

FACTSHEET AS ON 30 JUNE 2012

DEBT MARKET COMMENTARY



An important month from the perspective of future direction of interest rates did not oblige the market as anticipated by majority of the market participants. The inflation continues to bother the regulators and the markets alike, in a scenario of a sharp slowdown in growth.

The IIP data for the month of April remained dismal at 0.1% yoy vs -3.2% in March giving rise to expectation of rate cuts. This remained below market expectation for growth of 1.7%. However, the inflation for the month of May remained stubbornly high. Against the April reading of 7.23%, the inflation at 7.55% slightly dampened the possibility of any major rate cut by RBI. The core inflation remained below 5% and came at 4.86%. The March data was revised upward to 7.69% against the provisional reading of 6.89%, a disturbing jump of 80 bps.

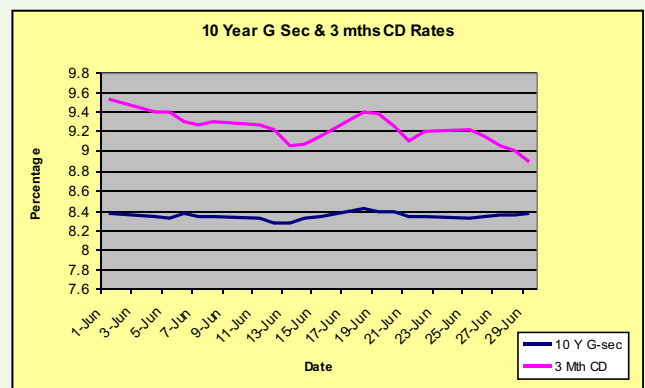
The RBI in its policy review left the rates unchanged against the broad expectation of at least a 25 bps cut in repo rate and an expectation of easing of liquidity by way of CRR cut. The high headline and retail inflation were cited as the main reasons as they remained at high levels inconsistent with sustainable growth. RBI mentioned that "...there are several factors responsible for the slowdown in activity, particularly in investment, with the role of interest rates being relatively small".

Anticipating an aggressive cut in policy rates, the new ten year benchmark rallied all the way down to trade below 8% for a brief period. However, disappointment in the policy due to no rate action and focus back on the bond supply, the ten year sharply corrected to close the month at 8.18% against the auction cut-off of 8.15%. The old ten year benchmark (8.79% 2021) closed the month virtually flat at 8.38% against the previous month closing of 8.37%.

The RBI continued with its OMO operations to tackle the outgo on account of advance tax outflows and forex market intervention. The short term rates remained orderly with overnight rates hovering close to the repo rate. The market borrowed Rs. 18,90,510 crore under LAF in the month of June at a daily average for of Rs. 90,024.29 crore as against borrowing of Rs. 21,77,035 crore in May month at an average of Rs. 98,956.10 crore.

The three month CD rates remained biddish with a downward bias except for a temporary blip near advance tax outflow. The three month rates which were close to 9.50% at the start of the month gradually dipped to close the month around 9% level. The rates in the one year CDs also trended on a similar path closing the month in the range of 9.45-9.50%. In the corporate bond market the 5 year and 10 year AAA rated bond closed the month close to 9.40%.

The Indian Rupee had been one of the worst performing currencies in the world. Since the beginning of this fiscal the rupee fell from Rs.50.57/\$ to close the month at Rs.55.64/\$. The rupee formed an all time closing low of Rs.57.32/\$ during the month. The continuous underperformance had been on account of deteriorating macro economic fundamentals with a high fiscal deficit and problems on the current account balance. The combined impact of absence of QE3 in US and dollar demand from the oil companies and corporates has further added to the pressure.



EQUITY MARKET COMMENTARY

World markets breathed a sigh of relief, when despite low expectations, the EU summit appeared to make real progress towards getting a grip on the debt crisis. At least now there is some glimpse of intent !!!!!

In US and Europe, there has been a lot more weakness with deterioration in labor market conditions, manufacturing and service sector activity. Monetary stimulus is needed to support the economy.

China also continues to slowdown, the manufacturing PMI continued to decline for eighth straight month, triggering speculation of further quantitative easing from its central bank.

Domestically, macro situation continues to be a concern but we strongly anticipate proactive and prudent reform announcements soon from the government especially after Manmohan Singh taking over the Finance Ministry. Albeit, fall in oil & other commodity prices, clamp down on gold imports are expected to ease the pressure on current account. RBI's has taken some steps to improve capital inflows in the country in addition the little clarity on GAAR has been well received.

Monsoon continues to be a concern. However, IMD expects normal rains in important months of July- August, which should ease food inflation going forward.

