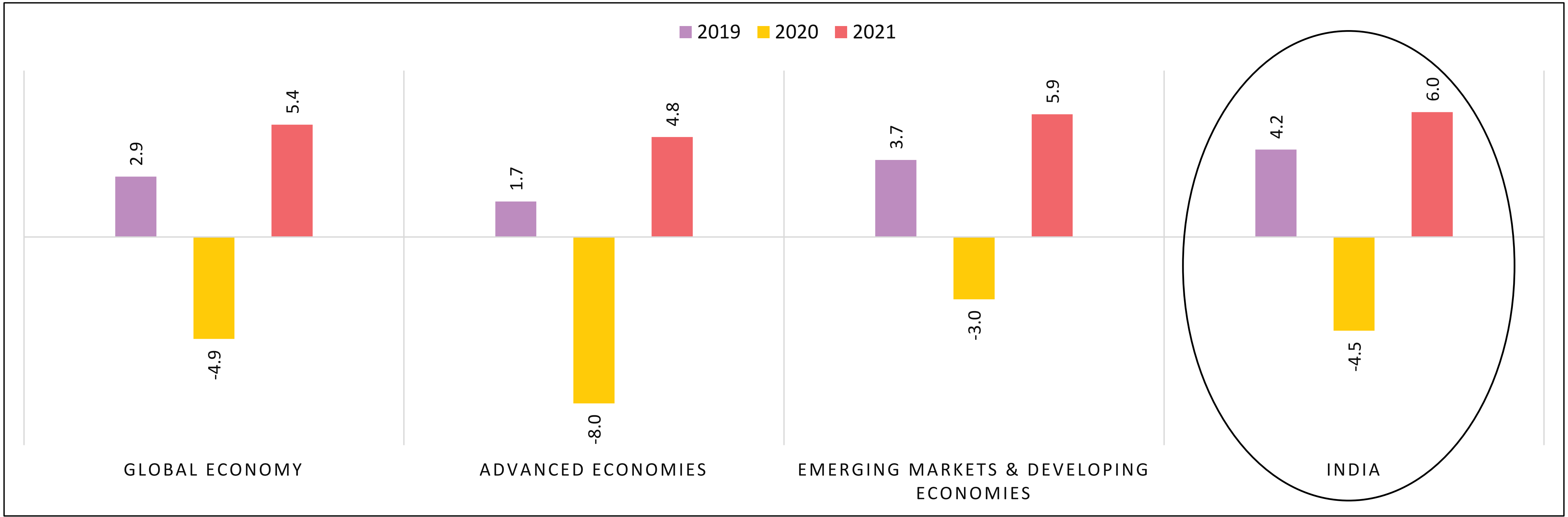
MARKET OUTLOOK - SEPTEMBER 2020

IDFC MUTUAL FUND

A Crisis Like No Other, An Uncertain Recovery



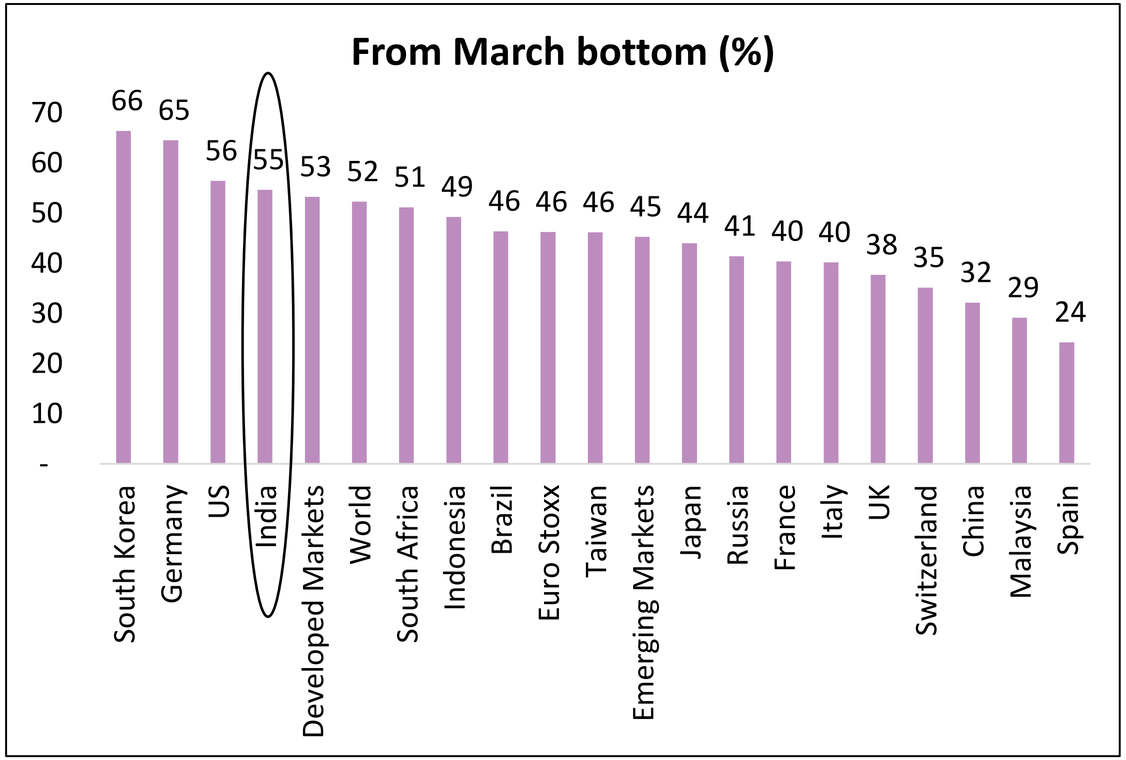
- Global growth is projected at -4.9% in 2020, worse than Global Financial Crisis.
- India's growth rate projected at -4.5% in 2020, citing "historic low".
- However, it is expected to bounce back in 2021 with a robust 6% growth rate.

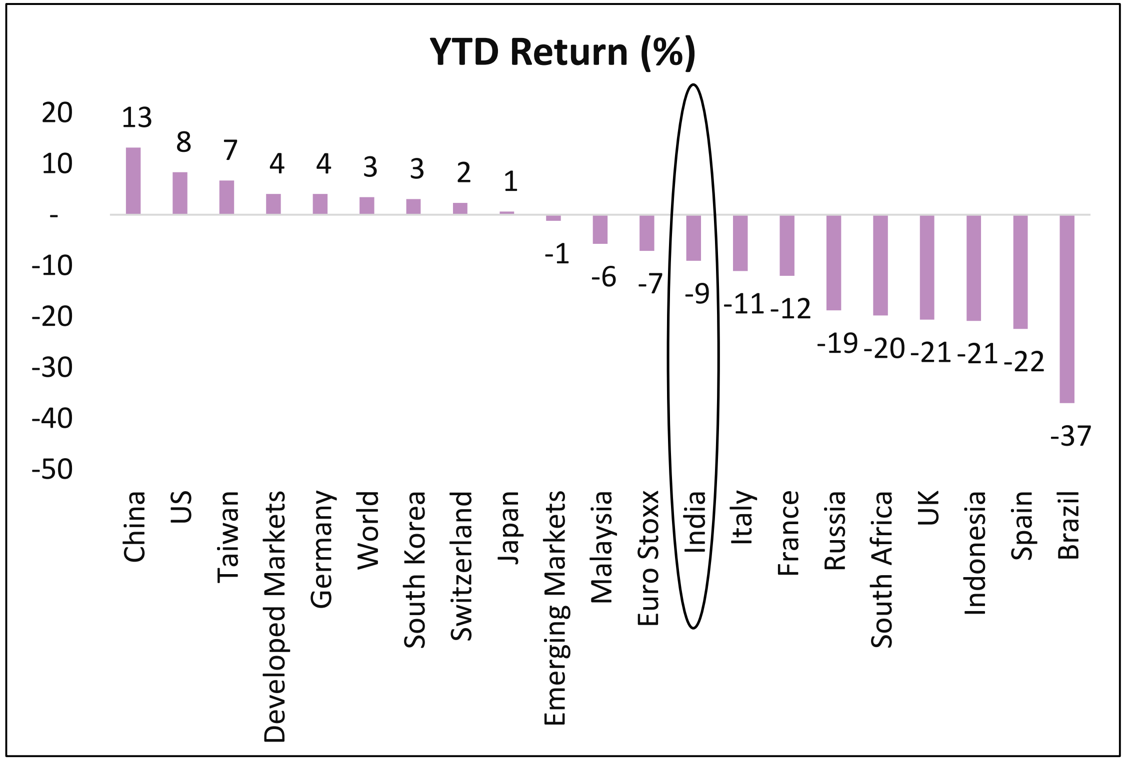
Source: World Economic Outlook report by IMF, June 2020

