

INDIABULLS BLUE CHIP FUND

NFO OPENS ON JAN 20 2012, NFO CLOSES ON FEB 03 2012

INVESTMENT OBJECTIVE

The primary investment objective of the Scheme is to seek to provide long-term capital appreciation from a portfolio that is invested predominantly in equity and equity-related securities of blue-chip large-cap companies. However, there is no assurance that the investment objective of the scheme will be achieved.

ASSET ALLOCATION AND RISK PROFILE

Instrument	Indicative Allocation (% of total assets) (Minimum-Maximum)	Risk Profile (High/Medium/Low)
Equity and equity related securities Blue Chip Large-Cap Companies	65% to 100%	High
Equity and equity related securities - Other Companies	0% to 35%	High
Debt & Money Market securities/instruments	0% to 35%	Low to Medium

For the purposes of this scheme Blue Chip Large Cap Company is a Company with a market capitalization higher than the market capitalization of 101st company in BSE 500 index, arranged in descending order of market cap.

INVESTMENT STRATEGY

Under normal market conditions, the Scheme would invest predominantly in a diversified portfolio constituting equity and equity related instruments of companies that the Fund Manager believes have sustainable business models, and potential for capital appreciation.

The corpus of the Scheme will be invested predominantly in blue chip large cap stocks and / or in exchange traded derivatives on the S&P CNX Nifty Index or such blue chip stocks. 0-35% of the net assets will be invested in securities other than blue chip large caps. A very small portion of the fund will be kept liquid. A Blue-chip company is a company with a significant market share in its product segment and/or has consistent track record in terms of profitability. The investment environment, valuation parameters and other investment criteria will determine the allocation and the investment style. The Fund Manager would follow a top down approach to shortlist stocks for portfolio construction. Under the top down process the Fund Manager would look at the global and Indian economy and the domestic policy environment and stock valuations. This would result in identification of themes which have a potential to outperform. The final stock selection process would be a bottoms-up process wherein stocks from the short listed themes would be picked up based on valuations and business model.

INVESTMENT PROCESS

Global/domestic macro view to formulate short/medium/long term market view and portfolio strategy

1. NSE/BSE Universe

2. Mandate

3. Quantitative Screen

4. Primary Fundamental Analysis Product Management

5. P&L/Balance Sheet Study

6. Future Financial Projections

7. Valuation Parameters Diligence

8. Recommendations

RISK MANAGEMENT

To be managed based on following inputs:

Global/Domestic macro and regulatory news flow

Company specific news flow

Constant management surveillance

Sector specific asset allocation

Stock specific liquidity and portfolio allocation specifically leading to portfolio diversification

WHY INDIABULLS BLUE CHIP FUND?

- Experienced funds management team with cumulative experience of over 20 years with exposure in both FII and domestic mutual fund industry environment.
- By using a well researched approach, the management team pinpoints timely entry and exit opportunities.
- The Fund Manager is well versed in analysing both the global as well as domestic economic macros and their implications on the capital markets having worked in both domestic AMCs and FIIs.
- The limited number of businesses in the portfolio enables the fund manager and his team to acquire the in-depth knowledge of each business that is fundamental to capital preservation and long term potential.
- The emergence of India and the ongoing process of reforms continually present new challenges and opportunities for investors. Investing in carefully chosen businesses can help investors benefit from the ongoing evolution of the Indian economy.
- The fund provides investors with a core portfolio of best-of-class businesses with exceptional operations in India.
- The blue chip large cap stocks offer the ability to weather the downturns.

FUND MANAGERS

Aviral Gupta - B.Tech. (IIT Kanpur), CFA, Fund Manager: He has over 12 years of experience in Indian Equities. He is one of the few India dedicated Fund Managers who has expertise in Fundamental Long, Fundamental Short, Special Situations & Arbitrage Strategies for Indian Equities. He has worked for domestic AMCs and offshore FIIs. He has been associated with organisations like Venus Capital where he successfully co-managed a corpus of \$700mn apart from Dundee Mutual Fund and Escorts Mutual Fund. The offshore funds that he has co-managed have received numerous awards from the prestigious organisations like EUREKAHEDGE for consistently generating superior risk adjusted return involving multi strategies for Indian Equities. He is a prolific speaker on Indian Capital Markets in media regularly airing his views on various media

Amarjeet Singh - CAIA(USA), CMT(USA), Fund Manager: He has overall experience of 26 years in the field of finance and taxation.

