

INDIABULLS LIQUID FUND

(An open-ended Liquid Scheme)
NFO OPENS ON OCT 24 2011, NFO CLOSES ON OCT 24 2011

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 up to 91 days.

ASSET ALLOCATION AND RISK PROFILE

Instrument	Indicative Allocation (% of Net Assets)		Risk Profile
	Minimum	Maximum	
Money market and debt instruments with maturity up to 91 days (including floating rate debt instruments, securitized debt.)*	0%	100%	Low to Medium

*securitized debt cumulative allocation not to exceed 15% of the net assets of the Scheme (No investment in foreign securitized debt). The residual maturity of securitized debt shall not exceed 91 days.

Explanation:

- In case of securities where the principal is to be repaid in a single payout, the maturity of the securities shall mean residual maturity. In case the principal is to be repaid in more than one payout then the maturity of the securities shall be calculated on the basis of weighted average maturity of the security.
- In case of securities with put and call options (daily or otherwise) the residual maturity of the securities shall not be greater than 91 days.
- In case the maturity of the security falls on a Non-business Day, then settlement of securities will take place on the next Business Day. The total debt derivative exposure will be restricted to 50% of the net assets of the Scheme. The Scheme shall not invest in equity derivatives. Investment in derivatives shall be in compliance with SEBI Circular No. Cir/IMD/DF/11/2010 dated August 18, 2010.

INVESTMENT STRATEGY

Objective of the scheme: To generate returns commensurate with low risk, the scheme would predominantly invest in money market instruments. As the turnover of the portfolio would be high, given the fact the investors in a liquid fund would deploy their funds for a short period of time, the portfolio would be structured to incorporate high liquidity by the use of cash and cash equivalents.

The yield curve in the short end (overnight to 3 months) of the curve tends to remain flat with the least amount of volatility. In such a scenario, the fund manager would make attempts to invest the scheme proceeds uniformly across all the maturity buckets.

The investment team would carry out rigorous in depth credit evaluation of the money market and debt instruments the scheme proposes to invest in. The credit evaluation will essentially be a bottom up approach and include a study of the operating environment of the issuer, the past track record as well as the future prospects of the issuer and the short term / long term financial health of the issuer.

INVESTMENT PROCESS

Investment Process vis-a-vis Risk Management:

While constructing and managing Liquid Fund portfolio, the Fund Management team shall strive to minimise the interest rate risk, credit risk and the liquidity risk. The investment process will have the following broad framework for management of scheme:

Assessment of the macro environment and the broad direction of the market including interest rate outlook.

Creation and maintenance of an Investment Universe to have well diversified portfolio

In-house credit appraisal

Compliance with SEBI Guidelines

Risk Management Guidelines

Yield curve analysis

Liquidity of the instrument

Credit Rating

Credit spreads

** Rating Details

The assigned rating CRISIL AAAmfs is valid only for "Indiabulls Liquid Fund". The rating of CRISIL is not an opinion on the Asset Management Company's willingness or ability to make timely payments to the investor. The rating is also not an opinion on the stability of the NAV of the Fund, which could vary with market developments.

FUND MANAGER

Mr. Raju Sharma, Head – Fixed Income

Mr. Raju Sharma has 20 years of experience in financial services industry. Prior to joining Indiabulls AMC, he has worked with Tata Asset Management Ltd as Senior Fund Manager & Head Cash & Hybrid Funds. He was managing various debt fund and hybrid fund schemes with total corpus in excess of ₹ 15000 Cr. The debt schemes managed by him have received numerous awards from CNBC CRISIL and ICRA and have been consistently rated top performing by Value Research and Morning Star India. He has also worked with NBFCs and debt broking companies in the areas of debt and equity capital markets (DCM & ECM), treasury, resource mobilisation and corporate finance. He is a Chartered Accountant and LLB.

KEY FEATURES

Nature of The Scheme	An open ended liquid scheme
Benchmark Index	Crisil Liquid Fund Index
Load Structure	Entry Load: Nil, Exit Load: Nil
Options	Growth & Dividend
Sub Options	Daily Dividend (Reinvestment) Weekly Dividend (Reinvestment) Fortnightly (Reinvestment & Payout) Monthly (Reinvestment & Payout)
Offer Price	₹ 1000/- per unit
Minimum Application Amount	₹ 5,000 and in multiples of ₹ 1 thereafter
Minimum Additional Purchase Amount	₹ 1,000 and in multiples of ₹ 1 thereafter
Minimum Redemption Amount	₹ 1,000 or 1 unit and in multiples of ₹ 1 thereafter

Parental Edge:

The Indiabulls Group with an approx net worth of more than ₹ 18000 Cr. and independent companies in Power, Financial Services, Real Estate and Securities sectors within its fold, is one of the large business groups with a pan-India presence.

Investment Approach:

A strong in-house research capability coupled with an expert team delivers an active fund management style which gives an edge by exploring varied opportunities.

THE INDIABULLS ADVANTAGE

Experienced Investment Team:

A team with a proven track record and years of experience in fund management can capitalize on emerging opportunities in the sector in a dynamic manner.

Risk Cognizant Investment Process:

Risk management is the key criteria driving all investment decisions, hence the systems and processes are oriented to deliver an effective executional investment approach.

Investor Benefits & General Services: The Scheme offers Units for Subscription and Redemption at NAV based prices on all Business Days on an ongoing basis, commencing not later than 5 business days from the date of closure of NFO period. Under normal circumstances the AMC shall dispatch the Redemption proceeds within 10 Business Days from date of receipt of request from the Unit holder. Nomination facility is available. Declaration of NAV for each Business Day on AMFI website by 9 p.m. **Statutory Details:** Indiabulls Mutual Fund has been set up as a Trust and the Sponsor is Indiabulls Financial Services Ltd. **Trustee:** Indiabulls Trustee Company Ltd. Investment Manager: Indiabulls Asset Management Company Ltd (AMC). **Risk Factors: Mutual funds, like 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. **Indiabulls Liquid Fund is only the name of the Scheme and 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. 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. AMC has no previous experience in managing a mutual fund. Indiabulls Liquid Fund is among the first set of scheme being launched under its management. Scheme specific risk factors such as risk associated with fixed income securities, risk associated with securitized debt, risk associated with derivatives transactions, risk associated with securities lending shall be applicable. 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.**

Indiabulls Asset Management Company Limited

Corporate Office: Indiabulls House, Indiabulls Finance Centre, 11th Floor, Senapati Bapat Marg, Elphinstone West, Mumbai - 400 013, INDIA
 ☎ 1800-200-7777 ✉ customercare@indiabullsmf.com 🌐 www.indiabullsmf.com