

An opportunity to earn income through accruals over the long term!



Presenting



An open-ended income scheme

Offer of Units of Rs. 10 each for cash (at par) during the New Fund Offer and continuous offer for Units at NAV related prices upon re-opening

KEY HIGHLIGHTS

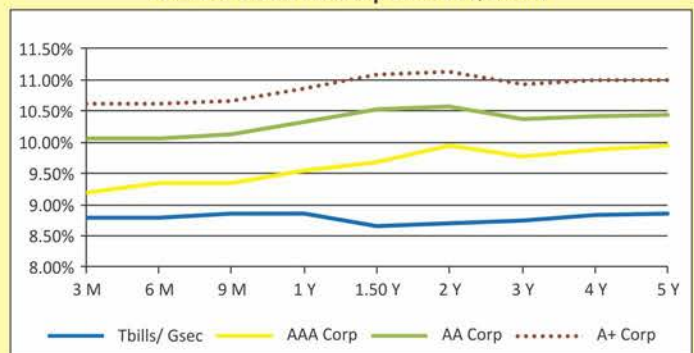
- Accrual based product with focus on interest income through buy & hold strategy
- Investment in good quality rated corporate bonds
- Rigorous selection and monitoring process
 - Setting exposure limits
 - Diversification across companies, industries and maturities
- Credit ratio of upgrades to downgrades of companies assigned by rating agencies has shown improvement during the period April to December 2013.
Source: Article in Mint dated January 22, 2014
- Opportunities on credit curve - upward credit migration of underlying securities as economic outlook improves
- Suitable for the investors with medium to long investment horizon of 18 months & above.

CURRENT ECONOMIC SCENARIO

- Recent Government actions have started de-bottlenecking the overall investment process.
- Demand for medium to long term funds is expected to improve which would make such a scheme more attractive.

- Over-all liquidity constraints and high interest rate environment have pushed up borrowing rates even for good quality corporate papers.

Current Yields for Corporate CPs/Bonds



Source for data: IDBI AMC Internal Research; Source for graph: IDBI AMC Internal Research & CRISIL Bond valuations

FACTORS REQUIRED FOR SUCCESS OF ACCRUAL PRODUCT

- Availability of securities at attractive yields/prices.
- Improving growth prospects leading to better credit outlook.
- Investment horizon to be medium to long term.
- Adequate risk assessment and selection of optimum spreads.
- Tight monitoring mechanism to ensure safety and liquidity at maturity.

NFO OPENS 11TH FEBRUARY, 2014 CLOSSES 24TH FEBRUARY, 2014

Scheme re-opens for continuous sale and repurchase from 11th March, 2014

IDBI DEBT OPPORTUNITIES FUND

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SCHEME APPROACH AND STRATEGY

Ensure Optimum yield:

- Selection of adequate duration securities
- Well negotiated pricing based upon credit assessment

Maintain Quality:

- Research based selection
- Defined rating criteria

Portfolio diversification:

- Single corporate exposure limit
- Group exposure limits
- Industry wise Limits
- Restrict exposure to sensitive and strained sectors

FEATURES

Liquidity: Repurchase/switch-out available on all business days after the scheme goes open-ended.

Options for investment:

- Dividend Option with Quarterly and Annual sub-options (subject to availability of distributable surplus)
- Growth Option

Benchmark: Crisil Short Term Bond Fund Index

Transparency/NAV Disclosure: NAV of the scheme will be computed and published on all business days.

Exit Load: For exit (Redemption/switch-out/Transfer/ SWP):

- up to & including 18 months from the date of allotment - 2%
- after 18 months - Nil

In case of SIP, above Exit load will be applicable from the date of allotment of each installment.

Minimum Application Amount

New Purchase: Minimum Rs. 5000 and in multiples of Re. 1 thereafter.

Additional purchase: Minimum Rs. 1000 and in multiples of Re. 1 thereafter

Investments above the minimum amount mentioned, shall be made in multiples of Re. 1 for all SIP irrespective of frequency of SIP or the Option.

Systematic Investment Plan (SIP)

Monthly option: Minimum Rs. 500 and in multiples of Re. 1

Quarterly option: Minimum Rs. 1500 and in multiples of Re. 1
Investments above the minimum amount mentioned, shall be made in multiples of Re. 1 for all SIP irrespective of frequency of SIP or the Option.

This product is suitable for investors who are seeking*:

- Regular income & capital appreciation through active management for at least medium term horizon
- Investments in debt / money market instruments across the investment grade credit rating and maturity spectrum
- Medium risk  (YELLOW)

Note - Risk May be represented as:

- | | | |
|---|--|---|
|  (BLUE)
Investors understand that their principal will be at Low risk |  (YELLOW)
Investors understand that their principal will be at Medium risk |  (BROWN)
Investors understand that their principal will be at High risk |
|---|--|---|

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



An open-ended income scheme



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