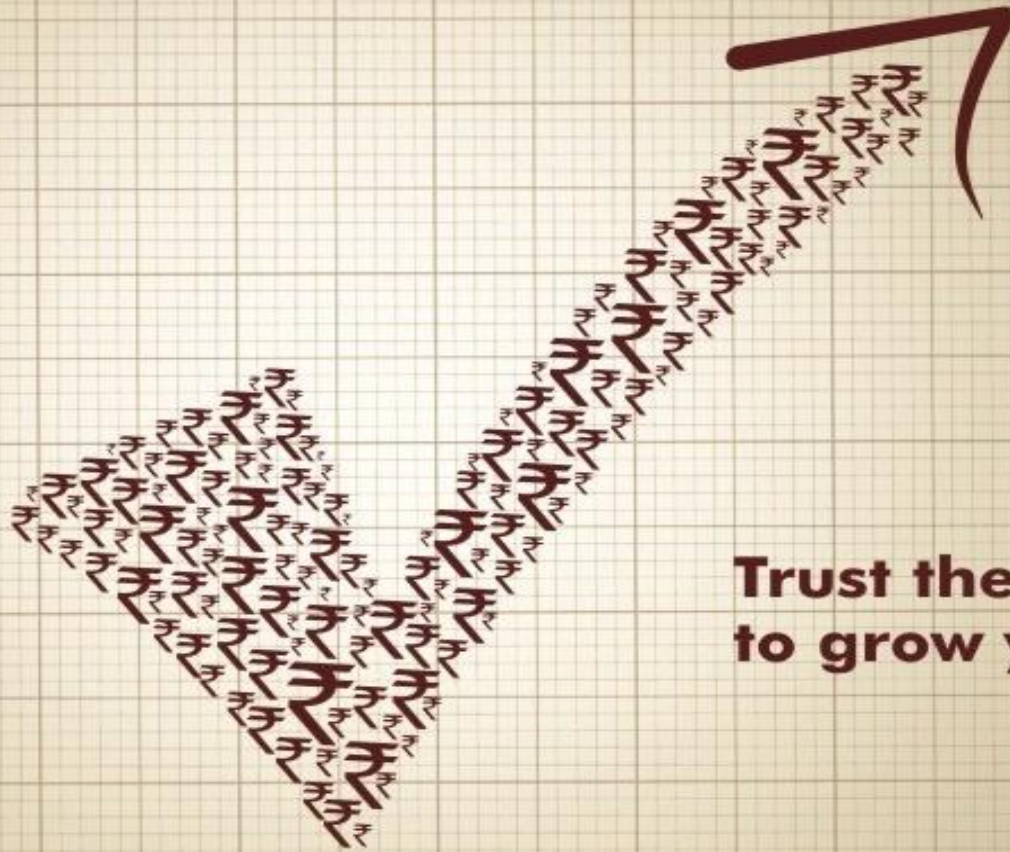




Taurus Ethical Fund



**Trust the right values
to grow your investments**

TAURUS ETHICAL FUND - An open - end equity oriented scheme

Investment Strategy :

- ✧ This fund is diversified equity fund catering to the investors who are looking for Shariah compliant investment opportunities.
- ✧ Long term wealth creation through investment in Shariah compliant equity instruments.
- ✧ Being diversified fund, can invest across the Shariah compliant sectors and stocks so as to benefit from the opportunities prevailing in the sectors.
- ✧ Selection of stocks based on better management quality, good corporate governance and strong balance sheet with limited exposure to debt.

Key Features:

- ✧ A socially responsible investing fund.

