

TAURUS TIMES

MONTHLY REPORT • OCTOBER 2009

This **Star** shares
lot more than
just its twinkle...



TAURUS STARSHARE -An open-end equity scheme with a focus on multi cap stocks

Why Taurus Starshare?

- **Dividends** - Declared 30% in November 2009
Declared 50% in July 2009
- Figures in Lipper **Top 100 Funds of the World** for the quarter ended June 2009
- **Multi-cap nature** allows fund manager the flexibility to take calls on potential small and mid-caps for generating alpha
- **Long track record**
- **Well diversified** across sectors and market-caps
- Multi-cap nature also **provides nimbleness** to swiftly move across market-caps
- **Winner of Lipper Fund Award India 2008: Best Fund over Three Years Equity India**



To invest, SMS **TSS** to **575758**
to Start SIP SMS **TSIP** to **575758**



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T@URUS LIVE FUND CARD


TAURUS
Mutual Fund

Statutory Details: Taurus Mutual Fund has been constituted as a Trust under the Indian Trust Act, 1882. **Sponsor:** HB Portfolio Ltd. **Trustee:** Taurus Investment Trust Company Ltd., Investment Manager: Taurus Asset Management Company Ltd. **Risk Factors:** All investments in mutual funds and securities are subject to market risks and the NAV of the scheme may go up or down depending upon the factors and forces affecting the securities market. There can be no assurance that the scheme's investment objectives will be achieved. The past performance of the mutual fund is not indicative of the future performance of the schemes. The sponsor is not responsible or liable for any loss resulting from the operation of the scheme beyond the initial contribution of Rs. 2 Lakhs made towards setting up of the mutual fund. Taurus Starshare is only the name of the scheme and does not in any manner indicate the quality of the scheme, its future prospects and returns. There is no guarantee or assurance as to any returns on investments of the unit holders. All dividend distributions are subject to the investment performance of the scheme. The investment made by the scheme is subject to external risks on transferring, pricing, trading volumes, settlement risks etc of securities. Please read the scheme information document/statement of additional information carefully before investing.

HOUSE OF TAURUS

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FROM THE CEO'S DESK

Dear Investor,

One of the important events for the month of October 2009 was the Credit Policy Announcement by the Reserve Bank of India. Announcing this on the 27th of October, 2009, the RBI maintained status quo on the key policy rates while restoring SLR to the earlier 25%. RBI while expressing concern on the rising inflation raised the projection for FY March 2010 to 6.5% (with an upward bias), from the earlier 5%. RBI felt that while the global economic prospects had improved, uncertainties remained about the pace and sustainability of economic recovery. Indian economy has begun to stabilise despite the continuing contraction in exports and drought / floods in certain parts of the country. Performance of Industrial sector has improved and liquidity conditions have remained easy. There were enough signals in the Policy Statement to indicate that the Central Bank's accommodative stance was to be diluted and we could see gradual hardening of interest rates, more likely towards the end of this FY or the beginning of the next FY.



In between, the global equity markets witnessed a sell off during October 2009. Indian equity markets, which had surged by more than 100% since its March 2009 lows, also underwent a healthy correction during the month. BSE Sensex lost 1230 points (7.18%) and CNX Nifty lost 372 points (7.32%).

After 4 quarters of contraction, US economy looks like leaving the recession behind with the US GDP growing at 3.5% in the last quarter, though these tentative steps of the US Economy need to be sustained, to set at rest the scepticism that the improvement is essentially the outcome of policy induced stimulus.

On the Indian front, the 2nd quarter results declared by the Indian Corporates were by and large as per expectations. The bottom line has shown a healthy improvement primarily due to cost cutting measures and increased Operational efficiency rather an increase in the Sales numbers. Some of the sectors that posted good revenue numbers were Auto & Software. This is helped by a few positive signals on the growth of bank credit marginally. Simultaneously, while Kharif crop produce is below expectation, prospects of a good Rabi crop produce have brightened. If the inflation is reigned in, probably we could achieve a GDP growth of 6.5% by the fiscal end, which is in line with RBI's expectations.

In the month of October 2009, Taurus grew its Average AUM by 40% closing with an Average AUM no. of Rs. 1400 crs. The average AUM of Taurus Short Term Bond Fund (formerly Taurus Liquid Plus) now stands at over Rs. 1000 crs. This Fund is rated AAAf by CRISIL and it has consistently endeavoured to provide above average returns without compromising on the quality of the portfolio by active duration management and portfolio mix.

The recent decline witnessed in the equity market offers an opportunity to the long term investors to build their portfolio in a gradual manner. In the short term the markets across the globe may move in tandem but in the medium to long term the strength & prospects of the Indian economy will continue to reflect in the out-performance of the Indian equity markets. This can also be seen in the following figures:

During the period January 2004 to September 2009, BSE Sensex had given a CAGR of 19.71%, which was higher than that of Brazil (19.25%), Russia (14.77%), South Korea (13.77%), China (12.43%), Hongkong (9.66%) and Singapore (7.60%). During the same period Nikkei (Japan) & Dow Jones (USA) had a CAGR of -0.51% & -1.00% respectively.

It is also a good time to look at the ELSS funds. Taurus Tax Shield is India's best performing open-end Tax Saving Fund in two & three years' time frames and it has received good ratings from leading external rating agencies.

Kind regards

Yours truly,

A handwritten signature in black ink, appearing to read 'Waqar Naqvi'. The signature is written in a cursive style with a horizontal line underneath.

Waqar Naqvi
Chief Executive

TAURUS STARSHARE - AN OPEN-END EQUITY SCHEME WITH A FOCUS ON MULTI CAP STOCKS

SCHEME FEATURES

Investment Objective

The basic objective of the Scheme is to provide long-term capital appreciation. Emphasis will be on sharing growth through appreciation as well as on distribution of income by way of dividend.

Liquidity

Sale & repurchase on all business days.

Tax Benefits

Tax-free dividends in the hands of investors, no Gift Tax, no Wealth Tax as per the present Income Tax Act.

PERFORMANCE	Period	Returns (%)	
		NAV	BSE 200*
	6 Months	55.32	46.55
	1 Year	69.74	71.33
	3 Years	5.94	7.94
	5 Years	31.03	21.32
	Since Inception	9.90	9.07

Past performance may or may not be sustained in future.

DIVIDEND HISTORY

50% dividend in July 2009

30% dividend in November 2009

*Benchmark Index

Note: Returns are calculated on a compounded annualised basis for a period of more than one year and absolute basis for a period less than or equal to one year, with reinvestment of dividends/bonus, if any.

PORTFOLIO

Name of the scrip	% to Net Assets	Name of the scrip	% to Net Assets
Jain Irrigation Systems Ltd.	4.98	Bharat Forge Ltd.	1.15
Rallis India Ltd.	4.38	Everest Kanto Cylinder Ltd.	1.15
Exide Industries Ltd.	3.72	Tata Tea Ltd.	1.13
Castrol India Limited	3.63	Nestle India Ltd.	1.09
Ranbaxy Laboratories Ltd.	2.98	Future Capital Holdings Ltd.	1.07
Lupin Ltd.	2.70	NMDC Ltd.	1.07
Rolta India Ltd.	2.47	NDTV Ltd.	1.05
Asian Paints Ltd.	2.34	Century Textiles & Industries Ltd.	1.03
Wockhardt Ltd.	2.30	Triveni Engineering & Industries Ltd.	1.02
AIA Engineering Ltd.	2.23	Balaji Telefilms Ltd.	0.99
Coromandel Fertilisers Ltd.	2.19	Mercator Lines Limited	0.96
Mahindra Lifespace Developers Ltd.	2.13	G. E. Shipping	0.96
United Phosphorus Ltd.	2.13	Gujarat Mineral Development Corp Ltd.	0.95
Dr. Reddys Laboratories Ltd.	2.01	Purvankara Projects Limited	0.95
Shree Renuka Sugars Ltd.	1.76	Moser Baer India Ltd.	0.95
Greaves Cotton Ltd.	1.75	GVK Power & Infrastructure Ltd.	0.88
Infosys Technologies Ltd.	1.74	City Union Bank Ltd.	0.87
Reliance Capital Ltd.	1.73	Power Grid Corporation Ltd.	0.83
Genus Power Infrastructures Ltd.	1.70	Tata Steel Ltd.	0.78
Maharashtra Seamless Ltd.	1.58	Bharati Shipyard Ltd.	0.73
Indian Hotels Co. Ltd.	1.56	Bata India Ltd.	0.72
ICICI Bank Ltd.	1.48	ICSA India Ltd.	0.71
PRAJ Industries Ltd.	1.47	Balrampur Chini Mills Ltd.	0.69
Apollo Tyres Ltd.	1.46	IVRCL Infrastructures & Projects Ltd.	0.69
State Bank of India	1.43	Reliance Mediaworks Ltd.	0.67
ABB Ltd.	1.43	Volta Ltd.	0.63
Tata Chemicals Ltd.	1.42	3I Infotech Limited	0.55
NIIT Ltd.	1.39	SREI Infrastructure Finance Ltd.	0.48
Aban Offshore Ltd.	1.35	Sobha Developers Limited	0.45
Biocon Ltd.	1.29	Man Industries India Limited	0.32
Chambal Fertilisers & Chemicals Ltd.	1.26	Wellwin Industry Limited	0.04
Hindustan Construction Co. Ltd.	1.25	Total - Equity	95.20
Karnataka Bank Ltd.	1.21	Cash & Others	4.80
McLeod Russell India Limited	1.18	TOTAL	100.00

