

FACT SHEET

AS ON 31 MARCH 2012

DEBT MARKET COMMENTARY

After a calmer February, the month of March was expected to bring with it some surprise and volatility due to the schedule of events lined up during the month. The monthly inflation figure on 14th March followed by monetary policy and advance tax outflow on 15th March and the presentation of budget the next day kept the economists busy with number crunching. The surprise OMO announcement on the last working day of the month did little to perk up the sentiment which was reeling under supply pressure due to the front loading in the borrowing calendar.

The manufacturing inflation for the month of February eased to 5.75% from 6.49% in the earlier month contrary to which WPI inflation edged upto 6.95% as against 6.55% in January. As a pre-emptive measure anticipating the tight liquidity condition on account of advance tax outflow, RBI cut CRR by 75 bps a week before the policy, releasing ₹ 48,000 crore of primary liquidity to the system. The credit policy announced on 15th March though indicated future course of interest rate action to be on the downside, the concern on inflationary pressure came to fore in deciding the timing and magnitude of policy action. The CRR and repo rate were kept unchanged respectively at 4.75% (reduced from 5.50% on March 10th) and 8.5%. Consequently, the reverse repo rate stands at 7.50% and marginal standing facility (MSF) at 9.50%.

The union budget for FY 2013 raised taxes on goods and services by 2% to 12% and brought more services under the ambit of service tax to address the fiscal challenges. The budget announcement projected a fiscal deficit of 5.1% and gross borrowing of ₹ 5.69 lakh crore for the FY 2012-13.

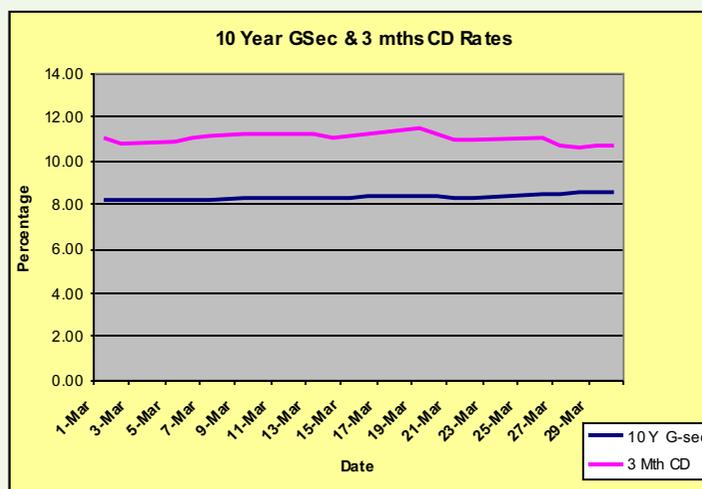
For the interest rate market, the line up of events kept the participants on their toes as the uncertainty risk remained on the upside. The ten year benchmark closed the previous month at 8.20% anticipating a softer interest rate regime going ahead. However, the combined factors of higher than expected monthly inflation, inflation concern in policy statement and the fiscal concern dominated the yield movement during the month.

The rise in yield was gradual till the policy with ten year yield forming a range of 8.35-8.45%. The fiscal deficit projection of 5.1% of GDP in line with market expectation calmed the nerves and saw the benchmark to soften to 8.37%. However, front loading of the borrowing program with the government targeting to raise 65% (market expectation-60%) in the first half and reduced expectation of rate cut going ahead, saw ten year yield to sharply rise to 3 month high of 8.63%. The OMO purchase announcement did little to sooth the nerves with the benchmark closing the month at 8.57%, higher by 37 bps over the previous months close. The 2 year and 10 year Prime rated institutional bond trended on similar lines closing the month respectively at 9.75% and 9.50%.

The Money market segment remained guided by the year end fund requirement by the banks. The flurry of issuances during the first half saw the three months prime rated PSU bank CDs getting issued upto 11.60% with one year upto 11.00%. With most on the banks through with their fund raising and demand picking up by year end, the softening of rates in the CD segment accelerated at a faster pace at the close of month. The rates in the three months fell sharply to 10.65% before closing the month in the range of 10.85-10.95%. The drop in yield was much sharper in one year segment due to the investment requirement of fixed maturity plans closing in the range of 10.10-10.15.

