

# SUREFIN INVESTMENTS

November 29, 2010

**From: Amitabh Singhi**

**To: Investors in Surefin India Value Fund**

**Subject: September 2010 Quarterly Update**

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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.

Surefin Investments (reported in INR) is up 7.3% in the last quarter and is up 952.9% since inception in May 2001 after fees and other expenses<sup>1</sup>. This fund has grossed a CAGR of 28.8% over the last 9 years after fees and other expenses.

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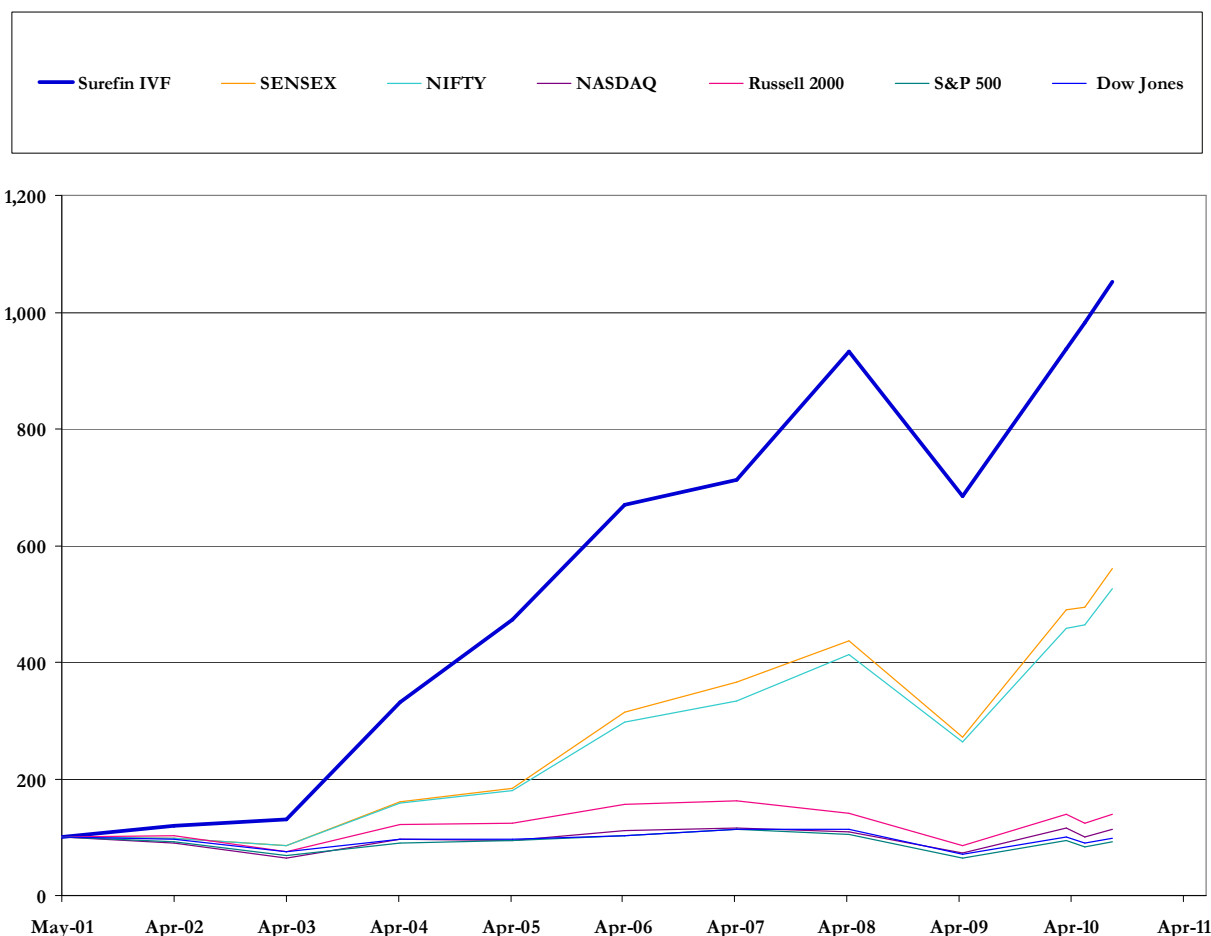
<sup>1</sup>Fees are calculated differently for different clients, depending on when they entered the fund. However, now fees are charged at 0% management fees and 25% carry, over a 5% hurdle rate, with high water marks.

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%)	(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%

\* 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.

Performance Evaluation of Surefin India Value Fund							
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
<b>CAGR</b>	<b>28.8%</b>	<b>20.4%</b>	<b>19.5%</b>	<b>1.4%</b>	<b>3.5%</b>	<b>-1.0%</b>	<b>-0.1%</b>



## Portfolio Evaluation and Mistakes

We did not do any trades this quarter. We are finding fewer investments as every month goes by. However we are researching some very interesting new investment situations (including a few Net-nets<sup>2</sup>) and may also look to add incremental capital to existing securities.

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.

I spoke at the Value Investors Congress in New York in October 2010. The gathering was a 600 member prestigious group of investors and I thank John Schwartz and Whitney Tilson for the opportunity. If you

<sup>2</sup> A Net-net is defined as a company where the cash plus liquid investments minus all liabilities exceeds the market capitalization.

have any questions regarding the presentation, please let me know. The slides presented at the Congress are on the website at: [http://surefin.com/pdf/VIC\\_Presentation\\_NY\\_Oct\\_2010.pdf](http://surefin.com/pdf/VIC_Presentation_NY_Oct_2010.pdf).

We also presented an investment idea called Balkrishna Industries Ltd, which can be found at: [http://surefin.com/pdf/Balkrishna\\_Industries\\_Ltd.pdf](http://surefin.com/pdf/Balkrishna_Industries_Ltd.pdf).

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,

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