

November 03, 2011

Dear Unitholder,

Sub: Proposed change in shareholding of IDFC Asset Management Company Limited (IDFC AMC) and IDFC AMC Trustee Company Limited (Trustee)

We would like to inform you that Natixis Global Asset Management (NGAM) has proposed to acquire 25% of the total issued and paid up equity share capital plus one equity share in IDFC Asset Management Co. Ltd and IDFC AMC Trustee Company Ltd. respectively. Infrastructure Development Finance Company Limited (IDFC) will continue to be the sponsor of the mutual fund and will have management control of IDFC AMC. There will be no change to names of our legal entities viz. IDFC Asset Management Company Ltd, IDFC AMC Trustee Company Ltd. and IDFC Mutual Fund.

NGAM is one of the 15 largest asset managers in the world based on assets under management, with assets under management of US\$719 billion as of December 31, 2010. Headquartered in Paris, France, NGAM is a multi-boutique firm, offering a comprehensive range of products across all asset classes, styles and geographic zones to institutional and individual investors through more than 20 independent investment affiliates. Each affiliate has its own well-developed brand and a reputation for superior investment performance. In addition, NGAM possesses a proprietary distribution network to distribute its affiliate products in Europe, the Middle East, the Americas and Asia. The activities of the new shareholder and its financial performance is enclosed vide **Annexure I**.

The Securities and Exchange Board of India (SEBI) has vide its letter dated July 20, 2011, taken note of these changes and stated their no objection to the same.

As per the requirement of SEBI Regulation 22(e) of SEBI (Mutual Funds) Regulations, 1996, in case of change in controlling interest, the unitholders of the fund shall be given an option to exit on the prevailing Net Asset Value without any exit load. Accordingly, in case a unitholder does not wish to continue to hold units in view of the said change, he / she / it will have the option to exit the said schemes / Plans at applicable NAV. The said exit option can be availed between November 04, 2011 to December 04, 2011 (both days inclusive}. Although during this period, exit load is not applicable, the unamortized portion of initial issue expenses shall be borne by the investors. All transaction request received after December 04, 2011 will be subject to load, as may be prevailing in the respective Scheme. As regards unitholders who redeem their investments during the exit option, the tax consequence as set forth in the Statement of Additional Information / Scheme Information document of the relevant scheme(s) would apply. It may be noted that the offer to exit is merely an option and is not compulsory. Please note that unitholders who do not exercise their exit option would deemed to have consented to the proposed change.

Please note that redemption request may be submitted to any of the Offices of the IDFC AMC or the CAMS Investor Service Centers. Such exit option will not be available to unitholders whose units have been pledged and Mutual Fund has been instructed to mark a lien on such units and the release of the pledge is not obtained and appropriately communicated to Mutual Fund prior to applying for redemption. As required, a statement of unclaimed redemption and dividend outstanding as on March 31, 2011 and procedures for claiming the same is stated vide **Annexure II**.

You are urged to go through this communication carefully and consult your financial / tax advisors.

In case of any queries, Unitholders may contact IDFC AMC at the Registered Office at One Indiabulls Centre, Jupiter Mills Compound, 841 Senapati Bapat Marg, Elphinstone (West), Mumbai 400 013 or the Registrar Computer Age Management Services Private Limited at 148, Old Mahabalipuram Road, Okkiyamthuraipakkam, Chennai 600097 or Call Free 1-800-226622.

We look forward to a continued partnership in success with you.

Thanking you,

Yours truly,

For IDFC Asset Management Company Limited

Naval Bir Kumar

President & Chief Executive Officer

Annexure I
Brief activities of NGAM

Natixis Global Asset Management is an international asset management group headquartered in Paris, France. Operating in more than 30 countries in Europe, the Americas, Asia and the Middle East, NGAM conducts its global asset management activities through more than twenty specialized asset management affiliates and a global distribution platform. NGAM's affiliates offer more than 100 different strategies to an international client base of institutional investors, intermediaries and individuals. As at December 31, 2010, NGAM had assets under management of US\$719 billion.

NGAM is the asset management business of Natixis, a French investment banking and financial services firm which is listed on the NYSE Euronext in Paris. Natixis is principally owned by BPCE, France's second largest banking group. BPCE is owned by banks comprising two autonomous and complementary French retail banking networks consisting of the Caisse d'Epargne regional savings banks and the Banque Populaire regional cooperative banks. The registered address of Natixis Global Asset Management is 21, quai d'Austerlitz, 75013 Paris, France.