Q1FY13 earnings season is expected to be of lackluster growth but will not defy expectations infact there may be cases of positive surprises. Going ahead, we believe the earnings downgrades will be limited.

Currently, markets are trading at 13.5 14 times the one year forward earnings. Indian markets are cheap from historical valuations. We believe this is an attractive secular entry point for a long term investor.

INDIABULLS LIQUID FUND

(An open-ended liquid scheme)

Credit Risk Rating
AAAmfs by CRISIL*

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 91days. However, there can be no assurance that the investment objective of the Scheme will be achieved.

Fund Details

Fund Manager

Mr. Raju Sharma
Total work experience: 20 years

Indicative Investment Horizon

1 day to 1 month

Benchmark Index

CRISIL Liquid Fund Index

Date of Allotment

October 25, 2011

NAV as on 29 June 2012

Growth Option: ₹1068.6327
Daily Dividend Option: ₹1000.0000
Weekly Dividend Option: ₹1001.0357
Fortnightly Dividend Option: ₹1000.0000
Monthly Dividend Option: ₹1007.4496

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
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

STP/STP/SWP:

SIP/STP/SWP facilities are not available

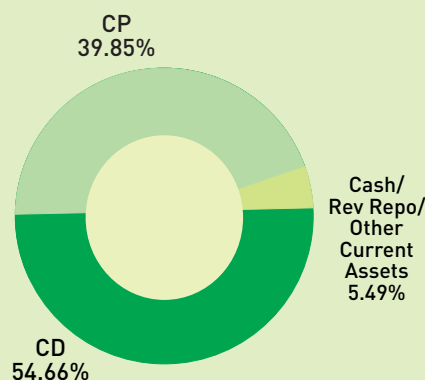
Avg. AUM for the quarter [June 2012]

₹ 1,63,145.94 Lakhs

PORTFOLIO

Name of Instrument/Issue	Rating	% of Portfolio
Certificate of Deposits		54.66%
Punjab National Bank	A1+	9.45%
Bank of Maharashtra	A1+	9.43%
UCO Bank	A1+	7.55%
IDBI Bank Ltd	A1+	7.53%
Vijaya Bank	A1+	5.64%
Indian Overseas Bank	A1+	3.77%
Indusind Bank Ltd	A1+	3.77%
Allahabad Bank	A1+	3.77%
Canara Bank	A1+	3.76%
Commercial Papers		39.85%
Piramal Healthcare Ltd	A1+	7.62%
Raymond Ltd	A1+	5.71%
Birta TMT Holdings Pvt Ltd	A1+	5.68%
Cholamandalam Invt And Fin Co Ltd	A1+	3.83%
Marico Ltd	A1+	3.78%
Apollo Tyres Ltd	A1+	3.78%
Sundaram Finance Ltd	A1+	3.78%
Aditya Birla Nuvo Ltd	A1+	3.77%
Century Textiles & Industries Ltd	A1+	1.89%
Reverse Repo/Cash/CBLO/Other Current Assets		5.49%
TOTAL		100.00%

Asset Allocation



Quantitative Indicators

Average Maturity

61 Days

Modified Duration

57 Days

Rating Profile

100.00%

A1+/AAA or equivalent

Dividend History - Monthly Option

Record Date	Face Value	NAV	Dividend/Unit
03-04-2012	₹ 1000	₹ 1001.9208	₹ 1.9208
02-05-2012	₹ 1000	₹ 1008.3837	₹ 8.3837
01-06-2012	₹ 1000	₹ 1008.2794	₹ 8.2794

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.

*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. CRISIL reserves the right to suspend, withdraw or revise its rating at any time, on the basis of any new information or unavailability of information or any other circumstances, which CRISIL believes may have an impact on the rating. For the latest rating information on any instrument of any company rated by CRISIL, please contact CRISIL RATING DESK at CRISILratingdesk@crisil.com or at (+91 22) 3342 3001-09

INDIABULLS ULTRA SHORT TERM FUND

(An open-ended debt scheme)

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.