Fund Manager's Comment: The markets are in a structural bull-run. There will be corrections on the way. These need to be used to build a good long-term portfolio. We will continue to invest in the domestic structural stories that revolve around Infra, education, lifestyle changes (as prosperity increases), under penetration of home ownership, financial services.

RISK FACTOR: Mutual Fund investments are subject to market risks. Please read the Scheme Information Document carefully before investing.

FUND DATA

As on 30th October, 2009

Date of Allotment: Jan 29, 1994.

Dividend Option introduced on Jan 1, 2009.

Net Asset Value (NAV) Rs.: 38.73 (D), 44.25 (G) per unit.

AAUM: Rs. 163.54 Cr.

Minimum Application Amount: Rs. 5000/- & multiples of Rs. 1000/ thereof.

Sharpe Ratio: 1.32 Standard Deviation: 43.45 R-Squared: 0.76

Alpha: 3.16 Beta: 1.07

(The above measures have been calculated by taking month end NAV for 1 year period from 31st Oct '08 to 30th October '09.)

NAV Calculation: All business days.

Fund Manager: Mr. Mohit Mirchandani

Registrar & Transfer Agent: M/s. Karvy Computershare Private Ltd.

LOAD STRUCTURE

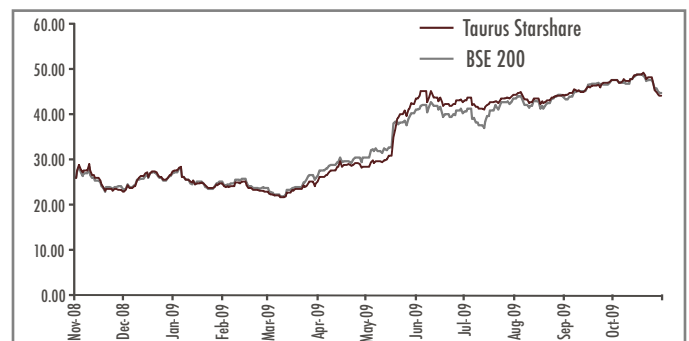
Entry Load - NIL

Exit Load - Upto any amount (Including SIP application):

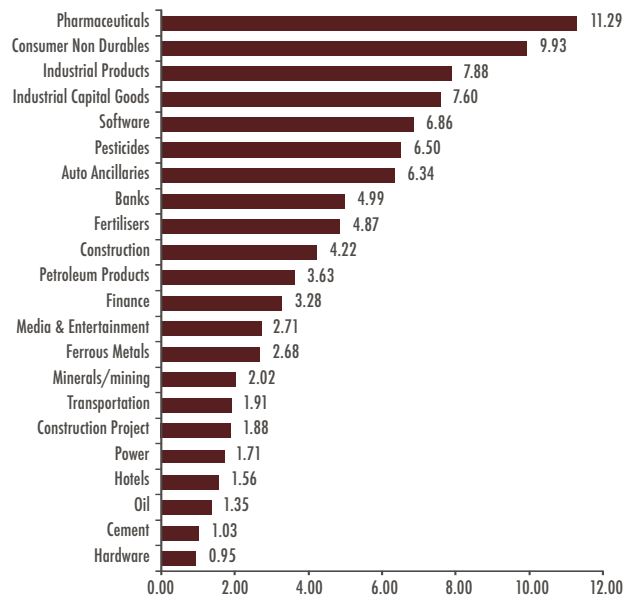
- 1% if exited before 1 year
- Nil if exited after 1 year

Switch: Equity to Equity-Exit Load Nil, Equity to Debt-Relevant exit load applicable as per the above table, Equity to ELSS-Relevant exit load applicable as per the above table.

NAV movement in the last one year vis-a-vis BSE 200



EQUITY SECTOR ALLOCATION



TAURUS INFRASTRUCTURE FUND - AN OPEN-END EQUITY THEMATIC SCHEME

SCHEME FEATURES

Investment Objective

To provide capital appreciation and income distribution to unitholders by investing pre-dominantly in equity and equity related securities of the companies belonging to infrastructure sector, it's related industries inclusive of suppliers of capital goods, raw materials and other supportive services to infrastructure companies and balance in debt and money market instruments.

Liquidity

Sale and repurchase on all business days.

Tax Benefits

Tax-free dividends in the hands of investors, no Gift Tax, no Wealth Tax as per the present Income Tax Act.

PERFORMANCE	Period	Returns (%)	
		NAV	BSE 200*
	3 Months	0.93	2.79
	6 Months	76.73	46.55
	1 Year	107.61	71.33
	Since Inception	7.09	11.43

Past performance may or may not be sustained in future.

*Benchmark Index

Note: Returns are calculated on a compounded annualised basis for a period of more than one year and absolute basis for a period less than or equal to one year, with reinvestment of dividends/ bonus, if any.

PORTFOLIO

Name of the scrip	% to Net Assets	Name of the scrip	% to Net Assets
Jain Irrigation Systems Ltd.	6.69	Moser Baer India Limited	1.78
Asian Paints Ltd.	5.69	PRAJ Industries Limited	1.65
Exide Industries Ltd.	5.58	Kirloskar Electric Co Ltd.	1.58
Castrol India Ltd.	5.44	SREI Infrastructure Finance Ltd.	1.51
KEC International Ltd.	5.14	ICSA India Ltd.	1.41
AIA Engineering Ltd.	4.59	IVRCL Infrastructures & Projects Ltd.	1.37
Shree Renuka Sugars Ltd.	4.54	Everest Kanto Cylinder Ltd.	1.37
Greaves Cotton Ltd.	4.11	Sobha Developers Limited	1.33
Rolta India Ltd.	4.10	Maharashtra Seamless Ltd.	1.29
Genus Power Infrastructures Limited	3.83	Bharati Shipyard Ltd.	1.24
B.L.Kashyap & Sons Ltd.	3.70	Purvankara Projects Limited	1.14
Mahindra Lifespace Developers Ltd.	3.51	Hindustan Construction Co. Ltd.	0.99
HEG Ltd.	3.36	G. E. Shipping	0.95
Bharat Bijlee Limited	3.06	Tata Steel Ltd.	0.93
Gujarat Mineral Development Corp Ltd.	2.85	Voltas Ltd.	0.62
Apollo Tyres Ltd.	2.64	Sintex Industries Ltd.	0.44
Bharat Forge Ltd.	2.57	Total - Equity	97.19
NIIT Ltd.	2.36	Cash & Others	2.81
Aban Offshore Ltd.	2.01	TOTAL	100.00
ABB Ltd.	1.81		

Fund Manager's Comment: The fund continued its out-performance vis-à-vis peers and the benchmark in 6 month and 1 yr category. The infra-space promises to be a huge potential in the next few years with huge projects lined up and the new governments renewed thrust on infra-spending. We continue to be bullish on the infra-space and plan to position the portfolio to play the structural India story.

