

Reaching Out: Arjun Marphatia (CEO)

Dear Investor,

As indicated in the previous month's newsletter, we completed 6 months on the 12th of September 2006. During the period, the NAV of the QLTEF scheme rose by 9.10% over the NFO issue price of Rs. 10

The upward trend of the BSE Sensex has been reflected in the QLTEF scheme's NAV. We closed the month with an NAV of Rs. 11.37 – our highest till date and reflecting a gain of 13.70% since the NFO.

Continuing with our 'Investor Education Series', two new articles viz. 'Inflation Risk Premiums in GoI Bonds' which clarifies inflationary trends and the risks thereof and 'Liquid Profits' – a view on the attractiveness of investments in water have been uploaded on the website.

As a part of our initiative to make the investing process easier for you, we will be mailing a small questionnaire and I request you to complete and return this to us. Your responses and suggestions will provide us with invaluable feedback and help us to serve you better.

The coming month is a very auspicious month with a confluence of three major festivals, encompassing all faiths in India. We wish you and your family all the very best on these joyous occasions.

With Best Wishes,



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

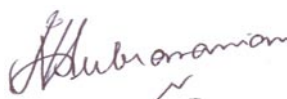
The fund did not add any new stocks to the portfolio in September. The total number of securities owned is 28 and the cash level at the end of September was 18.15%.

During the month, the BSE 30 Index gained 6.5% while the NAV of the fund gained 5.5%. The month saw net buys to the tune of Rs. 54.25 bn by foreign investors and investments of Rs. 12.20 bn by local funds. YTD the net investments by FIIs and domestic funds has been Rs. 228 bn and Rs. 130 bn respectively.

The strong money flows resulted in the sensex gaining by 39% from its low of 8,799 (in the calendar year) on June 14th and has resulted in the index inching closer to its peak of 12,671 recorded on May 11th. Sentiment among momentum players were high fuelled by a steady flow of positive news like the high GDP growth numbers.

We continue to research our investible universe of 200 companies for new investment ideas. We would be able to deploy cash either by adding to existing stocks or by investing in new ideas as and when they meet our valuation criteria. While the business environment for some of the stocks in the portfolio is extremely challenging, we continue to believe in the ability of the management to drive the business successfully. The long term business fundamentals of the other stocks continue to look attractive and we see little need at this point in time for any significant change in the portfolio.

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.