Financial performance of NGAM

(in Rupees crores)

Particulars	2010	2009	2008
Net Worth	27,364	14,192	13,403
Total Income	12,777	11,828	12,819
Profit after tax	1,944	1,852	1,705
Assets Under Management	4,761,937	3,345,940	2,958,494

Annexure II
Unclaimed Dividend and Redemption Amounts in the schemes of IDFC Mutual Fund (as at March 31, 2011)

Name of the Scheme	Unclaimed Dividend (Rs.)	Unclaimed Redemption (Rs.)
IDFC All Season Bond Fund	85596	257305
IDFC Classic Equity Fund	4171878	875761
IDFC Equity Fund	14714931	1893384
IDFC Dynamic Bond Fund	-	185302
Grindlays Fixed Saving Scheme	-	40000
Standard Chartered Fixed Maturity Plan Yearly Series - 2	-	199852
Standard Chartered Fixed Maturity Plan Yearly Series - 6	-	110729
Standard Chartered Fixed Maturity Plan n - 6th Plan	47366	582944
IDFC Fixed Maturity Plan - Yearly Series 25	-	111318
Standard Chartered Fixed Maturity Plan - Quarterly Series 7	-	1539
Standard Chartered Fixed Maturity Plan - 9th Plan	-	50682

Name of the Scheme	Unclaimed Dividend (Rs.)	Unclaimed Redemption (Rs.)
IDFC Fixed Maturity Plan - Yearly Series 8	-	53056
IDFC Fixed Maturity Plan - 4th Plan A	-	529
Grindlays Fixed Maturity Plan - Plus Plan I	-	5546
Standard Chartered Tri - Star - Series - I	5534	58424
IDFC Money Manager Fund - Investment Plan	34468	75766
IDFC Money Manager Fund - Treasury Plan	132670	25285
IDFC Super Saver Income Fund - Investment Plan	3806743	327622
IDFC Super Saver Income Fund - Medium Term	241051	23527
IDFC Super Saver Income Fund - Short Term	263039	6866
IDFC Imperial Equity Fund	1355143	469113
IDFC Premier Equity Fund	2318786	404361
IDFC Sterling Equity Fund	524082	1516409
IDFC Strategic Sector 50 - 50 Equity Fund	-	0
IDFC India GDP Growth Fund	-	7244
IDFC Tax Saver (ELSS) Fund	-	46767
IDFC Arbitrage Fund	969380	500000
IDFC Arbitrage Plus Fund	47115	0
IDFC Cash Fund	-	100
IDFC Fixed Maturity Plan 9th Plan	7198	
IDFC Government Securities Fund - Investment Plan	24730	-
IDFC Government Securities Fund - Short Term Plan	3427	-
IDFC Government Securities Fund - Provident Fund	11535	-
IDFC Savings Advantage Fund	4270	-
IDFC Ultra Short Term Fund	3793	-
IDFC Fixed Maturity Plan - Monthly Series 3	276201	-
IDFC Quarterly Internal Fund PLAN A	2124	-
IDFC Fixed Maturity Plan Quarterly Series 47	1955	-
IDFC Asset Allocation Fund - Aggressive Plan	110421	-
IDFC Asset Allocation Fund - Conservative plan	4066	-

Name of the Scheme	Unclaimed Dividend (Rs.)	Unclaimed Redemption (Rs.)
IDFC - Tax Advantage Fund (ELSS)	152706	-
IDFC Monthly Income Plan	4373.62	-
IDFC Asset Allocation Fund - Moderate Plan	25340	-
Standard Chartered Fixed Maturity Plan - 9th Plan	3118	-
IDFC Fixed Maturity Plan Quarterly Series 25	59000	-
IDFC Fixed Maturity Plan Quarterly Series 40	4764	-
IDFC Fixed Maturity Plan Quarterly Series 6	13235	-
IDFC Fixed Maturity Plan Quarterly Series 29	35440	-
IDFC Fixed Maturity Plan Quarterly Series 32	171395	-

Procedure for claiming unclaimed dividend / redemption amounts by unitholders

The requests for reissue/revalidation of instruments towards unclaimed dividends or redemptions should be made by the Unitholder to the Registrar, Computer Age Management Services Pvt. Limited at the below mentioned address quoting folio number, scheme and details of payments not received. This will be verified with the records and revalidation will be done/ fresh instruments will be issued for those cases, which are unclaimed. In case you require any further, information /assistance please contact the nearest Investor Service Centre.

Computer Age Management Services Private Limited

148, Old Mahabalipuram Road, Okkiyamthuraipakkam, Chennai 600097