



March 17, 2016

December 2015 Quarterly Update on the Surefin India Value Fund

Dear Investor,

Please find below the performance of the master series fund. You will receive your individual performances separately. This update is also available on the website at: http://surefin.com/newsite/?page_id=14

Returns Table and Other Important Data

Surefin Investments is up 11.5% in the last quarter, registering a 257.7% return since April 1st, 2007 and is up 2450.6% since inception in May 2001 after fees and other expenses¹. This fund has grossed a CAGR of 24.8% over the last 14 years after all expenses.

¹Fees are calculated differently for different clients, depending on when they entered the fund. However, now fees are charged at 0% management fees and 25% carry, over a 5% hurdle rate, with high water marks.

Percentage Return

Date	Surefin IVF	SENSEX	NIFTY	NASDAQ (In INR)	Russell 2000 (In INR)	S&P 500 (In INR)	Dow Jones (In INR)
May 15, 2001	-	-	-	-	-	-	-
April-02	20.0%	(2.1%)	(0.6%)	(7.2%)	7.1%	(4.6%)	(1.0%)
April-03	9.0%	(12.0%)	(13.6%)	(29.6%)	(29.0%)	(27.2%)	(24.3%)
April-04	154.0%	86.3%	84.9%	36.7%	47.6%	20.6%	17.5%
April-05	42.0%	15.1%	13.6%	(0.7%)	3.6%	4.5%	1.1%
April-06	42.0%	70.8%	64.6%	20.1%	27.5%	12.5%	8.8%
April-07	6.4%	15.9%	12.3%	1.0%	2.1%	7.0%	8.5%
April-08	30.9%	19.7%	23.9%	(13.2%)	(20.7%)	(14.1%)	(8.4%)
April-09	(26.7%)	(37.9%)	(36.2%)	(15.1%)	(22.2%)	(23.6%)	(21.4%)
April-10	36.9%	80.5%	73.8%	39.1%	42.3%	29.9%	26.5%
April-11	12.6%	10.9%	11.1%	16.4%	24.7%	13.7%	13.8%
April-12	11.6%	(10.5%)	(9.2%)	26.1%	11.7%	20.6%	21.7%
April-13	12.1%	8.2%	7.3%	12.2%	21.7%	18.3%	17.2%
April-14	9.3%	18.8%	18.0%	41.6%	35.8%	31.5%	24.4%
April-15	56.1%	24.9%	26.7%	21.7%	11.3%	15.1%	12.6%
Jun-15	(0.8%)	(0.6%)	(1.4%)	3.9%	2.2%	1.9%	1.2%
Sep-15	2.4%	(5.9%)	(5.0%)	(3.9%)	(9.0%)	(3.5%)	(4.1%)
Dec-15	11.5%	(0.1%)	(0.0%)	8.4%	3.2%	6.4%	7.0%
Percent Change	2,450.6	630.2	593.8	238.5	227.1	130.6	126.0