FUND DATA

As on 30th October, 2009

Date of Allotment: Mar 5, 2007.

Net Asset Value (NAV) Rs.: 12.09 (D), 12.00 (G) per unit.

AAUM: Rs. 28.28Cr.

Minimum Application Amount: Rs. 5000/- & multiples of Rs. 1000/ thereof.

Sharpe Ratio: 1.58 Standard Deviation: 51.04 R-Squared: 0.74

Alpha: 17.70 Beta: 1.24

(The above measures have been calculated by taking month end NAV for 1 year period from 31st Oct '08 to 30th October '09.)

NAV Calculation: All business days.

Fund Manager: Mr. Mohit Mirchandani

Registrar & Transfer Agent: M/s. Karvy Computershare Private Ltd.

LOAD STRUCTURE

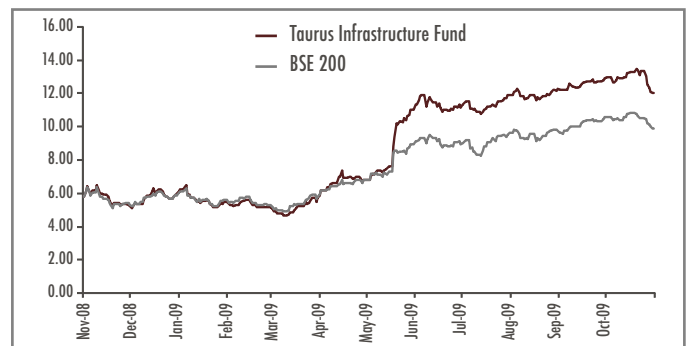
Entry Load - NIL

Exit Load - Upto any amount (Including SIP application):

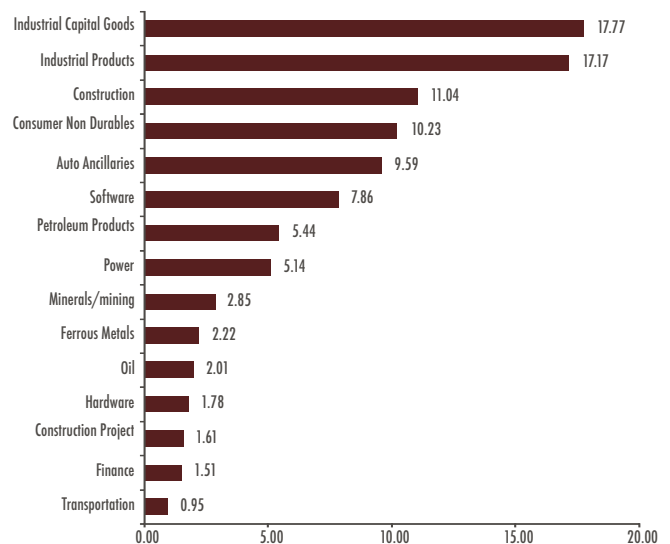
- 1% if exited before 1 year
- Nil if exited after 1 year

Switch: Equity to Equity-Exit Load Nil, Equity to Debt-Relevant exit load applicable as per the above table, Equity to ELSS-Relevant exit load applicable as per the above table.

NAV movement in the last one year vis-a-vis BSE 200



EQUITY SECTOR ALLOCATION



RISK FACTOR: Mutual Fund investments are subject to market risks. Please read the Scheme Information Document carefully before investing.

TAURUS ETHICAL FUND - AN OPEN-END EQUITY ORIENTED SCHEME

SCHEME FEATURES

Investment Objective

To provide capital appreciation and income distribution to unitholders through investment in a diversified portfolio of equities, which are based on the principles of Shariah.

Liquidity

Sale & repurchase on all business days.

Tax Benefits

Tax free dividends in the hands of Investor, No Gift Tax, No Wealth Tax as per the present Income Tax Act.

PERFORMANCE	Period	Returns (%)	
		NAV	S&P CNX 500 Shariah Index*
	3 Months	5.04	2.53
	6 Months	69.88	40.96
	1 Year	NA	NA
	Since Inception	74.30	52.26

Past performance may or may not be sustained in future.

DIVIDEND HISTORY

15% dividend in July 2009, 10% dividend in September 2009.

*Benchmark Index

Note: Returns are calculated on a compounded annualised basis for a period of more than one year and absolute basis for a period less than or equal to one year, with reinvestment of dividends/bonus, if any.

PORTFOLIO

Name of the scrip	% to Net Assets
Maharashtra Seamless Ltd.	6.40
Greaves Cotton Ltd.	6.34
Havells India Ltd.	5.80
Gujarat Narmada Valley Fertilisers Co. Ltd.	5.43
Bharat Bijlee Ltd.	5.42
Rallis India Ltd.	5.24
Exide Industries Ltd.	5.18
Castrol India Ltd.	5.18
Divis Laboratories Ltd.	5.17
B.I.kashyap & Sons Ltd.	4.92
Gmr Infrastructure Ltd.	4.78
Asian Paints Ltd.	4.72
Niit Technologies Ltd.	4.63
Aia Engineering Ltd.	4.58
Dr. Reddys Laboratories Ltd.	4.01
Tata Elxsi Ltd.	3.75
Biocon Ltd.	3.43
Tata Tea Ltd.	3.33
Everonn Education Ltd.	3.17
Hindustan Dorr Oliver Ltd.	0.66
Total - Equity	92.13
Cash & Cash Receivables	7.87
TOTAL	100.00

Fund Manager's Comment: The fund continued its out-performance vis-à-vis the benchmark -The S&P Shariah 500 Index. A concentrated portfolio has helped us in the last 2-3 months and we will continue to perceive the same strategy.

FUND DATA

As on 30th October, 2009

Date of Allotment: April 6, 2009

Net Asset Value (NAV) Rs.: 14.83 (D), 17.43 (G), 17.42 (B) per unit.

AAUM: Rs. 10.75 Cr.

Minimum Application Amount: Rs. 5000/- & multiples of Re. 1/- thereof.

NAV Calculation: All business days.

Fund Manager: Mr. Mohit Mirchandani

Registrar & Transfer Agent: M/s. Karvy Computershare Private Ltd.

LOAD STRUCTURE

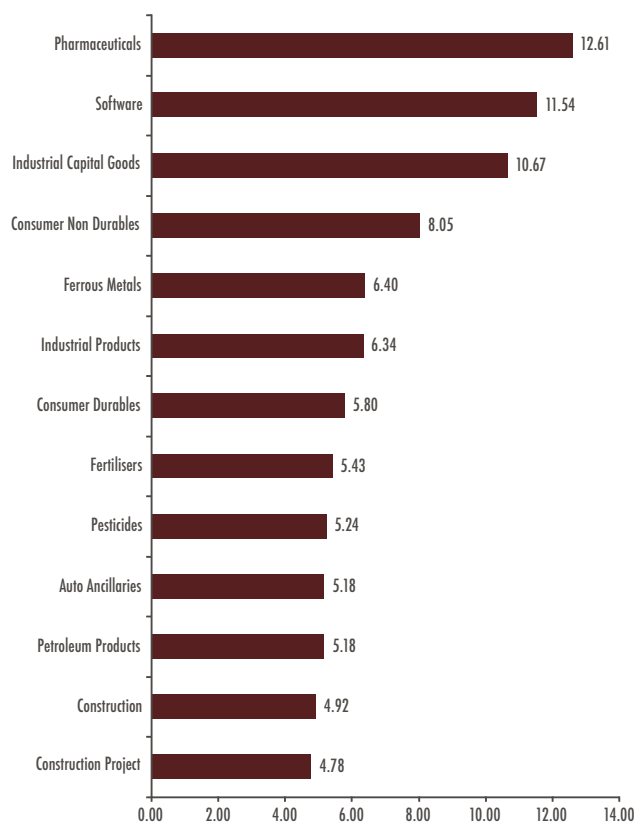
Entry Load - Nil

Exit Load - Upto any amount (Including SIP application):

- 1% if exited before 1 year
- Nil if exited after 1 year

Switch: Equity to Equity-Exit Load Nil, Equity to Debt-Relevant exit load applicable as per the above table, Equity to ELSS-Relevant exit load applicable as per the above table.