IDFC MUTUAL FUND

GLOBAL & DOMESTIC MARKETS PERFORMANCE

Global markets - Strong recovery over the past few months



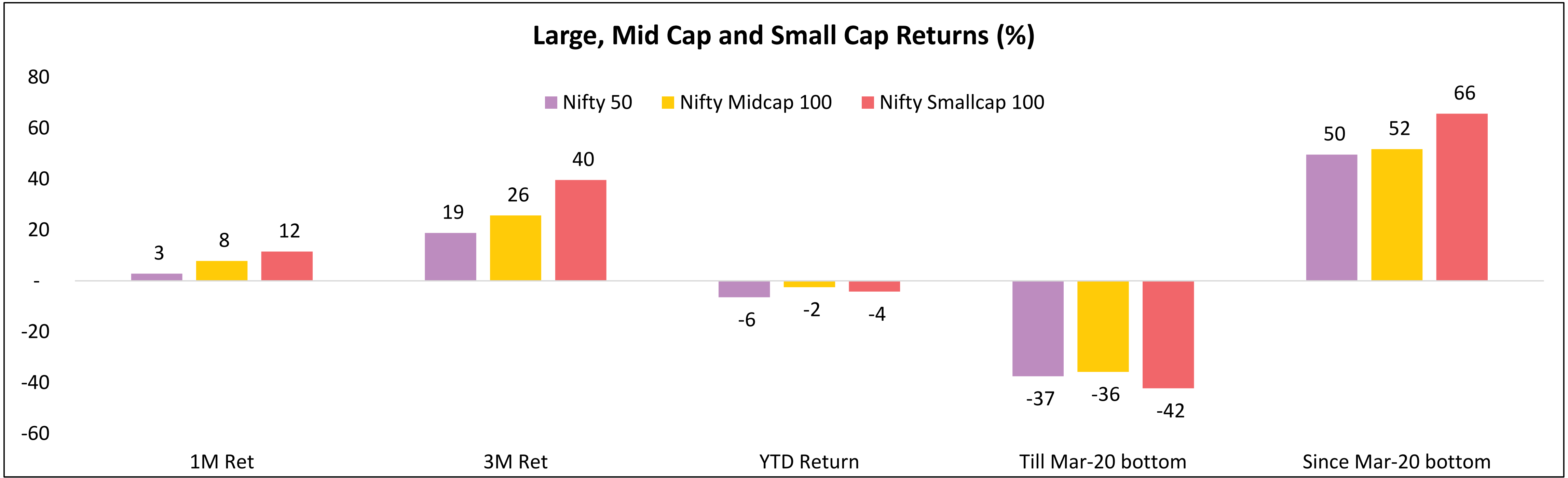


- Aided by strong fiscal and monetary stimuli and no roll back of re-opening the economy, Developed Markets (+53%) have bounced back faster than Emerging Markets (45%).
- Global Markets have rallied from the bottom in March with South Korea (+66%), Germany (+65%), US (+56%) and India (+55%) leading the pack.
- On a YTD basis, several markets have generated positive returns led by China (+13%) and the US (+8%). However, India is still in the negative zone.

Source: Bloomberg, Data as on 31st Aug 2020

IDFC MUTUAL FUND

Small Caps outpaces Mid and Large Caps since Mar-20



- Equity markets continued to move higher in August following the trend in global markets, even as India continues to see a sharp increase in daily new Covid-19 cases
- In August and over the last 3 month basis, Small Caps significantly outperformed Mid and Large Caps.
- Since the bottom in March-20, Large, Mid and Small Caps have bounced 50%, 52% and 66% respectively.
- On YTD basis, Small Cap stocks have fallen 4% as compared to Nifty 50 fall of 6%.

Returns are absolute
Source: Bloomberg, Data as on 31st Aug 2020
Past performance may not be sustained in the future

IDFC MUTUAL FUND

Healthcare, IT and Telecom outperforming in Crash and Bounce phase

Sectors	1M Ret	3M Ret	YTD Ret	Till Mar-20 bottom	Since Mar-20
Healthcare	0.6%	17.5%	36.6%	-18.0%	67.0%
Info Tech	-1.1%	28.4%	16.0%	-27.6%	61.2%
Telecom	-3.8%	-2.7%	10.3%	-19.8%	37.1%
FMCG	-0.8%	4.1%	-1.0%	-24.0%	30.9%
India Manufacturing	1.0%	14.1%	-1.4%	-34.5%	50.7%
Auto	7.3%	25.5%	-3.9%	-43.0%	67.7%
Cons Durables	6.0%	20.0%	-7.7%	-29.5%	29.1%
Oil & Gas	-0.7%	10.5%	-11.0%	-39.3%	46.3%
Utilities	5.2%	8.6%	-13.4%	-32.0%	29.2%
Metal	12.9%	29.8%	-15.1%	-48.2%	63.6%
India Infra	9.4%	14.3%	-17.0%	-39.9%	39.2%
Capital Goods	7.9%	11.4%	-19.3%	-41.1%	37.6%
Pvt Banks	9.5%	24.3%	-24.7%	-48.5%	46.1%
PSU	4.6%	14.4%	-26.4%	-41.0%	25.4%

- On YTD basis, Healthcare, IT and Telecom are the key outperformers
- Banks (asset quality woes, moratorium extension) one of the top losers
- For August, the stars of the year – Healthcare, IT and Telecom were the key laggards.
- While, Metals, Infra, Capital goods and Private Banks were the top performers in August.

Source: Bloomberg, Data as on 31st Aug 2020, S&P BSE Sectoral indices. Returns are absolute and sorted on YTD basis.

