



Quantum Index Fund

An Open ended Exchange Traded Fund

As on 31st December 2010

Scheme Feature

Nature of Scheme	Open-ended Exchange Traded Fund
Investment Objective	The investment objective of the scheme is to invest in stocks of companies comprising S & P CNX Nifty Index and endeavour, to achieve return equivalent to Nifty by "Passive" investment. The Scheme will be managed by replicating the index in the same weightage as in the S & P CNX Nifty with the intention of minimizing the performance differences between the scheme and the S&P CNX Nifty Index in capital terms, subject to market liquidity, costs of trading, managing expenses and other factors which may cause tracking error.
Fund Manager	Mr. Hitendra Parekh (Since June 09,2008)
Fund Manager Total Experience	18 yrs.
Inception Date (Date of Allotment)	July 10, 2008
Expense Ratio	0.50%
Investment Options	Growth
Minimum Application Amount (Under each Option)	Directly with Fund: The investors can create / redeem in exchange of Portfolio Deposit and Cash Component in creation unit size at NAV based Price. On the Exchange: At prices which may be close to the NAV of QIF Units. On NSE, the units can be purchased / sold in minimum lot of 1 unit and in multiples thereafter. The units of QIF issued under the scheme will be approximately equal to the price of 1/10 (one-tenth) of the S&P CNX Nifty Index.
Lock-in Period	NIL
Net Asset Value (NAV)	Every Business Day
Benchmark Index	S&P CNX Nifty Index

NAV December 31, 2010

	(₹./Unit)
Growth Option	618.3072

Tracking Error ^

Absolute Since Inception	0.027%
Annualised Since Inception	0.428%

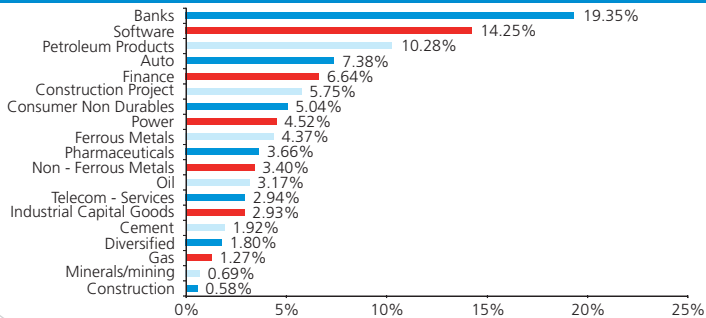
^ Please refer Page 2 for Definitions

Performance as on December 31, 2010

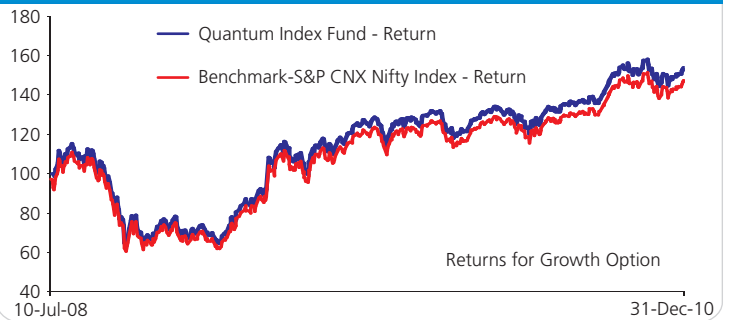
Period	Returns - Growth Option (%)^	Returns Benchmark (%) #
6 Months *	15.50%	15.47%
1 Year *	18.36%	17.95%
Since Inception **	19.01%	16.93%

* Absolute Returns ** Compounded Annualised Returns ^ Past Performance may or may not be sustained in the future and may not necessarily provide a basis for comparison with other investments. Performance of the Dividend option for the investor would be net of the dividend distribution tax, as applicable. Date of Inception - July 10, 2008 # Benchmark Index - S&P CNX Nifty Index. Since inception returns are calculated on NAV of ₹ 100 invested at inception. Portfolio turnover ratio (last one year) - 16.91%

Sector Allocation (% of Net Assets)