Despite of a 75 bps CRR cut before the credit policy, the liquidity remained strained due to the advance tax outflows and intervention in the forex. The market borrowed ₹ 30,64,770 crore under LAF in the month of March at a daily average of ₹1,45,941 crore as against borrowing of ₹ 26,62,470 in February month at an average of ₹ 1,40,130 crore.

During the month we at Indiabulls Mutual Fund launched maiden 387 days FMP followed by 377 days FMP and collected ₹ 149.54 Cr and ₹ 32.36 Cr respectively .



EQUITY MARKET COMMENTARY

From the Fund Manager Equity's Desk.....

FY 2012 was a roller coaster ride, FY 2013 is expected to be equally challenging on both global and domestic fronts. Even as the concerns over Eurozone are yet to recede, markets are increasingly worried about prospects of 'hard landing' in China. Data coming out of US continues to be mixed, with unemployment still at very high levels. Iranian nuclear crisis continues to keep oil on elevated levels, further stressing global finances. Domestically, UPA Government continues to muddle through scams and PR disasters, shaking its credibility. Lackluster union budget, precarious public finances, policy flip flops and GAAR add to the conundrum.

In Europe, the focus is now shifting to Spain. Its 10-year bond yields are now back at levels last seen in early December, before the ECB's first LTRO. Also, the yield on Greek 10-year bonds has now climbed to 22%, the levels right before the situation began to deteriorate markedly. The problems likely to get compounded with Europe expected to have entered into recession. In US, while housing market continues to show signs of stabilization, unemployment continues to be at alleviated levels, leading to expectations of QE3. In China, strong consumer inflation data has thrown water over monetary easing, again stoking fear of hard landing.

Earnings growth would continue to remain muted in FY12. However, we expect a rebound in corporate earnings in FY 13 on back of fall in commodity prices & reduction in borrowing costs. Consensus Sensex EPS for FY13 is at ₹ 1300 i.e. a growth of nearly 18% over FY12. However, our own estimates are a little conservative at ₹ 1250 i.e. a growth of 13.5%. This is below the average Sensex earnings growth of 15% over last twenty years.

In near term, we believe that RBI credit policy on April 17th shall be the key trigger for the markets. In Union Budget, Government has announced some steps towards fiscal consolidation. With Inflation likely to remain in the downward trajectory for next few months, this should give enough room for RBI to cut repo rates by 0.25 per cent. However, further cuts would largely hinge on government decision on fuel price hike, controlling other subsidies, inflationary trends and progress on fiscal consolidation.

Post the union budget, rating review by S&P, Moody's & Fitch is likely to add to volatility in the market place. Rating agencies have sighted worsening public finances as an obstacle to India's sovereign rating. With next budget expected to make populist announcements before 2014 general elections, public finances are likely to remain under pressure. Given the current global economic situation, we do not expect a downgrade for India this time, however fiscal numbers would be closely tracked over next few quarters. Any further slippage can lead to a downgrade.

Expectations on Q4 earnings are fairly muted and likely to reflect the effects of high inflation, high interest rates and weak currency. Profit margins are likely to come under further pressure. Revenue growth would be the key thing to monitor this quarter.

Lack of clarity on GAAR is also likely to keep FIIs hesitant in very short term.

In near term markets are likely to remain volatile. However, for long-term investor this is a good opportunity to enter as we believe that earnings down cycle has bottomed out and there is long term value in the markets and individual stocks at current valuations.

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 30 March 2012

Growth Option: ₹1041.9834
Daily Dividend Option: ₹1000.0000
Weekly Dividend Option: ₹1000.0000
Fortnightly Dividend Option: ₹1000.0000
Monthly Dividend Option: ₹1000.6818

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

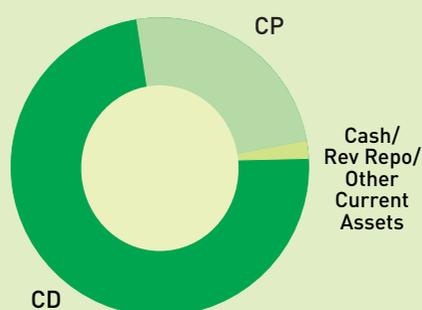
Avg. AUM for the quarter (March 2012)