IDFC MUTUAL FUND

ECONOMIC RECOVERY INDICATORS

Virus vs Real Economy

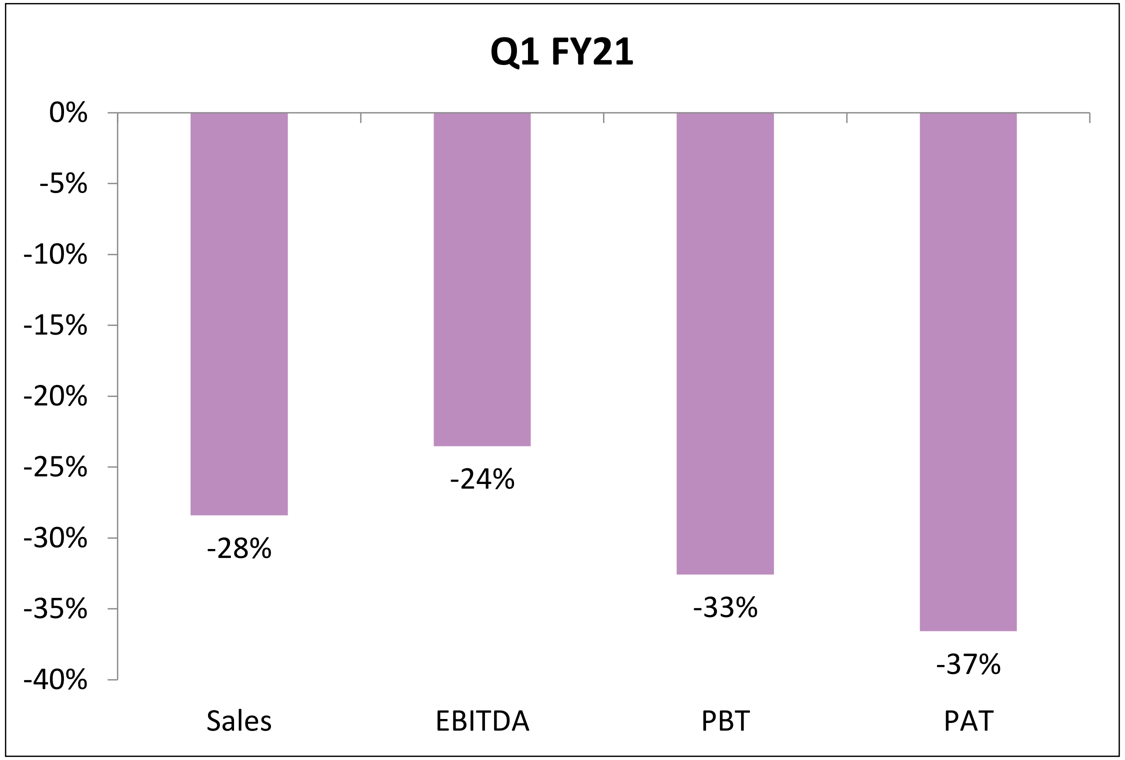
		15-Mar	22-Mar	12-Apr	26-Apr	10-May	24-May	07-Jun	21-Jun	05-Jul	19-Jul	26-Jul	02-Aug	09-Aug	16-Aug	23-Aug	30-Aug
Virus	New Covid cases-19 [1]	74	283	5617	10275	24656	42838	66877	92858	149095	239952	317410	368079	411379	432589	458685	514897
	New active cases [1]	62	264	4534	6284	14641	20942	33082	23302	46507	92827	103982	102663	69873	44680	33756	74603
Real Economy	Power Demand [3]	-1.1	2.5	-27.7	-24.9	-22.5	-16.2	-20.1	-6.6	-3.0	-5.3	-7.2	5.0	2.3	-1.0	-6.3	-8.3
	Unemployment rate [4]	6.7	8.4	24.0	21.1	24.0	24.3	17.5	8.5	8.9	7.9	8.2	7.2	8.7	-9.1	7.5	8.1
	Consumer Sentiment [4]	102	99	47.2	42.9	40.8	41.3	42.7	42.0	41.7	45.9	41.8	43.3	46.3	45.4	43.8	45.7
	Congestion Index [5]	31.3	22.5	3.5	4.5	7.8	9.5	15.0	17.5	17.3	13.5	17.0	21.3	23.0	25.0	28.5	28.3
	Retail, Receration [6]	-7.9	-25.9	-78.3	-85.7	-80.1	-73.0	-64.4	-58.6	-58.3	-60.7	-60.6	-56.9	-54.7	-51.0	-47.6	-46.1
	Flight Departure [7]	-29.6	-28.1	-99.4	-92.4	-86.7	-89.8	-85.3	-82.6	-80.0	-81.7	-81.2	-79.5	-80.1	-78.8	-77.1	-77.0
Financial Markets	Nifty Index [8]	-17.8	-27.8	-24.7	-24.4	-23.6	-25.3	-16.2	-15.4	-12.4	-10.0	-7.6	-8.6	-7.4	-7.7	-6.1	-3.8
	Country Index Premia [9]	5.4	5.3	5.7	5.6	5.4	5.1	5.0	5.1	5.2	5.2	5.2	5.3	5.3	5.2	5.3	5.5
	Banking Liquidity [10]	3773	3647	6753	7215	7881	7119	6103	5960	6980	5793	5396	6375	6173	5728	6039	6496

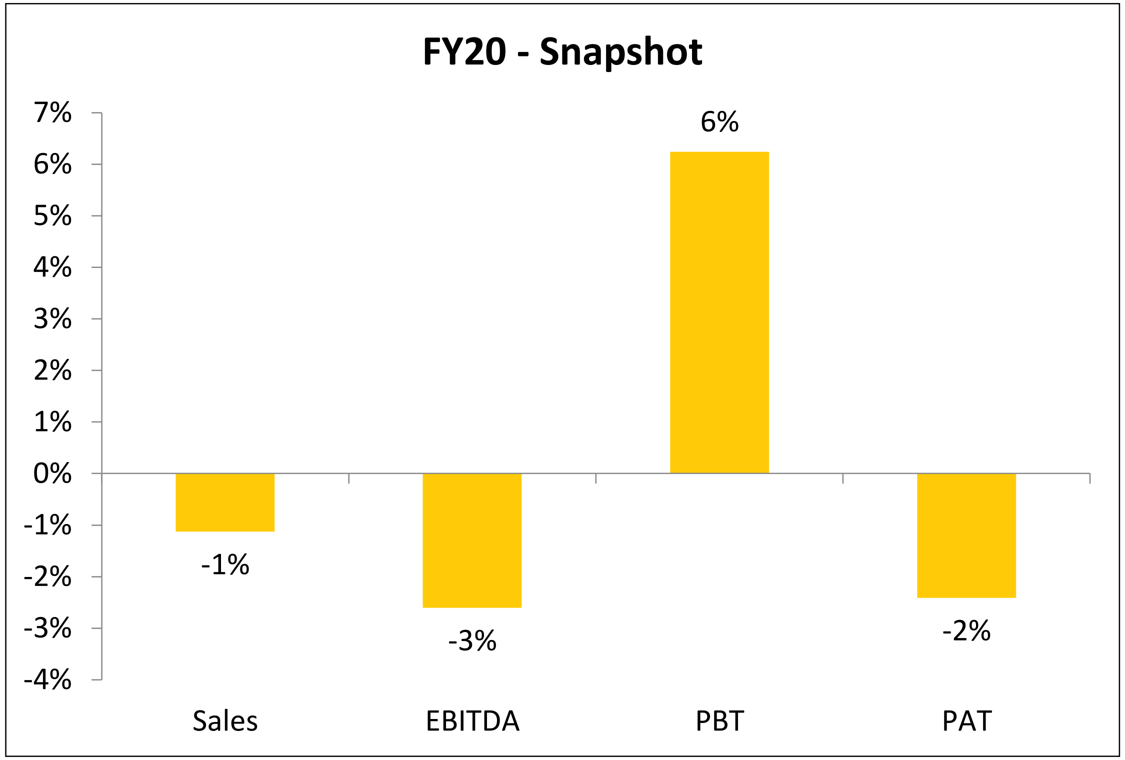
- After plateauing in July, Google Mobility trends picked up in August.
- Based on weekly average data till 28 August, essential services like groceries and pharmacies are trending -6% below pre-lockdown levels (vs. -11% in last week of July and -3% in last week of June).
- Mobility for discretionary services like recreation and entertainment is now trending 45% below pre-lockdown levels (vs. -60% in last week of July and June)
- Workplace mobility is trending at -30% (vs -32% in end-July and 30% in end-June).