Comparable Returns
Performance Evaluation of Surefin India Value Fund

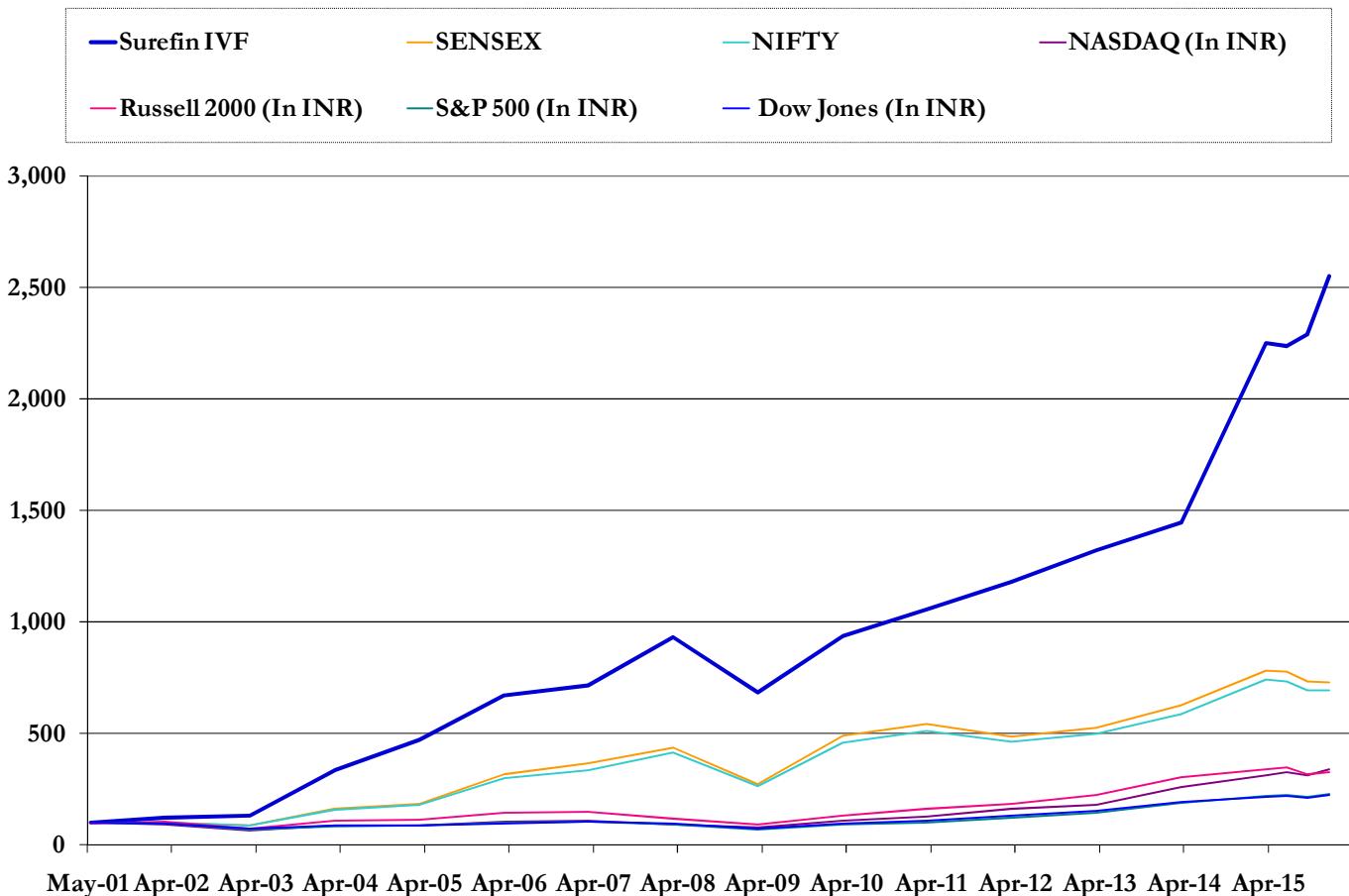
Month-End	Surefin IVF	SENSEX	NIFTY	NASDAQ (In INR)	Russell 2000 (In INR)	S&P 500 (In INR)	Dow Jones (In INR)
May-01	100.0	100.0	100.0	100.0	100.0	100.0	100.0
April-02	120.0	97.9	99.4	92.8	107.1	95.4	99.0
April-03	130.8	86.1	85.9	65.3	76.1	69.4	75.0
April-04	332.2	160.5	158.9	89.3	112.3	83.7	88.1
April-05	471.8	184.7	180.5	88.6	116.3	87.4	89.1
April-06	669.9	315.4	297.1	106.5	148.3	98.3	97.0
April-07	713.0	365.5	333.7	107.5	151.4	105.3	105.2
April-08	933.4	437.4	413.4	93.3	120.0	90.4	96.3
April-09	684.6	271.4	263.8	79.2	93.4	69.0	75.7
April-10	937.0	490.0	458.3	110.2	132.9	89.7	95.7
April-11	1,054.8	543.6	509.4	128.2	165.7	102.1	109.0
April-12	1,177.5	486.6	462.4	161.8	185.1	123.0	132.6
April-13	1,320.1	526.6	496.2	181.6	225.2	145.6	155.4
April-14	1,442.8	625.8	585.4	257.1	305.9	191.3	193.3
April-15	2,251.8	781.6	741.4	312.7	340.5	220.3	217.6
Jun-15	2,234.4	776.7	730.7	325.0	348.1	224.5	220.3
Sep-15	2,288.3	731.2	694.0	312.4	317.0	216.7	211.2
Dec-15	2,550.6	730.2	693.8	338.5	327.1	230.6	226.0
CAGR	24.8%	14.5%	14.1%	8.7%	8.4%	5.9%	5.7%

Note:

The returns till 2005 are calculated on an XIRR basis. XIRR is the internal rate of return of an investment that does not necessarily have periodic payments. This function is closely related to the net present value function (NPV). The IRR is the interest rate for a series of cash flows where the net present value is zero. FY is from 1st April to 31st March.

During the early part of the year 2009, SEBI had changed the way that PMS providers operated the accounts. SEBI mandated that each provider open separate Demat Accounts for every client and till a Demat Account had not been opened for every client, the PMS provider could not buy securities on behalf of any of the clients. Given the new laws in opening Demat Accounts and the tedious KYC norms by the NSDL and various custodians, it was impossible to meet the deadlines set by SEBI and our buying was in effect frozen for a good part of May 2009. Most stocks rallied soon after and it was painful to sit with cash (that we had hoarded so painstakingly for a period like 2009) and not be able to buy anything due to this back-end and regulatory glitch. We estimate that we lost a potential 40% return in addition to the existing return due to this.

The substantially lower returns in FY 2010 have lowered our overall return substantially (from a 5-year perspective). We have spruced up our back-end operations and team since then to make sure that this does not repeat itself.



Portfolio Evaluation and Mistakes

We were up 11.5% for the quarter. In comparison the Indian large cap indices were flat. We believe that one quarter or even one year is too short and insufficient a time frame to measure performance.

We bought one new position this quarter. We completely sold one position and reduced our holding in two positions during the quarter. The returns on these positions excluding dividends were 953% (held for 15 months), 613% (held for 55 months), and 704% (held for 55 months). Please do not get excited with all these numbers. The one with the return of 953% has a very sad story about my thumb-sucking tendencies that I hope to share with you in the annual letter coming up.

New clients who have added capital over the last two years have a large portion of the portfolio un-invested. There is no one unhappier about that than me. We wish we could deploy everything tomorrow but prices have not been attractive for the quality of underlying assets available. We are blessed to have a fantastic set of investors as not one investor has called nudge me to invest more aggressively. Our performance fee incentives are aligned such that we will only make money when we can deploy the capital and get returns on it. We make no money sitting in debt funds and watching each quarter go by. But we will not swing unless the prices are right. As this letter goes out, prices are more attractive and hopefully we will have better news to share on this in the next few quarters.

As we have written earlier we will be writing a detailed annual letter after the end of the December to March quarter every year along with briefer quarterly letters like this one. Please feel free to get in touch with us for any questions or thoughts. We deeply appreciate your interest with us.

Warm regards,



Portfolio Manager
Surefin India Value Fund
www.surefin.com