

TAURUS TIMES

MONTHLY REPORT • DECEMBER 2008

YOUNG, ENTHUSED AND FOCUSED
WE SEE THE FUTURE



TAURUS MUTUAL FUND WISHES ALL ITS READERS
A HAPPY & PROSPEROUS 2009!



TAURUS
Mutual Fund

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FROM THE CEO'S DESK

Dear Investor,

So, finally the sun has set on 2008 and we saw a new dawn emerging with the advent of 2009.

Too many writers, newspapers and magazines will reflect on 2008. Hence to avoid being repetitive, I would prefer not to torture the readers by recollecting most of the events of 2008, but focus on Taurus AMC and its progress in 2008.

To begin with, we have shifted our Head Office to Mumbai, in the process taking a much larger office in Andheri East, while the office at Nariman Point in Mumbai became the Mumbai Sales Office. We also moved our fund accounting from being in-house to Deutsche Bank, while we retained Karvy as the R&T.

We have hired very seasoned professionals from across the industry and from related businesses and beefed up our team considerably, both in terms of quantity and quality. Simultaneously, we had increased our physical presence to more than 20 cities in the country.

Taurus Mutual Fund has launched two monthly FMPs and mobilized Rs. 105 crs and Rs. 45 crs respectively in the same. Taurus Mutual Fund has also launched the Taurus Liquid Plus Fund in November 2008. On the other side, we realigned the names of all our schemes to reflect the common ownership. The Taurus Mutual Fund logo changed in line with our image and reflected a new and rejuvenated Taurus Mutual Fund. We increased the number of folios and re-juggled the portfolios in sync with the changing reality of the markets.

Apart from the above and several other things implemented and the calls we took, the most notable call was to hold back the launch of our one year FMPs (for which we had approvals from SEBI in August 2008) and delay the launch of Taurus Liquid Plus Fund (which was approved by SEBI in August 2008 and had been rated AAAf by CRISIL). These in our view, are the best calls we took given what unfolded in October in view of the liquidity doing a vanishing act and Taurus Mutual Fund sailed through on the back of this understanding of the business without any hiccups.

Despite the above, one cannot forget the fact that the business environment has become increasingly challenging with liquidity levels still low in the system, reflecting in a steep drop in the AUM of the MF industry. SEBI, RBI and AMFI did a wonderful job to manage the crisis which had unfolded in an unparalleled manner and the impact of which was much more than anticipated.

The good part though is that while the US, UK, Japan and Europe are struggling to reduce the impact of recession; India is making efforts to ensure that the growth rate of the economy does not go down dramatically. Largely, we have our fundamentals still intact. Being amongst the lowest cost producers of steel and aluminum, the largest consumer of cell phone instruments month on month, the largest producer, consumer and exporter of two wheelers, we also ensure that no car is made in the world without spare parts from India and our competitiveness in Information Technology and Hospitality is second to none. The above points are only some of our strengths. The other demographics like having the largest population of youth, being the largest consumer of Gold and a stock market which has a very secular division between various sectors for the market capitalization make us a very strong story still. The only point worth worrying about is that our fiscal deficit is likely to increase, which we as a fund house believe is not an astonishing fact, given the point India is placed on the growth curve. Our exports are still very less as a % of the GDP and we are largely a home consumption driven economy.

All of the above augurs are well for the Indian Economy. While the fall was very steep, we feel that the upswing in the Indian markets will be quicker than what most people think. The RBI has come up with several stimuli and even if they have a positive impact with some lag effect, we should see a better growth in the Indian stock markets in the second half of CY 2009.

In the meantime, the Indian Fixed Income markets have been delivering very good returns to the MF investors with the interest rates on the downswing. We feel that the rally towards the longer side of gilts is getting ready to peak, however there is money to be made in the medium range. Towards this we intend to position our Taurus Income Fund with a split of approx 70:30 between Corporate paper and Gilts respectively and run it with a modified duration of approx 3 years, thus ensuring that it is placed to take advantage of the medium term difficulty faced by the corporate in raising money and also run it with a relatively lower beta. Yet, we will be poised to take dynamic calls as the situation unfolds, in the best interests of the investors.

To conclude, we reiterate that investors having a reasonable time horizon of 2 to 3 years, should still put in money in equities, while not ignoring the Income Funds.

And last but not the least, Taurus Mutual Fund wishes everyone a wonderful, prosperous, fulfilling and a great 2009!

Yours Truly,



Waqar Naqvi
Chief Executive

TAURUS STARSHARE - AN OPEN-ENDED EQUITY SCHEME WITH A FOCUS ON MARKET CAP STOCKS

SCHEME FEATURES

Investment objective:

To provide capital appreciation by investing in equity & equity related securities. The scheme's investment strategy is oriented towards investing in a mix of large, mid & small cap stocks through a research based approach.

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 | -36.61 | -29.66 |
| | 1 Year | -66.17 | -56.46 |
| | 3 Years | -1.91 | -0.84 |
| | 5 Years | 15.56 | 8.57 |
| | Since Inception | 6.77 | 5.78 |

Past performance may or may not be sustained in future.

