



QUANTUM MUTUAL FUND

Profit with Process

and only
India's 1st Direct to Investor
Mutual Fund

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Quantum Gold Savings Fund

(An open ended fund of fund scheme)

Scheme open for subscription

* No Demat account required

* Start investing for as low as Rs. 500

* Create wealth through SIP

Mutual Fund investments are subject to market risks. Please read the Scheme Information Document and Statement of Additional Information carefully before investing.



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Subbu's Solutions

May 2011

What's a better alternative - Gold ETFs or Gold Fund of Funds? Do large AUMs mean better performance? Is switching from one fund to another advisable? This week, Subbu is breaking the myths...



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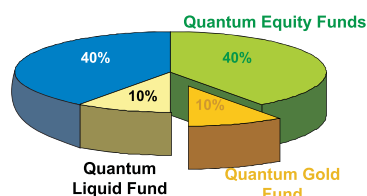
[Click here to Download the Path to Profit Presentation](#)

Investor Information

Investors please note that for Liquid schemes, Units will be allotted upon receipt of funds only.

■ [For online](#)

Recommended Asset Allocation



[Tools and Planners](#)

* The allocation is for a married person of the age 45-55 years and having 2 kids

► Latest NAVs As on 16 June, 2011

Scheme	NAV
Quantum Long Term Equity Fund - Dividend	21.8100
Quantum Long Term Equity Fund - Growth	21.6300

[Check NAVs](#)

► Invest in Quantum

Directly Through Us

- Quantum Long Term Equity Fund
- Quantum Tax Saving Fund
- Quantum Equity Fund of Funds
- Quantum Liquid Fund

Listed on NSE

- Quantum Gold Fund ETF
- Quantum Index Fund

Ajit Dayal presents 'Path to Profit'

...an investor education initiative by Quantum Mutual Fund

India's 1st Direct to Investor Mutual Fund



MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS. PLEASE READ THE SCHEME INFORMATION DOCUMENT AND STATEMENT OF ADDITIONAL INFORMATION CAREFULLY BEFORE INVESTING.

Annual report for the year ended 31st March, 2011

Quantum Asset Management Company Private Limited



The Quantum Philosophy

In a world obsessed by GDP growth, by rankings of wealth, and by a near-term focus on profits and bonuses, the means to the end are forgotten. And the end itself is rationalized to some number and justified by some numerical metric.

Take the case of the mutual fund industry in India. In August 2009 SEBI, under the previous Chairman Mr. Bhavé, banned the payment of up-front entry loads and put a halt to the opaque practices of paying unknown commissions to distributors from the pockets of the investors - without disclosing this to the investors. The mutual fund industry is now pleading with the new regulators in SEBI to reverse the ban. The war cry is that the AuMs of the industry are slipping. The number of folios is slipping.

Has the mutual fund industry asked itself the fundamental question: has it performed a service to deserve any growth? Is there an honourable end and purpose for its existence? Or was it playing some numbers game - where even the supposedly honest and respected brand names used some pretty unethical practices to boost their business and their AuMs? Quantum Mutual Fund does not believe that the business of business is business. We have been called unconventional for our belief that the business of business is to exist for our investors. To provide a simple range of products so that investors can save for the future. We are clear on this: if our mutual funds do not perform well - or if we cannot service our investors with integrity and efficiency - we need to shut down and find something else to do in life.

To us, success is not about the amount of money we manage but, rather, it is a measure of how well we manage it, of how we help you create wealth out of your savings.

Yes, we are the 29th mutual fund house in India, and the smallest - but we still are the country's 1st *and only direct-to-investor mutual fund*, and also the 1st *to work against an opaque and biased distribution system*. We have nothing against distributors - we believe that everyone needs to get paid for the work they do - but those payments need to be revealed. We would be happy to see that distributors are paid from the management fees which the AMC earns and not from the pocket of the investors as expenses that are charged to the various mutual fund schemes. After all, how a mutual fund house raises money is the business plan of the fund; why should the investor have to pay for it?

Meanwhile, while the industry leaders who are focused on AuM continue to lobby for a return to their old ways, **Quantum Mutual Fund** will continue to focus on the original intention behind a mutual fund. To ensure that investors like you get:

- Products that work for your benefit, and not for the good of the distributor;
- Simple products that you can understand;
- Products backed by focused research and a disciplined investment process;
- Low cost products that add value to your portfolio in the long run; and
- Funds that maintain transparency in its communication with you.

It has just been over 5 years since we launched our first mutual fund product, Quantum Long Term Equity Fund, and our total Assets under Management across our 6 funds as of March 31, 2011 stands at **Rs. 134.53 crores**.

Subbu and I look back on our journey with great satisfaction. We are happy to have chosen the path that no one else has chosen. A path which allows us to sleep well every night knowing that we are doing the right thing for you. *For your money. For your returns.*

We are honored to work for you and with you, as custodians of your savings.

Thank you for your support and confidence in our very un-traditional approach to looking after your savings. May the means always be more important than the end.

Ajit Dayal & I V Subramaniam

Directors, Quantum Asset Management Company Pvt. Ltd.