Sumit Bhatnagar - MBA (Univ. of Toronto), CFA (USA), Associate Fund Manager: He has close to 10 years of experience in Banking & Capital Markets

KEY FEATURES

Type of Scheme	An Open-ended Equity Scheme
Options	Growth Option & Dividend Option The Dividend option has the following facilities: Dividend Re-investment Facility & Dividend Pay-out Facility
Minimum Application Amount	Rs. 5,000 and in multiples of Re. 1 thereafter Rs. 1,000 and in multiples of Re. 1 thereafter (For Systematic Investment Plan)
Minimum Additional Application Amount	Rs. 1,000 and in multiples of Re. 1 thereafter.
Minimum Redemption Amount	100 units or Minimum of Rs. 1000 and in multiples of Re. 1 thereafter.
Loads	Entry : Not Applicable Exit : 1% if redeemed/switched out within first year, NIL if redeemed/switched out after 1 year
Transaction Charges	The transaction charges are in addition to the existing commission permissible to the distributors who have opted in: Direct Application Nil Application through Distributor Existing investor - Rs. 100 per subscription of Rs 10,000 and above First time investor - Rs. 150 per subscription of Rs 10,000 and above SIP Application, -only if the total commitment through SIPs amounts to Rs.10,000/- and above. Transaction charge shall be recovered in 3 instalments.
Benchmark	S&P CNX NIFTY INDEX

Parental Edge:

The Indiabulls Group with an approx net worth of more than ₹ 18000 Cr. and independent companies in Power, Financial Services, Real Estate and Securities sectors within its fold, is one of the large business groups with a pan-India presence.

Investment Approach:

A strong in-house research capability coupled with an expert team delivers an active fund management style which gives an edge by exploring varied opportunities.

THE INDIABULLS ADVANTAGE

Experienced Investment Team:

A team with a proven track record and years of experience in fund management can capitalize on emerging opportunities in the sector in a dynamic manner.

Risk Cognizant Investment Process:

Risk management is the key criteria driving all investment decisions, hence the systems and processes are oriented to deliver an effective executional investment approach.

Investor Benefits & General Services: The Scheme offers Units for Subscription and Redemption at NAV based prices on all Business Days on an ongoing basis, commencing not later than 5 business days from the date of closure of NFO period. Under normal circumstances the AMC shall dispatch the Redemption proceeds within 10 Business Days from date of receipt of request from the Unit holder. Nomination facility is available. Declaration of NAV for each Business Day on AMFI website by 9 p.m. **Statutory Details:** Indiabulls Mutual Fund has been set up as a Trust and the Sponsor is Indiabulls Financial Services Ltd. **Trustee:** Indiabulls Trustee Company Ltd. **Investment Manager:** Indiabulls Asset Management Company Ltd (AMC). **Risk Factors: Mutual funds, like securities investments, are subject to market and other risks and there can be no assurance that the Scheme's objectives will be achieved. As with any investment in securities, the NAV of Units issued under the Scheme can go up or down depending on the factors and forces affecting capital markets.** Past performance of the Sponsor/AMC/Mutual Fund does not guarantee the future performance of the Scheme. Investors in the Scheme are not being offered a guaranteed or assured rate of return. **Indiabulls Blue Chip Fund is only the name of the Scheme and does not in any manner indicate the quality of the Scheme, its future prospects or returns.** Equity and Equity Related Instruments by nature are volatile and prone to price fluctuations on a daily basis due to macro and micro economic factors. The value of Equity and Equity Related Instruments may fluctuate due to factors affecting the securities markets such as volume and volatility in the capital markets, interest rates, currency exchange rates, changes in law/policies of the Government, taxation laws, political, economic or other developments, which may have an adverse impact on individual securities, a specific sector or all sectors. Mutual Fund Units involve investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal. As the price/value/interest rate of the securities in which the scheme invests fluctuates, the value of your investment in this scheme may go up or down. For detailed scheme specific risk factors, please refer the Scheme Information Document. The Sponsor is not responsible or liable for any loss resulting from the operation of the scheme beyond the initial contribution of Rs. 50,000/- made by it towards setting up the Fund. The Statement of Additional Information (SAI), Scheme Information Document (SID) and Key Information Memorandum cum Application Forms (KIM) are available on the website www.indiabullsmf.com/Download. **Please read the SAI, SID and KIM carefully before investing and retain these documents for future references.**

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