*Benchmark Index

Note: Returns are calculated on 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 |
|---|-----------------|
| Crompton Greaves Ltd. | 9.31 |
| Jaiprakash Associates Ltd. | 9.23 |
| Aditya Birla Nuvo Ltd. | 4.40 |
| Larsen & Toubro Ltd. | 3.67 |
| Punjab National Bank | 2.91 |
| Reliance Capital Ltd. | 2.43 |
| Housing Development & Infrastructure Ltd. | 2.25 |
| India Cements Ltd. | 2.19 |
| GTL Ltd. | 1.96 |
| Tata Steel Ltd. | 1.93 |
| Balance Equity | 30.17 |
| Total - Equity | 70.45 |
| Others including Cash | 29.55 |
| TOTAL | 100.00 |

Fund Manager's Comment: *The exposure in 2 scrips i.e. JP Associates and Crompton Greaves is about 18.54% of the total assets of the scheme. Higher exposure has been kept on account of growth prospects in these 2 scrips which may result in an improvement in the market price of these scrips as well as in the NAV of the scheme.

FUND DATA

As on 31st December, 2008

Date of Allotment: Jan 29, 1994.

Net Asset Value (NAV): Rs. 26.60 per Unit (G).

Assets Under Management: Rs. 90.2985 Cr.

Minimum Application Amount: Rs. 1000/- & multiples of Re. 1/- thereof.

NAV Calculation: All business days.

Fund Manager: Mr. R.K. Gupta.

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

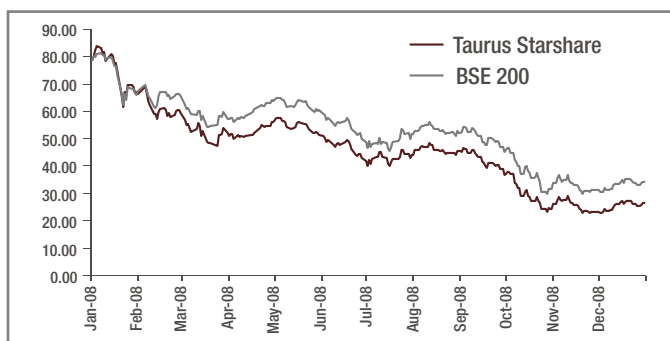
LOAD STRUCTURE

w.e.f. July 15, 2008

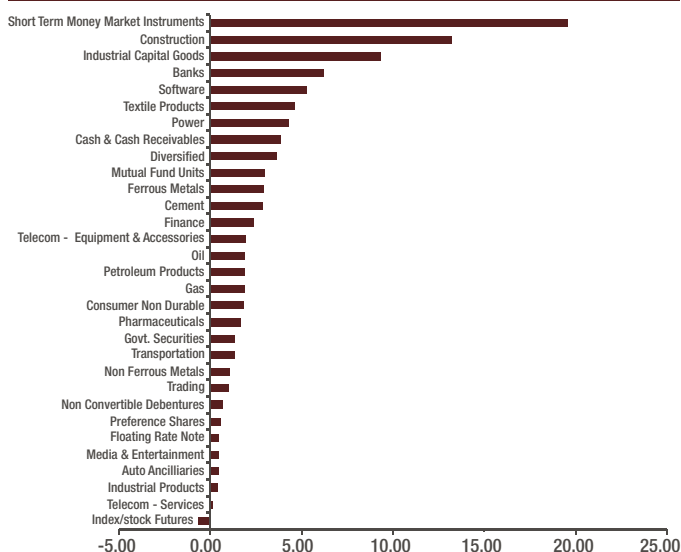
| Amount in Rs. Crores | Entry Load | Exit Load as % Period in months | |
|-------------------------------------|------------|---------------------------------|----------|
| | | 0 - 6 | > 6 < 12 |
| Less than 2 Cr. | 2.25% | 1.00% | 0.50% |
| 2 Cr. and above but less than 5 Cr. | 0.00% | 0.50% | 0.00% |
| 5 Cr. and above | 0.00% | 0.00% | 0.00% |
| Any amount by SIP | 2.25% | 1.00% | 1.00% |

Switch: Equity to Equity / ELSS - Entry / Exit Load NIL and Equity to Liquid / Debt - Entry / Exit Load as per Load structure of the scheme.

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



SECTOR ALLOCATION



RISK FACTOR: Mutual fund investments are subject to market risks. Please read the offer document of the scheme carefully before investing.

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

SCHEME FEATURES

Investment objective:

To provide capital appreciation by investing in equity & equity related instruments mainly of large cap stocks.

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 | -30.94 | -29.66 |
| | 1 Year | -59.39 | -56.46 |
| | 3 Years | -4.72 | -0.84 |
| | 5 Years | 8.15 | 8.57 |
| | Since Inception | 6.80 | 8.39 |

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

*Benchmark Index

Note: Returns are calculated on 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 |
|-------------------------------|-----------------|
| State Bank Of India | 7.72 |
| Bharat Heavy Electricals Ltd. | 4.89 |
| Reliance Industries Ltd. | 4.53 |
| Crompton Greaves Ltd. | 4.10 |
| Larsen & Toubro Ltd. | 3.81 |
| Jaiprakash Associates Ltd. | 3.66 |
| Hindustan Unilever Ltd. | 3.03 |
| Bharti Airtel Ltd. | 2.88 |
| Reliance Infrastructure Ltd. | 2.78 |
| Sun Pharma | 2.32 |
| Balance Equity | 31.67 |
| Total - Equity | 71.48 |
| Others including Cash | 28.50 |
| TOTAL | 100.00 |

Fund Manager's Comment : Markets are expected to be volatile and range-bound in the next few months. Effects of rate cuts and stimulus package by various central banks on the world economy and political events on the domestic front will be closely watched by the markets. However, there are many blue chip stocks with strong operating cash-flows and a robust business model available at attractive valuations due to the broader market fall and negative sentiments. Our strategy will be to invest in sectors relatively less impacted by global turmoil and in large-cap companies with a good business model, strong balance sheet and cash generation ability. We will maintain a good level of cash to enter into these companies at the right time.