Performance as on December 31, 2010



^ Past Performance May Or May Not Be Sustained In The Future

Fund Size December 2010

	*Average AuM (₹ in Crores)	#Absolute AuM (₹ in Crores)
Growth Option	1.43	1.55

* Cumulative Daily AuM/No of days in the month
#AuM as on December 31, 2010

Portfolio

Name of Investment	Industry	Quantity	Market Value In Lakhs	% to Net Asset	Name of Investment	Industry	Quantity	Market Value In Lakhs	% to Net Asset
EQUITY & EQUITY RELATED									
a) Listed /Awaiting listing on the Stock Exchange									
Reliance Industries Ltd	Petroleum Products	1,440.00	15.25	9.81	Hero Honda Motors Ltd	Auto	81.00	1.61	1.04
Infosys Technologies Ltd	Software	409.00	14.08	9.06	Maruti Suzuki India Ltd	Auto	113.00	1.61	1.03
ICICI Bank Ltd	Banks	977.00	11.19	7.20	Cipla Ltd	Pharmaceuticals	434.00	1.60	1.03
Larsen & Toubro Ltd	Construction Project	452.00	8.95	5.75	Sun Pharmaceuticals Ltd	Pharmaceuticals	318.00	1.54	0.99
Housing Development Finance Corp Ltd	Finance	1,102.00	8.03	5.16	Punjab National Bank	Banks	114.00	1.39	0.90
ITC Ltd	Consumer Non Durables	4,489.00	7.84	5.04	Kotak Mahindra Bank Ltd	Banks	298.00	1.35	0.87
HDFC Bank Ltd	Banks	301.00	7.06	4.54	Cairn India Ltd	Oil	368.00	1.22	0.79
State Bank of India	Banks	219.00	6.16	3.96	Power Grid Corporation Of India	Power	1,206.00	1.19	0.76
Tata Consultancy Services Ltd	Software	433.00	5.05	3.25	Sesa Goa Ltd	Minerals/mining	325.00	1.07	0.69
Bharti Airtel Ltd	Telecom - Services	1,043.00	3.74	2.41	Siemens Ltd	Industrial Capital Goods	130.00	1.07	0.69
Oil & Natural Gas Corporation Ltd	Oil	288.00	3.71	2.39	Jaiprakash Associates Ltd	Cement	982.00	1.04	0.67
Tata Motors Ltd	Auto	273.00	3.57	2.30	Reliance Infrastructure Ltd	Power	120.00	1.01	0.65
Tata Steel Ltd	Ferrous Metals	517.00	3.52	2.26	Ambuja Cements Ltd	Cement	700.00	1.00	0.64
Bharat Heavy Electricals Ltd	Industrial Capital Goods	135.00	3.14	2.02	ACC Ltd	Cement	87.00	0.94	0.60
Axis Bank Ltd	Banks	217.00	2.93	1.88	HCL Technologies	Software	201.00	0.92	0.59
Mahindra & Mahindra Ltd	Auto	375.00	2.92	1.88	Steel Authority of India Ltd	Ferrous Metals	500.00	0.91	0.59
Hindustan Unilever Ltd	Diversified	895.00	2.80	1.80	DLF Ltd	Construction	309.00	0.90	0.58
Hindalco Industries Ltd	Non - Ferrous Metals	1,112.00	2.75	1.77	Reliance Communications Ltd	Telecom - Services	570.00	0.83	0.53
Sterlite Industries Ltd	Non - Ferrous Metals	1,359.00	2.54	1.63	Ranbaxy Laboratories Ltd.	Pharmaceuticals	130.00	0.78	0.50
Jindal Steel & Power Ltd	Ferrous Metals	332.00	2.36	1.52	Reliance Power Ltd	Power	472.00	0.75	0.48
NTPC Limited	Power	1,094.00	2.20	1.41	Bharat Petroleum Corp Ltd	Petroleum Products	111.00	0.73	0.47
Wipro Ltd	Software	430.00	2.11	1.36	Reliance Capital Ltd	Finance	96.00	0.64	0.41
Gail (India) Ltd	Gas	384.00	1.97	1.27	Suzlon Energy Ltd	Industrial Capital Goods	642.00	0.35	0.23
Tata Power Company Ltd	Power	138.00	1.88	1.21					
Bajaj Auto Ltd	Auto	115.00	1.77	1.14	b) Unlisted				
Dr. Reddy's Laboratories Ltd	Pharmaceuticals	106.00	1.76	1.13	Total			155.37	99.93
Infrastructure Development Finance Company Limited	Finance	908.00	1.66	1.07	c) Net Receivable/(payable)			0.11	0.07
					Grand Total			155.48	100.00



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Load Structure

Entry Load

N.A.*

*In terms of SEBI circular no. SEBI/IMD/CIR No. 4/ 168230/09 dated June 30, 2009 has notified that, w.e.f. August 01, 2009 there will be no entry load charged to the schemes of the Mutual Fund and the upfront commission to distributors will be paid by the investor directly to the distributor, based on his assessment of various factors including the service rendered by the distributor.