Salient Features of Taurus Ethical Fund



- Key Feature : Socially responsible way of investing in the capital markets.
- Inception Date : 6th April 2009
- First Actively Managed Shariah Compliant Fund in India.
- Uses S&P CNX 500 Shariah Index as the Benchmark Index
- Invests only in listed Indian Stocks from the Shariah Compliant stocks in S&P CNX 500 universe

Taurus Shariah Screening Criteria

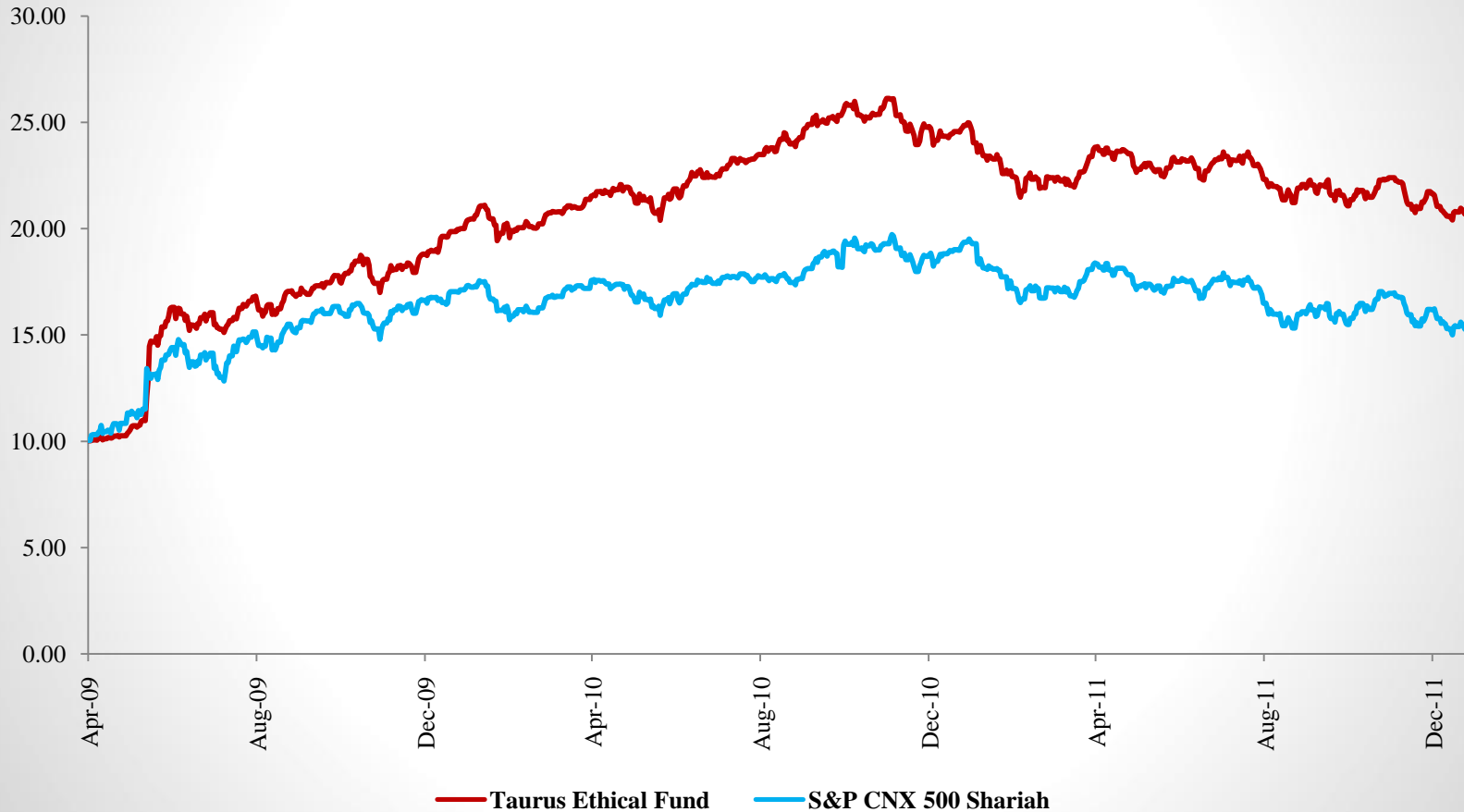
Filters	Feature
Primary filter - Sector Based Screens (Excluded Industries)	Banks and NBFCs
	Breweries, Distilleries, Alcohol related chemicals
	Adult Entertainment, Gambling
	Advertising & Media (newspapers are allowed)
	Tobacco and related business, chewing pan masala
	Trading of gold & silver as cash on deferred basis
	Pork & related business
	Leverage Compliance Debt/Market Value of Equity (12 months avg) <33%
Secondary filter - Accounting Based Screens	Cash Compliance
	Accounts Receivables/Market Value of Equity (12 months avg) <49%
	(Cash+Interest Bearing Securities)/ Market Value of Equity (12 months avg) <33%
	Revenue Share from Non-Compliant Activities (Non-Permissible Income other than Interest Income)/Revenue <5%