FUND DATA

As on 31st December, 2008

Date of Allotment: Feb 28, 1995.

Net Asset Value (NAV): Rs. 22.37 (D), 22.37 (G) per unit.

Assets Under Management: Rs. 24,7894 Cr.

Minimum Application Amount: Rs. 1000/- & multiples of Re. 1/- thereof.

NAV Calculation: All business days.

Fund Manager: Mr. Prasanna Pathak.

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

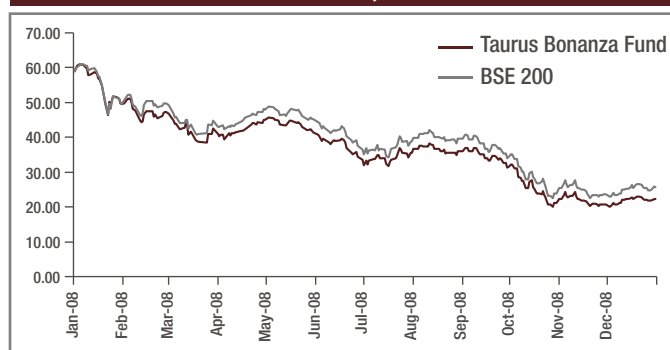
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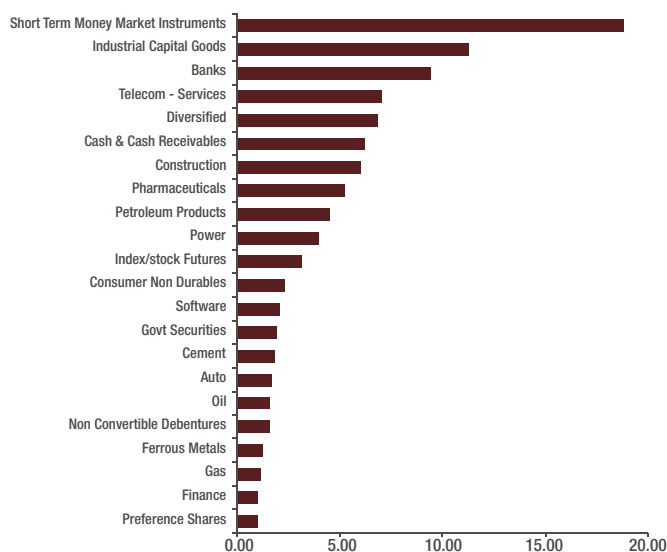
| Amount in Rs. Crores | Entry Load | Exit Load as % Period in months | |
|-------------------------------------|------------|---------------------------------|----------|
| | | 0 - 6 | > 6 < 12 |
| Less than 2 Cr. | 2.25% | 1.00% | 0.50% |
| 2 Cr. and above but less than 5 Cr. | 0.00% | 0.50% | 0.00% |
| 5 Cr. and above | 0.00% | 0.00% | 0.00% |
| Any amount by SIP | 2.25% | 1.00% | 1.00% |

Switch: Equity to Equity / ELSS - Entry / Exit Load NIL and Equity to Liquid / Debt - Entry / Exit Load as per Load structure of the scheme.

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



SECTOR ALLOCATION



RISK FACTOR: Mutual fund investments are subject to market risks. Please read the offer document of the scheme carefully before investing.

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

SCHEME FEATURES

Investment objective:

To provide long term capital appreciation, besides tax benefits, by investing predominantly in a portfolio of equity and equity related securities.

Liquidity:

Sale on all business days. As per Income Tax Laws, redemption facility available after 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 maximum of Rs. 5 Lakhs.

| PERFORMANCE | Period | Returns (%) | |
|-------------|-----------------|-------------|----------|
| | | NAV | BSE 200* |
| | 6 Months | -20.74 | -29.66 |
| | 1 Year | -46.27 | -56.46 |
| | 3 Years | -3.35 | -0.84 |
| | 5 Years | 9.05 | 8.57 |
| | Since Inception | 6.63 | 9.93 |

Past performance may or may not be sustained in future.

11% dividend in September, 2003, 16% dividend in February, 2004.

35% dividend in December, 2005, 10% dividend in December, 2008.

*Benchmark Index

Note: Returns are calculated on 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 |
|------------------------------------|-----------------|
| ITC Ltd. | 3.41 |
| NTPC Ltd. | 3.18 |
| Bharti Airtel Ltd. | 3.17 |
| Punjab National Bank | 2.95 |
| Reliance Industries Ltd. | 2.70 |
| Jaiprakash Associates Ltd. | 2.67 |
| Hindustan Unilever Ltd. | 2.63 |
| Bharat Heavy Electricals Ltd. | 2.63 |
| GAIL (India) Ltd. | 2.60 |
| Sun Pharmaceutical Industries Ltd. | 2.52 |
| Balance Equity | 40.81 |
| Total - Equity | 69.27 |
| Others including Cash | 30.73 |
| TOTAL | 100.00 |

Fund Manager's Comment : Markets are expected to be volatile and range-bound in the next few months. Effects of rate cuts and stimulus package by various central banks on the world economy and political events on the domestic front will be closely watched by the markets. However, there are many blue chip stocks with strong operating cash-flows and a robust business model available at attractive valuations due to the broader market fall and negative sentiments. Our strategy will be to invest in sectors relatively less impacted by global turmoil and in companies with a good business model, strong balance sheet and cash generation ability. Our focus will be on long-term value generation. Fund will be more oriented towards large-cap stocks. We will maintain a good level of cash to enter into these companies at the right time.

