

Initiating Coverage

KEY SCHEME FEATURES

Nature	Open ended Equity Diversified
Date of Inception	Sept - 2005
Options	Dividend/Growth
Fund Manager	Mr. Kenneth Andrade
Benchmark	BSE 500
Average AUM (Cr.)	1434

LOAD STRUCTURE

Entry	NIL
Exit	1% if redeemed within 365 days

TOP 10 HOLDINGS

COMPANY (as on 30 th June 10)	%
Shriram Transport Finance	5.19
Coromandel International	5.15
Asian Paints	4.96
Glaxo Consumer Healthcare	4.42
Bajaj Electricals	4.28
IRB Infrastructure Dev	4.14
Sun TV Network	4.09
United Spirits	3.29
Pantaloon Retail (India)	3.24
Page Industries	3.06
TOTAL	41.82

TOP 5 SECTOR WEIGHTS

SECTOR (as on 30 th June 10)	%
FMCG	26.38
Services	21.88
Chemicals	10.11
Energy	6.15
Banking & Finance	5.19
TOTAL	69.71

PORTFOLIO CHARACTERISTICS

As on 30th June, 2010

Total Stocks	33
Average Market Cap (Rs.Cr)	4440
Portfolio P/B Ratio	4.88
Portfolio P/E Ratio	29.64

PORTFOLIO COMPOSITION

Equity	90.36
Debt	5.86
Cash	3.78

IDFC Premier Equity Fund- Plan A

INVESTMENT OBJECTIVE

The Scheme shall seek to generate long-term capital growth from an actively managed portfolio of predominantly equity and equity related instruments by acquiring small and medium size businesses with good long term potential, which are available at cheap valuations keeping in view medium to long term trends in the business environment.

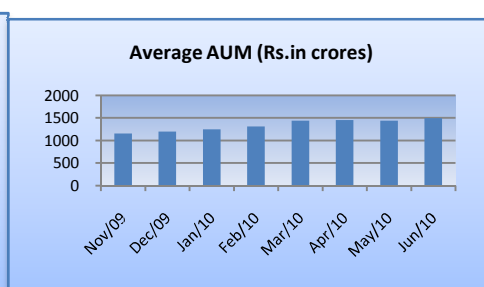
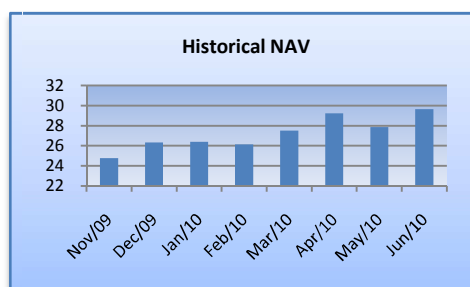
INVESTMENT RATIONALE

- The Fund strives to invest in companies which are potential leaders, at an early stage in their life cycle, available at attractive valuations.
- Fund thus adopts "bottoms Up" approach to investing;
- The Fund also attempts to identify companies which can undergo a transformational change in their business prospects owing to changes in the business environment with regards to new business opportunities, technologies and trends;
- Portfolio allocation ranges from 1% to 5% signifying well diversified approach.
- Consistent outperformance over the Benchmark index i.e. BSE 500 over the past 3 years has made the fund top ranked mid-cap and small cap fund as per 'BW-Value Research' Study.

HISTORIC PERFORMANCE

Source: Value Research

	2006	2007	2008	2009	2010
NAV (Rs.)	13.21	27.81	13.03	26.35	31.02
Total Return (%)	31.90	110.47	-53.14	102.12	17.46
S&P CNX Nifty	39.83	54.77	-51.79	75.76	3.81
BSE 500	38.85	63.02	-58.14	90.23	5.73
Rank (Fund/Category)	83/145	2/162	77/193	41/214	10/260
52 Week High (Rs.)	13.84	27.81	28.33	26.35	31.02
52 Week Low (Rs.)	8.58	12.33	11.51	11.24	25.77
Net Assets (Rs.Cr)	158.44	818.30	538.19	1222.33	1549.37



RECOMMENDATION

- Investment objective, being exposure to small and medium sized businesses is suitable to investors with greater risk appetite.
- The fund may run a risk of underperformance in the short run because of the long term nature of the investment style. Investment horizon, thus, should be for at least 3 years.
- The Fund House is overweight on FMCG and Services sector (combined weightage of 48.26%) in the portfolio, in view of consumption led GDP growth witnessed in India.