₹ 1,40,806.57 Lakhs

PORTFOLIO

Name of Instrument/Issue	Rating	% of Portfolio
Certificate of Deposits		72.10%
Oriental Bank of Commerce	A1+	12.67%
State Bank of India	A1+	8.99%
Jammu & Kashmir Bank Ltd	A1+	8.97%
State Bank of Patiala	A1+	8.93%
United Bank of India	A1+	8.92%
UCO Bank	A1+	8.91%
Sydicate Bank	A1+	8.91%
IDBI Bank Ltd	A1+	4.53%
Allahabad Bank	A1+	1.26%
Commercial Papers		25.90%
Apollo Tyres Ltd	A1+	9.00%
Aditya Birla Finance Ltd	A1+	8.90%
Birla TMT Holdings Pvt Ltd	A1+	5.34%
Aditya Birla Money Ltd	A1+	2.66%
Reverse Repo/Cash/Other Current Assets		2.00%
TOTAL		100.00%

Asset Allocation



Quantitative Indicators

Average Maturity

89 Days

Modified Duration

81 Days

Rating Profile

100.00%

A1+/AAA or equivalent

Dividend History - Monthly Option

Record Date	Face Value	NAV	Dividend/Unit
02-01-2012	₹ 1000	₹ 1006.9420	₹ 6.9420
01-02-2012	₹ 1000	₹ 1007.8949	₹ 6.6210
01-03-2012	₹ 1000	₹ 1007.6126	₹ 6.3406

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.

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 30 March 2012

Growth Option: ₹1022.5820
Daily Dividend Option: ₹1000.1267
Weekly Dividend Option: ₹1001.2378
Fortnightly Dividend Option: ₹1000.0000
Monthly Dividend Option: ₹1001.2379

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: Nil

STP/STP/SWP:

SIP/STP/SWP facilities are not available

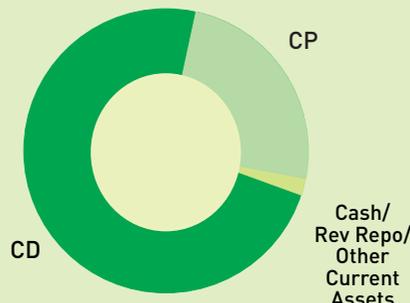
Avg. AUM for the quarter (March 2012)

₹ 49,594.61 Lakhs

PORTFOLIO

Name of Instrument/Issue	Rating	% of Portfolio	
Certificate of Deposits			
Canara Bank	A1+	42.43%	78.65%
Allahabad Bank	A1+	36.22%	
Commercial Papers			
Aditya Birla Finance Ltd	A1+	21.14%	21.14%
Reverse Repo/Cash/Other Current Assets			
	Sov.	0.21%	0.21%
TOTAL			100.00%

Asset Allocation

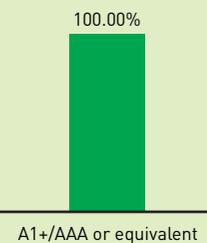


Quantitative Indicators

Average Maturity
66 Days

Modified Duration
61 Days

Rating Profile



Dividend History - Monthly Option

Record Date	Face Value	NAV	Dividend/Unit
25-01-2012	₹ 1000	₹ 1005.2247	₹ 5.2247
27-02-2012	₹ 1000	₹ 1008.5198	₹ 8.5198
26-03-2012	₹ 1000	₹ 1007.4715	₹ 7.4270

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.

INDIABULLS FMP 387 DAYS MARCH 2012 (I)
(A Close Ended Debt Scheme)

Investment Objective

To generate income and/ or capital appreciation by investing in wide range of Debt and Money Market instruments having maturity in line with maturity of the respective plans under the scheme. The maturity of all instruments shall be equal to or less than the maturity of the respective plans under the scheme. 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

387 Days

Benchmark Index

CRISIL Short Term Bond Fund Index

Date of Allotment

March 15, 2012

Nav as on 30 March 2012

Growth Option: ₹10.0773
Dividend Option: ₹10.0000

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 – Payout

Minimum Application Amount

₹ 5,000 and in multiples of ₹ 1/- thereafter.