Source: Bloomberg

S&P BSE 200 - Q1 FY21 EARNINGS UPDATE

S&P BSE 200 Earnings: Q1 FY21 & FY20 Snapshot

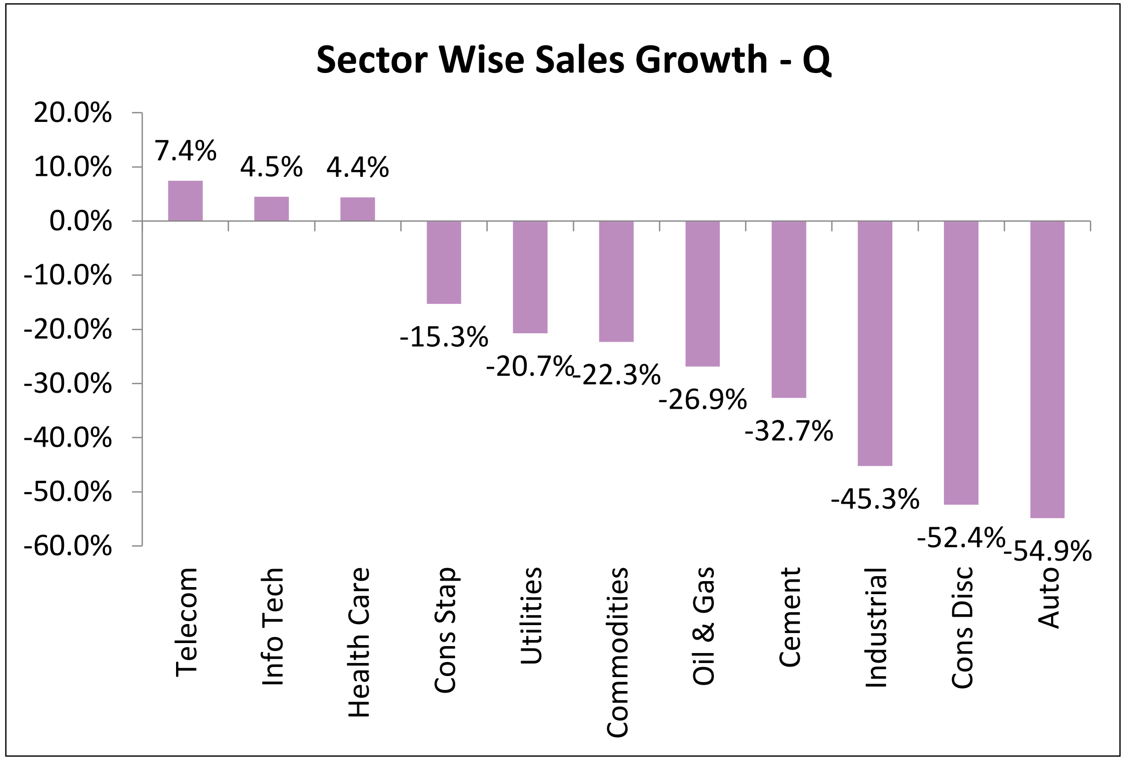


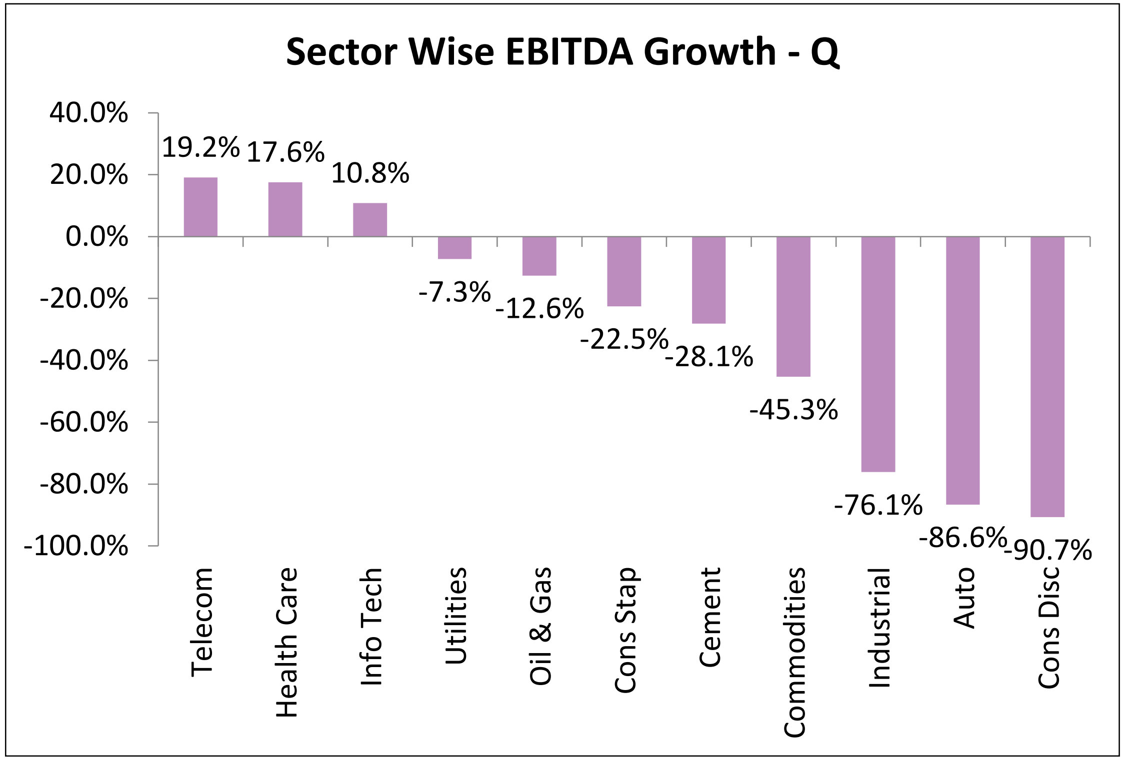


- Delivered earnings by companies in 1QFY21 have fallen YoY and are amongst the weakest they have been for the last several years.
- Yet, 1QFY21 is also amongst the best (in recent times) in terms of earnings beats as EBITDA growth for the aggregate has fallen lesser than the Sales growth which indicates better cost control by most companies.

Source: Bloomberg

S&P BSE 200 Earnings: Sector wise Growth





- On a sectoral basis, Telecom, IT and Healthcare were the only sectors with a positive Sales Growth and also reported a double-digit EBITDA growth.
- Discretionary stocks saw the weakest earnings performance with Auto and Consumer Discretionary the worst impacted.
- Staples saw a 15% degrowth in Sales as several non-essential categories were barred from being produced and sold in the lockdown.

