

SUREFIN INVESTMENTS

Aug 5, 2009

From: Amitabh Singhi

To: Investors in Surefin India Value Fund

Subject: June 2009 Quarterly Update

Dear Investor,

Please find the performance update on the website: <http://www.surefin.com/newsletter.htm>

Surefin India Value Fund (reported in INR) is up 712.7% since inception and registered a 18.7% return in the last quarter after fees and other expenses¹. This fund has grossed a CAGR of 29.2% over the last 8 years after fees and other expenses.

Performance Evaluation of Surefin India Value Fund

Month-End	Surefin IVF	SENSEX	NIFTY	NASDAQ	Russell 2000	S&P 500	Dow Jones
May 15, 2001	100.0	100.0	100.0	100.0	100.0	100.0	100.0
April-02	120.0	97.9	99.4	89.3	103.0	91.8	95.3
April-03	130.8	86.1	85.9	64.6	75.3	68.7	74.2
April-04	332.2	160.5	158.9	96.6	121.6	90.6	95.4
April-05	471.8	184.7	180.5	95.2	124.9	93.9	95.7
April-06	669.9	315.4	297.1	112.2	156.3	103.6	102.2
April-07	713.0	365.5	333.7	116.1	163.5	113.7	113.6
April-08	933.4	437.4	413.4	109.3	140.5	105.9	112.8
April-09	684.6	271.4	263.8	73.3	86.3	63.9	70.0
July-09	812.7	405.2	374.7	88.0	103.8	73.6	77.7
Percent Change	712.7	305.2	274.7	(12.0)	3.8	(26.4)	(22.3)
CAGR	29.4%	18.8%	17.6%	-1.6%	0.5%	-3.7%	-3.1%

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

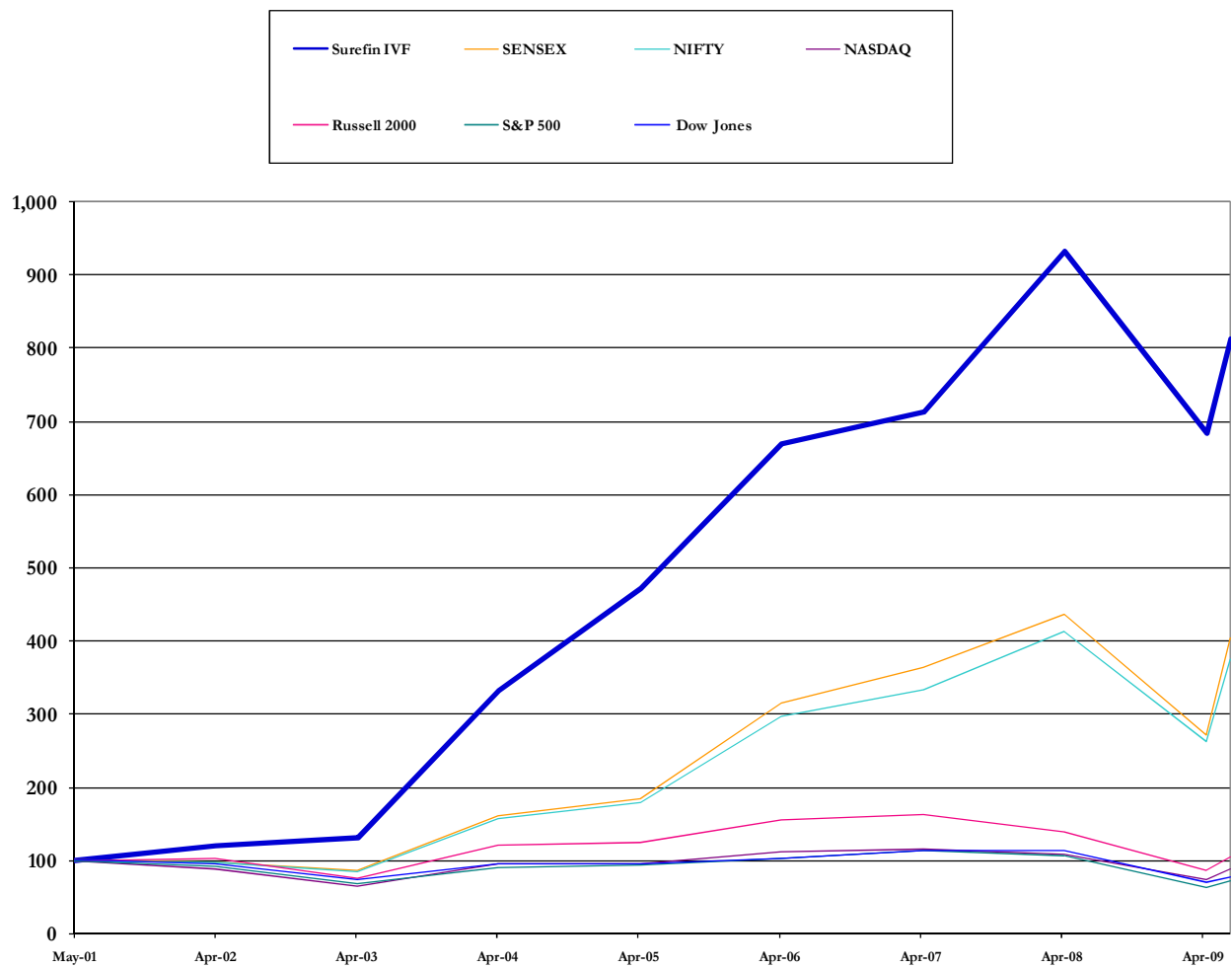
* XIRR is the internal rate of return of an investment that does not necessarily have periodic payments. This function is closely related to the net present value function (NPV). The IRR is the interest rate for a series of cash flows where the net present value is zero.