Fund Performance as on March 31, 2011

Quantum Tax Saving Fund (An open ended Equity Linked Saving Scheme)		
Period	Returns - Growth Option	Benchmark Returns - BSE 30 TRI
1 year	17.56%	12.14%
Since Inception	42.70%	37.16%

Quantum Equity Fund of Fund (An open ended Equity Fund of Funds Scheme)		
Period	Returns - Growth Option	Benchmark Returns - BSE 200 TRI
1 year	12.22%	8.15%
Since Inception	22.83%	16.00%

Quantum Index Fund ETF (An Open ended Exchange Traded Fund)		
Period	Returns - Growth Option	Benchmark Returns - S&P CNX Nifty Index
1 year	11.65%	11.14%
Since Inception	15.00%	13.18%

Quantum Liquid Fund (An Open ended Liquid Scheme)		
Period	Returns - Growth Option	Benchmark Returns - Crisil Liquid Fund Index
1 month	0.7023%	0.7117%
3 months	1.9899%	1.9635%
6 months	3.7846%	3.7057%
1 year	6.6805%	6.2069%
3 years	6.6282%	6.2150%
Since Inception	6.9294%	6.4543%

Quantum Long Term Equity Fund (An Open ended Equity Scheme)		
Period	Returns - Growth Option	Benchmark Returns - BSE 30 TRI
1 year	19.03%	12.14%
3 years	18.17%	8.78%
5 years	17.21%	13.29%
Since Inception	17.55%	14.12%

Quantum Gold Fund ETF (An Open ended Exchange Traded Fund - Gold)		
Period	Returns - Growth Option	Benchmark Returns - Domestic Price of Gold
1 year	25.71%	26.99%
3 years	18.56%	19.73%
Since Inception	18.60%	18.64%

Past Performance may or may not be sustained in the future and may not necessarily provide a basis for comparison with other investments.

Returns for less than one year are Absolute Returns and one year and above are Compounded Annualized Returns. Since inception Returns are calculated on NAV of Rs.10 in case of Quantum Long Term Equity Fund (QLTEF), Quantum Tax Savings Fund (QTSF), Quantum Equity Fund of Funds (QEFOF), Quantum Liquid Fund (QLF) and Quantum Index Fund (QIF) and Rs.100 in case of Quantum Gold Fund (QGF) invested at the inception.

Date of Inception: QLTEF– March 13 2006, QTSF – December 23 2008, QEFOF– July 20 2009, QLF – April 7 2006, QGF – February 22, 2008, QIF–July 10 2008

Please refer to Page (X) for the complete Statutory Details & Risk Factors



Statistics

Quantum Mutual Fund (QMF)	2006	2007	2008	2009	2010	2011
AuM (in Rs Cr)	11.26	60.45	64.22	57.84	98.77	134.53
Investors (Nos)	798	1,671	2,602	4,446	7,142	13,359
No. of Products	1	2	3	5	6	6
Distributor Commissions (Rs)	0	0	0	0	0	0
Quantum Long Term Equity Fund (QLTEF)	2006	2007	2008	2009	2010	2011
AuM (in Rs Cr)	11.26	30.45	40.18	22.79	50.86	73.78
Investors (Nos.)	798	1,560	1,833	1,962	2,349	5,172
Expense Ratio (%)	2.50	2.48	2.50	2.50	2.18	1.53
Distributor Commissions (Rs)	0	0	0	0	0	0
Sharpe Ratio	0.48	0.03	0.04	-0.08	0.21	0.06
Portfolio Turnover (%)	0	14.13	30.72	16.30	36.56	45.92
Brokerages Paid (%)*	0.07	0.25	0.14	0.09	0.16	0.21
Quantum Liquid Fund (QLF)		2007	2008	2009	2010	2011
AuM (in Rs Cr)		30.00	20.35	25.50	27.05	24.64
Investors (Nos.)		111	131	279	294	629
Expense Ratio (%)		0.44	0.45	0.45	0.37	0.36
Distributor Commissions (Rs)		0	0	0	0	0
Brokerages Paid (%)*		0	0	0	0.002	0.003
Quantum Equity Fund of Funds (QEFOF)					2010	2011
AuM (in Rs Cr)					1.27	2.42
Investors (Nos.)					201	316
Expense Ratio (%)					0.75	0.75
Distributor Commissions (Rs)					0	0
Brokerages Paid (%)*					0	0

Quantum Gold Fund (QGF)			2008	2009	2010	2011
AuM (in Rs Cr)			3.69	7.96	16.74	28.39
Investors (Nos.)			638	1,599	3,496	5,820
Expense Ratio (%)			1.00	1.00	1.00	1.00
Distributor Commissions (Rs)			0	0	0	0
Tracking Error (%)			0.015	0.011	0.003	0.007
No. of Kilos			30	52	101	135
Brokerages Paid (%)*			0	0	0	0
Quantum Index Fund (QIF)				2009	2010	2011
AuM (in Rs Cr)				1.13	1.22	1.60
Investors (Nos.)				371	338	398
Expense Ratio (%)				0.75	0.75	0.62
Distributor Commissions (Rs)				0	0	0
Tracking Error (%)				0.03	0.03	0.03
Brokerages Paid (%)*				0.23	0.12	0.04
Quantum Tax Saving Fund (QTSF)				2009	2010	2011
AuM (in Rs Cr)				0.46	1.62	3.70
Investors (Nos.)				235	464	1024
Expense Ratio (%)				0.68	2.50	1.62
Distributor Commissions (Rs)				0	0	0
Sharpe Ratio				-0.01	0.21	0.05
Portfolio Turnover (%)				0.00	28.98	31.63
Brokerages Paid (%)*				0.20	0.23	0.25

Data as on financial year ending March 31 for all the above mentioned years. * Brokerage refers to brokerage paid for investment. **Date of Inception / Allotment:** QLTEF: March 13, 2006. QLF: April 7, 2006. QIF: July 10, 2008. QGF: February 22, 2008. QTSF: December 23, 2008. QEFOF: July 20, 2009. **Past performance may or may not be sustained in the future.** **Please refer to Page (X) for complete Statutory Details & Risk Factors**



Glossary of Terms

AuM - Assets under Management refers to the amount money managed by a mutual fund house.