EQUITY SECTOR ALLOCATION



TAURUS TAX SHIELD - AN OPEN-END EQUITY LINKED SAVING SCHEME (ELSS)

SCHEME FEATURES

Investment Objective

To provide long term capital appreciation over the life of the scheme through investment pre-dominantly in equity shares, besides tax benefits.

Liquidity

Sale on all business days. As per Income Tax Laws, the redemption facility is available after a lock-in period of 3 years from the date of investment.

Tax Benefits

As per Section 80C of the Income Tax Act, an individual or a HUF is allowed deduction from income to an amount upto a maximum of Rs. 1 Lakh by investment in the scheme. Tax-free dividends in the hands of investors.

Personal Accident Death Insurance Cover

Available to individual / HUF investors upto five times of investment subject to a maximum of Rs. 5 Lakhs.

PERFORMANCE	Period	Returns (%)	
		NAV	BSE 200*
	6 Months	51.25	46.55
	1 Year	79.08	71.33
	3 Years	19.00	7.94
	5 Years	26.68	21.32
	Since Inception	11.39	13.64

Past performance may or may not be sustained in future.

DIVIDEND HISTORY

Growth plan: 35% dividend in Dec 2005, 16% dividend in Feb 2004, 11% dividend in Sept 2003, Dividend plan: 10% dividend in Mar 2009, 10% dividend in Jan 2009, 10% dividend in Dec 2008.

*Benchmark Index

Note: Returns are calculated on a compounded annualised basis for a period of more than one year and absolute basis for a period less than or equal to one year, with reinvestment of dividends/ bonus, if any.

PORTFOLIO

Name of the scrip	% to Net Assets	Name of the scrip	% to Net Assets
Exide Industries Ltd.	3.13	Sobha Developers Limited	1.31
AIA Engineering Ltd.	2.86	HEG Ltd.	1.24
Ranbaxy Laboratories Ltd.	2.24	State Bank of India	1.21
Tata Elxsi Ltd.	2.24	Jyoti Structures Ltd.	1.17
Biocon Limited	2.20	Shree Renuka Sugars Ltd.	1.16
DIVIS Laboratories Ltd.	2.17	Adhunik Metaliks Limited	1.16
Gujarat State Petronet Ltd	2.14	Bharat Heavy Electricals Ltd.	1.12
Greaves Cotton Ltd.	2.01	Apollo Tyres Ltd.	1.08
Jain Irrigation Systems Ltd.	1.98	PUNJ Lloyd Ltd.	1.06
Rolta India Ltd.	1.92	Usha International Ltd.	1.03
Bank of Rajasthan Ltd	1.81	Balaji Telefilms Ltd.	1.00
Bharat Bijlee Limited	1.74	Elecon Engineering Ltd.	0.99
Reliance Capital Ltd.	1.68	Man Industries India Limited	0.98
Rallis India Ltd.	1.67	Inox Leisure Ltd.	0.97
GAIL (India) Ltd.	1.61	Aditya Birla Nuvo Ltd.	0.97
Balrampur Chini Mills Ltd.	1.61	Triveni Engineering And Industries Ltd.	0.96
Genus Power Infrastructures Limited	1.59	Tech Mahindra Ltd.	0.93
Oil & Natural Gas Corporation Ltd.	1.58	Everest Kanto Cylinder Ltd	0.92
Larsen & Toubro Ltd.	1.57	Maruti Suzuki India Ltd.	0.91
Bata India Ltd.	1.57	Mercator Lines Limited	0.90
South Indian Bank Ltd.	1.55	PRAJ Industries Limited	0.90
Infosys Technologies Ltd.	1.54	Thermax India Ltd.	0.89
United Phosphorus Ltd.	1.51	NMDC Ltd.	0.88
B.L.Kashyap & Sons Ltd.	1.49	Sterlite Industries Ltd.	0.88
Reliance Industries Ltd.	1.48	Bajaj Auto Limited	0.84
ABB Ltd.	1.44	Purvankara Projects Limited	0.80
Union Bank of India	1.42	Wockhardt Ltd.	0.77
Infrastructure Development Finance Co.Ltd.	1.40	Aban Offshore Ltd	0.76
Mahindra Lifespace Developers Ltd.	1.39	Gujarat Narmada Valley Fertilisers Co. Ltd.	0.71
Gujarat Mineral Development Corp Ltd.	1.36	Kirloskar Electric Co Ltd.	0.69
NIIT Ltd.	1.35	Future Capital Holdings Ltd	0.63
Bharti Airtel Ltd.	1.32	Total - Equity	87.69
NDTV Ltd.	1.31	Cash & Others	12.31
		TOTAL	100.00

Fund Manager's Comment: The fund continues to do well vis-à-vis the benchmark and peers in the ELSS category. We strive to continue our out-performance by maintaining a balanced, well-diversified portfolio with increased weights on Infra, Auto, Commodities, Retail, Insurance, Education, etc. Focus would be on long-term growth potential.

RISK FACTOR: Mutual Fund investments are subject to market risks. Please read the Scheme Information Document carefully before investing.

FUND DATA

As on 30th October, 2009

Date of Allotment: Mar 31, 1996.

Dividend Option introduced on May 6, 2008.

Net Asset Value (NAV) Rs.: 23.05 (D), 28.51 (G) per unit.

AAUM: Rs. 27.93 Cr.

Minimum Application Amount: Rs. 500/- & multiples of Rs. 500/ thereof.

Sharpe Ratio: 1.66 Standard Deviation: 36.22 R-Squared: 0.78

Alpha: 14.12 Beta: 0.91

(The above measures have been calculated by taking month end NAV for 1 year period from 31st Oct '08 to 30th October '09.)

NAV Calculation: All business days.

Fund Manager: Mr. Prasanna Pathak.

Registrar & Transfer Agent: M/s. Karyv Computershare Private Ltd.

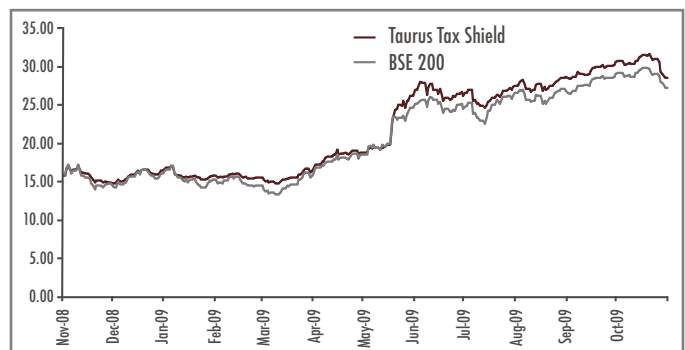
LOAD STRUCTURE

Entry Load - NIL

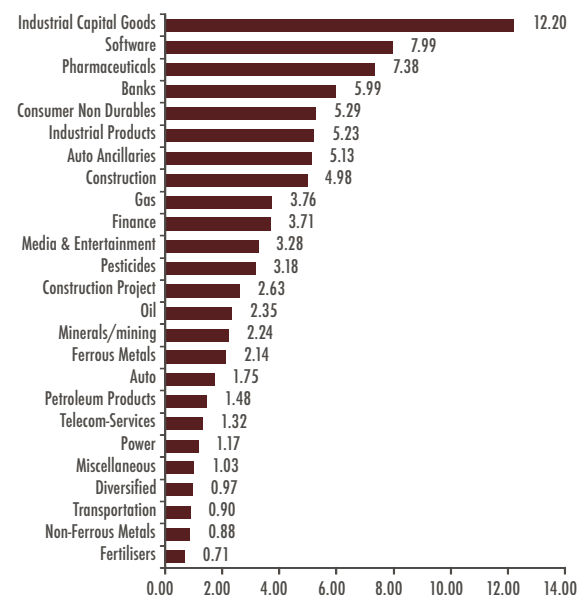
Exit Load - Upto any amount (Including SIP application):
NA

Switch: Equity to Equity-Exit Load Nil, Equity to Debt-Relevant exit load applicable as per the above table, Equity to ELSS-Relevant exit load applicable as per the above table.