* FY is from 1st April to 31st March.

¹ 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%	-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%
July-09	18.7%	49.3%	42.0%	20.0%	20.2%	15.2%	11.0%



Portfolio Evaluation and Mistakes

Our portfolio accounts were frozen in terms of buying for a large part of this quarter because we had to comply with a SEBI law change where we had to open individual depository accounts for our clients. We were not allowed to buy anything for any client starting May 10th, 2009 till the accounts opened. That took most of the quarter when the prices were attractive. We are up and running now, apart from a few investor accounts, and the returns should now portray how we invest going forward. Nevertheless we did have a fruitful quarter.

We bought seven new positions in this quarter. The industries ranged from an auto finance company to a sponge iron manufacturer. We will discuss these in detail in our yearly letter next year. We could only put about 15% of the PF into the seven new securities before the share prices went up. We are nevertheless happy with the results.

We sold a total of five positions out of which three were from securities bought in this quarter itself and two were bought in the quarter ended December 2008. The absolute returns on these positions were 96%, 80%, 61%, 46% and 6%.

We are happy to say that we have not made any mistakes in this quarter.

Current Opportunities

Even though the overall markets in India have risen considerably, we are still finding opportunities. We have started building a position into a TV media company in July. We are also building a position into a shipping company. We are looking a few Net-nets² and a company that we have bought and sold a few times before! Although the market overall is much more expensive now, we are still on our way to be fully invested in the next six months.

We are keenly aware of the growth trajectory that India is going through and the corresponding valuations that many companies in India are currently at. Nevertheless, we assure you that we will not invest in any situation that we feel are outside our current framework of investing and we will also not refrain from investing in any situation just because of the overall level of the market. We may however tweak the allocation of the portfolio to equities versus arbitrage and fixed income type positions.

² A Net-net is when the market capitalization of the company is below the liquid investments on its book minus all liabilities.

If you have any questions, doubts or concerns, please feel free to get in touch with us. We appreciate your support and interest in us.

Warm regards,

Amitabh Singhi.

Portfolio Manager

Surefin Investments

www.surefin.com