FACT SHEET

AS ON 30 NOVEMBER 2011

Indiabulls MUTUAL FUND

DEBT MARKET COMMENTARY

The developments on the growth front continue to disappoint the market as the GDP in the second quarter of FY12 clocked 6.9% growth, bringing down the first half growth to 7.3%. This has been the weakest expansion since 2nd Quarter of 2009. On the other side declining weekly inflation number and liquidity easing measures undertaken by RBI improved the sentiments in the interest rate market.

The bond market got much anticipated sigh of relief in the form of announcement of Open Market Operations (OMOs) by RBI on 17th and 29th November (INR 10000 Crore each) and proposal to increase FII's limit to invest in both corporate debt and Government debt by USD 5 bn each. The new revised limit for Corporate debt and Government debt respectively stands at USD 20 bn and USD 15 bn.

The ten year benchmark 7.80% GOI 2021 which closed the previous month at 8.88% got replaced by issuance of a new paper 8.79% GOI 2021 on 4th November as the new ten year bench mark. The aggressive bidding in the auction did not get enough support in the secondary market and in few trading sessions the new benchmark touched 9% mark. However, subsequent RBI's above mentioned measures to improve liquidity calmed the market nerves and the yield started moving downwards. The conduct of OMO by the regulator rubbed on the market sentiment and impacted the yield and market volumes positively. The ten yield gradually moved down to close the month at 8.74%.

The tight liquidity was evident in the daily LAF figure which remained well in excess of Rs.One lakh crore on most of the days. The average LAF borrowing for the month of November was recorded at Rs. 93,589 crore against previous month average of Rs. 50,871crore. The highest and the lowest borrowing was done respectively for Rs. 1,35440 crore and Rs. 33,900 crore on 23rd November and 3rd November.

The persistent rate hikes, tighter money market condition and global uncertainties are getting reflected in the domestic growth numbers. The IIP data for the month of September released further confirmed another month of sluggish performance on the growth front. The IIP for September decelerated to 1.9% from a downward revision of 3.6% in August (4.1% provisional). This makes the first half IIP growth Apr-Sept, stand at meager 5% against 8.2% recorded in the previous year. This was further confirmed with the GDP growth number for the 2nd quarter coming at 6.9% bringing down the 1st half GDP numbers to 7.3%.

The Indian currency witnessed one of the worst performing month with INR breaching 52 mark and crossing the 32 month low of INR 52.18/USD last seen on March 3, 2009. The India Rupee touched a low of INR 52.76/USD on 22nd November. RBI's intervention in the forex market and above mentioned measures to attract foreign capital saw some recovery with Rupee closing the month at INR 52.22/USD against the previous month closing of INR 48.72/USD.

Another major development, during the month, came in the form of Moody's downgrading the outlook of the entire Indian banking segment. Providing further depth to the Corporate bond market, "The Securities and Exchange Board of India (Sebi) allowed mutual funds to participate in repo in corporate debt securities. According to the new Sebi rule, mutual funds shall participate in repo transactions only in AAA-rated corporate debt securities and that they can borrow through repo transactions only if the tenure of the transaction is not more than six months."

On 30th November, The People's Bank of China has cut its banks' reserve requirement by 50 bps to 21% for the first time since 2008 as Europe's debt crisis dims the outlook for exports and growth. Before the announcement, the level was a record 21.50%. The move will help ease liquidity after previous tightening measures cooled credit growth too much and may have added to the risks of a hard landing for China. Looking at tight liquidity condition we hope RBI will also go on the lines of China, Australia and Thailand for a cut in CRR.

Indiabulls
MUTUAL FUND

EQUITY MARKET COMMENTARY

Late but desired awakening of the "lawmakers"...

The "lawmakers" globally are at last doing what they are supposed to do. We are getting affirmation of this - both from India and rest of the globe. But we believe that this particular class of society called "lawmakers" still needs to learn more from the past experiences. However, we see the developed economies reluctant to print more money. To us, that is the only solution to come out of the current imbroglio.

The macro data coming out of developed economies, although stabilising especially in US, suggests that there is still lot of froth in the system. We are seeing more drastic reactions and volatility as compared to what we saw in 2008.

In India although as of now Parliament has not worked for single day in Winter Session at the time of writing this piece but at last the intent of the government is very clear. It wants to push reforms as it did in the opening up of FDI in retail and approval of landmark infrastructure projects. This has given a good signal to the investor community the government may fail to implement all the reforms it wants to, but after a long gap, intent is in the right direction. The complete paralysis, the government had gone into, seems to be on recovery. We believe the results of UP Elections would prove to be inflexion point for the future course of the government in terms of reforms on how much muscle it can flex in pushing the reforms.

We continue to focus on rural consumption demand as that is the only segment which is flourishing at the moment and may to continue to flourish. At times valuations in this segment may seem to be stretched but we believe the growth in terms of sustenance of volume growth will remain intact leading to valuations being on even keel more towards being attractively valued also in terms of visibility. The typical Beta plays would be IT and Banking sector IT hinges more on the recovery in developed economies as also the IT budgets for the CY2012 would be decided in Dec. '11 and Banking hinges on to policy action by RBI in its next meeting in Dec. '11.

We do not anticipate any further rate hike and at the same time a case is being built for further liquidity infusion in terms of CRR cut. Given our view on monetary policy, we have also started "considering" Realty as a value pick as the real estate stocks are trading at huge discount to their NAVs. Key would be the business models in terms of rental flows as annuity.