Source: Bloomberg

OUTLOOK – EQUITY

Equity Outlook

This is a health related crisis hence economic and financial outcomes highly correlated to the solution of the health issue

Going forward, the pace of economic recovery would depend largely on the extent of local lockdowns on account of spread of Covid-19

Earnings uncertainty for FY21 is fairly high with a wide range of analyst estimates

Investors should tread with caution as the number of cases and deaths in India continue to rise

Volatility to remain high as earnings growth may be patchy and markets may be swayed by news flow. The higher volatility can potentially benefit a fund in the Dynamic Asset Allocation category

Large Cap stocks may offer greater stability, while small caps will have edge on the valuation front

Sector Outlook:

- Corporate Banks and Telecom are expected to continue the recovery in PAT
- Pharma - FY21 PAT is expected to be significantly higher than FY20
- Auto and Discretionary sectors are expected to have a sharp dip in FY21 before bouncing back in FY22

OUTLOOK – DEBT

Relatively weaker footing even before COVID 19

Slowing Growth

Growth trajectory had slowed even before COVID19,
GDP was ~5%

Weak Financial system

Lenders’ Balance sheets were suffering from bad asset quality
Vulnerabilities in NBFC/HFC space had surfaced by 2018

Large Public sector deficit

Fiscal space was diminishing
Centre + State + Public Sector deficit at ~9% of GDP

Since the start of COVID 19

Growth Shock

Growth shock has been worse than imagined
From -5% to –6% forecast, today we are at -10% to -11% GDP forecast

Fiscal Shock

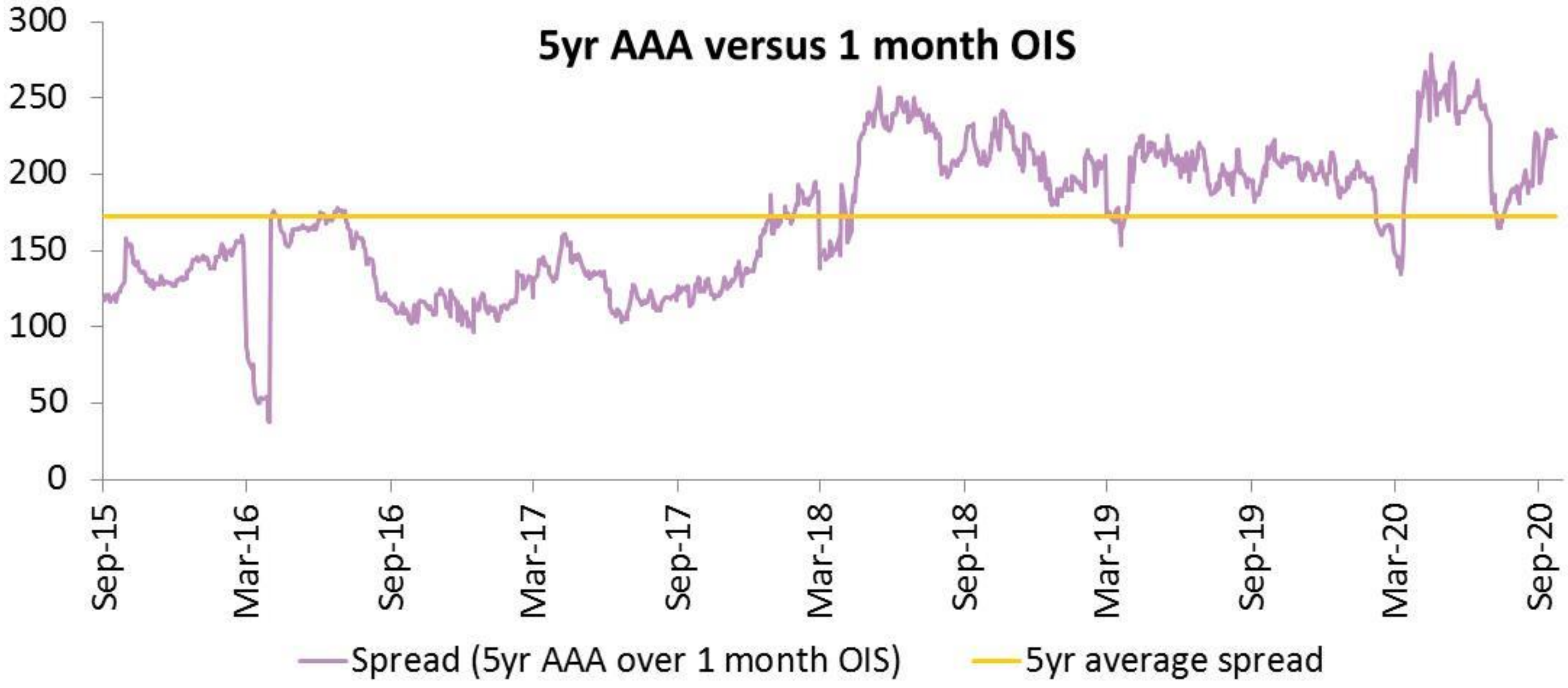
Centre's revenue are substantially down
While total expenditure rate is intact, revenue recovery is slow

Stress on B/S

Current lending happening on back of government program
MSME/Retail credit condition tightening
Large cross section of borrowers under pressure

Opportunity in AAA assets

Average spread between 5yr AAA and 1Month OIS* is ~170bps → today it is around 225bps. The relatively higher yield differential on even front end bonds versus the overnight rate allows for reasonably attractive "carry plus roll down" strategies.



Source: Bloomberg, Data as on 21st Sep 2020
1 month OIS (Overnight Index Swap) is taken as a proxy for near term rates

IDFC MUTUAL FUND

Debt Outlook

Underlying drivers of growth expected to remain weak in the near term. Damage to investment/consumption due to supply chain disruption could be long lasting even after the resumption of lockdown

Expect to see surplus liquidity & continued stable front end rates in the foreseeable future till durable recovery takes hold. CPI expected to soften in H2 FY21, also owing to base effect

Incremental utility of rate cuts is less and lower-for-longer policy rates matter more

The external account is our one significant macro strength today and provides adequate cushion to RBI to persist with a dovish policy for the time-being

In our opinion, focus has to be on best quality AAA and sovereign / quasi sovereign. There is no macro logic whatsoever for pursuing high yield strategies

To Summarize

Markets will be uncertain given health crisis, any predictions hinges on that being resolved

Some sectors will recover quicker, preference for large, low debt, companies (not that all mid/small will do poorly)

Asset allocation: Whenever there is a crisis, it is extremely important to revisit and maintain asset allocation discipline.

Stick to your Asset Allocation!

SIP/STP remains a good way to navigate market volatility.

Volatility to remain high as earnings growth may be patchy and markets may be swayed by news flow. The higher volatility can potentially benefit a fund in the Dynamic Asset Allocation category.

Large Cap stocks may offer greater stability, while small caps will have edge on the valuation front.

