

## FUND INSIGHT

**IDFC TAX ADVANTAGE (ELSS) FUND**

(AN OPEN ENDED EQUITY LINKED SAVING SCHEME WITH A LOCK IN PERIOD 3YEARS)

**Fund Features:****Nature:** Equity**Average AUM (Jul-Sep):**

Rs. 128.82 Crores

**Inception Date:** 26 December 2008**Fund Manager:** Mr. Neelotpal Sahai.

(Since Sep 22 , 2010)

Our ELSS Scheme aims to generate long term capital growth from a diversified portfolio of predominantly equity and equity related securities. The Scheme will invest in well-managed growth companies that are available at reasonable value. Companies would be identified through a systematic process of forecasting earnings based on a deep understanding of the industry growth potential and interaction with company management.

**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 focus is to invest in long term growth stocks at reasonable price. The portfolio is a diverse mix of companies across sectors and is agnostic to capitalization bias. Given the plethora of opportunities which is there in domestic economy, the fund seeks to invest in companies with strong track record of execution, high operating leverage and reasonable valuations.

**Other Parameters:**
**Beta:** 0.74

**R Square:** 0.90

**Standard deviation:** 6.30%

**Sharpe Ratio:** -0.98

**Portfolio Turnover Ratio:** 0.99 Times

**Asset allocation:**
**Equity:** 94.82%

**Debt:** 5.18%

**Benchmark:** BSE 200

**Minimum Investment Amount:** Rs.500/-

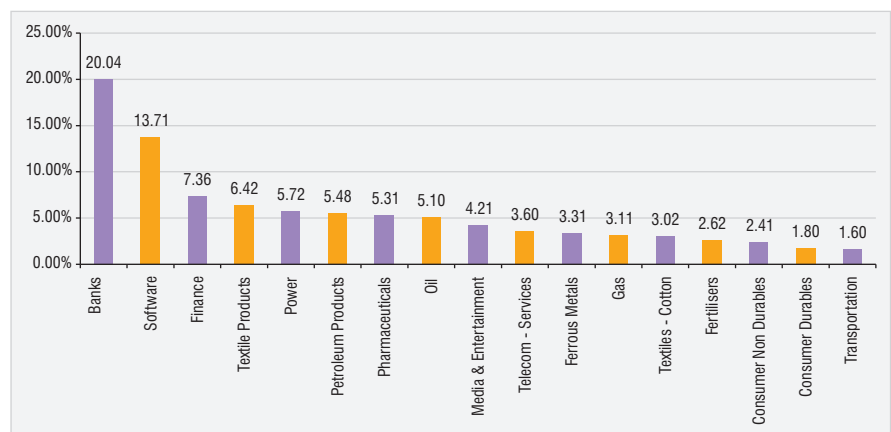
**Exit Load:** Nil

**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.	6.35	Software
Reliance Industries Ltd.	5.48	Petroleum Products
ICICI Bank Ltd.	5.48	Banks
Oil & Natural Gas Corporation Ltd.	5.10	Oil
Arvind Ltd.	4.84	Textile Products
Bank of Baroda	4.53	Banks
Eros International Media Ltd.	4.21	Media & Entertainment
State Bank of India	4.20	Banks
Tata Consultancy Services Ltd.	4.10	Software
Bharti Airtel Ltd.	3.60	Telecom - Services
Lupin Ltd.	3.46	Pharmaceuticals
Jindal Steel & Power Ltd.	3.31	Ferrous Metals
Power Finance Corporation Ltd.	3.31	Finance
HCL Technologies Ltd.	3.26	Software
GAIL (India) Ltd.	3.11	Gas

**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 Tax Advantage (ELSS) Fund** 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 TA (ELSS): 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 & Exit Load:** Nil. **Investment Objective:** IDFC TA (ELSS): 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 securities. 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 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.**