

# **SUREFIN** INVESTMENTS

August 8, 2011

## **June 2011 Quarterly Update on the Surefin India Value Fund**

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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 Investments (reported in INR) is up 3.2% in the last quarter and is up 988.2% since inception in May 2001 after fees and other expenses<sup>1</sup>. This fund has grossed a CAGR of 26.8% over the last 10 years after fees and other expenses.

### **Performance Evaluation of Surefin India Value Fund**

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<b>Date</b>	<b>Index Value</b>						
	<b>Surefin IVF</b>	<b>SENSEX</b>	<b>NIFTY</b>	<b>NASDAQ</b>	<b>Russell 2000</b>	<b>S&amp;P 500</b>	<b>Dow Jones</b>
May 15, 2001	1,000.0	3,577.0	1,145.3	2,085.5	489.6	1,249.4	10,873.0
April-02	1,200.0	3,500.2	1,139.0	1,862.5	504.5	1,146.5	10,362.7
April-03	1,308.0	3,081.0	984.3	1,348.5	358.7	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	1,984.5	611.6	1,172.9	10,404.3
April-06	6,699.1	11,280.0	3,402.6	2,339.8	755.1	1,294.9	11,109.3
April-07	7,129.9	13,072.1	3,821.6	2,421.5	800.7	1,420.9	12,354.4
April-08	9,334.4	15,644.4	4,734.5	2,279.1	638.0	1,322.7	12,262.9
April-09	6,845.5	9,708.5	3,021.0	1,124.5	422.0	1,111.4	10,509.9
April-10	9,370.1	17,527.8	5,249.1	2,398.0	678.6	1,169.4	10,856.6
April-11	10,547.4	19,445.2	5,833.8	2,781.1	843.6	1,325.8	12,319.7
June-11	10,881.7	18,845.9	5,647.4	2,773.5	827.4	1,320.0	12,414.3
<b>CAGR</b>	<b>26.8%</b>	<b>18.0%</b>	<b>17.2%</b>	<b>2.9%</b>	<b>5.4%</b>	<b>0.6%</b>	<b>1.3%</b>

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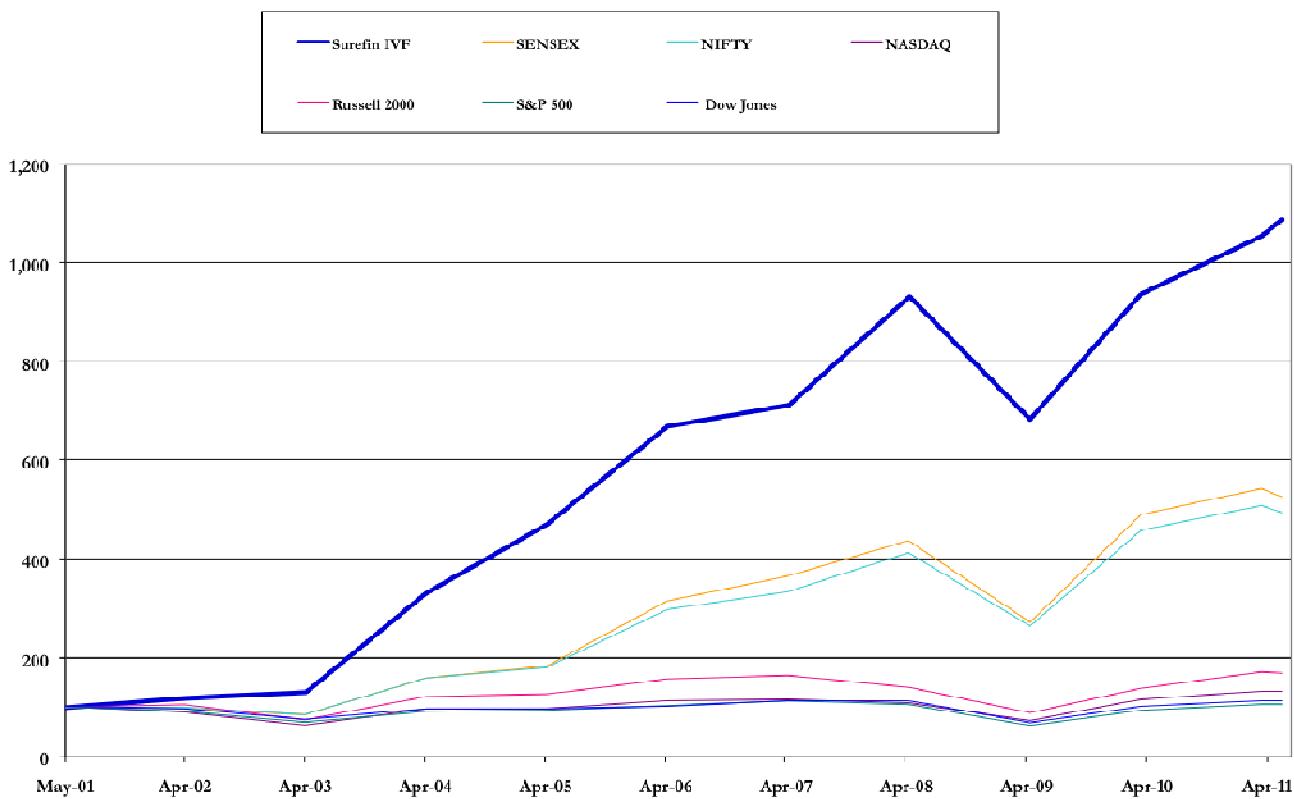
<sup>1</sup>Fees are calculated differently for different clients, depending on when they entered the fund. However, now fees are charged at 0% management fees and 25% carry, over a 5% hurdle rate, with high water marks.

### 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%)	(12.6%)	(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	35.9%	80.5%	73.8%	56.9%	60.5%	46.6%	42.7%
April-11	12.6%	10.9%	11.1%	16.0%	24.3%	13.4%	13.5%
June-11	3.2%	(3.1%)	(3.2%)	(0.3%)	(1.9%)	(0.4%)	0.8%
<b>Percent Change</b>	<b>958.2</b>	<b>426.9</b>	<b>393.1</b>	<b>33.0</b>	<b>69.0</b>	<b>5.7</b>	<b>14.2</b>

\* 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.



## Portfolio Evaluation and Mistakes

We added position in two stocks this quarter and sold two positions. The returns on the two positions were 112% and 52%. We held both stocks for about 6 months.

We spend a considerable amount of time on capital allocation decisions and therefore will opportunistically invest whenever we find investment ideas. Otherwise we will hold cash. Therefore, investors need not worry too much about timing their investment into the fund. We are not incentivized to simply garner assets and therefore we focus on activities that will produce superior, long-term investment returns.

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 appreciate your interest with us.

Warm regards,

A handwritten signature in black ink, appearing to read "Atul Sinha".

Portfolio Manager  
Surefin India Value Fund  
[www.surefin.com](http://www.surefin.com)