



January 29, 2011

From: Amitabh Singhi
To: Investors in Surefin India Value Fund
Subject: December 2010 Quarterly Update

Dear Investor,

Please find below the performance of the fund. This is the performance of the master series. Each of you will receive your individual performances separately. Please find the performance update also on the website at: <http://www.surefin.com/newsletter.htm>.

Surefin India Value Fund (reported in INR) is down (0.3 %) in the last quarter and is up 949.7% since inception in May 2001 after fees and other expenses¹. This fund has grossed a CAGR of 27.9% over the last 9 years after fees and other 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	Russell 2000	S&P 500	Dow Jones
May 15, 2001	-	-	-	-	-	-	-
April-02	20.0%	(2.1%)	(0.6%)	(10.7%)	3.0%	(8.2%)	(4.7%)
April-03	9.0%	(12.0%)	(13.6%)	(27.6%)	(26.9%)	(25.1%)	(22.1%)
April-04	154.0%	86.3%	84.9%	49.4%	61.5%	31.9%	28.5%
April-05	42.0%	15.1%	13.6%	(1.5%)	2.7%	3.6%	0.3%
April-06	42.0%	70.8%	64.6%	17.9%	25.1%	10.4%	6.8%
April-07	6.4%	15.9%	12.3%	3.5%	4.6%	9.7%	11.2%
April-08	30.9%	19.7%	23.9%	(5.9%)	(14.1%)	(6.9%)	(0.7%)
April-09	(26.7%)	(37.9%)	(36.2%)	(32.9%)	(38.6%)	(39.7%)	(38.0%)
April-10	36.9%	80.5%	73.8%	56.9%	60.5%	46.6%	42.7%
June-10	4.7%	1.0%	1.2%	-12.0%	-10.2%	-11.9%	-10.0%
September-10	7.3%	13.4%	13.5%	12.3%	10.9%	10.7%	10.4%
December-10	(0.3%)	2.2%	1.7%	12.0%	15.9%	10.2%	7.3%

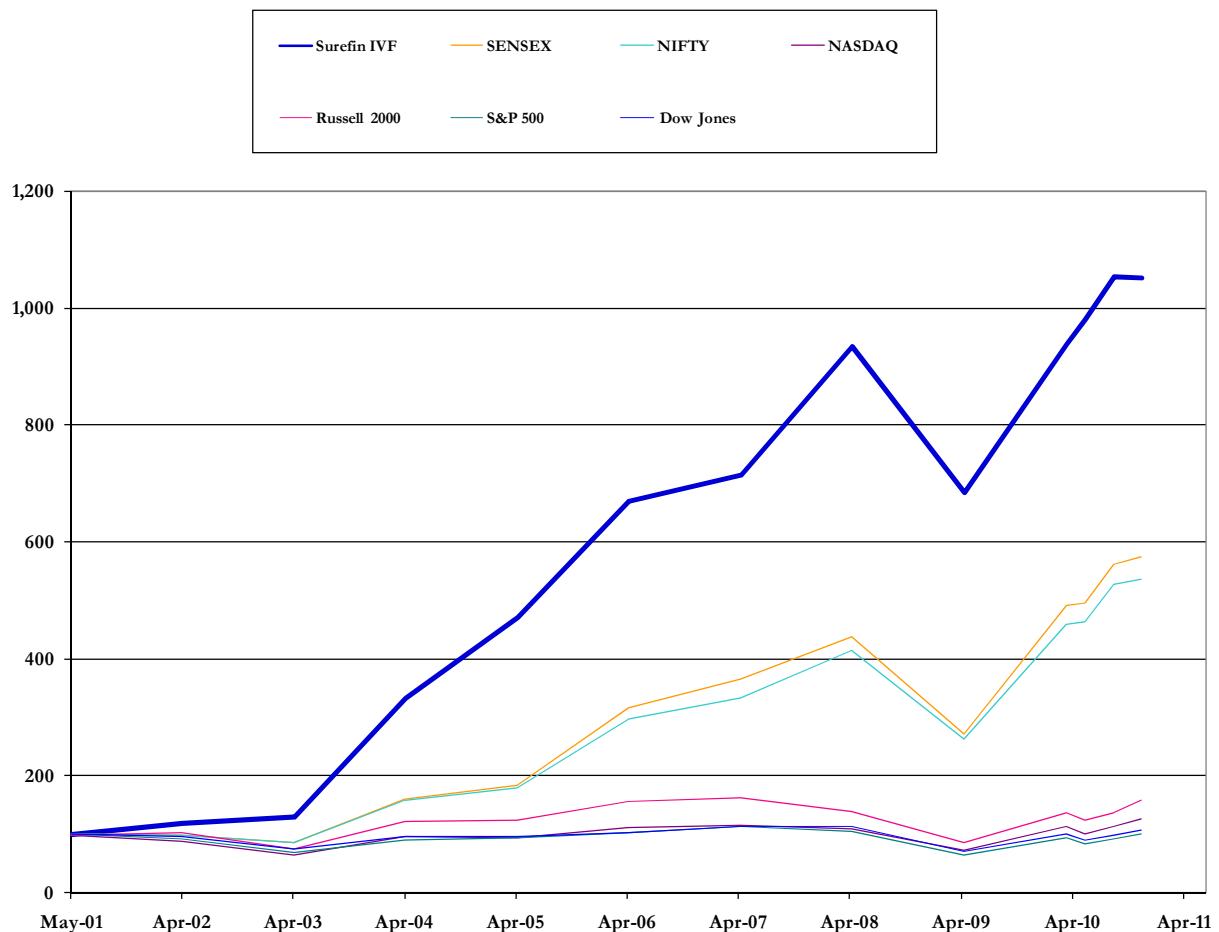
* The returns till 2005 are calculated on an XIRR basis.