Theme of Taurus Ethical Fund

Themes the Fund Manager is optimistic of

- Information Technology
- Oil and Gas
- Telecom
- Engineering
- Metals
- Consumption
- Infrastructure
- Pharmaceutical

Taurus Ethical performance relative to Benchmark (since inception)



Taurus Ethical Fund- Portfolio Data as on Dec'11



Top 10 Equity Holdings of Taurus Ethical

Company Name	% of Net Asset
Hindustan Unilever Limited	6.05%
Indraprastha Gas Limited	5.42%
Sun Pharmaceutical Industries Limited	5.33%
Infosys Limited	5.21%
Divis Laboratories Limited	5.01%
Reliance Industries Limited	4.95%
Gail (India) Limited	4.79%
Rallis India Limited	4.53%
Oil & Natural Gas Corporation Limited	3.94%
Tata Consultancy Services Limited	3.20%
Total Top 10 Equity Holding	48.43%
Other Equity	34.95%
Total Equity Holdings	83.38%

Top 10 Equity Sectors of Taurus Ethical

Sector Name	% of Net Asset
Pharmaceuticals	16.02%
Consumer Non Durables	13.97%
Software	13.09%
Gas	11.43%
Oil	5.49%
Petroleum Products	4.95%
Pesticides	4.53%
Media & Entertainment	2.25%
Transportation	2.10%
Industrial Capital Goods	2.07%
Total Top 10 Equity Sector Holding	75.89%
Other Equity Sectors	7.49%
Total Equity Sector	83.38%

Taurus Ethical Fund



Top 10 Holdings of Taurus Ethical Fund, as on December 2011

Company	CMP	PE-FY13	EPS growth FY11 - FY13E	Reason to buy
Hindustan Unilever Limited	407.80	31.78	14.42%	Volume growth to remain strong & margins to rise. it's increased focus in the high growth & high margin categories like Personal care & Beverages would improve the overall profitability going forward
Indraprastha Gas Limited	376.15	14.04	20.04%	Ability to pass on input gas price with robust demand outlook for CNG and PNG, provide good earning momentum.
Sun Pharmaceutical Industries Limited	496.85	20.20	18.56%	Strong chronic franchise in India, Taro boosting an already healthy US biz makes Sun's biz model is amongst the best in Indian generic space
Infosys Limited	2765.05	16.81	13.94%	Robust demand uptick from BFSI, Healthcare sector is on card, This would lead to price and margin uptick resulting in improved profitability. Depreciating INR would also add to profitability
Divis Laboratories Limited	775.35	16.09	22.35%	Cash rich company to drive its growth from new acquisition in Biotech field
Reliance Industries Limited	692.90	8.68	11.83%	Higher utilization and stable GRMs augur well for the company. Partnership with BP may lead to increased efficiency of the oil blocks.
Gail (India) Limited	384.10	10.25	12.50%	Hinged by secure, long-term earnings visibility and dominance in the high-margin pipelines space, GAIL is in a safe spot in transmission. Also, petchem
Rallis India Limited	120.65	10.91	27.53%	Acquisition of the seed business, improved export business and operation of dahej SEZ are some of the key trigger for the stock.
Oil & Natural Gas Corporation Limited	256.95	7.76	7.60%	Reduced subsidy sharing burden after diesel de-regulation will prove key catalyst
Tata Consultancy Services Limited	1161.25	18.20	19.70%	We are buyer due to 1) TCS's all round growth 2) Increasing share in large transformational deals 3) Operational excellence. Except ~20% 2yr EPS CAGR and believe this to drive stock return

Why Taurus Ethical Fund ?

