



**Indiabulls**  
MUTUAL FUND

■ **FUND FACTSHEET**  
AS ON 31 JANUARY 2013

## DEBT MARKET COMMENTARY

The month proved to be important from the point of view of interest rate market as the monetary policy released during the month impacted the market yields across the curve. On one hand macro data did not deviate from the expectation, on the other, the efforts by the government to improve the fiscal health got applauded by the markets. However, the concern over current account deficit (CAD) remained elevated and weighed heavily on the market sentiment. On the rating front, Moody's reaffirmed India's sovereign rating at 'Baa3' and the outlook as stable.

Against a deficit of US\$ 16.7 bn posted in the 1st quarter, the CAD in the 2nd quarter widened to US\$ 22.3 bn. December trade deficit narrowed to \$17.7 bn from \$19.3 bn in the month of November. On the price front, WPI inflation for the month of December, surprised positively. Against the previous month's reading of 7.24% and market expectation of 7.40%, the WPI print came at 7.18% with core coming at 4.20%. The Industrial output for November month contracted to a four month low coming at -0.1% against the market expectation of a growth of 0.50% and October number of 8.3%. In an important move, the government partially deregulated diesel price and increased the quota on subsidised LPG. Reserve bank of India also raised the FII's debt buying limit by \$5 bln each both on government bonds and corporate bonds investments.

Finally, the Reserve bank of India cut the benchmark policy rate on 29th January in the 3rd qtr monetary policy review. The repo rate was reduced by 25 bps to 7.75%. In view of the existing tight liquidity conditions, the cash reserve ratio requirement of scheduled banks was reduced by 25bps to 4.00% which is expected to release Rs. 18,000 crore of primary liquidity into the banking system. The growth and inflation projections for FY 13 were revised downward respectively to 5.5% (from 5.8%) and 6.8% (from 7.50%).

The primary reason behind the move was on the basis of three considerations viz. decline in WPI and its core components, deceleration in growth and tight liquidity conditions. The central bank threw caution to the twin deficit risk, stating "With headline inflation likely to have peaked and non-food manufactured products inflation declining steadily ..... inflation will remain range-bound around the current levels. This provides space, albeit limited, for monetary policy to give greater emphasis to growth risks. This policy guidance will, however, be conditioned by the evolving growth-inflation dynamic and the management of risks from the twin deficits. Among the risk factors, the high level of current account deficit at historical high level remains a major concern especially in the context of declining growth and high fiscal deficit".

The interest rate market started from where it left in the previous month. The ten year benchmark yield touched a low 7.79% after the increased expectation of aggressive rate cut on lower inflation numbers. However, absence of OMOs and the concern over CAD soon took over the market sentiments. The reduced possibility of rate cut and profit booking saw the yield to trade over 7.85% near the policy before rising to close the month at 7.91%, still lower by 14bps over the previous month's close 8.05%. The movement was identical in the AAA rated corporate bonds with 5year and 10year corporate bond yield closing the month in the range of 8.76-8.78% against the previous month's level of 8.90-8.92%. Going ahead elevated level of international oil prices could exert pressure on the exchange rate and, in turn, current account. The other major factors to influence the market rates would be the IIP and inflation numbers, conduct of OMO and most importantly the upcoming union budget scheduled on 28th of February.

In the money market, due to the demand of March maturity papers and, in turn, low level of yields in that segment, the yield curve steepened considerably due to scanty demand of papers maturing in the next fiscal. The CDs maturing before financial year closing closed in the range of 7.85-7.95%. The three month and One year maturity CDs closed the month getting issued in the range of 8.60-8.65% and 9.05-9.15% respectively. The LAF figures remained much above the RBI's comfort zone of up to 1% of NDTL for most part of the month. The market borrowed Rs. 29,05,645 crore under LAF in the month of January at a daily average for of Rs. 93,730.48 crore against the previous month's borrowing of Rs. 36,55,445 crore at an average of Rs. 1,17,917.58 crore.

## EQUITY MARKET COMMENTARY

Global economy continues to show signs of stabilization. Economic data from US, Europe & China reflect economies on the mend. However, high unemployment rate across eurozone, deepening slump in France and political issues in Spain are Italy are serious concerns. The Bank of Japan, in a bid to end deflation, decided to double its inflation target to 2%, as sought by Prime Minister Shinzo Abe. The central bank also announced open-ended asset purchases from 2014.

