

# FACT SHEET

## AS ON 31 OCTOBER 2011

### SPONSOR

**Indiabulls Financial Services Limited**

Registered office

F60, Malhotra Building, 2nd Floor,  
Connaught Place, New Delhi - 110001  
Telephone No: 011-41523700  
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### TRUSTEE

**Indiabulls Trustee Company Ltd**

Registered office

1A, Hamilton House, 1st Floor,  
Connaught Place, New Delhi – 110 001.  
Phone number: 011-3047 6100  
Fax: 011-3047 6151

### ASSET MANAGEMENT COMPANY

**Indiabulls Asset Management Company Limited**

Registered office

1A, Hamilton House, 1st Floor,  
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Phone number: 011-3047 6100  
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## DEBT MARKET COMMENTARY

The month saw another milestone being achieved by Indiabulls group in the form of its maiden fund launch. Indiabulls mutual fund launched "Indiabulls Liquid Fund" as the first scheme on October 24, 2011. The scheme has garnered Rs 1,107 crore which was open for subscription for just one day. This is the first instance in this calendar year that any mutual fund has mobilised more than Rs 1,000 crore in a single working day in a NFO. The investment team, in continuation of the group's philosophy, maintains high investment standard by investing only in high quality liquid securities. The timing of the launch augured well for the fund as the short term rates were near peak before the credit policy and it has helped to acquire the assets at attractive yields.

The month of October saw the events unfolding on expected lines with inflation remaining above RBI's comfort zone and the persistent rate hikes started impacting growth numbers. The interest rate market continued to remain nervous owing to supply concerns despite explicit softer policy stance given in the October policy meet.

The second half borrowing calendar announced in September came as a rude shock to the market at INR 2.20 trillion, overshooting the budgeted figure by INR 530 billion, taking the Government borrowing for the FY 2012 to INR 4.70 trillion as against the original budgeted target of INR 4.17 trillion.

The higher borrowing program was due to the revenue shortfall from small savings of INR 350 bn and lower cash surplus at the beginning of the year of INR 160 bn, against anticipated figure of INR 330 bn, a shortfall of INR 170 bn. Though, the fiscal deficit target figure remains unchanged at 4.6%, the unanticipated rise in borrowing and front loaded schedule of the borrowing program inflicted the fear of continuous supply woe, keeping the upward pressure on the Government bond yields. The following week downgrade of SBI by Moody further deteriorated the market sentiment.

The monthly inflation number for September stood at 9.72%, falling only marginally as compared to 9.78% registered during the previous month. Primary articles inflation fell to 11.84% against 12.58% in the previous month. Manufacturing inflation which has the highest weightage in the index also marginally recorded lower at 7.69% against 7.79%. The softer move in the above was, however, nullified by the upmove in fuel inflation to 14.9% against previous month figure of 12.84%. The fall in inflation is expected to be slow due to the elevated level of international commodity prices and depreciating domestic currency.

The rate hike and slowdown in the global economy has started impacting domestic growth numbers. The first quarter GDP numbers recorded its lowest level in six quarters at 7.7%. The August IIP numbers was recorded at 4.1% against the market anticipation of 4.7%. The manufacturing sector grew by 4.5% yoy basis even it contracted by 2.8% mom. All three sectors, mining, manufacturing and electricity fell from July levels. The July IIP growth was upwardly revised to 3.8% from 3.3%.

In the second quarter review on Monetary policy on 25th October, the Reserve Bank of India hiked repo rate by 25 bps to 8.50% and adopting dovish tone in its policy statement. The policy statement raised more concern over growth than on inflation. RBI has cut the growth forecast for FY2012E to 7.6% from earlier forecast of 8%. Signaling an extended pause, RBI mentioned in the policy statement "notwithstanding current rate of inflation persisting till November (December release), the likelihood of a rate action in the December mid-quarter review is relatively low. Beyond that, if the inflation trajectory conforms to projections, further rate hikes may not be warranted"

The inflation target for March 2011 stands unchanged at 7%. The other important announcement came in the form of deregulation of savings bank deposit rates with immediate effect. This will help in effective transmission of policy instance and the investors.

The ten year G-sec benchmark which closed the previous month at 8.44%, remained under pressure for the entire month. The pressure from the inflation front and supply concern saw the ten year yield close the month at 8.88% level.

The liquidity in the system remained in the borrowing mode for the entire month well within the comfort zone of RBI with daily LAF borrowing figures within one percent of NDTL. However, on the policy day and owing to a long weekend, the LAF figure crossed 1L cr to Rs.1.09 lakh cr. The lowest LAF figure was recorded on 5th Oct of Rs. 22,265 crore. The average for the month was Rs. 50871 cr.

**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 31 October 2011)**

Growth Option : ₹ 1001.7503  
Daily Dividend Option : ₹ 1000.0000  
Weekly Dividend Option: ₹ 1000.0000  
Fortnightly Dividend Option: ₹ 1000.0000  
Monthly Dividend Option: ₹ 1001.7503

**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

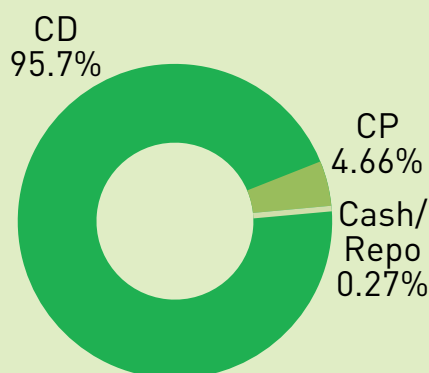
**STP/STP/SWP:**

SIP/STP/SWP facilities are not available

**PORTFOLIO**

Name of Instrument/Issue	Rating	Amt (₹ in Cr.)	% of Portfolio
<b>Certificate of Deposits</b>			<b>95.07%</b>
Jammu & Kashmir Bank Ltd	P1+	148.72	14.05%
Vijaya Bank	PR1+	148.15	13.99%
Bank of India	P1+	113.93	10.76%
Axis Bank Ltd	A1+	99.83	9.43%
HDFC Bank Ltd	A1+	99.40	9.39%
Oriental Bank of Commerce	P1+	98.70	9.32%
Corporation Bank	P1+	74.72	7.06%
UCO Bank	P1+	74.20	7.01%
Allahabad Bank	A1+	73.98	6.99%
Indian Overseas Bank	A1+	49.83	4.71%
Punjab National Bank	PR1+	24.94	2.36%
<b>Commercial Papers</b>			<b>4.66%</b>
Mahindra & Mahindra Fin Services Ltd	A1+	49.34	4.66%
<b>Net Current Assets/Reverse Rep</b>		2.88	0.27%
<b>TOTAL</b>		<b>1,058.61</b>	<b>100.00%</b>

**Asset Allocation**



**Quantitative Indicators**

**Average Maturity**

36 Days

**Modified Duration**

33 Days

**Rating Profile**

100.00%

P1+/AAA or equivalent

0.00%

others

No dividend has been declared under the Monthly Dividend Option since inception

**\*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



**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](http://www.indiabullsmf.com) / Investor Service Centres / Distributors. **Please read the SAI, SID and KIM carefully before investing and retain these documents for future references.**

## Indiabulls Asset Management Company Limited

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