

FUND INSIGHT
IDFC GOVERNMENT SECURITIES FUND-PROVIDENT FUND PLAN
 (AN OPEN ENDED DEDICATED GILT FUND)

Fund Features:
Nature: Debt

Average AUM (Jul-Sep): Rs.17.18 crores

Inception Date: 29 March 2004

Fund Manager: Mr. Suyash Choudhary
 (Since Oct 15, 2010)

The Scheme proposes to invest only in government securities with the aim of generating stable medium-term returns
OUTLOOK

With the RBI now explicitly flagging pause to the hike cycle (barring, of course, fresh pressures from inflation either via new spike in commodity prices or larger than expected pass through to domestic prices), market participants should feel more confident with respect to the short end of the curve. This is also being aided by the fact that pressure of issuance of CDs from banks has subsided, as deposit growth remains healthy versus incremental credit disbursements.

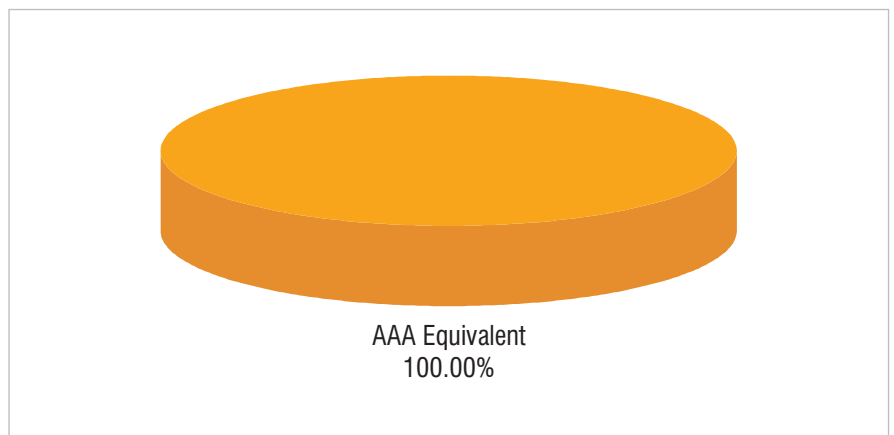
With respect to the long end, corporate spreads should remain supported given the relative lack of supply of corporate bonds. However, the G-Sec curve is struggling with excess supply, fears of further fiscal slippages, and now from potential illiquidity of current investments given that a new 10 year benchmark has been announced.

The market is looking for two possible event triggers:

- The announcement of an expected USD 5 billion hike in FII ceiling for government bonds.
- The start of RBI's open market operations (OMOs) to keep system liquidity deficit within 1% of NDTL of banks.

These will pretty much decide the direction of yields in the near term.

Current Strategy: The funds are positioned in the segments of the yield curve where returns are expected to be optimum.

ASSET QUALITY


Other Parameters:
Modified duration: 3.30 Years

Average Maturity: 4.74 Years

Yield to Maturity: 8.27%

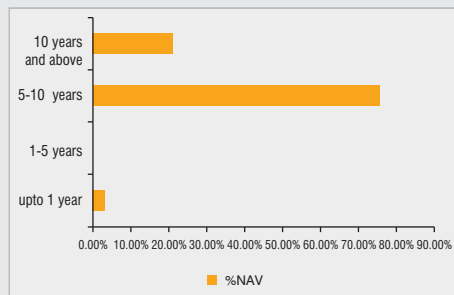
Benchmark: I-SEC Composite Index

Minimum Investment Plan:
Plan A: Rs 5000/-

Plan B: Rs. 25 Lacs

Exit Load: Plan A & Plan B: 1.00% if redeemed before 365 days

Options Available: Growth, Dividend [Quarterly (March, June, September & December) & Annual (March)] & Dividend Sweep

Maturity Bucket

PORTFOLIO

Name	Rating	Total (%)
Clearing Corporation of India Ltd		40.03
CBLO Total		40.03
7.83% GOI (MD 11/04/2018)	SOV	76.27
8.08% GOI (MD 02/08/2022)	SOV	21.32
Government Bond Total		97.59
Net Current Asset		-37.62
Grand Total		100.00

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. IDF Government Securities Fund Provident Fund Plan is the name of the Schemes 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 GSF-PF: 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 :** -Plan A & Plan B - 1% of NAV on investors who purchase / switch and seek to redeem / switch out such investments within 365 days from the date of effecting such purchase / switch in. Investors opting for PEP / Dividend reinvestment option / SWP or switch between options within the plan will not be levied an exit load) **Investment Objective:** IDFC GSF-PF: Seek to generate optimal returns with high liquidity by investing in government securities. However there is no assurance that the investment objective of the scheme will be realized. IDFC-ASBF: Seek to generate optimal returns with high liquidity by active management of the portfolio, by investing predominantly in debt oriented mutual fund schemes and money market 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. 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