In India, government continued to deliver on its aggressive reform agenda. Government has permitted oil companies to increase diesel price by 45 - 55 paise a month over a period of time to bring them in line with market prices. Bulk consumers will have to pay market price, to be revised every fortnight. Also, railway minister announced an across-the-board passenger fare rise after nearly a decade. The passenger fare rise is expected to mop up additional revenue of Rs. 6600 crore in a year. The government deferred the controversial General Anti-Avoidance Rules by two years, making the norms effective from April 2016. In a bid to attract foreign exchange, the Reserve Bank of India notified enhancement in the debt investment limit for foreign institutional investors and long-term investors from US\$65bn to US\$75bn. However, as a dampener, the Cabinet Committee on Investment could not resolve differences between the ministries of oil and defense, which has held up 39 exploration blocks, but set a deadline to resolve the issues. Also, bowing to political pressure, the government raised cap on supply of the subsidized liquefied petroleum gas cylinders from 6 to 9 per household.

Economic data continues to reflect a stagnant economy. The Index of Industrial Production fell 0.1% in November from a year earlier, hurt by tepid manufacturing activity, compared with an 8.3% increase in October. India's January manufacturing PMI fell to 53.2 from 54.7 in December the first dip in seven months, led by weak output growth due to power shortages. The December WPI inflation came in at 7.18%, lowest in last 3 years. Core inflation declined further to 4.1% from 4.4% in November. Significantly, Oct'12 inflation of 7.45% was revised downwards to 7.32%. CPI inflation at 10.6% remains a concern. With growth stagnating and inflation easing, the RBI cut policy rates by 25bps to 7.75% (repo) in its policy meeting. The cash reserve ratio was also reduced by 25bps to 4.00% to infuse liquidity. RBI revised down its WPI inflation projection to 6.8% by March 2013 from 7.5% earlier. The RBI expects WPI inflation to remain range-bound in FY14. We expect more but limited rate cuts from RBI during CY13.

We believe economic reforms would be the key sentiment driver of the market this year. FIIs have pumped in close to \$4.1 billion into Indian stocks in January alone, on the hopes of continued reforms. Focus is now on Union Budget. Finance Minister has promised stable taxation rates, more reforms, and committed to fiscal rectitude at all costs, allaying concerns about tax shocks and offering a peek into priorities that will shape the next budget. We remain optimistic on Indian equities over medium term based on our expectations of rate cuts, government delivering on economic reforms, strong global liquidity and stable global environment. We believe that India is a 'Buy on dips' market for a medium to long term investor.

## Indiabulls Liquid Fund

(An Open-ended Liquid scheme)

Credit Risk Rating  
AAAmfs by CRISIL\*

### Fund Style

#### Credit Quality

High Mid Low

			Interest Rate Sensitivity
			High
			Mid
			Low

### Fund Details

#### Fund Manager

Raju Sharma  
Total work experience: 20 years

#### Benchmark Index

CRISIL Liquid Fund Index

#### Date of Allotment

25 October 2011

#### NAV as on 31 January 2013

Direct Plan - Daily Dividend Option: ₹1000.0193  
Direct Plan - Growth Option: ₹1125.2572  
Growth Option: ₹1125.1999  
Daily Dividend Option: ₹1000.0193  
Weekly Dividend Option: ₹1000.7170  
Monthly Dividend Option: ₹1006.9971

#### Options

The Scheme offers the following Options across a common portfolio:  
- Growth Option  
- Dividend Option  
(Daily, Weekly, Fortnightly & Monthly)

#### Default Option / Facility / Frequency

Default Option - Growth  
Default dividend facility - Reinvestment  
Default dividend frequency - Monthly

#### Minimum Application Amount

₹ 5,000 and in multiples of ₹ 1/- thereafter.  
Minimum Additional Purchase Amount:  
₹ 1,000 and in multiples of ₹ 1/- thereafter.

#### Load Structure

Entry Load: Not Applicable  
Exit Load: Nil

#### SIP/STP/SWP:

STP facility is available  
w.e.f 25 September 2012.

#### Avg. AUM for the quarter (December 2012)

₹ 1806.57 Crores

### Investment Objective

To provide a high level of liquidity with returns commensurate with low risk through a portfolio of money market and debt securities with maturity of upto 91 days. However, there can be no assurance that the investment objective of the Scheme will be achieved.