- India's first & only actively managed equity fund based on the principles of Shariah. Stock selection from S&P CNX 500 Shariah universe. Currently there are about 164 stocks in S&P CNX 500 Index that are Shariah Compliant.
- Portfolio is adequately diversified across compliant sectors. Active management within these sectors has delivered superior performance.
- Ideal for investors looking at socially compliant / responsible way of investing (does not invest in sectors like liquor, tobacco, hotels, banks etc.).
- During FY09-10 declared 3 dividends amounting in aggregate to Rs 4.50 per unit.
- During FY10-11 declared a dividend of Rs.1.80 per unit on 10th Dec' 10.
- As on 31st Dec' 11, TEF has given an CAGR of 30.40% since inception as against return of 16.51% by the Benchmark index.

Scheme Details

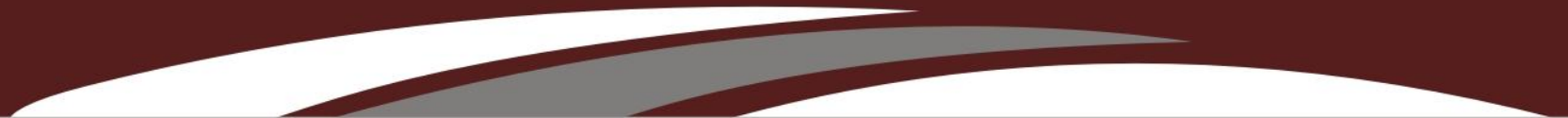
Particulars	Features
Nature	Open ended equity oriented scheme that invests in companies which are compliance with Shariah norms
Minimum Application Amount	Rs.5000 and multiple of Re 1 thereof
Load Structure	Entry Load - Nil
	Exit Load - 1% if exited before 1 year, Nil after 1 year
Choice of Investment	Growth Option
	Dividend Option - Dividend payout, Dividend Reinvestment & Dividend Sweep
	Bonus Option
Benchmark	S&P CNX 500 Shariah
Asset Allocation	At least 80% in Equity & Equity related instruments and up to 20% in money market instruments. (Non interest bearing current account). No F&O in the portfolio
NAV (31st Dec'11)	Growth - 20.68
	Dividend - 13.97
	Bonus - 20.68
AAUM (31st Dec'11)	Rs. 26.26 Crs
Fund Manager	Mr.Sadanand Shetty

Performance of Schemes Managed by the Fund Manager - Sadanand Shetty (as on 31st Dec'11)



Name of the Scheme, Benchmark & Additional Benchmark	Date of Inception	31/12/2010-31/12/2011	31/12/2009-31/12/2010	31/12/2008-31/12/2009	Since Inception	
					Returns	Value of Rs 10000
Taurus Starshare	29th Jan'94	-20.53%	23.46%	85.41%	9.19%	48,390
BSE 200		-26.95%	16.22%	88.51%	7.57%	37,024
S&P CNX Nifty		-24.62%	17.95%	75.76%	7.47%	36,372
Taurus Ethical Fund	6th Apr'09	-16.81%	24.24%	-	30.40%	-
S&P CNX 500 Shariah		-21.29%	13.13%	-	16.51%	-
S&P CNX Nifty		-24.62%	17.95%	-	13.67%	-
Taurus Taxshield	31st Mar'96	-22.21%	18.88%	94.85%	10.04%	45,148
BSE 200		-26.95%	16.22%	88.51%	11.24%	53,587
S&P CNX Nifty		-24.62%	17.95%	75.76%	10.31%	46,933
Taurus Bonanza Fund	28th Feb'95	-23.53%	14.76%	79.30%	10.16%	51,023
BSE 100		-25.73%	15.66%	85.04%	9.73%	47,788
S&P CNX Nifty		-24.62%	17.95%	75.76%	9.42%	45,572
Taurus Discovery Fund	25th Sept'94	-30.45%	13.99%	90.92%	0.90%	11,670
CNX Midcap		-31.00%	19.16%	98.97%	6.06%	27,723
S&P CNX Nifty		-24.62%	17.95%	75.76%	7.35%	34,164
Taurus Infrastructure Fund	5th Mar'07	-34.00%	11.45%	127.18%	-0.08%	9,960
BSE 200		-26.95%	16.22%	88.51%	4.86%	12,577
S&P CNX Nifty		-24.62%	17.95%	75.76%	5.47%	12,930
Taurus Nifty Index Fund	19th Jun'10	-26.31%	-	-	-9.28%	-
S&P CNX Nifty		-24.62%	-	-	-8.07%	-