Benchmark Returns - Each fund has its own distinct benchmark, by which its performance is measured. Benchmark returns refers to returns of these specific benchmarks.

Fund	Benchmark
Quantum LongTerm Equity Fund	BSE 30 Total Return Index
Quantum Tax Saving Fund	BSE 30 Total Return Index
Quantum Equity Fund of Funds	BSE 200 Index
Quantum Liquid Fund	Crisil Liquid Fund Index
Quantum Gold Fund (ETF)	Domestic Price of Gold
Quantum Index Fund (ETF)	S&P CNX Nifty Index

CAGR - or Compound Annual Growth Rate is the year-on-year growth rate applied to an investment over a specified period of time.

Distributor Commissions - refers to the payment made by mutual fund companies to distributors to push their products to investors.

Expense Ratio - is a measure of what it costs to operate a mutual fund.

Sharpe Ratio - is used to characterize how well the return of an asset compensates the investor for the risk taken.

For instance, when you buy a lottery, the kind of risk you are taking there is quite high. You may end up losing all your money or maybe you could make equally high gains. Say you purchased a ticket of Rs 100 and made a gain of Rs 300, how well do you think that the profit of Rs 200 compensated you for the risk you faced while parting with your Rs 100.

The measure of how well your returns compensates you for the risk you take, is referred to as – Sharpe Ratio. Hence for your mutual fund investments, higher the Sharpe ratio, the better. (Refer to Volatility below for more on assessing risk.)

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.

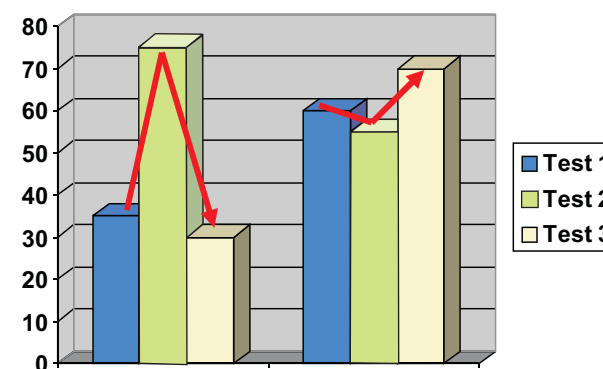
Portfolio Turnover - is a measure of trading activity during the previous year, expressed as a percentage of the average total assets of the fund. It is a percentage of a fund's assets that have changed over the course of a year. Mutual funds with higher turnover ratios tend to have higher expenses.

Volatility - Consider this: A and B study mathematics together, Listed below are their examination scores:

	Student A	Student B
Test 1	35	60
Test 2	75	55
Test 3	30	70

If you take a look at both their performances, though A has outperformed B in the second test, B seems to be a more consistent student.

with respect to mutual funds, if the NAV of the fund moves up and down rapidly over short time periods, it has high volatility. If the NAV almost never changes, it has low volatility. Generally, the more volatile a fund, the higher the investment risk.





Understanding Risk-Return Ratio

Risk-Return ratio refers to how far the returns of a fund justify the risk it subjects your savings to.

Given below is the Risk-Return graph for Quantum Mutual Fund's products.



Mutual Fund investments are subject to market risks. Please read the Scheme Information Document and Statement of Additional Information carefully before investing.

Please refer to Page (X) for complete Statutory Details & Risk Factors



Educating Investors

Myth: Quantum Mutual Fund is just another mutual fund.

Fact: We are India's first and only direct-to-investor Mutual Fund.



We were established as the 29th fund house in India, but were one of the first to focus on the needs of the investor. At Quantum Mutual Fund, we have a unique approach to wealth generation. We have eliminated distribution commissions by going directly to investors, so that more of your money works for you in the stock markets. Because every Rupee saved is a Rupee earned. We did not launch numerous schemes to please distributors. We are committed to offering you simple products, complete transparency, and a long term perspective towards wealth generation. Come, *click* on the direct path to profit with process.



Available only at www.QuantumMF.com. Log on for a free copy of The Quantum Theory of Investment booklet.

Equity | Fixed Income | Gold SBI: 022-2222222 | Toll free: 1800-22-2222 | Email: info@QuantumMF.com

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QUANTUM ADVISORS PVT. LTD.: PROUD SPONSOR OF INDIA'S FIRST AND ONLY DIRECT-TO-INVESTOR MUTUAL FUND.

Average Indian retail investor is vulnerable to many investment myths associated with mutual funds. Hence, even though mutual funds are an ideal vehicle to invest in the stock markets, investors stay wary of them or choose their fund with quite a few unfounded presumptions.

Through this campaign, which we launched in February, 2011, we shared with the Indian retail investor the simplicity of investing by breaking myths and establishing facts.

We did this through a compilation titled – The Quantum Theory of Investments. You can start your simple journey to long term investments by downloading this guide from our website www.QuantumMF.com.



The Quantum Ads: Breaking Myths

Myth: Only a Star Fund Manager can deliver impressive performance.

Fact: No Star Fund Managers here! Quantum Funds follow a team-based approach, and our performance speaks for itself...

Quantum Long Term Equity Fund - An open ended equity scheme

Performance as on February 28, 2011

Period	Quantum - Growth Option	Benchmark Returns - BSE 30 TRI
1 year	17.35%	9.88%
3 years	11.43%	1.65%
Since inception	16.21%	12.39%

Past performance may or may not be sustained in future and may not necessarily provide a basis for comparison with other investments. Above returns are Compounded Annualized Returns. Date of Investment: March 15, 2006. Since inception returns are calculated on NAV of Rs. 10 invested at inception.

