

FUND OBJECTIVE AND PHILOSOPHY

The fund invests in the Indian Capital Markets, offering investors a unique opportunity to participate in India's growing economy. The fund seeks to achieve long term capital growth through an actively managed portfolio of equity (small, medium and large capitalisation), equity-related securities and fixed income securities available on the Indian Capital Market. The fund seeks to outperform the performance of its benchmark (BSE 200 of the Bombay Stock Exchange)

FUND FEATURES

NAV/unit :	\$0.7939
AUM:	\$ 3.99 m
Inception Date:	1-Jan-11
Currency:	USD
Dealing frequency:	Weekly
Benchmark:	BSE 200
Initial Charge:	3.00%
Annual Mgmt fee:	1.50%
Min Investment:	USD 5k
Advisor:	ANAND RATHI
Manager:	Axys Capital Management

CUMULATIVE PERFORMANCE (Since Inception)

27-Jan-12



CUMULATIVE AND ANNUALISED (*) PERFORMANCE

	1-Week	YTD	1-Month	3-Months	6-Months	1-Yr	10-Yr	10-Yr*	Incep.	Incep.*
ACM India Focus Fund	3.67%	14.33%	14.33%	-6.08%	-20.24%	-18.93%	n/a	n/a	-20.61%	n/a
BSE 200 (\$ adjusted)	4.72%	20.72%	20.72%	-4.61%	-18.01%	-14.97%	n/a	n/a	-26.89%	n/a

FUND COMMENTARY

The BSE 200 index has gained 13.43% since the new year began as foreign investors continue to buy local stocks on indication of a policy shift towards reviving growth, with an increase in global risk appetite also aiding sentiment. Foreign funds have pumped in more than \$1.5 billion this month, in sharp contrast to net outflows of about \$500 million in 2011.

The latest intervention by the RBI ensured that the currency market would stabilize. The rupee has gained 7 percent against the USD so far in January after declining 18% during the last quarter of 2011, on account of the steps taken to cut speculation and boost rupee flows. The RBI also cut the cash reserve ratio by 50 basis points to ease tight liquidity but kept key rates steady, a policy shift towards easing monetary policy to revive growth, hence leading to greater optimism. According to the RBI, the reduction in the CRR will inject around Rs 320 billion of primary liquidity into the system. Moreover, the move by the Indian Finance Minister to lift restrictions on direct investment in the Indian capital market by foreign nationals gave a new boost to the country's equity market.

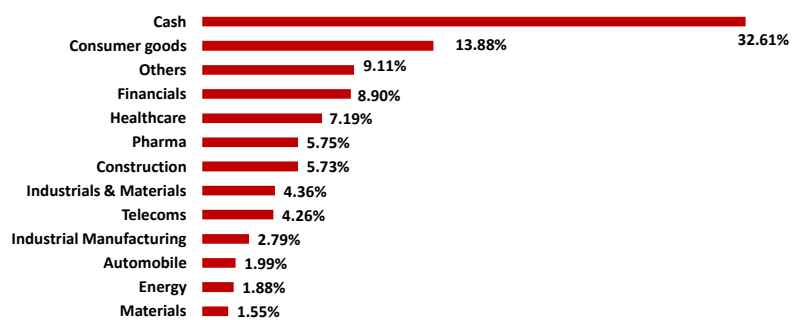
In addition, the fact that nonresident deposit rates are now the same as resident Indian rates has changed investors' sentiment overnight. Stocks in the portfolio have already gained 15-20% year-to-date, for example stocks which were 20% down last year are now only 1-2% down.

Hence, the outlook for the India is positive, with the INR expected to stabilize further and RBI's shifted focus to supporting growth.

TOP TEN HOLDINGS

SECURITY NAME	SECTOR	%
SUN PHARMA	PHARMA	5.75%
IDFC ARBITRAGE FUND	OTHERS	5.12%
GLAXOSMITHKLINE	HEALTH CARE	4.44%
GUJARAT STATE F	INDUSTRIALS & MATERI	4.36%
IDEA CELLULAR	TELECOMS	4.26%
EID PARTY INDIA	CONSUMER GOODS	3.98%
REC LIMITED	FINANCIALS	3.88%
NESTLE INDIA LTD	CONSUMER GOODS	3.26%
CROMPTON GREAVES	INDUSTRIAL MANUFACT	2.79%
DABUR INDIA LTD	CONSUMER GOODS	2.75%

INDUSTRY BREAKDOWN



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