.

OUTLOOK

There is little reason given the environment to change the current strategy. The Macro Environment remains challenging with Inflation and Financial costs eating into corporate profitability. This trend in all likelihood will intensify over the next couple of quarters and it will remain a challenging environment for capital markets. Corporate earnings have been slowing which is apparent in the recent quarter's numbers for the companies that have declared their results. Profits are down sequentially. While valuations are low, the risk is in the denominator (earnings part of the P/E) could come under further stress. International events have put a question on global growth which has also resulted in low valuations of the asset class. This we believe will not change in the immediate future. In a situation like this the current trade of buying solvent (low debt) businesses in companies that have a dominant market share has been rewarding.

CURRENT STRATEGY

The fund is being managed as a well-diversified portfolio, the opportunity for the fund is to capture the breadth of the market across sectors, market capitalizations, styles and themes. The fund has around 35% exposure to midcaps and has maintained higher diversification across sectors.

Other Parameters:
Beta: 0.86

R Square: 0.95

Standard deviation: 7.79%

Sharpe Ratio: -0.94

Portfolio Turnover Ratio: 1.15 Times

Asset allocation:
Equity: 96.24%

Debt: 3.76%

Benchmark: BSE 200

Minimum Investment Amount: Rs. 5000

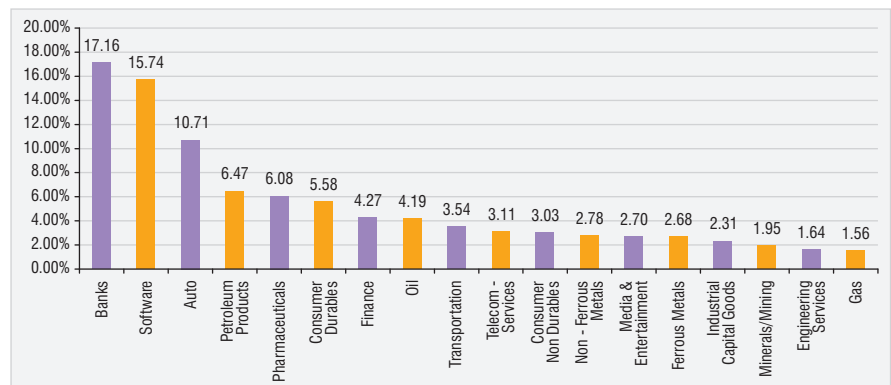
Exit Load: 1.00% if redeemed before 365 days.

SIP Frequency: Daily, Weekly, Fortnightly, Monthly

SIP Dates Weekly, Fortnightly, Monthly: 7, 14, 21, 28; 1, 16; any day of the month.

PORTFOLIO
(31 October, 2011)

Holdings	% of NAV	Industry
Infosys Ltd.	5.93	Software
ICICI Bank Ltd.	4.71	Banks
Manappuram Finance Ltd.	4.27	Finance
Mahindra & Mahindra Ltd.	4.06	Auto
ING Vysya Bank Ltd.	3.72	Banks
Jammu & Kashmir Bank Ltd.	3.61	Banks
Axis Bank Ltd.	3.61	Banks
HCL Technologies Ltd.	3.58	Software
TVS Motor Company Ltd.	3.53	Auto
Hero MotoCorp Ltd.	3.13	Auto
Bharti Airtel Ltd.	3.11	Telecom - Services
Titan Industries Ltd.	3.03	Consumer Non Durables
Torrent Pharmaceuticals Ltd.	2.85	Pharmaceuticals
Hindustan Zinc Ltd.	2.78	Non - Ferrous Metals
Reliance Industries Ltd.	2.72	Petroleum Products

SECTOR ALLOCATION


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 Classic Equity Fund 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 CEF: 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 Load:** Nil. **Exit Load:** For all the equity schemes (other than IDFC Arbitrage Fund, IDFC Arbitrage Plus Fund and ELSS Schemes of IDFC): All investment including SIP/STP/Micro SIP/STP/FOF if redeemed / switched out within 365 days from the date of allotment-1%. No Entry Load/ Exit Loads/CDSC shall be chargeable in case of switches made between different options of the scheme. **Investment Objective:** The investment objective of the scheme is to seek to generate long term capital growth from a diversified portfolio of predominantly equity and equity related instruments. 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 details please read the respective Scheme Information Document (SID) (including those of FMPs)/ Offer Document (OD) / Statement of Additional Information (SAI) carefully before investing.