### PORTFOLIO

Name of Instrument/Issue	Short Term Rating of Instrument	Long Term Rating of Issuer	% of Portfolio
<b>Certificate of Deposits</b>			
Andhra Bank	A1+	AAA	9.97
Bank Of Maharashtra	A1+	AA+	8.73
Indian Bank	A1+	AAA	8.39
Punjab National Bank	A1+	AAA	6.74
Oriental Bank Of Commerce	A1+	AAA	6.72
Canara Bank	A1+	AAA	6.68
Allahabad Bank	A1+	AA+	3.38
ICICI Bank Ltd	A1+	AAA	3.37
State Bank Of Patiala	A1+	AAA	3.35
Indusind Bank Ltd	A1+	AA-	3.33
Ratnakar Bank	A1+	A+	3.33
Yes Bank Limited	A1+	AA	3.33
The South Indian Bank	A1+	A+	3.33
Vijaya Bank	A1+	AA+	3.31
<b>Total</b>			<b>73.97</b>
<b>Commercial Papers</b>			
Indian Oil Corp Ltd	A1+	AAA	8.42
Marico Limited	A1+	AA	2.03
L&t Housing Finance Ltd	A1+	AA+	2.00
<b>Total</b>			<b>12.45</b>
<b>CBLO &amp; Cash</b>			<b>15.31</b>
<b>Current Assets</b>			<b>-1.73</b>
<b>GRAND TOTAL</b>			<b>100.00</b>

### Quantitative Indicators

Average Maturity	Modified Duration	Gross YTM
36.69 Days	33.89 Days	8.27%

### Dividend History - Monthly Option

Record Date	Face Value	NAV	Dividend/Unit
01-11-2012	₹ 1000	₹ 1007.2289	₹ 7.2251
03-12-2012	₹ 1000	₹ 1007.4158	₹ 7.4120
01-01-2013	₹ 1000	₹ 1006.7791	₹ 6.7753

Pursuant to payment of dividend, the NAV of the scheme will fall to the extent of dividend distribution and statutory levy (if any). Past performance may or may not be sustained in future.

### Rating Profile

100.00%

A1+

### Scheme Performance

Period	Indiabulls Liquid Fund (Growth Option)	Crisil Liquid Fund Index (Scheme Benchmark)	Crisil 1 Yr T-Bill Index (Additional Benchmark)
Last 7 days till 31 January 2013	8.47%	7.46%	7.09%
Last 15 days till 31 January 2013	8.49%	7.58%	6.50%
Last 30 days till 31 January 2013	8.50%	7.62%	10.38%
31 January 2012 till 31 January 2013	9.68%	8.41%	8.41%
Since Inception (CAGR)	9.72%	6.20%	7.25%
Since Inception (Value <sup>#</sup> ) (INR)	11252.00	11,092.04	11,076.53
NAV/ Index Value (as of 31 January 2013)	1125.20	1,920.01	3550.86

\*Based on investment of Rs. 10,000 made at inception. All returns are for Growth Option only. Returns shown for 7 days, 15 days and 30 days are computed on simple annualised basis. Past performance may or may not be sustained in future.

Raju Sharma is also the Fund Manager for Indiabulls Ultra Short Term Fund.

## Indiabulls Ultra Short Term Fund

(An Open-ended Debt scheme)

Credit Risk Rating  
AAAmfs by CRISIL\*

### Fund Style

#### Credit Quality

High Mid Low

			Interest Rate Sensitivity
			High
			Mid
			Low

### Fund Details

#### Fund Manager

Raju Sharma  
Total work experience: 20 years  
Puneet Srivastava  
Total work experience: 15 years

#### Benchmark Index

CRISIL Liquid Fund Index

#### Date of Allotment

6 January 2012

#### NAV as on 31 January 2013

Direct Plan - Daily Dividend Option: ₹1000.382  
Direct Plan - Growth Option: ₹1108.5288  
Direct Plan - Weekly Dividend Option: ₹1001.0379  
Growth Option: ₹1108.3921  
Daily Dividend Option: ₹1000.3784  
Weekly Dividend Option: ₹1001.0257  
Monthly Dividend Option: ₹1000.9703

#### Options

The Scheme offers the following options across a common portfolio:

- Growth
- Dividend Option  
(Daily, Weekly, Fortnightly & Monthly)

#### Default Option / Facility

Default Option - Growth  
Default Dividend Facility - Reinvestment

#### Minimum Application Amount

₹ 5,000 and in multiples of ₹ 1/- thereafter.  
Minimum Additional Purchase Amount:  
₹ 1,000 and in multiples of ₹ 1/- thereafter.

#### Load Structure

Entry Load: Not Applicable  
Exit Load: NIL

#### SIP/STP/SWP:

STP facility is available  
w.e.f 25 September 2012.

#### Avg. AUM for the quarter (December 2012)

₹ 524.19 Crores

### Investment Objective

To provide liquidity with return commensurate with low risk through a portfolio of money market and debt securities. However, there can be no assurance that the investment objective of the scheme will be achieved.