NAV movement in the last one year vis-a-vis BSE 200



EQUITY SECTOR ALLOCATION



TAURUS BONANZA FUND - AN OPEN-END EQUITY SCHEME WITH A LARGE CAP FOCUS

SCHEME FEATURES

Investment Objective

Taurus Bonanza Fund is an open-end growth scheme. The investment objective is to provide investors long-term capital appreciation. Investments shall be primarily in Equity and Equity related instruments that offer scope for long-term capital appreciation. The Fund will also be invested in debt and money market instruments.

Liquidity

Sale & repurchase on all business days.

Tax Benefits

Tax-free dividends in the hands of investors, no Gift Tax, no Wealth Tax as per the present Income Tax Act.

PERFORMANCE	Period	Returns (%)	
		NAV	BSE 100*
	6 Months	41.23	43.58
	1 Year	59.02	68.21
	3 Years	1.74	8.06
	5 Years	20.77	22.42
	Since Inception	11.77	11.62

Past performance may or may not be sustained in future.

Bonus in the ratio of 1:3 in October 2003. Dividend - 25% in July, 2006 from growth option

*Benchmark Index

Benchmark Index changed from BSE 200 to BSE 100 w.e.f. 20th March, 2009.

Note: Returns are calculated on a compounded annualised basis for a period of more than one year and absolute basis for a period less than or equal to one year, with reinvestment of dividends/bonus, if any.

PORTFOLIO

Name of the scrip	% to Net Assets	Name of the scrip	% to Net Assets
ICICI Bank Ltd.	3.78	United Phosphorus Ltd.	1.39
Ranbaxy Laboratories Ltd.	3.68	Thermax India Ltd.	1.36
Infosys Technologies Ltd.	2.94	Crompton Greaves Ltd.	1.32
Larsen & Toubro Ltd.	2.66	NMDC Ltd.	1.32
Dr. Reddys Laboratories Ltd.	2.62	Tata Power Co. Ltd.	1.27
Bharat Heavy Electricals Ltd.	2.42	Greaves Colton Ltd.	1.18
Divis Laboratories Ltd.	2.28	Bajaj Auto Ltd.	1.16
Gujarat State Petronet Ltd.	2.27	PUNJ Lloyd Ltd.	1.14
Balrampur Chini Mills Ltd.	2.06	Future Capital Holdings Ltd.	1.11
HDFC Bank Ltd.	2.04	Everest Kanto Cylinder Ltd.	1.11
Reliance Industries Ltd.	2.02	PRAJ Industries Limited	1.10
Infrastructure Development Finance Co. Ltd.	1.95	Sterlite Industries Ltd.	1.09
Housing Development Finance Cor. Ltd.	1.92	Mercator Lines Limited	1.06
Bank of Rajasthan Ltd.	1.89	Tech Mahindra Ltd.	1.05
ABB Ltd.	1.88	Elecon Engineering Ltd.	1.04
NIIT Ltd.	1.84	Financial Technologies India	0.98
GAIL (India) Ltd.	1.82	Century Textiles & Industries Ltd.	0.98
Reliance Capital Ltd.	1.80	Tata Elxsi Ltd.	0.97
Biocon Limited	1.74	GMR Infrastructure Limited	0.97
Wockhardt Ltd.	1.72	Maruti Suzuki India Ltd.	0.94
Bharti Airtel Ltd.	1.66	G. E. Shipping	0.91
Tata Steel Ltd.	1.63	Steel Authority of India Ltd.	0.87
Mahindra Lifespace Developers Ltd.	1.62	Castrol India Limited	0.85
Shree Renuka Sugars Ltd.	1.62	Ultratech Cement Ltd.	0.83
State Bank of India	1.55	Suzlon Energy Ltd.	0.63
Jaiprakash Associates Ltd.	1.53	Mahindra & Mahindra Ltd.	0.63
Oil & Natural Gas Corporation Ltd.	1.51	ITC Ltd.	0.52
Rolta India Ltd.	1.45	Tata Consultancy Services Ltd.	0.39
Aditya Birla Nuvo Ltd.	1.45	Total - Equity	91.77
Aban Offshore Ltd.	1.45	Cash & Others	8.23
NDTV Ltd.	1.40	TOTAL	100.00
Indian Hotels Co. Ltd.	1.39		

Fund Manager's Comment: With stability around for the next five years and anticipated increased FII flows in the country, we plan to position the portfolio to play the structural India story with increased weights on Infra, Commodities, Retail, Insurance, Education etc. The focus would be on large-cap stocks, which provide stability and good long-term growth potential.

FUND DATA

As on 30th October, 2009

Date of Allotment: Feb 28, 1995.

Dividend Option introduced on May 6, 2008.

Net Asset Value (NAV) Rs.: 35.40 (D), 35.35 (G) per unit.

AAUM: Rs. 34.17 Cr.

Minimum Application Amount: Rs. 5000/- & multiples of Rs.1000/- thereof.

Sharpe Ratio: 1.29 Standard Deviation: 37.82 R-Squared: 0.82

Alpha: - 0.40 Beta: 0.97

(The above measures have been calculated by taking month end NAV for 1 year period from 31st Oct '08 to 30th October '09.)

NAV Calculation: All business days.

Fund Manager: Mr. Prasanna Pathak.

Registrar & Transfer Agent: M/s. Karvy Computershare Private Ltd.

LOAD STRUCTURE

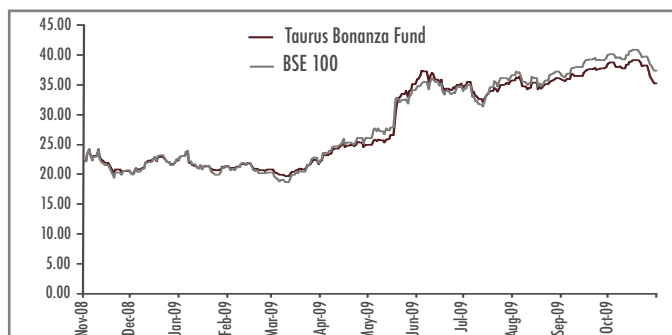
Entry Load - NIL

Exit Load - Upto any amount (Including SIP application):

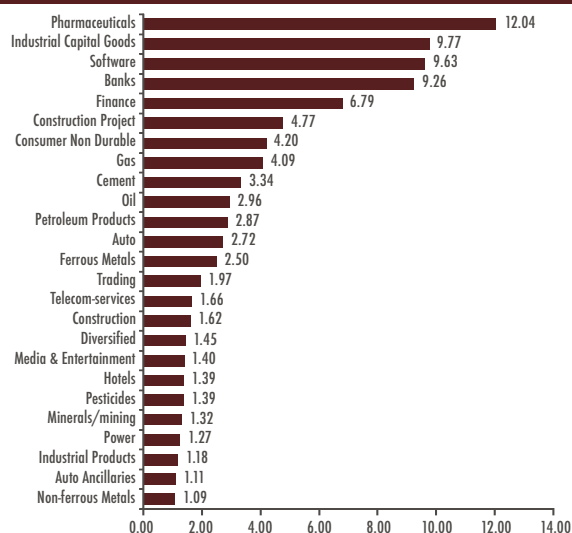
- 1% if exited before 1 year
- Nil if exited after 1 year

Switch: Equity to Equity-Exit Load Nil, Equity to Debt-Relevant exit load applicable as per the above table, Equity to ELSS-Relevant exit load applicable as per the above table.

NAV movement in the last one year vis-a-vis BSE 100



EQUITY SECTOR ALLOCATION



RISK FACTOR: Mutual Fund investments are subject to market risks. Please read the Scheme Information Document carefully before investing.

TAURUS DISCOVERY FUND - AN OPEN-END EQUITY FUND WITH MID CAP AND SMALL CAP FOCUS

SCHEME FEATURES

Investment Objective

The primary objective of the Scheme is to identify and select low priced stocks through price discovery mechanism, which would broadly include: • To capitalise on available opportunity on growth potential offered by undervalued penny stocks. • Such stocks being low priced and if dividend paying, decent dividend yield will give desired cushion in the volatile capital market. • Lower side risk is minimum in such investments. • Many of such cases where investment will be made, may be turnaround cases, therefore, greater potential for improvement in NAV.

Liquidity

Salv & repurchase on all business days.