Value Research* gives 5 stars to Quantum Long Term Equity Fund. Though we are small in size, our results are not, for we constantly endeavour to excel our benchmark - BSE 30 TRI. That's because our unique investment philosophy gives us the ability to deliver risk-adjusted, sensible returns over the long term. We don't go by the views of a Star Fund Manager, because we believe that only a systematic and disciplined team-based investment process offers a long-term perspective towards wealth generation in the Quantum Long Term Equity Fund.

To invest means to watch your savings grow into wealth over the long term. So come, click on the path to profit with process.

Equity Multicap category, Number of Schemes: 45 for 3 and 5 year periods ending February 28 2011.

Past Performance is no guarantee of future results.



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QUANTUM ADVISORS PVT. LTD.: PROUD SPONSOR OF INDIA'S FIRST AND ONLY DIRECT-TO-INVESTOR MUTUAL FUND.

Myth: Quantum Mutual Fund is against distributors.

Fact: Quantum Mutual Fund is against the lack of transparency in distribution channels.



Many believe that we are against distributors. However, the truth is that we are fighting for a better and transparent system. For instance, while most mutual fund costs are known, distribution commissions are generally never disclosed. So you never know whether a distributor is recommending a fund because it deserves to be in your portfolio based on its merit or simply because he is getting paid a higher commission. In the end, you pay the price for this lack of transparency.

Quantum Mutual Fund - India's first and only direct-to-investor mutual fund - is the only fund house to have chosen the path of complete transparency. As an investor, you know exactly what your money is doing - and who is being paid for what. And while the industry debates the merits of transparency break free and call your stock broker to buy mutual funds on the stock exchanges with a known brokerage cost. Reducing costs is good for long term wealth generation. Come click on the path to profit with process.



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QUANTUM ADVISORS PVT. LTD.: PROUD SPONSOR OF INDIA'S FIRST AND ONLY DIRECT-TO-INVESTOR MUTUAL FUND.



The Quantum Ads: Breaking Myths

Myth: Investing in a mutual fund gives you transparency.

Fact: There is a lack of transparency on distribution costs.



While mutual fund investment portfolios are transparent, distribution costs are not. So when a fund is recommended to you, is it working for you or the distributor? And who can you trust to give you the correct picture? The fact is that Quantum is the first and only mutual fund house to deal directly with the investor, so that all your money finds its way into the market. And there is complete clarity and transparency on all costs. So when it comes to long term wealth generation that puts the investor first, the choice is clear. Come, click on the path to profit with process.



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SMS: Quantum to 58377 | Toll free: 1800-02-3883 | Email: sms@quantummf.com

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QUANTUM ADVISORS PVT. LTD.: PROUD SPONSOR OF INDIA'S FIRST AND ONLY DIRECT-TO-INVESTOR MUTUAL FUND.

Myth: Big funds mean big returns and small risks.

Fact: The size of a fund is no indicator of returns or risks.



If size mattered, Quantum Long Term Equity Fund would not have got a 5-star rating by Value Research*. Moreover, all equity mutual funds invest in the stock markets, so they are all equally safe or unsafe. At Quantum Long Term Equity Fund, to ensure liquidity, every stock we invest in generally trades more than Rs. 4 crores a day. So that we can give your money back when you want it. We are committed to generating consistent returns in the long term through safe thinking and careful planning. Which is why we may be small in size, but we have a long term perspective towards wealth generation. Come, click on the path to profit with process.

*Equity Multicap category, Number of Schemes: 43 for 3 and 5 year periods ending January 31st, 2011. Past Performance is no guarantee of future results.

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QUANTUM ADVISORS PVT. LTD.: PROUD SPONSOR OF INDIA'S FIRST AND ONLY DIRECT-TO-INVESTOR MUTUAL FUND.





The Quantum Ads: Breaking Myths

Myth: Mutual Fund rankings and ratings matter.

Fact: Rankings and ratings are transitory. Wealth should not be.



Never buy a mutual fund solely for its ranking or rating. They could hide more than they reveal. And we say this despite Quantum Long Term Equity Fund being 5 star rated by Value Research*. What's more important than rankings or ratings is the thought process; we do not buy speculative stocks to top ranking or rating charts. Instead, we invest in strong businesses run by sound management teams. So before you invest in a fund, make sure you've ranked your priorities correctly. Come, click on the path to profit with process.

Equity Multicap category, Number of Schemes: 43 for 3 and 5 year periods ending January 31, 2011. **Past Performance is no guarantee of future results.**

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QUANTUM ADVISORS PVT. LTD.: PROUD SPONSOR OF INDIA'S FIRST AND ONLY DIRECT-TO-INVESTOR MUTUAL FUND.



Myth: It's easy to make money on a daily basis in the stock market.

Fact: If you don't plan for the long term, you could well lose.



Day trading is a speculative business, in which you run the risk of losing money. A risk that you should not take with your long-term savings.

At Quantum, we believe in delivering consistent performance over the years, by following a process that cuts through the hype, and invests in strong businesses run by sound management teams. Your savings need to be nurtured. Which is why our Quantum Long Term Equity Fund generally holds on to shares for at least 2 years. And continues to give us the ability to potentially deliver good returns for your savings in the long run. Come, click on the path to profit with process.

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QUANTUM ADVISORS PVT. LTD.: PROUD SPONSOR OF INDIA'S FIRST AND ONLY DIRECT-TO-INVESTOR MUTUAL FUND.