Fund Details

Fund Manager

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

Indicative Investment Horizon

1 month & above

Benchmark Index

CRISIL Liquid Fund Index

Date of Allotment

January 6, 2012

Nav as on 29 June 2012

Growth Option: ₹1049.3791
 Daily Dividend Option: ₹1000.1267
 Weekly Dividend Option: ₹1001.0898
 Fortnightly Dividend Option: ₹1000.0000
 Monthly Dividend Option: ₹1000.0000

Options

The Scheme offers the following options across a common portfolio:

- Growth and Dividend

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: 0.5% if redeemed/switched out within 3 months from the date of allotment

STP/STP/SWP:

SIP/STP/SWP facilities are not available

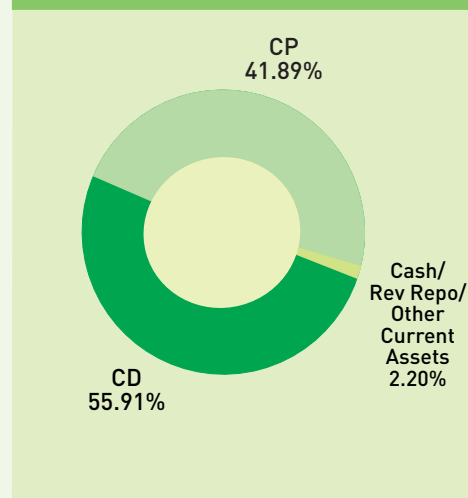
Avg. AUM for the quarter (June 2012)

₹ 34,259.65 Lakhs

PORTFOLIO

Name of Instrument/Issue	Rating	% of Portfolio	
Certificate of Deposits			55.91%
Bank of Maharashtra	A1+	13.96%	
Punjab National Bank	A1+	14.06%	
UCO Bank	A1+	13.96%	
Vijaya Bank	A1+	13.93%	
Commercial Papers			41.89%
Birla TMT Holdings Pvt Ltd	A1+	13.97%	
JM Financial Products Ltd	A1+	13.97%	
JM Financial Services Pvt Ltd	A1+	13.95%	
Reverse Repo/Cash/CBLO/Other Current Assets	Sov.	2.20%	2.20%
TOTAL			100.00%

Asset Allocation



Quantitative Indicators

Average Maturity

74 Days

Modified Duration

68 Days

Rating Profile

100.00%

A1+/AAA or equivalent

Dividend History - Monthly Option

Record Date	Face Value	NAV	Dividend/Unit
27-02-2012	₹ 1000	₹ 1008.5198	₹ 8.5198
26-03-2012	₹ 1000	₹ 1007.4715	₹ 7.4270
25-06-2012	₹ 1000	₹ 1003.6785	₹ 3.6338

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.

INDIABULLS BLUE CHIP FUND

(An open-ended equity scheme)

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.

Fund Details

Fund Manager

Mr. Aviral Gupta
Total Work Experience: 14 years

Mr. Amarjeet Singh
Total Work Experience: 26 years

Mr. Sumit Bhatnagar
Total Work Experience: 10 years

Benchmark Index

S & P CNX Nifty

Date of Allotment

10 February 2012

NAV as on 29 June 2012

Growth Option: ₹ 9.49

Dividend Option: ₹ 9.49

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

STP/STP/SWP:

SIP/STP/SWP facilities are available

Avg. AUM for the quarter (June 2012)

₹ 457.26 Lakhs

PORTFOLIO

Industry Allocation of Equity Holding

% of Net Assets

Banks	22.59
Consumer Non Durables	12.38
Software	12.34
Finance	9.45
Petroleum Products	8.95
Auto	7.75
Construction Project	5.40
Non - Ferrous Metals	3.15
Oil	3.10
Telecom - Services	2.54
Pharmaceuticals	2.41
Cement	1.61
Ferrous Metals	1.50
Industrial Capital Goods	1.29
Power	1.14
Construction	1.13

Top 10 Holdings - Company

Industry

% to NAV

Equity & Equity Related

ITC Ltd	Consumer Non Durables	9.68
Reliance Industries Ltd	Petroleum Products	8.27
Infosys Ltd	Software	7.38
ICICI Bank Ltd	Banks	6.88
HDFC Bank Ltd	Banks	6.70
Housing Development Finance Corporation Ltd	Finance	6.22
Larsen & Toubro Ltd	Construction Project	5.40
State Bank of India	Banks	4.04
Tata Consultancy Services Ltd	Software	3.98
Oil & Natural Gas Corporation Ltd	Oil	3.10

Top 10 Equity & Equity Related Holdings

61.64

Total Equity & Equity Related Holdings

97.39

Cash & Cash Equivalents and Net Current Assets

2.61

Grand Total

100.00

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

Corporate Office: Indiabulls House, Indiabulls Finance Centre,

11th Floor, Elphinstone Mills, Senapati Bapat Marg, Elphinstone West, Mumbai - 400 013, INDIA

☎ 1800-200-7777 📱 SMS 'IBMF' to 54242 🌐 www.indiabullsmf.com ✉ customercare@indiabullsmf.com