Quantum Mutual Fund: Profit with Process

Quantum Long-Term Equity Fund - Fund Factsheet, September 29, 2006



Fund Manager: I. V. Subramaniam

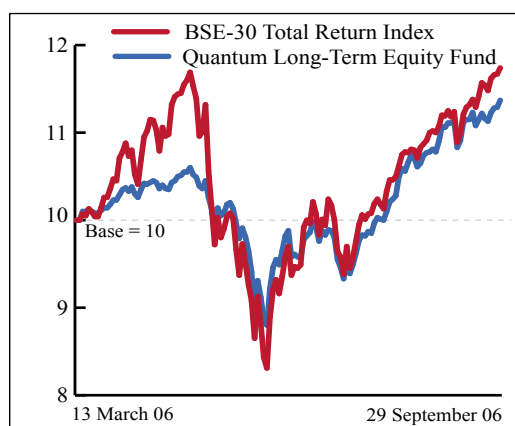
Investment Horizon: 2 years and more

Inception date: 13th March, 2006

NAV: Rs. 11.37

Fund size: Rs. 23.81 crores

Performance upto September 29, 2006



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

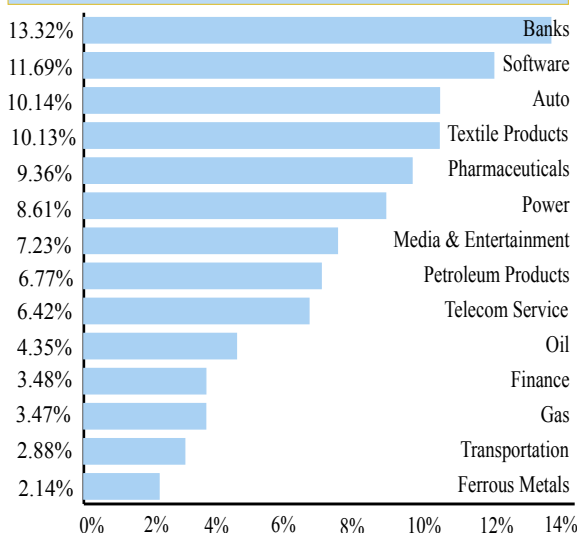
Returns

	Quantum Long-Term Equity Fund - Growth Plan	BSE-30 TRI Index
Since Inception	13.70%	17.42%

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



Sr No	Name of Instrument	Industry	Quantity	Market Value (Rs. Lakhs)	% to Net Asset
EQUITY & EQUITY RELATED: Listed on the Stock Exchanges					
a) Listed /Awaiting listing on the Stock Exchange					
1	Bajaj Auto	Auto	4,250	127.42	5.35%
2	State Bank Of India	Banks	10,887	111.95	4.70%
3	Ranbaxy Laboratories Ltd.	Pharmaceuticals	21,045	92.57	3.89%
4	Oil & Natural Gas Corporation Ltd.	Oil	7,250	84.83	3.56%
5	Tata Power Co. Ltd.	Power	14,306	81.14	3.41%
6	Infosys Technologies Ltd.	Software	4,370	80.75	3.39%
7	Hindustan Petroleum Corporation Ltd.	Petroleum Products	27,036	75.61	3.17%
8	Tata Consultancy Services Limited	Software	7,328	74.86	3.14%
9	Corporation Bank	Banks	18,043	74.73	3.14%
10	NDTV Ltd.	Media & Entertainment	33,105	73.03	3.07%
11	Ing Vysya Bank	Banks	52,261	72.88	3.06%
12	Aditya Birla Nuvo Ltd.	Textile Products	8,387	72.82	3.06%
13	Geometric Software Solution Limited.	Software	66,642	72.24	3.03%
14	Tata Motors Ltd.	Auto	8,152	70.27	2.95%
15	Zee Telefilms Ltd.	Media & Entertainment	22,221	67.93	2.85%
16	HDFC Ltd.	Finance	4,418	67.79	2.85%
17	Gail (India) Ltd.	Gas	25,748	67.73	2.84%
18	Arvind Mills Ltd.	Textile Products	96,979	66.04	2.77%
19	Videsh Sanchar Nigam Ltd	Telecom Service	16,567	65.90	2.77%
20	Bharti Airtel Ltd	Telecom Service	12,636	59.24	2.49%
21	Raymond Ltd	Textile Products	13,000	58.64	2.46%
22	Bharat Petroleum Corporation Ltd	Petroleum Products	15,359	56.33	2.37%
23	Jet Airways (India) Ltd.	Transportation	8,659	56.08	2.35%
24	Power Trading Corporation	Power	85,729	49.42	2.08%
25	Aventis Pharma Ltd	Pharmaceuticals	2,902	46.71	1.96%
26	Dr. Reddy'S Laboratories Ltd.	Pharmaceuticals	5,902	43.16	1.81%
27	Tata Steel Ltd.	Ferrous Metals	7,803	41.80	1.76%
28	NTPC Ltd	Power	28,591	37.23	1.56%
TOTAL (A)				1,949.11	81.85%
Mutual Fund Units					
1	Quantum Liquid Fund-Growth Option			111.77	4.69%
TOTAL (B)				111.77	4.69%
MONEY MARKET INSTRUMENTS					
1	CBLO / Reverse Repo Investments			259.80	10.91%
TOTAL (C)				259.80	10.91%
2	Net Receivable / (Payables) (D)			60.78	2.55%
GRAND TOTAL (A+B+C+D)				2,381.46	100%

Notes: (1) The Scheme has no exposure to derivative product, foreign securities, ADR's and GDR's. (2) Portfolio Turnover ratio is 0.71