Statutory Details & Risk Factors:

Investment Objective: **Quantum Long-Term Equity Fund (QLTEF):** An open ended equity scheme with an objective to achieve long-term capital appreciation by investing primarily in shares of companies that will typically be included in the BSE 200 Index and are in a position to benefit from the anticipated growth and development of the Indian economy and its markets. **Quantum Liquid Fund (QLF):** An open ended Liquid scheme with an objective to provide optimal returns with low to moderate levels of risk and high liquidity through judicious investments in money market and debt instruments. **Quantum Gold Fund (QGF):** An open ended exchange traded fund gold with an objective to generate returns that are in line with the performance of gold and gold related instruments, subject to tracking errors. However, investment in gold related instruments will be made if and when SEBI permits mutual funds to invest in gold related instruments. The Scheme is designed to provide returns that before expenses, closely correspond to the returns provided by gold. **Quantum Index Fund (QIF):** An open ended exchange traded fund with an objective 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. **Quantum Tax Saving Fund (QTSF):** An open ended equity linked savings scheme with an objective to achieve long term capital appreciation by investing primarily in shares of companies that will typically be included in the BSE 200 Index and are in a position to benefit from the anticipated growth and development of the Indian economy and its markets. **Quantum Equity Fund of Funds (QEFOF):** An open ended equity fund of funds scheme with an objective to generate long-term capital appreciation by investing in a portfolio of open-ended diversified equity schemes of mutual funds registered with SEBI. There can be no assurance of positive returns from following the stated investment strategy. **Entry Load:** Not applicable. **Exit Load:** **QLTEF:** On repurchase/redemption/switch-out within 6 months from the date allotment- 4%, after 6 months but within 12 months from the date of allotment- 3%, after 12 months but within 18 months from the date of allotment - 2%, after 18 months but within 24 months from the date of allotment - 1%, after 24 months of allotment - Nil. **QLF:** Nil; **QGF:** Nil in case of Authorised Participants and Eligible Investors. **QIF:** Nil; **QTSF:** Nil; **QEFOF:** On repurchase/redemption/switch-out within 1 year from the date of allotment-1.5%. **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 the gold and securities markets and there is no assurance or guarantee that the objectives of the schemes will be achieved.** Quantum Long-Term Equity Fund, Quantum Liquid Fund, Quantum Gold Fund, Quantum Index Fund, Quantum Tax Saving Fund and Quantum Equity Fund of Funds are the names of the schemes and does not in any manner indicate either the quality of the Schemes, their 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. Under Liquid Schemes changes in interest rate may affect the Scheme's NAV. The QGF's NAV will react to the Gold price movements. 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. QEFOF's performance will depend upon the performance of the underlying schemes. Past performance of the Sponsors and their affiliates / AMC / Mutual Fund and its Scheme(s) do not indicate the future performance of the Scheme of the Mutual Fund. Investors in the Schemes are not being offered any guaranteed / assured returns. The NAV of the units issued under the Schemes may be affected, inter-alia by changes in the interest rates, trading volumes, settlement periods, transfer procedures and performance of individual securities. The NAV will inter-alia be exposed to Price / Interest Rate Risk and Credit Risk. The investors are advised to refer to the Scheme Information Documents of QGF and QIF for full text of the 'Disclaimer Clause of NSE'. **Statutory Details:** Quantum Mutual Fund (the Fund) has been constituted as a Trust under the Indian Trusts Act, 1882. **Sponsor:** Quantum Advisors Private Limited. (liability of Sponsor limited to Rs. 1,00,000/-) **Trustee:** Quantum Trustee Company Private Limited. Investment Manager: Quantum Asset Management Company Private Limited (AMC). The Sponsor, Trustee and Investment Manager are incorporated under the Companies Act, 1956. **Mutual Funds investments are subject to market risks. Please read the Scheme Information Document / Key Information Memorandum / Statement of Additional Information / Addendums carefully before investing. Scheme Information Document / Key Information Memorandum / Statement of Additional Information can be obtained at any of our Investor Service Centers or at office of the AMC :- 505, Regent Chambers, 5th Floor, Nariman Point, Mumbai – 400 021 or on website www.QuantumMF.com**



Purity Test for Gold

Dear Unitholder,

Consider this; you go to your jeweller to sell some old jewellery and are pretty sure that the ornament will fetch you a decent price. But, your jeweller offers you a price that has a huge discount factored in, giving you even lesser than the price you had paid much earlier while purchasing the jewellery. Shocked, you ask "Why?..." and are told that your old jewellery is not all gold, it lacks in purity.

While this may have (fortunately) not happened to you, low purity standards of gold jewellery in India is very much a fact. This has been proved by the often disappointing results of the surveys conducted by the Bureau of Indian Standards (BIS) surveys for gold purity checks. For the benefit of retail customers, the media regularly publishes reports on maintaining caution while purchasing physical gold.

However, recently, the fear of "purity concerns" has also extended to Gold Exchange Traded Funds (ETFs). Customer apprehension is understandable, and we have received queries voicing concerns regarding the purity of the gold backing Gold ETFs:

- "... If we are not sure of the purity of gold in our hands, how can we be sure of the purity of gold that backs ETF units?..."
- "... We see Demat units which assures us that these units are backed by gold instead of receiving physical gold. But, how can we note the purity of gold in ETFs? ..."