FUND DATA

As on 31st December, 2008

Date of Allotment: Mar 31, 1996.

Net Asset Value (NAV): Rs. 15.51 (D), 16.50 (G) per Unit.

Assets Under Management: Rs. 11,3985 Cr.

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

NAV Calculation: All business days.

Fund Manager: Mr. Prasanna Pathak.

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

LOAD STRUCTURE

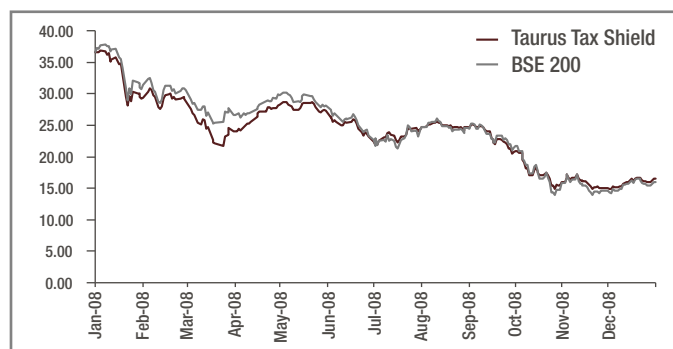
w.e.f. November 14, 2008

| Entry Load* | Exit Load |
|--|-----------|
| 2.5% (Including Systematic Investment Plan) | Nil |

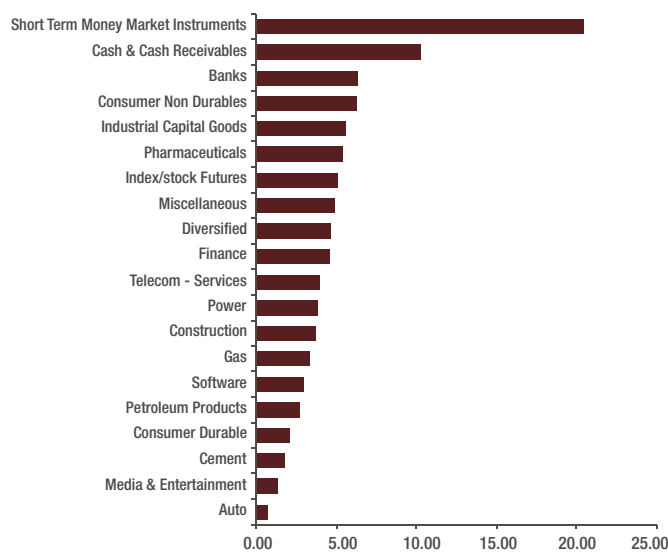
* In direct application, there is no entry load.

Switch: Taurus Tax Shield to other scheme after lock in period, Entry / Exit load will be applicable.

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



SECTOR ALLOCATION



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

SCHEME FEATURES

Investment objective:

To provide capital appreciation by identification of low priced stocks through price discovery mechanism. The scheme's investment strategy is mainly oriented towards mid cap stocks.

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 | -53.75 | -29.66 |
| | 1 Year | -75.17 | -56.46 |
| | 3 Years | -18.02 | -0.84 |
| | 5 Years | 0.21 | 8.57 |
| | Since Inception | -1.80 | 5.75 |

Past performance may or may not be sustained in future.

*Benchmark Index

Note: Returns are calculated on 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 |
|-------------------------------|-----------------|
| Webel SL Energy Systems Ltd. | 4.36 |
| ABG Shipyard Ltd. | 4.08 |
| Indraprastha Gas Ltd. | 3.46 |
| Welspun Guj Stahl Rohren Ltd. | 3.27 |
| Marg Ltd. | 3.14 |
| Great Offshore Ltd. | 2.98 |
| Apar Industries Ltd. | 2.93 |
| Dabur India Ltd. | 2.85 |
| Uflex Ltd. | 2.71 |
| Bharti Airtel Ltd. | 2.67 |
| Balance Equity | 37.19 |
| Total - Equity | 69.64 |
| Others including Cash | 30.36 |
| TOTAL | 100.00 |

Fund Manager's Comment : Markets are expected to be volatile and range-bound in the next few months. Effects of rate cuts and stimulus package by various central banks on the world economy and political events on the domestic front will be closely watched by the markets. However, there are many mid-cap stocks with strong operating cash-flows and a robust business model available at attractive valuations due to the broader market fall and negative sentiments. Our strategy will be to invest in sectors relatively less impacted by global turmoil and in companies with a good business model, strong balance sheet and cash generation ability. Our focus will be on long-term value generation. We will maintain a good level of cash to enter into these companies at the right time.

FUND DATA

As on 31st December, 2008

Date of Allotment: Sep 5, 1994.