As of now, whatever macro numbers which are coming out for Indian economy though disappointing, seem to be very competitive as far as emerging markets are concerned India still continues to be the second fastest growing economy in the world - and we are sure this will be noticed during the fresh allocations by the FIIs for CY2012. If not an upgrade in India allocation we expect the allocation to be maintained by the FIIs. This view may gain more strength from the way Rupee has depreciated. Sooner or later we believe the Dollar Carry Trade i.e. "Hot Money" should start flowing in. As per our analysis, using REER as the basis, the fair value of Rupee is ~54/-.

As the macro data for India depicts a slow down, there may be a case of valuation multiple contractions although in relative terms the premium may continue.

In our view the possibility of further downgrades for FY13 is limited as commodity prices have cooled off and as mentioned earlier the government's intent to pursue reforms has brought in some sense of confidence and visibility. With the Christmas Holiday season at the corner we at best see the markets to be range-bound with a larger bias towards the downside because of the news flows from the developed economies. Having said that we believe that time is ripe to allocate a fraction of the savings into Indian Equities to build a stable long term portfolio.

Indiabulls MUTUAL FUND

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

Inception Date (Date of initial allotment)

October 25, 2011

Nav as on 30 November 2011

Indiabulls Liquid Fund Growth:
₹1009.2826
Indiabulls Liquid Fund Daily Dividend:
₹1000.0000
Indiabulls Liquid Fund Weekly Dividend:
₹1000.0000
Indiabulls Liquid Fund Fortnightly Dividend:
₹1000.0000
Indiabulls Liquid Fund Monthly Dividend:
₹1007.2657

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

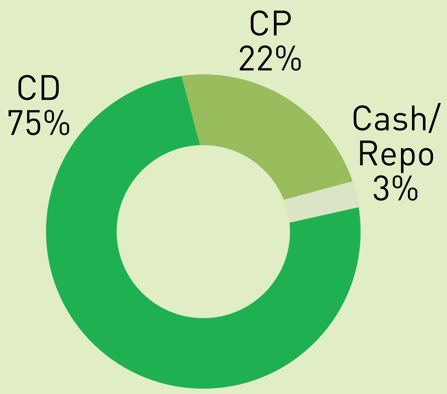
STP/STP/SWP:

SIP/STP/SWP facilities are not available

PORTFOLIO

Name of Instrument/Issue	Rating	Amt (₹in Cr.)	% of Portfolio	
Certificate of Deposits				**75.19%**
Jammu & Kashmir Bank Ltd	A1+	149.85	9.68%	
Central Bank of India	A1+	149.80	9.68%	
Allahabad Bank	A1+	123.42	7.98%	
Vijaya Bank	A1+	122.80	7.94%	
Bank of India	A1+	99.70	6.44%	
UCO Bank	A1+	99.68	6.44%	
Oriental Bank of Commerce	A1+	99.45	6.43%	
Canara Bank	A1+	97.77	6.32%	
Andhra Bank	A1+	49.83	3.22%	
Axis Bank	A1+	48.96	3.16%	
Karur Vysya Bank	A1+	48.91	3.16%	
Punjab National Bank	A1+	48.87	3.16%	
Indusind Bank Ltd	A1+	24.53	1.59%	
Commercial Papers				**22.29%**
Apollo Tyres Ltd	A1+	73.39	4.74%	
Mahindra & Mahindra Financial Services Ltd	A1+	49.72	3.21%	
Shriram Equipment Finance Company Ltd	A1+	49.63	3.21%	
Housing Development Finance Corporation Ltd	A1+	49.04	3.17%	
Idea Cellular Ltd	A1+	24.92	1.61%	
Tata Teleservices Ltd	A1+	24.83	1.60%	
GIC Housing Finance Ltd	A1+	24.50	1.58%	
JM Financial Products Pvt Ltd	A1+	24.46	1.58%	
Tube Investments of India Ltd	A1+	24.45	1.58%	
Net Current Assests/Reverse Repo		38.88	2.51%	**2.51%**
TOTAL		**1,547.38**		**100.00%**

Asset Allocation

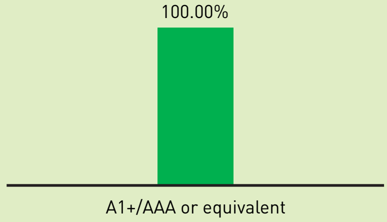


Quantitative Indicators

Average Maturity
42 Days

Modified Duration
38 Days

Rating Profile



Dividend History - Monthly Option

Record Date	Face Value	NAV	Dividend/Unit
01-11-2011	₹ 1000	₹ 1002.0023	₹ 2.0023

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

Statutory Details: Indiabulls Mutual Fund has been set up as a Trust under the Indian Trusts Act, 1882; **Sponsor:** Indiabulls Financial Services Ltd. **Trustee:** Indiabulls Trustee Company Ltd. **Investment Manager:** Indiabulls Asset Management Company Ltd (AMC). 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.

Risk Factors: Mutual funds and 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. **The name of the Scheme does not in any manner indicate the quality of the Scheme, its future prospects or returns.** 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 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 / Investor Service Centres / Distributors. **Please read the SAI, SID and KIM carefully before investing and retain these documents for future references.**

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