Load Structure

Entry Load: Not Applicable
Exit Load: Not Applicable

STP/STP/SWP:

SIP/STP/SWP facilities are not available

AUM as on 30 March 2012

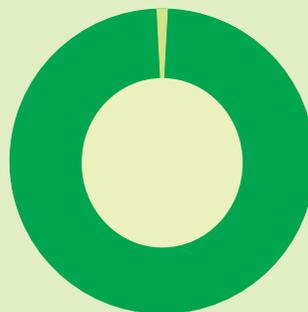
₹ 15069.30 Lakhs

PORTFOLIO

Name of Instrument/Issue	Rating	% of Portfolio	
Certificate of Deposits		99.57%	
Vijaya Bank	A1+	27.16%	
IDBI Bank Ltd	A1+	27.13%	
Andhra Bank	A1+	15.12%	
Indusind Bank Ltd	A1+	15.10%	
Canara Bank	A1+	15.06%	
Reverse Repo/Cash/Other Current Assets		0.43%	0.43%
TOTAL		100.00%	

Asset Allocation

Cash/Rev Repo/
Other Current
Assets



CD

Quantitative Indicators

Average Maturity

353 Days

Modified Duration

324 Days

Rating Profile

1

A1+/AAA or equivalent

No Dividend has been declared in this month

INDIABULLS FMP 377 DAYS MARCH 2012 (2) (A Close Ended Debt Scheme)

Investment Objective

To generate income and/ or capital appreciation by investing in wide range of Debt and Money Market instruments having maturity in line with maturity of the respective plans under the scheme. The maturity of all instruments shall be equal to or less than the maturity of the respective plans under the scheme. 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

377 Days

Benchmark Index

CRISIL Short Term Bond Fund Index

Date of Allotment

March 28, 2012

Nav as on 30 March 2012

Growth Option: ₹10.0113
Dividend Option: ₹10.0000

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 – Payout

Minimum Application Amount

₹ 5,000 and in multiples of ₹ 1/- thereafter.

Load Structure

Entry Load: Not Applicable
Exit Load: Not Applicable

STP/STP/SWP:

SIP/STP/SWP facilities are not available

AUM as on 30 March 2012

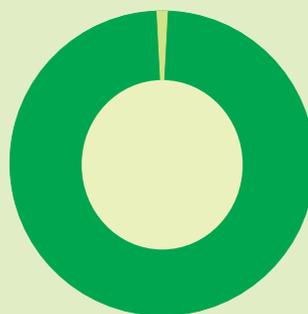
₹ 3239.36 Lakhs

PORTFOLIO

Name of Instrument/Issue	Rating	% of Portfolio	
Certificate of Deposits		98.30%	
Andhra Bank	A1+	28.17%	
Axis Bank Ltd	A1+	28.07%	
Yes Bank Ltd	A1+	28.02%	
IDBI Bank Ltd	A1+	14.04%	
Reverse Repo/Cash/Other Current Assets		1.70%	1.70%
TOTAL		100.00%	

Asset Allocation

Cash/Rev Repo/
Other Current
Assets



CD

Quantitative Indicators

Average Maturity

350 Days

Modified Duration

321 Days

Rating Profile

1

A1+/AAA or equivalent

No Dividend has been declared in this month

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 30th March 2012

Growth Option: Rs.9.45

Dividend Option: Rs.9.46

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 after one year

STP/STP/SWP:

SIP/STP/SWP facilities are not available

Avg. AUM for the quarter (March 2012)

₹ 411.14 Lakhs

PORTFOLIO

Industry Allocation of Equity Holding

% of Net Assets

Financial Services	28.49
Consumer Goods	14.42
IT	12.64
Energy	10.33
Construction	7.95
Automobile	7.09
Metals	3.68
Cement Products	2.78
Pharma	2.27
Industrial Manufacturing	1.91
Media	0.70
Services	0.45

Top 10 Holdings - Company

Industry

% to NAV

Equity & Equity Related

Infosys Technologies Ltd	Software	8.08
ITC Ltd	Consumer Non Durables	7.81
Reliance Industries Ltd	Petroleum Products	7.75
ICICI Bank Ltd	Banks	6.27
HDFC Ltd	Finance	5.90
HDFC Bank Ltd	Banks	5.70
Larsen Ltd	Construction Project	4.66
Tata Consultancy Serv Ltd	Software	3.66
State Bank Of India	Bank	3.61
Tata Motors Ltd	Auto	2.67
Top 10 Equity & Equity Related Holdings		56.11
Total Equity & Equity Related Holdings		95.30
Cash & Cash Equivalents and Net Current Assets		4.70
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

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