* 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.

Index Value

Date	Surefin IVF	SENSEX	NIFTY	NASDAQ	Russell 2000	S&P 500	Dow Jones
May 15, 2001	1,000.0	3,577.0	1,145.3	2,085.6	489.6	1,249.4	10,873.0
April-02	1,200.0	3,500.2	1,139.0	1,862.6	504.5	1,146.5	10,362.7
April-03	1,308.0	3,081.0	984.3	1,348.3	368.7	858.5	8,069.9
April-04	3,322.3	5,740.9	1,819.7	2,015.0	595.3	1,132.2	10,373.3
April-05	4,717.7	6,605.0	2,067.7	1,984.8	611.6	1,172.9	10,404.3
April-06	6,699.1	11,280.0	3,402.6	2,339.8	765.1	1,294.9	11,109.3
April-07	7,129.9	13,072.1	3,821.6	2,421.6	800.7	1,420.9	12,354.4
April-08	9,334.4	15,644.4	4,734.5	2,279.1	688.0	1,322.7	12,262.9
April-09	6,845.5	9,708.5	3,021.0	1,528.6	422.8	797.9	7,608.9
April-10	9,370.1	17,527.8	5,249.1	2,398.0	678.6	1,169.4	10,856.6
June-10	9,814.3	17,700.9	5,312.5	2,109.2	609.5	1,030.7	9,774.0
September-10	10,528.8	20,069.1	6,030.0	2,368.6	676.1	1,141.2	10,788.1
December-10	10,497.0	20,509.1	6,134.5	2,652.9	783.7	1,257.6	11,577.5

CAGR	27.9%	20.1%	19.2%	2.6%	5.0%	0.1%	0.7%
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Portfolio Evaluation and Mistakes

We added positions in three companies this quarter.

We sold positions in two companies. We sold half a position in a company that we had bought two months ago. The absolute return on this stock was 78%. We hold the other half of this. We also sold half a position in another company and the absolute return on this stock was 54%.

We had talked about an investment idea at the Value Investor's Congress called Balkrishna Industries Ltd. The presentation can be found on the website (http://www.surefin.com/pdf/Balkrishna_Industries_Ltd.pdf).

I am always reluctant to publicly present an investment idea. Every investment has disclaimers and operates in an ever changing environment. But in a larger public setting, these details are often lost. I

am putting down below some of the disclaimers and nuances of the Balkrishna investment that I had mentioned in the presentation for the benefit of greater clarity.

- Basket bet: This Company has been bought as a part of a group of companies that are all expansion stories. If the expansion goes awry for any one of the companies for any number of reasons, the individual investment may not work out as well but the group as a whole should do okay.
- Inflated capex: The capital expenditure on the business seems inflated based on our preliminary research. The reputation of the management is mediocre but the business seems to be a good business.
- Business profits maybe affected materially by rubber and other raw material prices: The earnings in 2010 seem to be “peak earnings” whereas the business should be evaluated based on depressed earnings. Rubber prices are on the rise so short-term earnings may be much lower than what the recent history has presented.

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.

We are excited about the next three years in India. Businesses are growing very fast, many are growing in niche segments with good profitability and consumption is booming. These businesses are housed in thousands of listed companies and the stock markets are quite volatile, which is a beautiful thing to have. We will write more about that in our annual letter next quarter.

Please feel free to get in touch with us for any questions or thoughts. We appreciate your interest with us.

Warm regards,

Amitabh Singhi.

Portfolio Manager

Surefin Investments

www.surefin.com