Great opportunity in AAA at the front end of the curve, credit looks weak

KEY PRODUCTS

IDFC ASSET MANAGEMENT

IDFC Large Cap Fund - upside return potential with relatively low volatility

IDFC Large Cap Fund				BSE100 Index			
	Stable	Cyclical	Total		Stable	Cyclical	Total
Large Cap	56%	32%	88%	Large Cap	58%	38%	96%
Mid Cap	5%	0%	5%	Mid Cap	2%	2%	4%
Small Cap	2%	4%	7%	Small Cap	0%	0%	0%
Total	64%	36%	100%	Total	60%	40%	100%

Portfolio Metrics	Fund	Benchmark	Commentary
FY 20 EPS Growth	21.8%	1.7%	Fund's earnings growth is higher than the benchmark, primarily led by higher exposure to high growth sectors.
PE Ratio	27.6	22.8	
PB Ratio	3.8	2.6	
ROE	15.3%	11.5%	

Sector/Weight	Fund	Benchmark	Under/Over Weight
Health Care	11.0%	4.7%	6.3%
Telecommunication Services	8.1%	2.5%	5.5%
Auto	10.4%	6.5%	4.0%
Information Technology	17.3%	13.9%	3.4%
Cement / Building Mat	3.3%	2.1%	1.2%
Consumer Discretionary	3.7%	4.2%	-0.5%
Commodities	2.1%	3.1%	-0.9%
Industrials	2.0%	3.4%	-1.3%
Consumer Staples	9.3%	10.8%	-1.5%
Utilities	0.0%	2.6%	-2.6%
Energy	8.6%	13.6%	-5.1%
Financials	18.1%	32.6%	-14.5%

- Overweight in Health Care and Telecom supported by our view of near term earnings growth visibility.
- Increased weight in rural oriented Auto sector stocks, led by expectation of an earlier revival.
- Financials, Energy and Utilities are the three sectors with the highest underweight position in the fund.

Portfolio metrics data based on trailing 12 months data, Source: Bloomberg, Data as on 31st August, 2020

IDFC ASSET MANAGEMENT

IDFC Focused Equity Fund - Concentrated Multi-cap portfolio

IDFC Focused Equity Fund				BSE500 Index			
	Stable	Cyclical	Total		Stable	Cyclical	Total
Large Cap	40%	35%	75%	Large Cap	50%	32%	81%
Mid Cap	2%	2%	4%	Mid Cap	6%	6%	13%
Small Cap	0%	21%	21%	Small Cap	2%	4%	6%
Total	42%	58%	100%	Total	58%	42%	100%

Portfolio Metrics	Fund	Benchmark	Commentary
FY 20 EPS growth	23.0%	2.9%	Portfolio earnings growth is higher than the benchmark, primarily led by higher exposure to high growth sectors. PE Ratio and PB ratio appears higher due to exposure to the private sector Financials & Consumer Discretionary.
PE Ratio	27.9	24.3	
PB Ratio	3.7	2.5	
ROE	14.6%	10.4%	

Portfolio metrics data based on trailing 12 months data, Source: Bloomberg, Data as on 31st August, 2020

Sector/Weight	Fund	Benchmark	Under/Over Weight
Telecommunication Services	10.1%	2.3%	7.8%
Information Technology	18.5%	12.7%	5.8%
Auto	11.6%	6.5%	5.1%
Cement / Building Mat	5.5%	2.6%	2.9%
Commodities	8.1%	5.4%	2.7%
Health Care	8.9%	6.2%	2.7%
Energy	9.9%	11.2%	-1.4%
Industrials	3.6%	5.0%	-1.4%
Utilities	0.0%	3.1%	-3.1%
Consumer Discretionary	0.0%	5.4%	-5.4%
Consumer Staples	3.8%	9.7%	-5.9%
Financials	16.2%	29.8%	-13.6%

- The fund's investment approach has been driven by investing in Growth and Quality oriented companies with an active multi-cap approach.
- Sectors like Telecom and Healthcare have seen an increase in weight supported by our view of near term earning growth visibility.
- Exposure to high beta sectors like Financials has been trimmed materially.

IDFC ASSET MANAGEMENT

Unemotional Investing – Aiming to Sell High and Buy Low - **IDFC Dynamic Equity Fund**

IDFC Dynamic Equity Fund	
	Total
Large Cap	77%
Mid Cap	16%
Small Cap	8%
Total	100%

Nifty 50 Index	
	Total
Large Cap	88%
Mid Cap	11%
Small Cap	0%
Total	100%

Date	Nifty	P/E	DEF Active Equity
02 January 2020	12,282	24.5	46%
01 February 2020	11,662	21.7	56%
19 February 2020	12,126	22.7	52%
03 April 2020	8,084	15.0	79%
13 May 2020	9,384	17.5	70%
19 May 2020	8,879	16.6	73%
04 June 2020	10,029	19.0	65%
13 July 2020	10,802	22.0	55%
31 July 2020	11,073	23.6	54%
31 August 2020	11,388	25.9	40%

Portfolio Metrics	Fund	Nifty 50	Commentary
FY 20 EPS growth	29.0%	4.3%	Earnings growth for the portfolio companies has been higher than the benchmark.
PE Ratio	27.3	23.0	
PB Ratio	4.1	2.7	
ROE	17.1%	11.7%	

- Fund has a P/E model based approach – which removes the need to time the market and removes human bias of predicting trends
- It has reduced its active equity exposure and is currently running close to 40% (Aug'20) active equity in the portfolio.
- In the non-equity portion, debt portfolio is actively managed with a short to moderate duration focusing on maintaining high credit quality and currently has 100% in AAA or equivalent instruments.

Portfolio metrics data based on trailing 12 months data, Source: Bloomberg, Data as on 31st August, 2020

IDFC
IDFC ASSET MANAGEMENT

IDFC Money Manager Fund

A fund that invests in high quality money market instruments predominantly

Suitable as part of your **core allocation** given that the portfolio has constraint on duration risk and credit risk

Suitable for STPs (systematic transfer plan)

YTM: 3.52%
Average Maturity: 132 days
Modified Duration: 131 days

100% AAA eq.

Data as on 31st August 2020

IDFC ASSET MANAGEMENT

IDFC Corporate Bond Fund

A fund that invests in high quality corporate bonds

Suitable as part of your **core allocation** given that the fund limits duration risk and credit risk

Follows a Roll Down Strategy - *average maturity of the portfolio generally keeps reducing with passage of time*

YTM: 5.56%
Average Maturity: 3.51 years
Modified Duration: 2.96 years

100% AAA eq.

Data as on 31st August 2020

IDFC ASSET MANAGEMENT

IDFC Bond Fund – Medium Term Plan

A fund that the invests across high quality instruments - G Sec, Corporate bonds, Money market instruments

Suitable as part of your **core allocation** given that the fund limits duration risk as well as credit risk

Actively managed within SEBI's prescribed duration limit – Macaulay duration band of 3-4 years