### PORTFOLIO

Name of Instrument/Issue	Short Term Rating of Instrument	Long Term Rating of Issuer	% of Portfolio
<b>Certificate of Deposits</b>			
Indian Bank	A1+	AAA	7.79
Canara Bank	A1+	AAA	7.73
State Bank Of Mysore	A1+	AAA	7.64
Central Bank Of India	A1+	AAA	7.57
Syndicate Bank	A1+	AA+	7.57
Punjab National Bank	A1+	AAA	7.23
Bank Of Maharashtra	A1+	AA+	3.09
Axis Bank Ltd	A1+	AAA	0.02
<b>Total</b>			<b>48.63</b>
<b>Commercial Papers</b>			
Indian Oil Corp Ltd	A1+	AAA	7.78
HDFC Ltd	A1+	AAA	7.58
<b>Total</b>			<b>15.35</b>
<b>CBLO &amp; Cash</b>			
			<b>24.43</b>
<b>Current Assets</b>			
			<b>11.59</b>
<b>GRAND TOTAL</b>			<b>100.00</b>

### Quantitative Indicators

Average Maturity	Modified Duration	Gross YTM
67.77 Days	62.73 Days	8.23%

### Dividend History - Monthly Option

Record Date	Face Value	NAV	Dividend/Unit
26-11-2012	₹ 1000	₹ 1007.7938	₹ 7.5494
26-12-2012	₹ 1000	₹ 1007.5583	₹ 7.3139
28-01-2013	₹ 1000	₹ 1008.3919	₹ 8.1475

Pursuant to payment of dividend, the NAV of the scheme will fall to the extent of dividend distribution and statutory levy (if any). Past performance may or may not be sustained in future.

### Rating Profile

100.00%

A1+

### Scheme Performance

Period	Indiabulls Ultra Short Term Fund (Growth Option)	Crilil Liquid Fund Index (Scheme Benchmark)	Crilil 1 Yr T-Bill Index (Additional Benchmark)
Last 7 days till 31 January 2013	8.70%	7.46%	7.09%
Last 15 days till 31 January 2013	8.68%	7.58%	6.51%
Last 30 days till 31 January 2013	8.81%	7.62%	10.38%
31 January 2012 till 31 January 2013	10.06%	8.41%	8.41%
Since Inception (CAGR)	10.08%	6.20%	7.25%
Since Inception (Value*) (INR)	11,083.92	10,909.95	10,865.98
NAV/ Index Value (as of 31 January 2013)	1108.39	1920.01	3550.86

\*Based on investment of Rs. 10,000 made at inception. All returns are for Growth Option only. Returns shown for 7 days, 15 days and 30 days are computed on simple annualised basis. Past performance may or may not be sustained in future.

Puneet Srivastava is also the Fund Manager for Indiabulls Gilt Fund. Since Indiabulls Gilt Fund has been in existence for less than one year as on January 31, 2013, past performance of the scheme has not been provided.

**\*CRISIL Disclaimer:** A CRISIL credit quality rating on a bond fund reflects CRISIL's current opinion on the degree of protection offered by the rated instrument from losses related to credit defaults. It does not constitute an audit by CRISIL of the fund house, the scheme, or companies in the scheme's portfolio. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell or hold the related scheme: it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance.

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## Indiabulls Gilt Fund (An Open-ended Gilt scheme)

**Credit Risk Rating  
AAAmfs by CRISIL\***

### Fund Style

#### Credit Quality

High Mid Low

			Interest Rate Sensitivity

High

Mid

Low

### Fund Details

#### Fund Manager

Puneet Srivastava  
Total work experience: 15 years

#### Benchmark Index

CRISIL Gilt Index

#### Date of Allotment

10 January 2013

#### NAV as on 31 January 2013

Direct Plan - Bonus Option: ₹1003.4140  
Direct Plan - Growth Option: ₹1003.4157  
Direct Plan - Weekly Dividend Option: ₹1000.4991  
Growth Option: ₹1002.6587  
Weekly Dividend Option: ₹1000.396  
Fortnightly Dividend Option: ₹998.3179  
Monthly Dividend Option: ₹998.3191

#### Options

The Scheme offers the following Options across a common portfolio:  
Growth Option, Dividend Option & Bonus Option

#### Default Option / Facility / Frequency

Default Option - Growth  
Default Dividend Facility - Reinvestment

#### Minimum Application Amount

₹ 5,000 and in multiples of ₹ 1/- thereafter.  
Minimum Additional Purchase Amount:  
₹ 1,000 and in multiples of ₹ 1/- thereafter.