Net Asset Value (NAV): Rs. 7.71 per Unit (G).

Assets Under Management: Rs. 14.7131 Cr.

Minimum Application Amount: Rs. 1000/- & multiples of Re. 1/- thereof.

NAV Calculation: All business days.

Fund Manager: Mr. Prasanna Pathak.

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

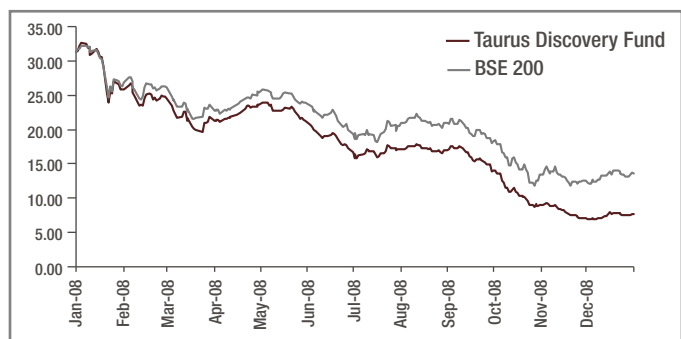
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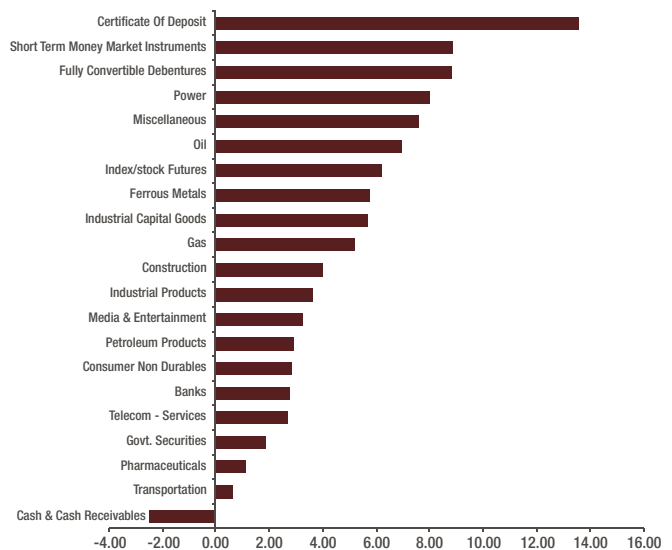
| Amount in Rs. Crores | Entry Load | Exit Load as % Period in months | |
|-------------------------------------|------------|---------------------------------|----------|
| | | 0 - 6 | > 6 < 12 |
| Less than 2 Cr. | 2.25% | 1.00% | 0.50% |
| 2 Cr. and above but less than 5 Cr. | 0.00% | 0.50% | 0.00% |
| 5 Cr. and above | 0.00% | 0.00% | 0.00% |
| Any amount by SIP | 2.25% | 1.00% | 1.00% |

Switch: Equity to Equity / ELSS - Entry / Exit Load NIL and Equity to Liquid / Debt - Entry / Exit Load as per Load structure of the scheme.

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



SECTOR ALLOCATION



TAURUS INFRASTRUCTURE FUND - AN OPEN-ENDED EQUITY THEMATIC FUND

SCHEME FEATURES

Investment objective:

To provide capital appreciation and income distribution to unit holders by investing only in identified sectors associated with infrastructure theme like transport, telecom, power, petroleum, steel etc. with some investment in debt and money instrument.

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 | -27.41 | -25.65 |
| | 6 Months | -32.66 | -29.66 |
| | 1 Year | -65.75 | -56.46 |
| | Since Inception | -24.66 | -12.35 |

Past performance may or may not be sustained in future.

*Benchmark Index

Note: (1) Returns are calculated on 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) Scheme became open-ended wef April 2, 2007.

PORTFOLIO

| Name of the scrip | % to Net Assets |
|---|-----------------|
| Power Grid Corporation Ltd. | 8.51 |
| ICSA India Ltd. | 7.73 |
| Infrastructure Development Finance Company Ltd. | 6.17 |
| Rohta India Ltd. | 5.09 |
| Jaiprakash Associates Ltd. | 4.30 |
| Moser Baer India Ltd. | 3.92 |
| KEC International Ltd. | 3.88 |
| Mahindra & Mahindra Ltd. | 3.81 |
| Mangalore Refinery & Petrochemicals Ltd. | 3.80 |
| Punj Lloyd Ltd. | 3.67 |
| Balance Equity | 35.87 |
| Total - Equity | 85.56 |
| Others including Cash | 14.44 |
| TOTAL | 100.00 |

Amortization of initial issue expenses: The New Fund Offer expenses were met out of entry load and expenses over and above entry load by the AMC.

FUND DATA

As on 31st December, 2008

Date of Allotment: Mar 5, 2007.

Net Asset Value (NAV): Rs. 5.96 (D), 5.96 (G) per unit.

Assets Under Management: Rs. 10.8206 Cr.

Minimum Application Amount: Rs. 1000/- & multiples of Re. 1/- thereof.

NAV Calculation: All business days.

Fund Manager: Mr. R.K. Gupta.