Tax Benefits

Tax-free dividends in the hands of investors, no Gift Tax, no Wealth Tax as per the present Income Tax Act.

PERFORMANCE	Period	Returns (%)	
		NAV	CNX Midcap Index*
	6 Months	59.04	70.43
	1 Year	43.67	87.65
	3 Years	-4.36	10.82
	5 Years	17.21	22.99
	Since Inception	1.71	7.48

Past performance may or may not be sustained in future.

*Benchmark Index

Benchmark Index changed from BSE 200 to CNX Midcap Index w.e.f. 20th March, 2009. Note: Returns are calculated on a compounded annualised basis for a period of more than one year and absolute basis for a period less than or equal to one year, with reinvestment of dividends/ bonus, if any.

PORTFOLIO

Name of the scrip	% to Net Assets	Name of the scrip	% to Net Assets
AIA Engineering Ltd.	3.51	Future Capital Holdings Ltd.	1.30
Exide Industries Ltd.	3.40	Shipping Corporation Of India Ltd.	1.27
Biocon Limited	3.14	Max India Limited	1.23
Indian Overseas Bank	2.71	Aurobindo Pharma Ltd.	1.23
Lupin Ltd.	2.68	ING Vysya Bank Ltd.	1.22
Divis Laboratories Ltd.	2.41	Gujarat Mineral Development Corp Ltd.	1.20
Tata Chemicals Ltd.	2.35	Jyoti Structures Ltd.	1.19
Ranbaxy Laboratories Ltd.	2.28	Ultratech Cement Ltd.	1.18
Jain Irrigation Systems Ltd.	2.18	Ratnamani Metals & Tubes Ltd.	1.13
HEG Ltd.	2.08	Shree Renuka Sugars Ltd	1.11
Balrampur Chini Mills Ltd.	2.06	Triveni Engineering And Industries Ltd.	1.11
City Union Bank Limited	2.04	Crompton Greaves Ltd.	1.04
GAIL (India) Ltd.	2.02	Emco Ltd.	1.04
Wockhardt Ltd.	1.97	PRAJ Industries Limited	1.04
Tata Elxsi Ltd.	1.97	Tech Mahindra Ltd.	0.98
Rallis India Ltd.	1.93	Elecon Engineering Ltd.	0.98
United Phosphorus Ltd.	1.92	Mundra Port & Special Eco Zone Ltd.	0.93
Greaves Cotton Ltd.	1.89	Man Industries India Limited	0.93
IDBI Bank Ltd.	1.84	Everest Kanto Cylinder Ltd.	0.91
Adhunik Metaliks Limited	1.70	NMDC Ltd.	0.89
Bharat Bijlee Limited	1.65	ABB Ltd.	0.83
Bank of Rajasthan Ltd.	1.65	Aditya Birla Nuvo Ltd.	0.82
Genus Power Infrastructures Limited	1.62	Titan Industries Ltd.	0.82
Bata India Ltd.	1.57	NDTV Ltd.	0.82
Thermax India Ltd.	1.57	Bharat Forge Ltd.	0.70
Piramal Healthcare Limited	1.56	Rolta India Ltd.	0.67
Union Bank of India	1.56	Purvankara Projects Ltd.	0.66
NIIT Ltd.	1.55	Gujarat Narmada Valley Fertilisers Co. Ltd.	0.62
Gujarat State Petronet Ltd.	1.39	Total - Equity	90.66
HCL Technologies Ltd.	1.33	Cash & others	9.34
Reliance Capital Ltd.	1.30	TOTAL	100.00

Fund Manager's Comment: We believe that over the next 3-5 years, the mid-cap category will outperform their large-cap peers and hence will continue to look for good structural stories in the mid-cap space.

FUND DATA

As on 30th October, 2009

Date of Allotment: Sep 5, 1994.

Net Asset Value (NAV) Rs.: 12.94 (D), 12.93 (G) per unit.

AAUM: Rs. 24.89 Cr.

Minimum Application Amount: Rs. 5000/- & multiples of Rs.1000/- thereof.

Sharpe Ratio: 0.93 Standard Deviation: 43.26 R-Squared: 0.72

Alpha: -12.29 Beta: 1.04

(The above measures have been calculated by taking month end NAV for 1 year period from 31st Oct '08 to 30th October '09.)

NAV Calculation: All business days.

Fund Manager: Mr. Prasanna Pathak.

Registrar & Transfer Agent: M/s. Karvy Computershare Private Ltd.

LOAD STRUCTURE

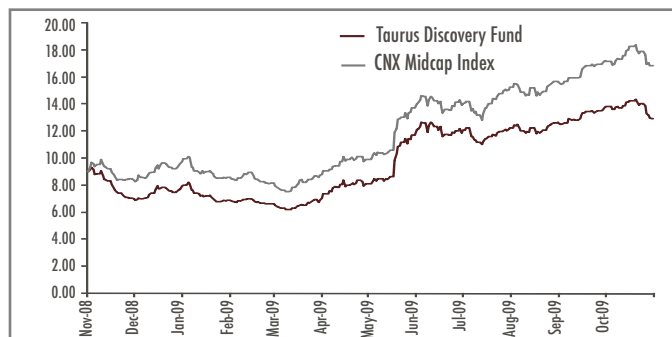
Entry Load - NIL

Exit Load - Upto any amount (Including SIP application):

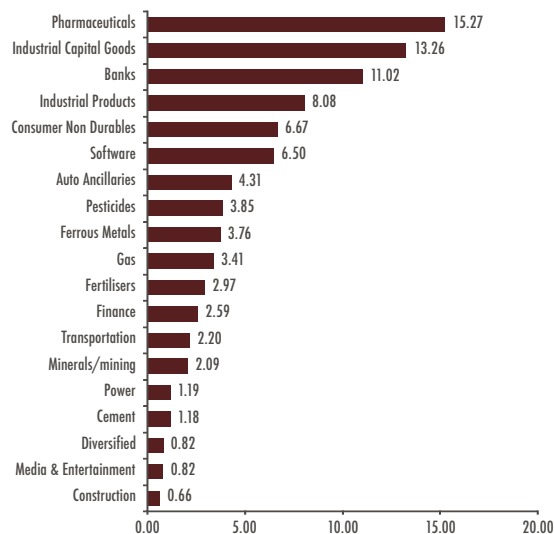
- 1% if exited before 1 year
- Nil if exited after 1 year

Switch: Equity to Equity-Exit Load Nil, Equity to Debt-Relevant exit load applicable as per the above table, Equity to ELSS-Relevant exit load applicable as per the above table.

NAV movement in the last one year vis-a-vis CNX Midcap Index



EQUITY SECTOR ALLOCATION



RISK FACTOR: Mutual Fund investments are subject to market risks. Please read the Scheme Information Document carefully before investing.

TAURUS ULTRA SHORT TERM BOND FUND - AN OPEN-END SHORT TERM BOND SCHEME

(Formerly known as Taurus Short Term Bond Fund)

SCHEME FEATURES

Investment Objective

To generate returns with higher liquidity and low volatility from a portfolio of money market and debt instruments. However, there is no assurance that the investment objective of the scheme will be realised.

Liquidity

Sale & repurchase on all business days.

Tax Benefits for Dividend Distribution

	Individuals	Corporate	NRI
Short Term Bond Fund	12.5%+ 10% surcharge+ 3% cess	20%+ 10% surcharge+ 3% cess	12.5%+ 10% surcharge+ 3% cess
Total Tax	14.16%	22.66%	14.16%
Money Market and Liquid Schemes	25%+ 10% surcharge+ 3% cess	25%+ 10% surcharge+ 3% cess	25%+ 10% surcharge+ 3% cess
Total Tax	28.33%	28.33%	28.33%

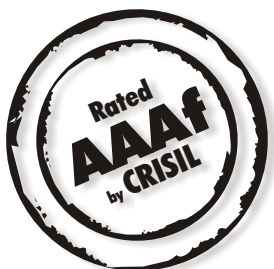
PERFORMANCE	Period	Returns (%)			Crisil Liquid Fund Index*
		NAV			
	Retail	Institutional	Super Institutional Growth Plan		
	6 Months	2.27	2.35	2.44	1.58
	1 Year	NA	NA	NA	NA
	3 Years	NA	NA	NA	NA
	5 Years	NA	NA	NA	NA
	Since Inception	5.30	5.49	5.69	5.25

The past performance may or may not be sustained in future.

