

Quantum Mutual Fund: *Profit with Process*

Fund Factsheet: March 31, 2006



Reaching Out: Arjun Marphatia (CEO)

Dear Investor

A very warm welcome to the Quantum family.

At the outset, my sincere thanks to each and every one of you for the confidence and faith reposed in the Quantum Mutual Fund.

At Quantum, we are dedicated to service the investors in every way we can. *Firstly*, we keep our costs low – no distribution and trail commissions; more of your money is put to work for you!, thus enabling you the investor to keep more of your returns. Please do visit our web site www.QuantumAMC.com (what every investor must know section) where a sheet with a simple illustration explains this point. Our Trading costs are at a minimum due to the fact that in line with our investment philosophy, we do not churn our portfolio unnecessarily.

Secondly, Quantum follows the time tested and proven (by our sponsors Quantum Advisors Private Ltd.) Value and Process Driven Long-term Investment Philosophy that gives investors a channel that outperforms on the upside and limits the downside.

Thirdly, we have one of the largest research teams which in addition to receiving reports from various organizations does its own independent analysis and then arrives at a buy or sell decision.

We may be the 29th fund house in the country but as explained above we are the *first* in many ways. It is the commitment of my team and my personal commitment to each and everyone of you that we will do our best, for the benefit of the investors who have trusted us with their hard earned money, with the highest levels of integrity and transparency.

Once again thank you very much for your support and if you have any suggestions or need any clarifications please do send me an email to Ceooffice@QuantumAMC.com or call on our toll free number 1-800-22-3863 (when calling from a BSNL or MTNL line) or on 022-2282 9414.

Warm Regards,

Market Musings: I V Subramaniam (Sr. Fund Manager & Head of Research)

In the initial 15 days since the Quantum Long-Term Equity Fund's continuous offer opened, 34.4% of the initial corpus has been invested. The fund currently owns 15 stocks.

During this period the NAV has increased by 2.3%, the Sensex by 4.4% and BSE-30 Total Return Index by 4.5%. The metals and the FMCG sector spurted the maximum on the back of positive news flow on metal prices and sales growth in FMCG.

While it is challenging to find value in such a frothy market, we are not in a hurry to invest and will not chase stocks for the sake of investing. Stocks will be added to the portfolio only if they meet our valuation and liquidity criteria and we will not be shy of waiting in the sidelines for stocks to come to more attractive entry price levels.

Domestic and foreign institutional money flow continues to propel the markets, with foreign institutional money being the more dominant of the two. We believe that markets will eventually take a breather and either correct downwards or allow the earnings to catch up. Either of these events should allow us more attractive entry points.

You may have heard whispers about Sensex crossing the Dow, or the Nikkei etc. These whispers are aimed at influencing investors into throwing caution to the winds. Please do not let this happen. The indices are different because of underlying currency, base year as well as index construction. One cannot draw conclusions by just comparing the head line numbers.

Warm Regards,

Quantum Long Term Equity Fund is an open-ended equity scheme. The Scheme's investment objective is to achieve long-term capital appreciation. Investments in mutual funds 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 the securities markets and there is no assurance or guarantee that the objectives of the scheme will be achieved. Past performance of the scheme may or may not be sustained in the future.

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Snapshot: Quantum Long-Term Equity Fund

Fund Manager: I. V. Subramaniam

Investment Horizon: 2 years and more

Inception date: 13th March, 2006

NAV: Rs. 10.23

Fund size: Rs. 11.26 crores

Entry load: Nil

Exit Load: 0 - 6 months 4%,

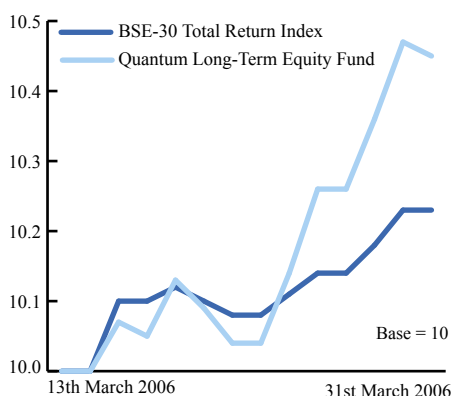
6 - 12 months 3%

12 - 18 months 2%,

18 - 24 months 1%

After 24 months 0%

Performance upto March 31, 2006



Data in the graph is for Quantum Long-Term Equity Fund - Growth Option

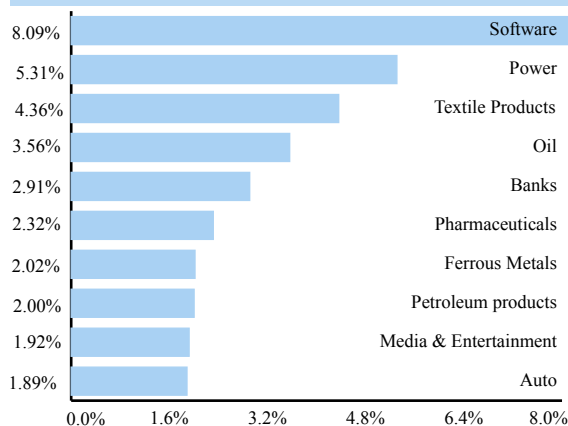
Returns

	Quantum Long-Term Equity Fund - Growth Option	BSE-30 TRI Index
Since Inception	2.30%	4.45%

Inception date = 13th March 2006

Source for BSE-30 Total Return Index: Bombay Stock Exchange
Past performance may or may not be sustained in the future.

Sector Allocation



Portfolio

Sr. No	Name of the Instrument	Industry	Quantity	Market Value (Rs Lakhs)	% to Net Assets
EQUITY & EQUITY RELATED					
Listed on the Stock Exchanges					
1	Tata Consultancy Services Ltd.	Software	2,667	51.05	4.54%
2	Oil & Natural Gas Corporation Ltd.	Oil	3,061	40.08	3.56%
3	PTC India Ltd.	Power	50,620	29.89	2.66%
4	Tata Power Co. Ltd.	Power	5,153	29.86	2.65%
5	Aditya Birla Nuvo Ltd.	Textile Products	3,646	27.06	2.41%
6	Ranbaxy Laboratories Ltd.	Pharmaceuticals	6,040	26.07	2.32%
7	Ing Vysya Bank Ltd.	Banks	17,976	25.67	2.28%
8	Tata Steel Ltd.	Ferrous Metals	4,235	22.72	2.02%
9	Bharat Petroleum Corporation Ltd.	Petroleum Products	5,923	22.55	2.00%
10	Arvind Mills Ltd.	Textile Products	21,903	21.99	1.95%
11	Infosys Technologies Ltd.	Software	731	21.79	1.94%
12	NDTV Ltd.	Media & Entertainment	8,411	21.63	1.92%
13	Tata Motors Ltd.	Auto	2,278	21.24	1.89%
14	Geometric Software Solution Ltd.	Software	18,000	18.26	1.62%
15	Corporation Bank	Banks	1,855	7.08	0.63%
Total				386.98	34.38%
MONEY MARKET INSTRUMENTS					
1	CBLO / Reverse Repo			731.23	64.96%
NET RECEIVABLE / (PAYABLES)				7.37	0.65%
Total				738.59	65.62%
Grand Total				1,125.57	100.00%

Notes:

- The Scheme has no exposure to derivative product, foreign securities, ADR's and GDR's
- Portfolio Turnover ratio is 0.32