



**An investment so strong,  
it's akin to holding all the Aces in your hand.**



## Index Funds

In an economy like India's, Index Funds make for a strong investment.

Buying an Index Fund is a cake-walk. You can literally do so with your eyes closed. That's because as an investor, when you buy an Index Fund, you're operating in the realm of the 'known'; your fund portfolio is pre-defined and you know exactly which stocks you will own and in what proportion. No surprises; just complete transparency.

What's more, you pay less compared to an actively managed fund. Also, you don't need a stock broker or a D-mat account to invest. Simple isn't it?

Last but not the least, Index Funds mirror the stock market. So when the market grows, your investment grows too. A heady feeling of holding all the Aces.

***Index Investing. Sensible Investing.***



To know more about Index Funds SMS 'IDBIMF' to 09220092200. Tollfree: 1800-22-4324

**Mutual Fund investments are subject to market risks, read all scheme related documents (SAI/SID/KIM) carefully.**  
Statutory Details: IDBI Mutual Fund has been set up as a trust sponsored by IDBI Bank Ltd. (liability restricted to Rs.10 lakhs) with IDBI MF Trustee Company Ltd. as the Trustee (Trustee under the Indian Trusts Act, 1882) and with IDBI Asset Management Ltd. as the Investment Manager.

## Index Investing FAQ's

### What is an Index?

Experts have developed a method of capturing the “mood” of the market (or a segment) by scientifically selecting stocks which have a leadership position in their sector(s), and monitoring their prices on an on-going basis. Eg. Bank Nifty, BSE Bankex. This basket of stocks is called an “INDEX”.

### What is a Bellwether Index?

An index that covers all the important sectors of a stock market and is thus representative of it is known as a Bellwether Index. Examples of such indices are “Dow” in the NY stock Exchange, FTSE on the London Stock Exchange and our very own, NIFTY on the National Stock Exchange (“NSE”).

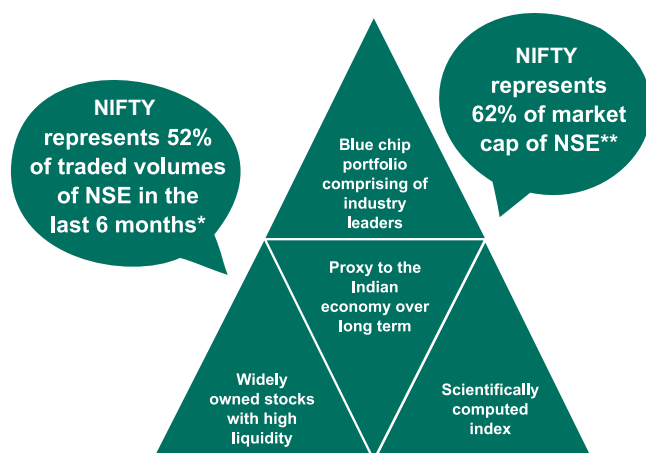
NSE, India's largest exchange, is also one of the largest exchanges in the world, being 4th in terms of equity trades.

(as on June '09; Source: ISMR)

### What is NIFTY?

NIFTY is an index of 50 stocks listed on NSE. Picked from 22 sectors they form around 60% of “market cap” of the NSE.

NIFTY is also a proxy for the India growth story being made up of the biggest, liquid and widely held companies.



\*Source: [www.nseindia.com](http://www.nseindia.com)

\*\*Source: [www.nseindia.com](http://www.nseindia.com); as of 31.03.2010; free-float market cap.

### Invest Systematically

SIP taken in NIFTY in the year 2000 would have given an annualized return of 21.4% XIRR. Yet, this period saw many unforeseen ups & downs, including 3 major falls.

| CAGR (%)                     | 1 Year       | 5 Years      | 10 Years     | Since Inception |
|------------------------------|--------------|--------------|--------------|-----------------|
| <b>NIFTY TRI<sup>#</sup></b> | <b>25.43</b> | <b>21.38</b> | <b>15.53</b> | <b>16.44</b>    |
| <b>NIFTY (SIP*)</b>          | <b>18.78</b> | <b>15.83</b> | <b>21.75</b> | <b>20.20</b>    |

(Source: Accord Fintech) as on 21.06.2010. <sup>#</sup>Total Returns Index \*XIRR Returns in case of SIP

Past performance is not indicative of future returns

### NIFTY 50 Stocks : “A Dream Portfolio”

| Securities                      | Weightage (%) |
|---------------------------------|---------------|
| Reliance Industries             | 11.93         |
| Infosys Technologies            | 8.72          |
| ICICI Bank                      | 6.34          |
| Larsen & Toubro                 | 6.03          |
| ITC                             | 5.04          |
| HDFC                            | 4.84          |
| HDFC Bank                       | 4.54          |
| State Bank of India             | 4.03          |
| Oil and Natural Gas Corporation | 2.60          |
| Tata Consultancy Services       | 2.57          |
| BHEL                            | 2.51          |
| Bharti Airtel                   | 2.18          |
| Axis Bank                       | 2.06          |
| Tata Steel                      | 1.98          |
| Hindustan Unilever              | 1.80          |
| Sterlite Industries             | 1.80          |
| Mahindra & Mahindra             | 1.71          |
| NTPC                            | 1.71          |
| Jindal Steel & Power            | 1.67          |
| Tata Motors                     | 1.60          |
| Gail (India)                    | 1.37          |
| Tata Power Co.                  | 1.36          |
| Wipro                           | 1.35          |
| Hindalco Industries             | 1.24          |
| Hero Honda Motors               | 1.21          |
| Maruti Suzuki India             | 1.18          |
| Cipla                           | 1.13          |
| IDFC                            | 1.11          |
| Reliance Infrastructure         | 1.10          |
| Jaiprakash Associates           | 0.96          |
| Punjab National Bank            | 0.93          |
| Kotak Mahindra Bank             | 0.88          |
| Cairn India                     | 0.87          |
| Sun Pharmaceuticals             | 0.85          |
| Reliance Communications         | 0.83          |
| Steel Authority of India        | 0.78          |
| Siemens                         | 0.72          |
| DLF                             | 0.65          |
| Ambuja Cements                  | 0.63          |
| Unitech                         | 0.63          |
| ACC                             | 0.59          |
| ABB                             | 0.58          |
| HCL Technologies                | 0.55          |
| Reliance Capital                | 0.55          |
| Bharat Petroleum Corporation    | 0.45          |
| Ranbaxy Labs                    | 0.44          |
| Reliance Power                  | 0.43          |
| Power Grid Corporation          | 0.39          |
| Idea Cellular                   | 0.28          |
| Suzlon Energy                   | 0.28          |

Source: [www.nseindia.com](http://www.nseindia.com) Weightage as on 15.06.2010.