#### Load Structure

Entry Load: Not Applicable  
Exit Load: NIL

#### SIP/STP/SWP:

SIP/STP/SWP facilities are available

### Investment Objective

The scheme seeks to generate income and capital appreciation by investing predominantly in sovereign securities issued by Central Government (including Treasury Bills) and/or by State Government, without any restriction on the maturity of the portfolio. However, there is no assurance that the investment objective of the scheme will be realized and the scheme does not assure or guarantee any returns.

### PORTFOLIO

Name of Instrument/Issue	Rating	% of Portfolio
<b>Government Securities</b>		
GOI 08.15% 2022	SOV	39.74%
GOI 08.33% 2026	SOV	20.06%
GOI 08.20% 2025	SOV	9.93%
<b>Reverse Repo/Cash/CBLO/Other Current Assets</b>		<b>30.27%</b>
<b>GRAND TOTAL</b>		<b>100.00%</b>

### Quantitative Indicators

Average Maturity	Modified Duration	Gross YTM
7.78 Years	4.92 Years	7.81%

### Dividend History - Monthly Option

Record Date	Face Value	NAV	Dividend/Unit
28-01-2013	₹ 1000	₹ 1004.3502	₹ 4.3502

### Rating Profile

100.00%

A1+

**Indiabulls Blue Chip Fund**  
(An Open-ended Equity scheme)

**Fund Style**

**Investment Style**

Growth Blend Value

			Capitalisation Large Medium Small

**Fund Details**

**Fund Manager**

Sumit Bhatnagar - Fund Manager  
Total Work Experience: 10 years

**Benchmark Index**

S & P CNX Nifty Index

**Date of Allotment**

10 February 2012

**NAV as on 31 January 2013**

Direct Plan - Dividend Option: ₹10.84  
Direct Plan - Growth Option: ₹10.84  
Growth Option: ₹ 10.84  
Dividend Option: ₹ 10.84

**Options**

The Scheme offers the following Options across a common portfolio:  
Growth Option & Dividend Option

**Default Option / Facility / Frequency**

Default Option - Growth  
Default Dividend Facility - Reinvestment

**Minimum Application Amount**

₹ 5,000 and in multiples of ₹ 1/- thereafter.  
Rs. 1,000 and in multiples of Re. 1 thereafter  
(For Systematic Investment Plan (SIP))  
Minimum Additional Purchase Amount:  
₹ 1,000 and in multiples of ₹ 1/- thereafter.

**Load Structure**

Entry : Not Applicable  
Exit : 1% if redeemed/switched out within first year, NIL if redeemed/switched out in second year

**SIP/STP/SWP:**

SIP/STP/SWP facilities are available

**Avg. AUM for the quarter (December 2012)**

₹ 5.80 Crores

**Investment Objective**

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 can be no assurance that the investment objective of the scheme will be achieved.

**PORTFOLIO**

Industry Allocation of Equity Holding	% of Net Assets
Banks	22.86%
Consumer Non Durables	12.48%
Software	10.12%
Auto	8.82%
Petroleum Products	8.33%
Finance	7.52%
Cement	5.26%
Construction Project	4.66%
Oil	4.35%
Pharmaceuticals	3.66%
Power	3.38%
Minerals/mining	2.20%
Telecom - Services	2.07%
Ferrous Metals	1.44%
Gas	1.03%
Non - Ferrous Metals	0.90%
Industrial Capital Goods	0.41%
Construction	0.41%

Top 10 Holdings - Company	Industry	% to NAV
<b>Equity &amp; Equity Related</b>		
ITC Ltd	Consumer Non Durables	9.26%
ICICI Bank	Banks	7.76%
Reliance Industries Ltd	Petroleum Products	7.62%
Housing Development Finance Corporation Ltd	Finance	6.42%
HDFC Bank Ltd	Banks	6.41%
Infosys Ltd	Software	6.00%
Larsen & Toubro Ltd	Construction Project	4.66%
State Bank of India	Banks	3.36%
Tata Motors Ltd	Auto	3.30%
Oil & Natural Gas Corpn Ltd	Oil	3.21%
<b>Top 10 Equity &amp; Equity Related Holdings</b>		<b>58.01%</b>
<b>Total Equity &amp; Equity Related Holdings</b>		<b>100.87%</b>
<b>Cash &amp; Cash Equivalents and Net Current Assets</b>		<b>-0.87%</b>
<b>Grand Total</b>		<b>100%</b>

No Dividend has been declared in this month

**Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.**

**Indiabulls Asset Management Company Limited**

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