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

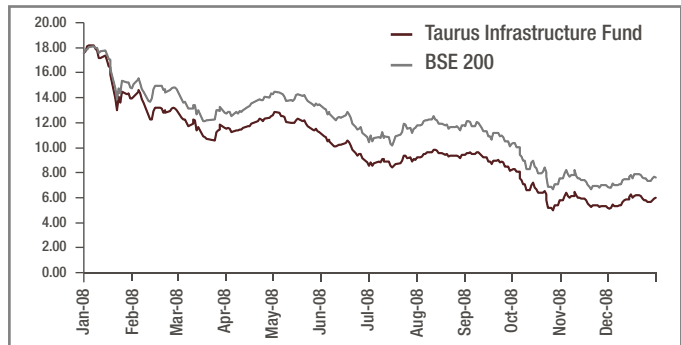
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w.e.f. July 15, 2008

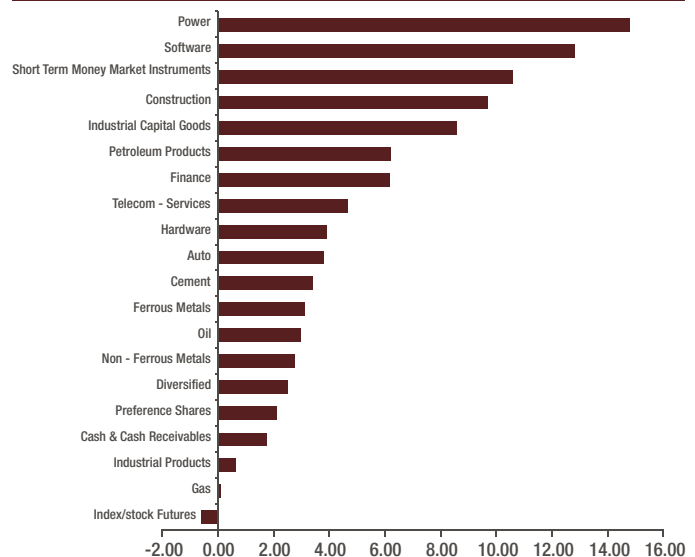
| Amount in Rs. Crores | Entry Load | Exit Load as % Period in months | |
|-------------------------------------|------------|---------------------------------|----------|
| | | 0 - 6 | > 6 < 12 |
| Less than 2 Cr. | 2.25% | 1.00% | 0.50% |
| 2 Cr. and above but less than 5 Cr. | 0.00% | 0.50% | 0.00% |
| 5 Cr. and above | 0.00% | 0.00% | 0.00% |
| Any amount by SIP | 2.25% | 1.00% | 1.00% |

Switch: Equity to Equity / ELSS - Entry / Exit Load NIL and Equity to Liquid / Debt - Entry / Exit Load as per Load structure of the scheme.

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



SECTOR ALLOCATION



TAURUS LIQUID FUND - AN OPEN-ENDED LIQUID SCHEME

SCHEME FEATURES

Investment objective:

To generate steady and reasonable income with low risk and high level 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 | 1.91 | 2.42 |
| | 6 Months | 4.30 | 4.30 |
| | 1 Year | 7.20 | 8.14 |
| | Since Inception | 6.52 | 7.27 |

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

*Benchmark Index:

Note: (1) Returns are calculated on 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 September 4, 2006.

| DIVIDEND HISTORY | Record Date | Face Value (Rs) | NAV (Rs.) | Dividend (Rs)/Unit |
|------------------|-------------|-----------------|-----------|--------------------|
| | 10/7/2008 | 10.00 | 10.0114 | 0.015 |
| | 10/14/2008 | 10.00 | 10.0114 | 0.015 |
| | 10/21/2008 | 10.00 | 10.0114 | 0.014 |
| | 10/28/2008 | 10.00 | 10.0114 | 0.011 |
| | 11/4/2008 | 10.00 | 10.0114 | 0.014 |
| | 11/11/2008 | 10.00 | 10.0114 | 0.012 |
| | 11/18/2008 | 10.00 | 10.0114 | 0.012 |
| | 11/25/2008 | 10.00 | 10.0114 | 0.010 |
| | 12/2/2008 | 10.00 | 10.0114 | 0.010 |
| | 12/9/2008 | 10.00 | 10.0114 | 0.005 |
| | 12/16/2008 | 10.00 | 10.0114 | 0.007 |
| | 12/23/2008 | 10.00 | 10.0114 | 0.006 |
| | 12/30/2008 | 10.00 | 10.0114 | 0.007 |
| 12/31/2008 | 10.00 | 10.0114 | 0.001 | |

Fund Manager's Comment: The liquidity is expected to remain ample as seen in the LAF figures and CRR cut announcement by the Reserve Bank of India. We would like to keep the average maturity of the portfolio lower since we feel that all the rate reductions have been factored in at least for now.

FUND DATA

As on 31st December, 2008

Date of Allotment: Aug 31, 2006.

Net Asset Value (NAV): Rs. 10.0114 (D), 11.5899 (G) per unit.

Assets Under Management: Rs. 2.5196 Cr.

Minimum Application Amount: Rs. 1000/- & multiples of Re. 1/- thereof.

Fund Manager: Mr. Kumar Nathani.