These are very valid questions to raise, considering the current inflationary conditions where an increasing number of people are looking towards gold as a store of value. At Quantum, we have tried to ensure that we address these concerns by sharing with our investors the process that we actually follow for purchasing the gold that backs the Quantum Gold ETF. For the sake of a brief synopsis, allow me to reiterate that:

- We purchase gold of only 0.995 finesse or above, and sourced only from London Bullion Market Association accredited refiners
- We import the gold through banking / authorized channels
- We ensure that during the process of importing, the gold does not leave the custody of accredited vaulters
- We ensure that the gold is accompanied by all the necessary statutory documents such as Customs invoice, Bill of Entry, Master Airway Bill, Purity Certificate etc., - establishing authenticity of gold.

Now, even after a detailed explanation of the purchase process, and the fool-proof method of investing in Gold, it's possible that you are still hesitant to believe in the purity of gold and the convenience of ETFs. Again, understandable!

And of course we couldn't leave the discussion without giving you an answer that you trust in. So, here's what we did: to leave no scope for doubt that the gold held by Quantum Gold ETF on behalf of its investors is pure, we put all the gold bars that we hold under a "purity test". A first of its kind initiative by any Gold ETF in India! Even our vaulting agent who has been in the business of safekeeping and transporting precious metals since years was amazed to see this exercise being done for the first time.

This wasn't as easy a task as it sounds though. To begin with, we had to search for a service provider who would understand our requirements, and as we were the first Gold ETF to want to pursue such a task, the search was quite exhaustive. We found a good support in Quantum Equipment Company Pvt Ltd, who carried out the purity tests at the vaults where the gold is stored. (We're sure you must be wondering about the connection between Quantum Asset Management Company Pvt Ltd and Quantum Equipment Company Pvt Ltd. However, please note that there is no relation between the two companies. We share the same name by sheer coincidence!)

The gold assaying also known as purity testing was done using the Karatmeter Mistral, a precious metals analyzer machine. This method uses microspot XRF technology to determine the percentage of precious metal present. It is a fast, precise and non destructive method for Karat determination. The technology and machine was designed by a firm in Germany known as Bruker AXS Microanalysis GmbH - a worldwide leader for such analyzing technology and systems.

You would be pleased to know, and we would be glad to announce that all the gold held in Quantum Gold ETF has been tested and certified to be of 99.50 purity (0.995 fineness) and above. The Assaying Certificate has been appended on the following page for your reference.

And in conclusion, we performed this test to assure our investors that what they own through the Quantum Gold ETF, is real and pure gold! Here, all that glitters is truly gold!

Regards,
Chirag Mehta

Fund Manager
Quantum Gold Fund



Gold Purity Test Certificate

Quantum

Quantum Equipment Co. Ltd.

April 11, 2011

301, Rajshree Plaza, Opp. Shreyas Cinema, L.B.S. Marg, Chhatkopar (W), Mumbai - 400 086, India
Tel.: +91 22 2500 5011 / 12 Fax: +91 22 2500 5010 Email: quantum@karatmeter.com

To Whomsoever it may Concern

We undertook a task to test the purity of Gold held by Quantum Mutual Fund- Quantum Gold Fund. The test was carried out in the vaults of Brinks Arya Pvt Ltd where they store their gold. The test was done by using precious metals analyser machine known as KaratMeter Mistral. This is a fast, precise and non destructive method of Karat / percentage determination of precious metals and layer thickness using microspot XRF technology.

Based on several decades of research, analysis & experience in the field of microspot X-ray technology, Bruker Nano GmbH, Germany, has designed & developed OEM kits for Karatmeter ORA & MISTRAL taking into consideration the latest innovations in X-ray techniques. Bruker is a worldwide leader in providing advanced X-ray systems & complete solutions for structure & elemental analysis using X-ray fluorescence (XRF) & other sophisticated techniques.

The unit precisely & swiftly determines the percentage by weight (or karat) in a solid piece of jewellery, precious coins or any other piece of noble metal making use of the X-ray assay technique.

All the bars identified by the unique bar nos. were tested and found to be of purity of 99.5 percentage (995 fineness) and above. We had employed services of "Jai Vaishnavi Computer Touch" for carrying on the task of assaying. Individual bar certificates from the assayer have been separately provided.

For Quantum Equipment Co. Ltd.,


Authorized Signatory

About Quantum Equipment Co. Ltd.

Quantum Equipment Co. Ltd is a well-known organization in the field of analytical, scientific and process instrumentation. We have been certified by several standards authorities for its quality production and excellent services in analytical and test & measuring instruments. The Company undertakes activities involving promotion and export of sophisticated instruments, manufacturing and designing of test & measuring instruments, assembling of analyzers with foreign collaboration, data stations and allied accessories etc. we entered into technical collaboration agreement with one of leading German organization namely Bruker Nano GmbH - pioneer in precious metal testing, material analysis and thickness measuring micro-spot XRF analyzers since last 50 years. We are their Asian business partners assembling, promoting and supporting their entire range of products efficiently.

www.karatmeter.com

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The People Who Manage Your Fund

The fund management team of your mutual fund is there to ensure that your hard earned savings are looked after by a disciplined process that helps create wealth for you over the long term. The managers of the funds rely on a team based research and investment process built by Ajit Dayal and I. V Subramaniam, directors on the Board of Directors of Quantum Asset Management Company Pvt Ltd.



Atul Kumar - Fund Manager (Equity)

Atul Kumar has more than 11 years of experience in the consulting and financial services industry. Prior to this he has been with Sahara Asset Management Co, Pvt. Ltd. He completed his B.Com from Delhi University and has a PGDBM from ICFAI Business School. Atul Kumar manages the Quantum Long Term Equity Fund and Quantum Tax Saving Fund.