*Benchmark Index:

Note: (1) Returns are calculated on a compounded annualised basis for a period of more than one year and absolute basis for a period less than or equal to one year, with reinvestment of dividends/bonus, if any. (2) The scheme became open-ended w.e.f. December 2, 2008.

Fund Manager's Comment: The short term rates have been moving downward on the back of adequate liquidity and also the lack of interest in the long term income funds. This is expected to remain for sometime. Even though the rates have come down significantly during the current year there still may be appetite for liquid funds on account of risk aversion. We feel that the returns may also remain range bound with a downward bias. We would however continue to have a mix of duration assets in the scheme and would continue to keep significant tap on the liquidity situation.



FUND DATA

As on 30th October, 2009

CRISIL Certified AAf Fund

Date of Allotment: December 1, 2008.

Net Asset Value (NAV):

Retail Rs.: 10.0036 (D), 10.5302 (G), 10.0066 (W) per unit.

Institutional Rs.: 10.0036 (D), 10.5485 (G), 10.0067 (W) per unit.

Super Institutional Rs.: 10.0036 (D), 10.5690 (G), 0.0000 (W) per unit.

Average Maturity Period: 0.36 years.

AAUM: Rs. 1,046.11 Cr.

Minimum Application Amount:

Retail Plan: Rs. 5,000/- per application and thereafter in multiples of Rs. 1,000/- thereof

Institutional Plan: Rs. 1 cr. per application and thereafter in multiples of Rs. 1000/- thereof.

Super Institutional Plan: Rs. 5 crs. per application and thereafter in multiples of Rs. 1000/- thereof.

Additional Subscription Amount:

Retail Plan: Rs. 1,000/- per application and thereafter in multiples of Rs. 1,000/-.

Institutional Plan: Rs. 1lakh per application and thereafter in multiples of Rs. 1000/-.

Super Institutional Plan: Rs. 1lakh per application and thereafter in multiples of Rs. 1000/-.

Fund Manager: Mr. Kumar Nathani.

Registrar & Transfer Agent: M/s. Karvy Computershare Private Ltd.

PORTFOLIO

Name of the scrip	% to Net Assets	Name of the scrip	% to Net Assets
Cd's	Rating	Cp's	Rating
Allahabad Bank	P1+ 2.25	Small Industrial Dev Bank of India	PR1+ 3.74
Punjab and Sind Bank	A1+ 1.88	Godrej Industries Ltd.	A1+ 1.89
Barclays Bank	P1+ 1.88	ONGC Videsh Ltd.	P1+ 1.87
United Bank of India Ltd.	A1+ 1.88	Sterlite Industries (India) Ltd.	P1+ 1.83
Punjab National Bank	PR1+ 1.88	Birla Global Finance Company Ltd.	A1+ 1.80
Union Bank of India Ltd.	A1+ 1.88	Future Capital Holding	PR1+ 1.78
Bank of Baroda	A1+ 1.87	Gammon India Ltd.	PR1+ 1.76
IDBI Bank Ltd	P1+ 1.87	Kotak Mahindra Pime Ltd.	P1+ 1.05
HDFC Bank Ltd.	PR1+ 1.86	IDBI Home Finance	A1+ 0.75
Central Bank of India Ltd.	PR1+ 1.85	Hindustan Construction Co Ltd.	PR1+ 0.74
Central Bank of India	PR1+ 1.85	Simplex Infrastructures Ltd.	PR1+ 0.75
ICICI Bank Ltd.	A1+ 1.85	Kalpataru Power Transmission Ltd.	PR1+ 0.74
Corporation Bank	P1+ 1.84	Godrej Agrovet Ltd.	A1+ 0.38
Kotak Mahindra Bank Ltd.	P1+ 1.84	TOTAL CP's	19.08
State Bank of Travancore Ltd.	P1+ 1.81	DPC's	
State Bank of Patiala	A1+ 1.80	Religare Finvest Ltd.	A1+ 1.89
IDBI Bank Ltd.	P1+ 1.78	RHC Holding Pvt Ltd.	A1+ 1.89
Axis Bank Ltd.	P1+ 1.78	Piramal Healthcare Ltd.	A1+ 1.13
Standard Chartered Bank	P1+ 1.76	Madras Cement Ltd.	A1+ 0.15
Oriental Bank of Commerce Ltd.	P1+ .39	TOTAL DPC's	5.06
Jammu & Kashmir Bank Ltd.	P1+ 1.13	NCD's	
State Bank of Mysore	A1+ 1.11	9.10% Deccan Chronicle Holdings Ltd.	PR1+ 3.77
Andhra Bank	F1+(IND) 0.75	8.15% Reliance Capital Ltd.	CAREAAA 0.76
State Bank of Bikaner & Jaipur	P1+ 0.75	TOTAL NCD's	4.53
Bank of Maharashtra	P1+ 0.38	PTC	
ICICI Bank Ltd.	A1+ 0.38	Corporate Loan Sec. SR XXIX Trust 2006Sr C.F1+(SO)	1.92
State Bank of Hyderabad	A1+ 0.38	TOTAL PTC	1.92
Punjab National Bank	PR1+ 0.37	3% ABN AMRO Bank	1.89
TOTAL CD's	42.05	Short Term Money Market Instruments	4.65
		Cash & Cash Receivables	20.82
		TOTAL	100.00

LOAD STRUCTURE

Entry Load	Exit Load
NIL	<ul style="list-style-type: none"> Retail Plan: Nil Institutional Plan: Nil Super Institutional Plan: Nil

Switch: Exit Load NIL.

RISK FACTOR: Mutual Fund investments are subject to market risks. Please read the Scheme Information Document carefully before investing.

TAURUS LIQUID FUND - AN OPEN-END LIQUID SCHEME

SCHEME FEATURES

Investment Objective

To generate steady and reasonable income, with low risk and high level of liquidity from a portfolio of money market securities and high quality debt.

Liquidity

Sale & repurchase on all business days.

Tax Benefits

Tax free dividends in the hands of investors, no Gift Tax, no Wealth Tax as per the present Income Tax Act.

PERFORMANCE	Period	Returns (%)	
		NAV	Crisil Liquid Fund Index*
	3 Months	0.72	0.69
	6 Months	1.48	1.48
	1 Year	3.83	6.24
	3 Years	5.61	7.11
	Since Inception	5.65	7.05

The past performance may or may not be sustained in future.

*Benchmark Index:

Note: Returns are calculated on a compounded annualised basis for a period of more than one year and absolute basis for a period less than or equal to one year, with reinvestment of dividends/ bonus, if any.

PORTFOLIO

Name of the scrip	Rating	% to Net Assets
Gammon India Ltd CP	PR1+	9.87
Short Term Money Market Instruments		9,435.05
Cash & Cash Receivables		-9,344.92
TOTAL		100.00

Fund Manager's Comment: The short term rates have been moving downward on the back of adequate liquidity and also the lack of interest in the long term income funds. This is expected to remain for sometime. Even though the rates have come down significantly during the current year there still may be appetite for liquid funds on account of risk aversion. We feel that the returns may also remain range bound with a downward bias. We would however continue to have a mix of duration assets in the scheme and would continue to keep significant tap on the liquidity situation.



FUND DATA

As on 30th October, 2009

CRISIL Certified AAAf Fund

Date of Allotment: Aug 31, 2006.

Net Asset Value (NAV) Rs.: 10.0114 (D), 11.9049(G) per unit.

Super Institutional Rs.: 10.0001 (D), 10.0035 (G) per unit.

Average Maturity Period: 0.08 years.

AAUM: Rs. 56.14Cr.

Minimum Application Amount:

Retail Plan: Rs. 5,000/- per application and thereafter in multiples of Rs. 1,000/- thereof.

Institutional Plan: Rs. 1 cr. per application and thereafter in multiples of Rs. 1000/- thereof.

Super Institutional Plan: Rs. 5 crs. per application and thereafter in multiples of Rs. 1000/- thereof.

Additional Subscription Amount:

Retail Plan: Rs. 1,000/- per application and thereafter in multiples of Rs. 1,000/-.