Market Wrap



Market Wrap- Dec'11

- ❖ The BSE Sensex lost 6.2% and ended the month at 15,455 points. Nifty lost 6.3% and ended the month at 4,624 points. The Broader market indices BSE 500 lost 7.2%.
- ❖ Midcap and Smallcap indices were laggards with BSE Midcap losing 9.6% and BSE Small Cap losing 9.4%.
- ❖ FIIs flow (Equity) turned positive during the month with net buy of Rs 97.9 Cr, in US\$ term figure is 31.4 \$ mn.
- ❖ Indian Mutual funds (Equity) have changed their position and were net buyers in volatile markets. Mutual funds bought net Rs 580.1 Cr.
- ❖ Annual Inflation in India for Nov'11 came at 9.11% compared with 9.73% for the previous month (above market estimate of 8.9%).
- ❖ IIP for the month of Nov'11 grew by 5.9% compared to revised negative 4.1% in the previous month.
- ❖ On the positive side, India's key infra sector rebounded in Nov'11 with growth of 6.8% compared to 0.1% in Oct'11 and 3.7% in the year ago, led by a revival in cement, steel and electricity production. Same will get reflected in revival in IPP for Nov '11.
- ❖ Indirect Tax collection for the first 9month of FII grew by 16.1% to Rs 2.86 lakh crores to achieve 72.7% of budget estimate.

Key events in Domestic Markets:

- ✧ In Mid Quarter Monetary Policy Review, RBI kept repo and reverse repo rates unchanged to arrest the inflation which may lead to further slowdown in the economy. CRR unchanged at 6%, despite market speculation that it might cut the rate in order to bolster market liquidity.
- ✧ The government has raised its borrowing target for FY12 by another Rs400bn over the previously announced (Sept' 11) additional borrowing of Rs528.7bn for the fiscal. Overall (planned) government borrowing for the year has now reached Rs5.1trn (Rs4.7trn+Rs400bn), implying an increase of 22% from the FY12 budgeted amount of Rs4.17trn.

Key events in International Markets:

- ✧ US Fed has decided to keep federal funds rate at 0 to 1/4 percent and reiterated that it would keep rate unchanged at least through mid-2013.
- ✧ HSBC China Manufacturing PMI rose slightly in Dec' 11 but stayed in contraction territory. China PMI rose to 49.0 in Dec' 11 compared with a final reading of 47.7 in Nov' 11.

- Equity markets are sensing breather from initial signs of US recovery and potential stability in European markets. Apart from global events, domestic events would hold the key for directional move in current quarter. Significant event in the current quarter, to begin with January credit policy, February State Assembly Election and Union Budget 2013 are expected to keep markets volatile in the coming months. While we believe that near term outlook will be dependent on quarterly earnings and January credit policy, long term outlook is clearly underpinned by outlook of assembly election and direction provided by the Union Budget. Markets would closely watching concrete policy action of the Government post missed opportunity in last many years and resultant economic slowdown. Any sense of containing fiscal deficit and proactive policies should boost market sentiments.



Winning the Game for us means
Winning the Market for you

About Taurus Mutual Fund

Why Taurus Mutual Fund?

It's a fund house on the move...