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

PORTFOLIO

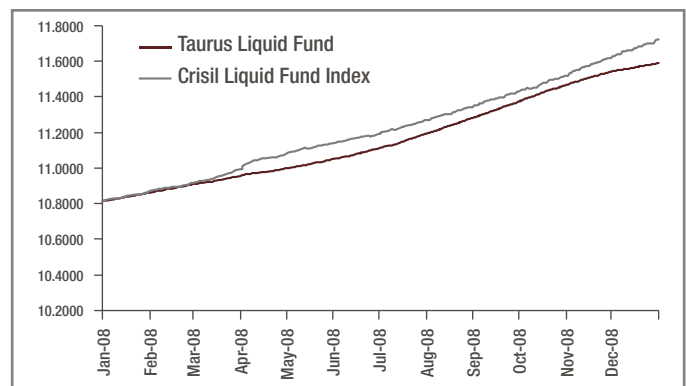
| Name of the scrip | % to Net Assets |
|-------------------------------------|-----------------|
| State Bank of Bikaner & Jaipur CD | 39.65 |
| Short Term Money Market Instruments | 50.82 |
| Cash & Cash Receivables | 9.53 |
| TOTAL | 100.00 |

LOAD STRUCTURE

| Entry Load | Exit Load |
|------------|-----------|
| Nil | Nil |

Switch over load from Taurus Liquid Fund to other schemes of the Fund: Applicable Entry/Exit loads of the schemes.

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



TAURUS LIQUID PLUS FUND - AN OPEN-ENDED SHORT TERM BOND SCHEME

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 realized.

Liquidity:

Sale & repurchase on all business days.

Tax Benefits:

| | Individuals | Corporate | NRI* |
|--|-------------------------------|-----------------------------|-------------------------------|
| Liquid Plus Scheme | 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 | NA | NA | NA | |
| | 1 Year | NA | NA | NA | |
| | 3 Years | NA | NA | NA | |
| | 5 Years | NA | NA | NA | |
| | Since Inception | 0.66 | 0.69 | 0.70 | 0.82 |

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

*Benchmark Index:

Note: (1) Returns are calculated on 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 liquidity is expected to remain ample as seen in the LAF figures and CRR cut announcement by the Reserve Bank of India. We would like to keep the average maturity of the portfolio lower since we feel that all the rate reductions have been factored in at least for now.

FUND DATA

As on 31st December, 2008

CRISIL Certified AAaf Fund!

Date of Allotment: December 1, 2008.

Net Asset Value (NAV):

Retail: Rs. 10.0011 (D), 10.0655 (G), 10.0110 (W) per unit.

Institutional: Rs. 10.0011 (D), 10.0685 (G), 10.0114 (W) per unit.

Super Institutional: Rs. 10.0011 (D), 10.0699 (G), 10.0116 (W) per unit.

Assets Under Management: Rs. 45.3604 Cr.

Minimum Application Amount:

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

Institutional Plan: Rs. 1,00,000 per application and thereafter in multiples of Re. 1.

Super Institutional Plan: Rs. 1,00,000 per application and thereafter in multiples of Re. 1.

Fund Manager: Mr. Kumar Nathani.

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

PORTFOLIO

| Name of the scrip | % to Net Assets |
|--------------------------------------|-----------------|
| ABN Amro Bank CD | 22.02 |
| Export Import Bank of India CD | 11.53 |
| ICICI Bank Ltd. CD | 21.98 |
| State Bank of Bikaner & Jaipur CD | 26.43 |
| Shriram Transport Finance Co Ltd. CP | 1.29 |
| Short Term Money Market Instruments | 16.00 |
| Cash & Cash Receivables | 0.74 |
| TOTAL | 100.00 |

LOAD STRUCTURE

| Entry Load | Exit Load |
|------------|---|
| Nil | <ul style="list-style-type: none"> Retail Plan: 0.10% if redeemed within 3 days from the SIP/ SWP/ STP from the date of allotment Institutional: 0.10% if redeemed within 3 days from the date of allotment Super Institutional: 0.10% if redeemed within 3 days from the date of allotment |



TAURUS INCOME FUND - AN OPEN-ENDED BOND SCHEME

SCHEME FEATURES

Investment objective:

The objective of the scheme is to maximize income through investment in a 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 | 2.67 | 9.18 |
| | 1 Year | 5.26 | 9.06 |
| | 3 Years | 4.99 | 6.62 |
| | 5 Years | 4.98 | 4.82 |
| | Since Inception | 5.99 | 6.33 |

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 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 income funds have had a mix of both Gilt and Corporate Bonds in the portfolio. The higher exposure to corporate bonds during the last two months has given higher returns than on the Gilt as the spreads have compressed to some extent. Though profit booking cannot be ruled out in both Gilt and Corporate Bonds, there is still scope for reduction in the spreads of the Corporate Bonds especially in the short term duration.

FUND DATA

As on 31st December, 2008

Date of Allotment: Aug 18, 2001.

Net Asset Value (NAV): Rs. 14.8972 (D), 15.3571 (G) per unit.

Assets Under Management: Rs. 0.6778 Cr.

Minimum Application Amount: Rs. 1000/- & multiples of Re. 1/- thereof.

Fund Manager: Mr. Kumar Nathani.