Nilesh Shetty – Associate Fund Manager (Equity)

Nilesh has more than 7 years of experience in research. He has been a part of Quantum Asset Management Company since 2009, and at present is the Associate Fund Manager for Quantum Long Term Equity Fund. Nilesh is a qualified CFA (Chartered Financial Analyst), and has completed his Masters in Management Studies (Finance) from the Mumbai University.



Arvind Chari - Fund Manager (Fixed Income)

Arvind Chari has more than 8 years of experience in the financial services industry. Prior to this he has been with Tower Capital & Securities. He is an M.Com & MBA from Mumbai University. Arvind Chari manages the Quantum Liquid Fund and Quantum Equity Fund of Funds.



Chirag Mehta – Fund Manager (Commodities)

Chirag Mehta has more than 7 years of experience in the financial services and related industry. Prior to this he has been with EDS (Electronic Data Systems) as a Coordinator for Xerox. He is an M.Com & MBA (finance) from Mumbai University. Chirag Mehta manages the Quantum Gold Fund(ETF).



Hitendra Parekh – Fund Manager (Quantum Index Fund)

Hitendra Parekh has more than 18 years of experience financial services industry. Prior to working with Quantum, he has been with the Unit Trust of India for 4 years and UTI Securities Ltd for 9 years. He has completed his B.Com & Masters in Financial Management from Mumbai University. Hitendra Parekh manages the Quantum Index Fund.

BOARD OF DIRECTORS	BOARD OF DIRECTORS
Quantum Trustee Company Private Limited (Trustee to Quantum Mutual Fund)	Quantum Asset Management Company Private Limited (Investment Manager to Quantum Mutual Fund)
Mr. Jagdish Capoor <i>Chairman</i>	Mr. Ajit Dayal <i>Chairman</i>
Mr. Hormazdiyaar Vakil <i>Director</i>	Mr. S.R.Balasubramanian <i>Director</i>
Mr. Suresh Lulla <i>Director</i>	Mr. C. Srinivasan <i>Director</i>
Mr. Surjit Banga <i>Director</i>	Mr. I. V. Subramaniam <i>Director</i>
	Mr. Kamal Pande <i>Director</i>

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Quantum Mutual Fund

505, Regent Chambers, 5th Floor, Nariman Point, Mumbai – 400 021

Tel: 022 6144 7800

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Email: info@QuantumAMC.com; Website: www.QuantumAMC.com/www.QuantumMF.com

SPONSOR	Quantum Advisors Private Limited Registered Office : 503 5th Floor, Regent Chambers, Nariman Point, Mumbai – 400 021.
ASSET MANAGEMENT COMPANY	Quantum Asset Management Company Private Limited Registered Office : 505, 5th Floor, Regent Chambers, Nariman Point, Mumbai – 400 021. Tel. No. : 022-6144 7800 Toll Free No. 1800 22 3863 Website : www.QuantumAMC.com/www.QuantumMF.com
TRUSTEE	Quantum Trustee Company Private Limited Registered Office : 505, 5th Floor, Regent Chambers, Nariman Point, Mumbai – 400 021. Tel. No. : 022-6144 7800
REGISTRAR & TRANSFER AGENTS	Karvy Computershare Private Limited Unit: Quantum Mutual Fund, Karvy Plaza, # 8-2-596, Avenue 4, Street no. 1, Banjara Hills, Hyderabad – 500 034, Andhra Pradesh, India..
CUSTODIAN	Deutsche Bank AG Nirlon Knowledge Park, Block 1, 4th Floor, Western Express Highway Goregaon (East), Mumbai – 400 063
BANKER TO THE ISSUE	HDFC Bank Limited Manecji Wadia Bldg., Gr. Floor, Nanik Motwani Marg, Fort, Mumbai – 400 023.
STATUTORY AUDITORS	M/s Haribhakti & Co., Chartered Accountants 701, Leela Business Park, Andheri Kurla Road, Andheri (E), Mumbai – 400 059.

QUANTUM
MUTUAL FUND
Profit with Process

TRUSTEE'S REPORT TO THE UNITHOLDERS OF QUANTUM MUTUAL FUND FOR THE YEAR ENDED MARCH 31, 2011

Dear Unitholders,

We are pleased to present to you the Fifth Annual Report of Quantum Mutual Fund along with the audited financial statements of its schemes for the year ended March 31, 2011.

Schemes of Quantum Mutual Fund

Quantum Mutual Fund launched its first scheme – the Quantum Long Term Equity Fund – an open ended equity scheme, on February 8, 2006.

As on March 31, 2011, Quantum Mutual Fund has the following six schemes:

Sr. No.	Scheme Name	Launch Date
1.	Quantum Long Term Equity Fund	February 8, 2006
2.	Quantum Liquid Fund	April 3, 2006
3.	Quantum Gold Fund	January 24, 2008
4.	Quantum Index Fund	June 9, 2008
5.	Quantum Tax Saving Fund	December 10, 2008
6.	Quantum Equity Fund of Funds	June 26, 2009

During the financial year ended March 31, 2011, Quantum Mutual Fund has achieved growth in assets under management.

The total Assets under Management (AuM) as on March 31, 2011 was Rs.134.53 crores. This indicates an AuM growth of 36% from an AuM of Rs.98.77 crores as on March 31, 2010.

The total number of investors in Quantum Funds as on March 31, 2011 was 13,359. This indicates an investor base growth of 87% from 7,142 investors as on March 31, 2010.