- Product basket comprises of 6 Equity Funds, 1 ELSS, 5 Fixed Income Funds and one Monthly Income Plan besides FMPs’.
- Taurus Liquid Fund rated as AA Af by CRISIL and Taurus Ultra Short Term Bond Fund rated as AA Af by CRISIL & CARE for credit quality of the portfolio.
- Two equity funds – 'Taurus Tax Shield' and 'Taurus Infrastructure Fund' bagged the prestigious Business World Best Mutual Funds Awards for the year 2009.
- Professional Service Providers:
 - ✎ Registrar & Transfer Agent : Karvy Computershare Pvt. Ltd
 - ✎ Custodian: HDFC Bank Ltd
 - ✎ Fund Accountant : Deutsche Investor Services Limited

**past performance is no guarantee of future results*

Our Schemes

EQUITY

- Taurus Starshare
- Taurus Bonanza Fund
- Taurus Discovery Fund
- Taurus Infrastructure Fund
- Taurus Ethical Fund
- Taurus Tax Shield (ELSS)
- Taurus Nifty Index Fund

DEBT

- Taurus Short Term Income Fund
- Taurus Ultra Short Term Bond Fund
- Taurus Dynamic Income Fund
- Taurus Liquid Fund
- Taurus Gilt Fund
- Taurus MIP Advantage
- Taurus FMP Schemes

Board of Directors of Taurus AMC



Mr. J. P. Kundra - Former MD, State Bank of India

Mr. M.G. Gupta - Former Addl Controller General of Accounts, Govt. of India

Maharaja Jai Singh — From the Royal family of Jaipur / Hotelier

Mr. Lalit Bhasin - Promoter Director

Mr. Vijay Sood - Ex Investment Banker, HSBC (Asia Pacific)

Mr. R K Gupta- MD, Former MD-PNB Mutual Fund

Senior Management Personnel



Mr. Waqar Naqvi: Chief Executive (AICWA, MBA, 20 years exp)

Mr. Sanjay Parikh: Chief Operations Officer(CA, CFA, 20 years exp)

Mr. Sadanand Shetty: Sr. Fund Manager-Equity(M.Com, PGDFA, 17 years exp)

Mr. Rahul Pal: Head- Fixed Income (B.Com, C.A., 10 years exp)

Mr. Jude Abraham: Head Institutional Sales (B.A., PGDBM, 12 years exp)

Mr. V. Sasidhar : Head-Customer Service (M.Com, 23 years exp)

Mr. Nazish Ahmed : Head- Marketing(M.Com, MBA, 12years exp)

Mr. Ramesh Kabra : Head- Product Development (B.Sc., M.A. (Eco), 31 years exp)

VP & Senior Fund Manager - Equity

Mr. Sadanand Shetty

Masters in Commerce (specialisation in Banking & Finance), Sadanand has done his PGDFA

He has a total work ex of 17 years. His last assignment was with Kotak Securities as VP & Portfolio Manager -Equity for 5 years & 8 months. He has also worked with Soc Gen in Institutional equities for 4 years, Newscorp owned Indya.com Pvt. Ltd. for 2 years, Principal Capital Markets Ltd. as VP-Investments for 2 years and Capital Markets Publishers Pvt. Ltd. as an analyst for 3 years.

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 Limited **Investment Manager:** Taurus Asset Management Company Limited

Scheme Nature & Objective

Taurus Ethical Fund is an open-end equity oriented scheme. Scheme is to provide capital appreciation and income distribution to unit-holders through investment in a diversified portfolio of equities, which are based on the principles of Shariah.

Risk Factors

Risk Factors: : All Investments in mutual funds and securities are subject to market risks and the NAV of the schemes may go up or down depending upon the factors and forces affecting the securities market. There can be no assurance that schemes' 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 schemes beyond the initial contribution of Rs.2 Lakh made towards setting up of the Mutual Fund. The scheme, Taurus Ethical, does not in any manner indicate the quality of the scheme , its future prospects or returns. There is no guarantee or assurance as to any return on investment of the unit holders. The investments made by the schemes are subject to external risks on transferring , pricing, trading volumes, settlement, etc. of securities. Please read the Scheme Information Document / Statement of Additional Information / Key Information Memorandum of all schemes before investing.

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* Detailed methodology of Value Research Rating is available at www.valueresearchonline.com

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