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

LOAD STRUCTURE

w.e.f. December 24, 2008

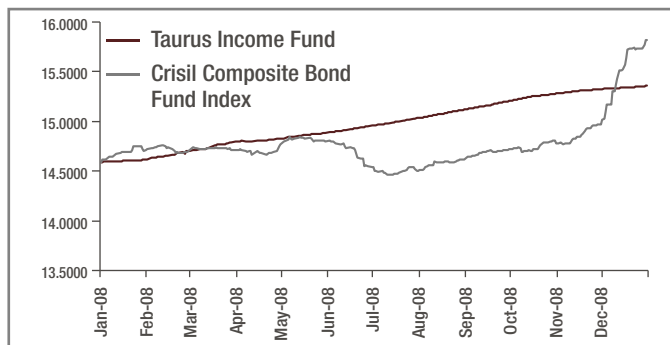
| Entry Load | Exit Load | |
|------------|-----------------|---|
| | App. Amt. (Rs.) | Exit Load |
| Nil | < 50 Lacs | 2% if exited before 1 year 1% if exited after 1 year but before 2 years |
| | 50 Lacs | 0.50% if exited before 6 months |

Switch Debt to other schemes, applicable Entry/ Exit load of the scheme.

PORTFOLIO

| Name of the scrip | % to Net Assets |
|-------------------------------------|-----------------|
| Short Term Money Market Instruments | 93.68 |
| Cash & Cash Receivables | 6.32 |
| TOTAL | 100.00 |

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



TAURUS GILT FUND - AN OPEN-ENDED GILT SCHEME

SCHEME FEATURES

Investment objective:

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

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 | 1.93 | 22.96 |
| | 1 Year | 3.07 | 21.36 |
| | 3 Years | 2.30 | 11.18 |
| | 5 Years | 1.94 | 7.83 |
| | Since Inception | 4.69 | 9.20 |

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 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 gilt rally had started since July 08 when the 10 year yield was at around 9.50%. This has now moved to around 5.25% by the end of the calendar year. With the announcement of cuts by the RBI, it is expected that it may drift lower, but a higher fiscal deficit during the current quarter may make the yields move northwards at least in the short term.

FUND DATA

As on 31st December, 2008

Date of Allotment: Aug 18, 2001.

Net Asset Value (NAV): Rs. 13.3576 (D), 13.6314 (G) per unit.

Assets Under Management: Rs. 0.0194 Cr.

Minimum Application Amount: Rs. 1000/- & multiples of Re. 1/- thereof.

Fund Manager: Mr. Kumar Nathani.

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

LOAD STRUCTURE

w.e.f. July 15, 2008

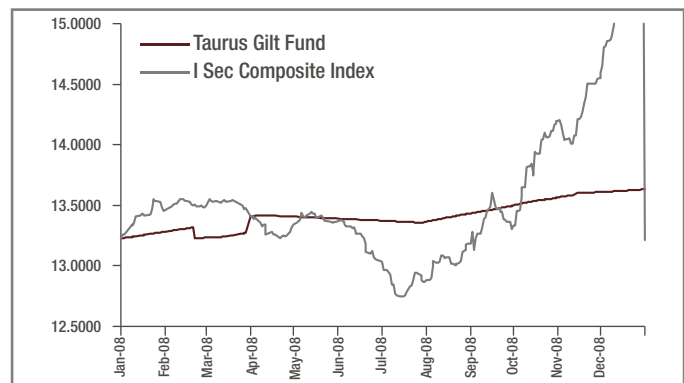
| Entry Load | Exit Load |
|------------|---------------------------------|
| Nil | 0-3 months -0.25% >3 months Nil |

Switch: Debt to other schemes, applicable Entry / Exit load of the scheme.

PORTFOLIO

| Name of the scrip | % to Net Assets |
|-------------------------------------|-----------------|
| Short Term Money Market Instruments | 79.29 |
| Cash & Cash Receivables | 20.71 |
| TOTAL | 100.00 |

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





Invest in the **TAX-SAVING FUND** that has stood the test of time

TAURUS TAX SHIELD

has taken the market dynamics in its stride and outperformed the benchmark index of BSE 200 in the last one year's performance.

Taurus Tax Shield is an Open-ended Equity Linked (ELSS) Saving Scheme that gives your investments the potential growth of equities with the added advantage of tax savings under Section 80 C of the Income Tax Act.



RANKED 2ND BEST PERFORMING FUND*

HIGHLIGHTS:

- Tax Saving Benefit upto Rs. 33,600/- u/s 80C on an investment of Rs. 1 lakh in Taurus Tax Shield
- *Ranked as the Second Best Performing Fund in the Tax Saving Category as on October 31st, 2008 by Value Research.
- The potential of High Returns of equities will help in the growth of investments. Taurus Tax Shield will invest in companies with a good business model, strong balance sheet and a cash generation ability.
- Personal Accident/ Death Insurance up to 5 times of the invested amount.

*One year performance according to Value Research as on October 31st, 2008.

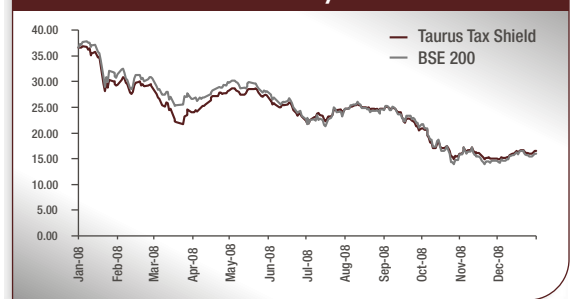
So go ahead and save your tax by investing in the **Taurus Tax Shield from Taurus Mutual Fund**

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



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 Lacs made towards setting up of the mutual fund. Taurus Tax Shield 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 offer documents of the scheme carefully before investing.