Exit Load

NIL
(retails Investor can exit the scheme only through secondary market)

Brokerage & Commissions Paid

Brokerages Paid for Equity Trading for December 2010	₹ 306.37
Distributor Commissions Paid till date	NIL

The indicative Asset Allocation

Securities Covered	Indicative allocations (% of total assets)		Risk Profile
	Minimum	Maximum	High/Medium/Low
Securities covered by the S & P CNX Nifty	90%	100%	High
Money Market Instruments, other short term debt instruments as permitted under SEBI (Mutual Funds) Regulations, 1996 and Liquid Schemes of Mutual Funds	0%	10%	Low

Investments in securitized debt instruments can be made by the scheme up to 5% of the total net assets of the Scheme.

^Definitions

Tracking Error is a measure of how closely a fund follows the index to which it is benchmarked. The more passively the fund is managed, the smaller the tracking error. In the case of Exchange Traded Funds, the lower the Tracking Error, the better.

Disclaimer

Investment Objective: The principal investment objective of Quantum Index Fund (QIF) is to invest in stocks of companies comprising the S & P CNX Nifty Index and endeavor to achieve returns equivalent to the Nifty by "Passive" investment. The scheme will be managed by replicating the Index in the same weightage as in the S&P CNX Nifty Index with the intention of minimizing the performance differences between the scheme and the S&P CNX Nifty Index in capital terms, subject to market liquidity, costs of trading, management expenses and other factors which may cause tracking error. **Asset Allocation:** QIF will predominantly invest in stocks constituting the S & P CNX Nifty Index but may invest in Money Market Instruments, other short term debt instruments as permitted under SEBI (Mutual Funds) Regulations, 1996 and Liquid Schemes of Mutual Funds to meet liquidity needs. **Terms of Issue:** QIF is an open-ended Index Exchange Traded Fund. Each unit of QIF will be approximately equal to 1/10th (one tenth) of the S & P CNX Nifty Index. Units will be issued at NAV based prices. On an ongoing basis direct purchases from the Fund would be restricted to only Authorised Participants and Eligible Investors. Units of QIF can be bought/sold like any other stock on the National Stock Exchange of India Ltd (NSE) or on any other stock exchanges where it is listed. **Entry Load:** N.A. **Exit Load:** Nil. **Risk Factors:** All Mutual Funds and securities investments are subject to market risks including uncertainty of dividend distributions and the NAV of the schemes may go up or down depending upon the factors and forces affecting securities markets and there is no assurance or guarantee that the objectives of the scheme will be achieved. **Quantum Index Fund, is the name of the scheme and does not in any manner indicate either the quality of the Scheme, its future prospects or returns.** **Scheme specific risk:** Equity and Equity related instruments are by nature volatile and prone to price fluctuations due to both macro and micro factors. The Investor may lose money over short or long period due to fluctuation in Scheme's NAV in response to factors such as economic and political developments, changes in interest rates and market movement and over longer periods during market downturns. Trading volumes, settlement periods and transfer procedures may restrict the liquidity of these investments of the QIF. It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Scheme Information Document for QIF has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the said Scheme Information Document. The investors are advised to refer to the Scheme Information Document of QIF for full text of the 'Disclaimer Clause of NSE', "S & P" and Standard and Poor's" are trademarks of the McGraw-hill Companies, Inc (S & P) and have been licensed for use by India Index Services & Products Ltd in connection with the S & P Nifty Index. " The Product is not sponsored, endorsed, sold or promoted by India Index Services & Products Limited ("IISL") or Standard & Poor's, a division of The McGraw - Hill Companies, Inc ("S & P ") regarding the advisability of investing in securities generally or in the product. Please read the full Disclaimer in relation to the "S & P CNX Nifty Index" in the Scheme Information Document of QIF. **Statutory Details:** Quantum Mutual Fund (the Fund) has been constituted as a Trust under the Indian Trusts Act, 1882. **Sponsors:** Quantum Advisors Private Limited. (liability of Sponsor limited to ₹ 1,00,000/-) **Trustee:** Quantum Trustee Company Private Limited. **Investment Manager:** Quantum Asset Management Company Private Limited (AMC). The Sponsor, Trustee and the Investment Manager are incorporated under the Companies Act, 1956. The past performance of the Sponsor/AMC/Fund has no bearing on the expected performance of the scheme. **Mutual Funds investments are subject to market risks. Please read the Scheme Information Document(s) / Key Information Memorandum(s) / Statement of Additional Information / Addendums carefully before investing. Scheme Information Document(s) / Key Information Memorandum(s) / Statement of Additional Information can be obtained at any of our Investor Service Centers or at the office of the AMC 505, Regent Chambers, 5th Floor, Nariman Point, Mumbai - 400 021 or on AMC website www.QuantumAMC.Com/www.QuantumMF.com**