YTM: 5.63%
Average Maturity: 4.49 years
Modified Duration: 3.67 years

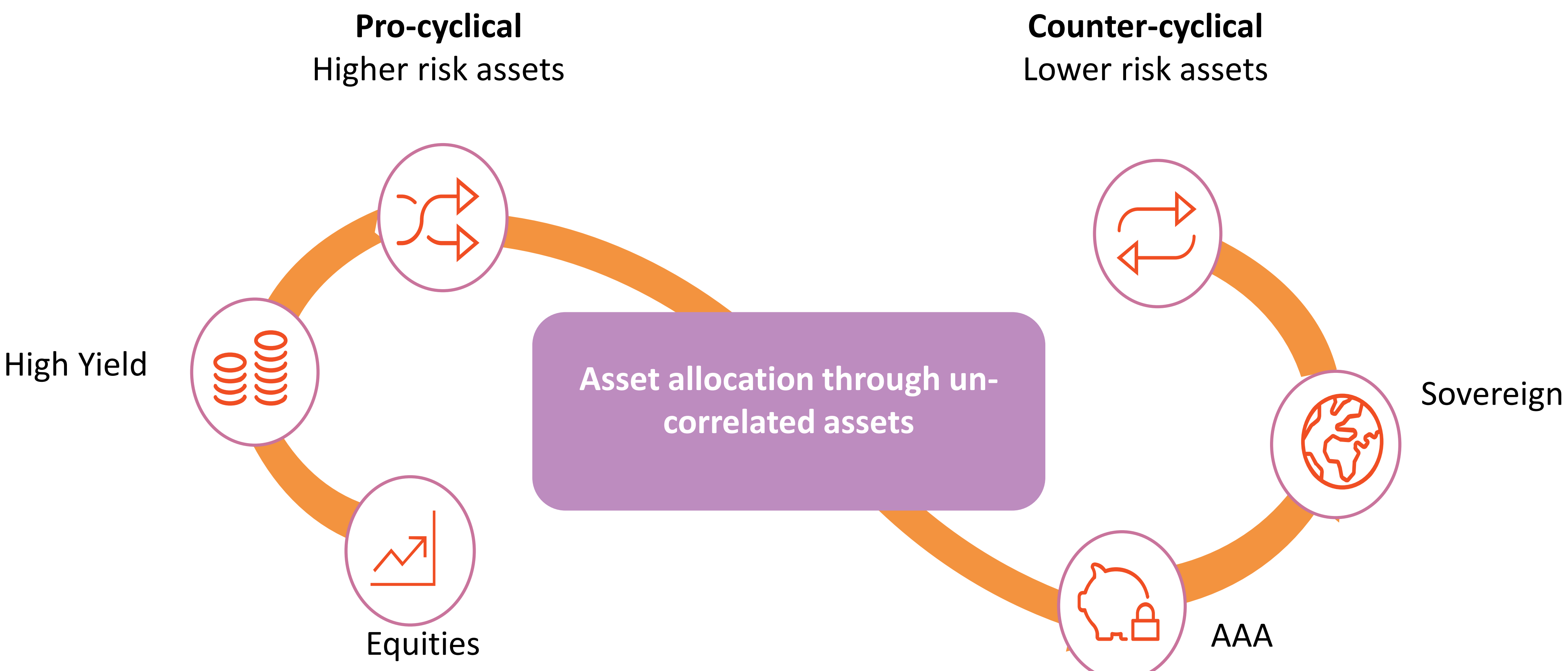
100% AAA eq.

Data as on 31st August 2020

IDFC ASSET MANAGEMENT

ANNEXURES

Counter Cyclical Allocation



IDFC ASSET MANAGEMENT

Asset Allocation Framework for Fixed Income

Asset Allocation

Liquidity

Suitable for parking surplus savings; as emergency corpus

Core

Controlled (Duration and Credit)

Suitable for Bulk of your fixed income allocation

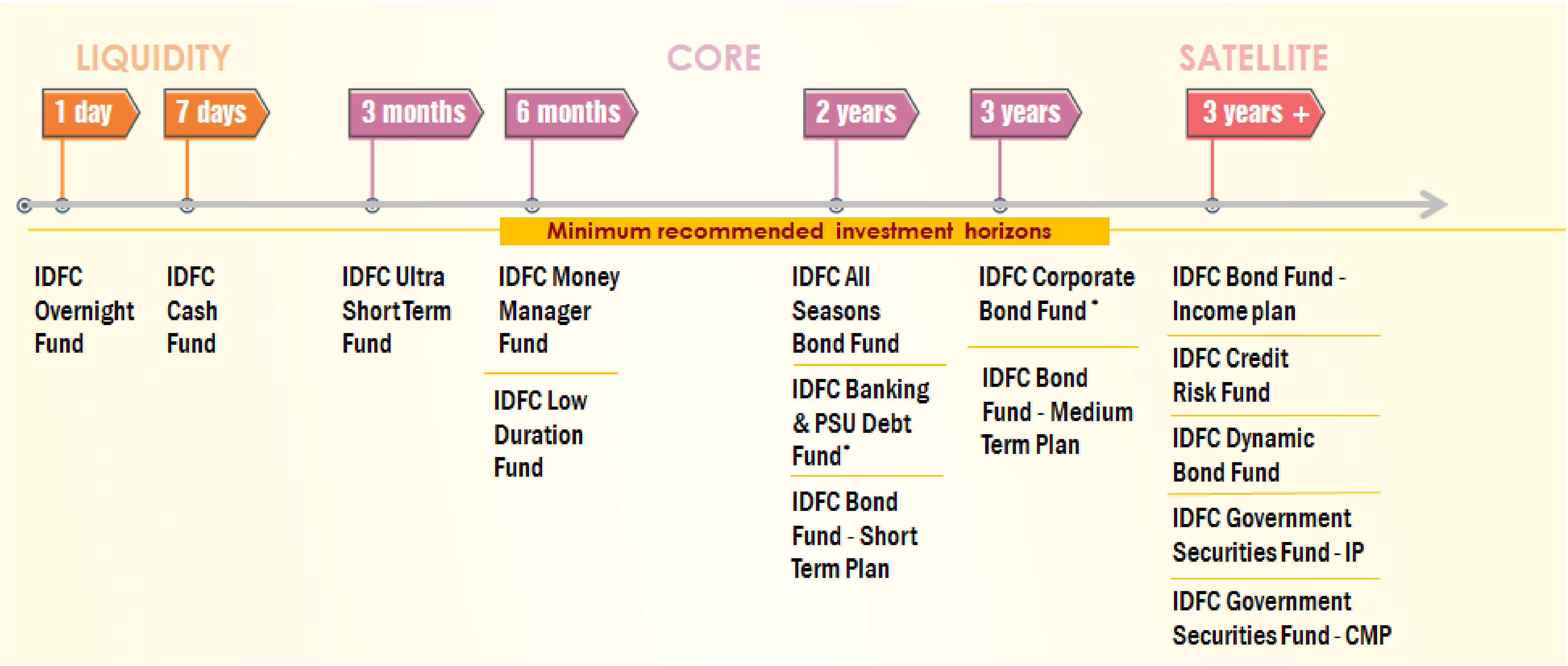
Satellite

Credit

Duration

Suitable for investors looking to take higher risks (Credit, Duration or both) in order to generate higher returns

3-Lens Debt Allocation framework



For IDFC All Seasons Bond Fund – IDFC All Seasons Bond Fund is a Fund of Funds Scheme. Investors may note that they will be bearing recurring expenses of the Scheme in addition to the expenses of the underlying schemes in which the Fund of Funds scheme invests.

* Recommending horizon may change depending on stage of roll down

IDFC ASSET MANAGEMENT

Product Label

Riskometer

Investors understand that their principal will be at Moderately High risk

This product is suitable for investors who are seeking*:

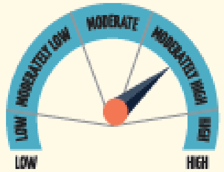
- To create wealth over long term.
- Investment predominantly in equity and equity related instruments of the large cap companies.

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

IDFC Large Cap Fund

Large Cap Fund- An open ended equity scheme predominantly investing in large cap stocks

Riskometer



Investors understand that their principal will be at Moderately High risk

This product is suitable for investors who are seeking*:

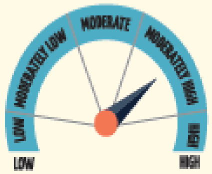
- To create wealth over long term.
- Investment in a concentrated portfolio of equity and equity related instruments of up to 30 companies.