Institutional Plan: Rs. 1lakh per application and thereafter in multiples of Rs. 1000/-.

Super Institutional Plan: Rs. 1lakh per application and thereafter in multiples of Rs. 1000/-.

Sharpe Ratio: -3.44 Standard Deviation: 0.22 R-Squared: 0.00

Alpha: -0.78 Beta: 0.01

(The above measures have been calculated by taking month end NAV for 1 year period from 31st Oct '08 to 30th October '09.)

NAV Calculation: All business days.

Fund Manager: Mr. Kumar Nathani.

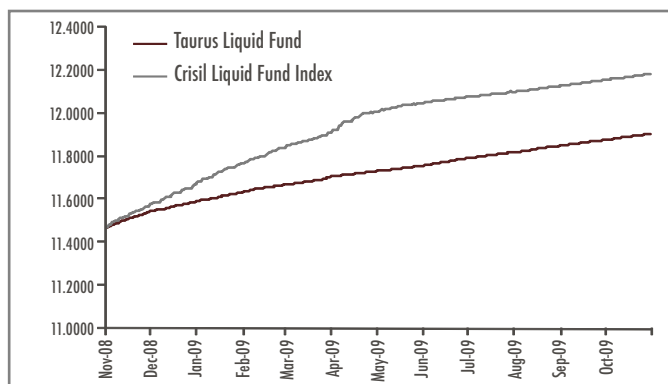
Registrar & Transfer Agent: M/s. Karvy Computershare Private Ltd.

LOAD STRUCTURE

Entry Load	Exit Load
NIL	NIL

Switch: Exit Load NIL.

NAV movement in the last one year vis-a-vis Crisil Liquid Fund Index



TAURUS INCOME FUND - AN OPEN-END BOND SCHEME

SCHEME FEATURES

Investment Objective

To maximize income through basket of debts, bonds, debentures, Government Securities and money market instruments etc. of varying maturities while maintaining safety and liquidity.

Liquidity

Sale & repurchase on all business days.

Tax Benefits

Tax-free dividends in the hands of investors, no Gift Tax, no Wealth Tax as per the present Income Tax Act.

PERFORMANCE	Period	Returns (%)	
		NAV	Crisil Composite Bond Fund Index*
	6 Months	-1.58	-0.09
	1 Year	0.34	9.87
	3 Years	3.43	6.26
	5 Years	4.67	5.63
	Since Inception	5.35	5.93

Past performance may or may not be sustained in future.

Rs. 0.30 per unit dividend declared in the scheme in February 2002.

*Benchmark Index from April 1, 2002

Note: Returns are calculated on a compounded annualised basis for a period of more than one year and absolute basis for a period less than or equal to one year, with reinvestment of dividends/ bonus, if any.

Fund Manager's Comment: The 10-year Government Security benchmark yield after touching around 7.50% in the previous month moved in a narrow range for a significant period of time. The expectation is that since there has been a hike in the SLR there would once again be demand for Government Securities which would by itself put the pressure on the yields. We expect the yields on a ten year Government Security to trade between 7.15% to 7.35% during the month. The inflation is expected to move higher during the month and this may make the markets a little nervous. The corporate bonds yields would track the Government bond yields and since not much of corporate credit is taking off the spread may also narrow slightly. The income funds look quite attractive on a long term perspective.

FUND DATA

As on 30th October, 2009

Date of Allotment: Aug 18, 2001.

Net Asset Value (NAV) Rs.: 14.8749(D), 15.3341 (G) per unit.

AAUM: Rs. 1.75 Cr.

Minimum Application Amount: Rs. 5000/- & multiples of Rs. 1000/- thereof.

Sharpe Ratio: -1.35 **Standard Deviation:** 3.08 **R-Squared:** 0.08

Alpha: -4.46 **Beta:** 0.14

(The above measures have been calculated by taking month end NAV for 1 year period from 31st Oct '08 to 30th October '09.)

NAV Calculation: All business days.

Fund Manager: Mr. Kumar Nathani.

Registrar & Transfer Agent: M/s. Karvy Computershare Private Ltd.

LOAD STRUCTURE

Entry Load - NIL

Exit Load - Upto any amount (Including SIP application):

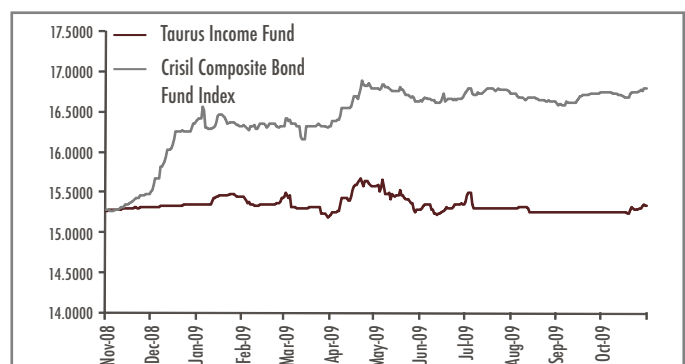
- 1% if exited before 1 year
- Nil if exited after 1 year

Switch: Debt to debt/Equity - relevant exit load applicable as per the above table.

PORTFOLIO

Name of the scrip	% to Net Assets
Short Term Money Market Instruments	46.47
9.85% GOI 2015 (M/D. 16.10.2015)	29.34
6.35%GOI 2020 (MD 2/01/2020)	23.98
Cash & Cash Receivables	0.21
TOTAL	100.00

NAV movement in the last one year vis-a-vis Crisil Composite Bond Fund Index



TAURUS GILT FUND - AN OPEN-END GILT SCHEME

SCHEME FEATURES

Investment Objective

To provide risk free returns to the investors even for a shorter duration through investment in securities issued by Central Government or State Government or any security unconditionally guaranteed by Government of India. Investment will also be made in repos and reverse repos.

Liquidity

Sale & repurchase on all business days.

Tax Benefits

Tax-free dividends in the hands of investors, no Gift Tax, no Wealth Tax as per the present Income Tax Act.

PERFORMANCE	Period	Returns (%)	
		NAV	I-Sec Composite Index*
	6 Months	1.26	-2.13
	1 Year	2.20	8.11
	3 Years	2.90	8.26
	5 Years	1.40	7.48
	Since Inception	4.06	6.94

Past performance may or may not be sustained in future.

Rs. 0.30 per unit dividend declared in the scheme in February 2002.

*Benchmark Index from April 1, 2002

Note: Returns are calculated on a compounded annualised basis for a period of more than one year and absolute basis for a period less than or equal to one year, with reinvestment of dividends/bonus, if any.

Fund Manager's Comment: The 10-year Government Security benchmark yield after touching around 7.50% in the previous month moved in a narrow range for a significant period of time. The expectation is that since there has been a hike in the SLR there would once again be demand for Government Securities which would by itself put the pressure on the yields. We expect the yields on a ten year Government Security to trade between 7.15% to 7.35% during the month. The inflation is expected to move higher during the month and this may make the markets a little nervous. The gilt funds look quite attractive on a long term perspective.

FUND DATA

As on 30th October, 2009

Date of Allotment: Aug 18, 2001.

Net Asset Value (NAV) Rs.: 13.5835 (D), 13.8619 (G) per unit.

AAUM: Rs. 0.02 Cr.

Minimum Application Amount: Rs. 5000/- & multiples of Rs. 1000/- thereof.

Sharpe Ratio: -7.93 Standard Deviation: 0.30 R-Squared: 0.02

Alpha: -2.37 Beta: 0.00

(The above measures have been calculated by taking month end NAV for 1 year period from 31st Oct '08 to 30th October '09.)

NAV Calculation: All business days.

Fund Manager: Mr. Kumar Nathani.

Registrar & Transfer Agent: M/s. Karvy Computershare Private Ltd.

LOAD STRUCTURE

Entry Load - NIL

Exit Load - Upto any amount (Including SIP application):

- 1% if exited before 1 year
- Nil if exited after 1 year

Switch: Debt to debt/Equity - relevant exit load applicable as per the above table.

PORTFOLIO

Name of the scrip	% to Net Assets
Cash & Cash Receivables	100.00
TOTAL	100.00

NAV movement in the last one year vis-a-vis I Sec Composite Index

