

IDFC Monthly Income Plan

(IDFC-MIP)

An Open - Ended Fund of Funds Scheme

Fund characteristics

Fund name	IDFC Monthly Income Plan (IDFC-MIP)
Nature	Fund of Fund
Fund manager	Mr. Kenneth Andrade & Mr. Suyash Choudhary (w.e.f. 23 Dec 2010)
Investment objective	The primary objective of Scheme is to generate regular returns through investment primarily in debt oriented Mutual Fund schemes (such as Income and Liquid funds). The secondary objective of the Scheme is to generate long-term capital appreciation by investing a portion of the Scheme's assets in equity oriented MF schemes. Monthly Income is not assured and the same is subject to availability of distributable surplus
Investment style	The scheme will be a fund of fund that will combine the benefits of asset allocation and diversification in a single product. The fund of fund approach allows the fund manager to participate in funds with different styles within various funds available for investments.
Ideal investment horizon	1 year or more
Entry load	Nil
Exit load	1% of the NAV shall be applicable if investors who redeem/switch out such investments within one year (365 Days) from the date of subscription applying First in FirstOut basis, (including investments through SIP/STP). No load shall be applicable for switches between options of the schemes (w.e.f 7 Jan 2011)
Options available	Growth, Dividend (payout, reinvestment and auto sweep)
Minimum investment amount	₹5,000/- & in multiples of ₹1/- for purchases and in multiples of ₹0.01 for switches. Additional ongoing purchase (Non SIP) – ₹1,000/- and in multiples of ₹1/- thereafter SIP purchase - ₹1,000/- (subject to minimum of 6 installments of ₹1,000/- each).
SIP (minimum amount)	₹1000
Additional investment amount	₹1
Inception date	25 February 2010

IDFC MIP offers investors a blend between the relative safety of debt and higher return potential of equity. The predominant allocation of the fund is towards debt securities with a view to generating regular income. Allocation to equities is to improve overall return profile. The product is ideally suited for a conservative investor and will target regular income with low volatility. Lower equity allocation reduces risk to capital. Additionally it takes out the element of market timing from the investor's perspective and targets a stable allocation between equity and debt.

IDFCMIP uses a superior fund of fund structure. It invests in other funds rather than creating a separate securities portfolio. The MIP Fund manager focuses on equity/ debt allocations and on broad themes within them

- ◆ Equity – Large cap v/s mid cap
- ◆ Debt – Long duration v/s short duration

Allocation to theme is achieved through traditional equity/debt funds. Underlying funds have scale and expertise to create efficient portfolios and the fund of fund manager is able to take advantage of them. Additionally it gives fund manager ability to quickly and easily switch between themes to take advantage of market positioning.

Fund manager's comment

The Equity allocation was divided into IDFC Imperial, SME, Strategic sector 50-50 and GDP fund. On the debt side, the duration of the portfolio was stable during the month.

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Performance (31 May 2011)

Period	IDFC-MIP Growth Returns	Benchmark Returns
Last 1 Month (Absolute)	-0.43%	-0.47%
Last 3 Months (Absolute)	3.01%	1.72%
Last 6 Months (Absolute)	1.00%	1.11%
1 Year (CAGR)	5.35%	5.06%
Since inception (CAGR)	6.17%	6.05%

Inception date: 25 February 2010. Benchmark : Crisil MIP Blended Index
Past performance may or may not be sustained in future.

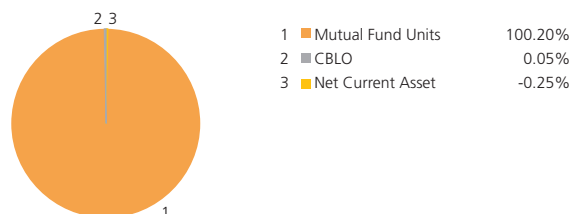
Dividend History (31 May 2011) (face value ₹10/-)

Date	Nav	Others	I & H
02-May-11	10.3250	0.0329	0.0352
05-Apr-11	10.3857	0.0327	0.0351
01-Mar-11	10.1412	0.0246	0.0264

Portfolio (31 May 2011)

Name	Rating	% of NAV
Clearing Corporation of India Ltd		0.05
CBLO TOTAL		0.05
IDFC Imperial Equity Fund-Plan A - Growth		11.71
IDFC Small & Midcap Equity (SME) Fund - Growth		13.93
IDFC Dynamic Bond Fund -Plan B Growth		6.18
IDFC Money Manager Fund - Invt Plan - Plan F - Growth		18.57
IDFC Money Manager Fd - Treas Plan - Plan F - Growth		15.05
IDFC Sup Saver Inc Fund - Invest Plan - Plan F Growth		34.77
Mutual Fund Units TOTAL		100.20
Net Current Asset		-0.25
Grand Total		100.00

Asset Allocation (31 May 2011)



Call Free 1-800-226622

Available from 8.00 a.m. to 7.00 p.m. on business days

Agra	+91-9997972223	Goa	+91-832-665 03 10	Ludhiana	+91-161-502 21 55/ 56	Pune	+91-20-6602 09 65
Ahmedabad	+91-79-6450 58 81/58 87	Guwahati	+91-9957568099	Madurai	+91 98943 69124	Raipur	+91-9926908790
Amritsar	+91-0183-5030393.	Hyderabad	+91-40-4201 46 46/47	Mangalore	+91-99010 33822	Rajkot	+91-281-662 60 12
Bangalore	+91-80-6611 15 04/05/06	Indor	+91-731-420 69 27	Moradabad	+91-9837572638	Surat	+91-261-247 50 60/70
Chandigarh	+91-172-507 19 18/19	Jaipur	+91-141-510 57 97-98	Mumbai	+91-22-2287 64 19	Vadodara	+91-265-662 09 19/ 39
Chennai	+91-044-45644201/202	Jalandhar	+91-0181-5018264	Nagpur	+91-712-645 14 28	Varanasi	+91-0542-2226527/6540214
Cochin	+91-484-402 92 91	Kanpur	+91-512-233 10 71/11 19	Nashik	+91-253-231 29 71/2/3/4	Visakhapatnam	+91-9701163444
Coimbatore	+91-422-254 26 45/78	Kolkata	+91-4017 1000 -1005	New Delhi	+91-11-4731 13 01/02		
Dehradun	+91-8859222287	Lucknow	+91-522-305 69 00/01/02	Patna	+91-612-651 03 53		

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 will be achieved. The NAV of the Scheme 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 and may not necessarily provide a basis for comparison with other investments. IDFC Monthly Income Plan (IDFC - MIP) is the name of the Scheme and does not in any manner indicate either the quality of the Scheme, its 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 Scheme beyond the corpus of the Trust of ₹30,000/-.

Terms of Issue & Load Structure: 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 through Stock Exchange.

Entry Load : Nil, **Exit Load :** 1% of the NAV shall be applicable if investors who redeem/switch out such investments within one year (365 Days) from the date of subscription applying First in First Out basis, (including investments through SIP/STP). No load shall be applicable for switches between options of the schemes (w.e.f 7 Jan 2011).

Investment Objective: The primary objective of Scheme is to generate regular returns through investment primarily in debt oriented Mutual Fund schemes (such as Income and Liquid funds). The secondary objective of the Scheme is to generate long-term capital appreciation by investing a portion of the Scheme's assets in equity oriented MF schemes. Monthly Income is not assured and the same is subject to availability of distributable surplus. The recurring expenses of the scheme are in addition to the expenses of the schemes in which the Fund of Fund scheme makes investment.

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 ₹30,000) with IDFC AMC Trustee Company 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 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.