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

IDFC Focused Equity Fund

An open ended equity scheme investing in maximum 30 stocks with multi cap focus

Riskometer



Investors understand that their principal will be at Moderately High risk

This product is suitable for investors who are seeking*:

- To create wealth over long term.
- Dynamic allocation towards equity, derivatives, debt and money market instruments.

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

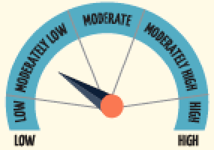
IDFC Dynamic Equity Fund

An open ended dynamic asset allocation fund

IDFC ASSET MANAGEMENT

Product Label

Riskometer



Investors understand that their principal will be at Moderately Low Risk

This product is suitable for investors who are seeking*:

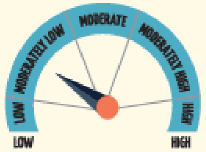
- To generate short term optimal returns with relative stability and high liquidity.
- Investments in debt and money market instruments such that the Macaulay duration of the portfolio is between 6 months- 12 months.

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

IDFC Low Duration Fund

An open ended low duration debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 6 months and 12 months

Riskometer



Investors understand that their principal will be at Moderately Low Risk

This product is suitable for investors who are seeking*:

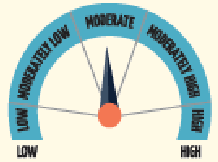
- To generate short term optimal returns with relative stability and high liquidity.
- Investments predominantly in money market instruments.

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

IDFC Money Manger Fund

An open ended debt scheme investing in money market instruments

Riskometer



Investors understand that their principal will be at Moderate risk

This product is suitable for investors who are seeking*:

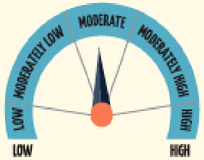
- To generate medium to long term optimal returns.
- Investments predominantly in high quality corporate bonds.

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

IDFC Corporate Bond Fund

An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds.

Riskometer



Investors understand that their principal will be at Moderate risk

This product is suitable for investors who are seeking*:

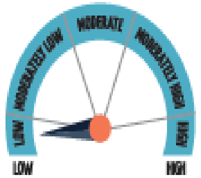
- To generate optimal returns over medium term.
- Investments in Debt & Money Market securities such that the Macaulay duration of the portfolio is between 3 years and 4 years.

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

IDFC Bond Fund – Medium Term Plan

An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 years and 4 years

Riskometer



Investors understand that their principal will be at Low risk

This product is suitable for investors who are seeking*:

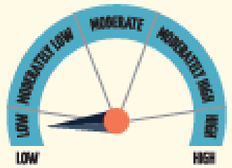
- To generate short term optimal returns with stability and high liquidity.
- Investments in money market and debt instruments, with maturity up to 91 days.

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

IDFC Cash Fund

An Open Ended Liquid Fund

Riskometer



Investors understand that their principal will be at Low risk

This product is suitable for investors who are seeking*:

- To generate short term optimal returns in line with overnight rates and high liquidity.
- To invest in money market and debt instruments, with maturity of 1 day.

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

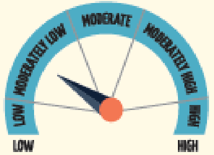
IDFC Overnight Fund

An open-ended Debt Scheme investing in overnight securities

IDFC ASSET MANAGEMENT

Product Label

Riskometer



Investors understand that their principal will be at Moderately Low Risk

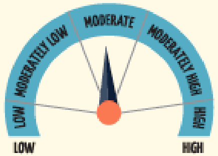
This product is suitable for investors who are seeking*:
- To generate optimal returns over short to medium term.
- Investments in Debt & Money Market securities such that the Macaulay duration of the portfolio is between 1 year and 3 years.

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

IDFC Bond Fund – Short Term Plan

An open ended short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 1 year and 3 years

Riskometer



Investors understand that their principal will be at Moderate risk

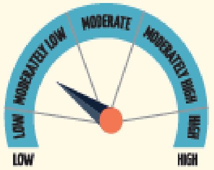
This product is suitable for investors who are seeking*:
- To generate optimal returns over long term.
- Investments in Debt & Money Market securities such that the Macaulay duration of the portfolio is between 4 years and 7 years

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

IDFC Bond Fund – Income Plan

An open ended medium term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 4 years and 7 years

Riskometer



Investors understand that their principal will be at Moderately Low Risk

This product is suitable for investors who are seeking*:
- To generate returns over short-term investment horizon with a low risk strategy

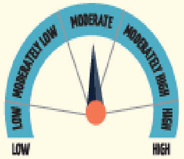
To invest in debt and money market instruments

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

IDFC Ultra Short Term Plan

An open-ended ultra-short term debt scheme investing in instruments such that the Macaulay duration of the portfolio is between 3 to 6 months

Riskometer



Investors understand that their principal will be at Moderate Risk

This product is suitable for investors who are seeking*:
- To generate optimal returns over short to medium term.
- Investments predominantly in debt & money market instruments issued by PSU, Banks & PFI.

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

IDFC Banking PSU Debt Fund

An open ended debt scheme predominantly investing in debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds

Investors understand that their principal will be at moderately low risk

This product is suitable for investors who are seeking*:
- To generate short to medium term optimal returns.
- Investment in debt oriented schemes of IDFC Mutual Fund.

*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.

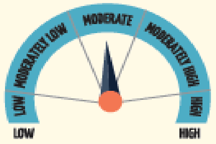
IDFC All Seasons Bond Fund

An open ended fund of fund scheme investing in debt oriented mutual fund schemes (including liquid and money market schemes) of IDFC Mutual Fund

IDFC ASSET MANAGEMENT

Product Label

Riskometer



Investors understand that their principal will be at Moderate risk

This product is suitable for investors who are seeking*:

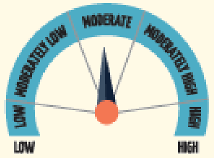
- To generate optimal returns over medium to long term.
- To predominantly invest in a portfolio of corporate debt securities across the credit spectrum.

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

IDFC Credit Risk Fund

An open ended debt scheme predominantly investing in AA and below rated corporate bonds

Riskometer



Investors understand that their principal will be at Moderate risk

This product is suitable for investors who are seeking*:

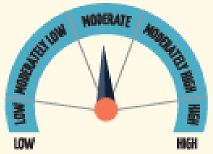
- To generate long term optimal returns by active management.
- Investments in money market & debt instruments including G-Sec across duration.

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

IDFC Dynamic Bond Fund

An open ended dynamic debt scheme investing across duration

Riskometer



Investors understand that their principal will be at Moderate risk

This product is suitable for investors who are seeking*:

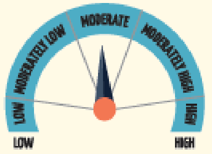
- To generate optimal returns over long term.
- Investments in Government Securities such that the average maturity of the portfolio is around 10 years.

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

IDFC Government Securities Fund - Constant Maturity Plan

An open ended debt scheme investing in government securities having a constant maturity of 10 years

Riskometer



Investors understand that their principal will be at Moderate risk

This product is suitable for investors who are seeking*:

- To generate long term optimal returns.
- Investments in Government Securities across maturities.

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

IDFC Government Securities Fund – Investment Plan

An open ended debt scheme investing in government securities across maturities

IDFC ASSET MANAGEMENT

Disclaimer:

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

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THANK YOU

IDFC MUTUAL FUND