1. PERFORMANCE, FUTURE OUTLOOK AND OPERATIONS OF THE SCHEMES AND PRODUCTS
(a) Quantum Long Term Equity Fund – An Open-ended Equity Scheme

Investment Objective of Quantum Long Term Equity Fund (QLTEF) is to achieve long-term capital appreciation by investing primarily in shares of companies which are typically included in the BSE 200 Index and are in a position to benefit from the anticipated growth and development of the Indian economy and its markets.

The resources of the scheme have been invested in line with the investment objective.

For QLTEF, as on March 31, 2011	
Assets under Management	Rs.73.78 crores
Existing Unitholders	5,172

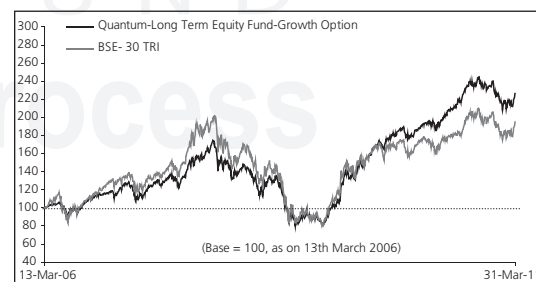
Performance of the Quantum Long Term Equity Fund v/s Benchmark – BSE 30 TRI as on March 31, 2011

Period	QLTEF Returns (%)	Benchmark – BSE 30 TRI Returns (%)
6 Months*	-3.50	-2.88
Last 1 Year**	19.03	12.14
Last 3 Years**	18.17	8.78
Last 5 Years**	17.21	13.29
Since Inception**	17.55	14.12

* 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. Date of Inception - March 13, 2006. Since inception returns are calculated on NAV of Rs.10 invested at inception.

NAV of the Quantum Long Term Equity Fund v/s Benchmark – BSE 30 TRI


Past performance may or may not be sustained in the future

(b) Quantum Liquid Fund – An Open-ended Liquid Scheme

The Investment Objective of Quantum Liquid Fund (QLF) is to provide optimal returns with low to moderate levels of risks, and high liquidity through judicious investments in money market and debt instruments.

The resources of the scheme have been invested in line with the investment objective.

For QLF, as on March 31, 2011	
Assets under Management	Rs.24.64 crores
Existing Unitholders	629

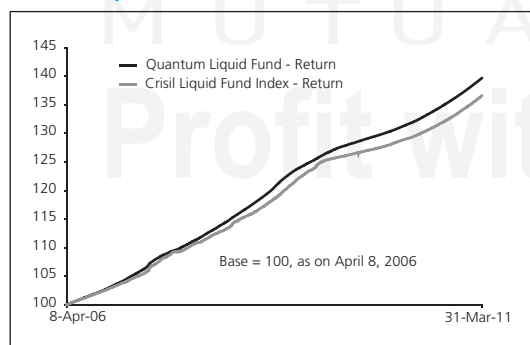
Performance of the Quantum Liquid Fund v/s Benchmark – CRISIL Liquid Fund Index as on March 31, 2011

Period	QLF Returns (%)	Benchmark – CRISIL Liquid Fund Index Returns (%)
1 month*	0.70	0.71
3 months*	1.99	1.96
6 months*	3.78	3.71
Last 1 Years**	6.68	6.21
Last 3 Years**	6.63	6.22
Since Inception**	6.93	6.45

* 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 - April 07, 2006. Since inception returns are calculated on NAV of Rs.10 invested at inception.

NAV of the Quantum Liquid Fund v/s Benchmark – Crisil Liquid Fund Index

Past performance may or may not be sustained in the future

(c) Quantum Index Fund – An Open-ended Exchange Traded Fund

Investment Objective of Quantum Index Fund (QIF) is to invest in stocks of companies comprising S&P CNX Nifty Index and endeavour 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.

The resources of the scheme have been invested in line with the investment objective.

For QIF, as on March 31, 2011	
Assets under Management	Rs.1.60 crores
Existing Unitholders	398

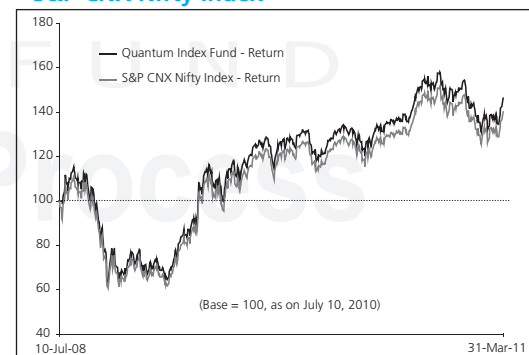
Performance of the Quantum Index Fund v/s Benchmark – S&P CNX Nifty Index as on March 31, 2011

Period	QIF Returns (%)	Benchmark – S&P CNX Nifty Index Returns (%)
6 months*	-3.31	-3.25
Last 1 year**	11.65	11.14
Since Inception**	15.00	13.18

* 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. Since inception returns are calculated on NAV of Rs.10 invested at inception.

NAV of the Quantum Index Fund v/s Benchmark – S&P CNX Nifty Index

Past performance may or may not be sustained in the future

(d) Quantum Gold Fund – An Open-ended Exchange Traded Fund

Investment Objective of Quantum Gold Fund (QGF) is to generate returns that are in line with the performance of gold and gold related instruments subject to tracking errors. However, investment in gold related instruments will be made if and when SEBI permits mutual funds to invest in gold related instruments. The scheme is designed to provide returns that, before expenses, closely correspond to the returns provided by gold.

The resources of the scheme have been invested in line with the investment objective.

For QGF, as on March 31, 2011	
Assets under Management	Rs.28.39 crores
Existing Unitholders	5,820

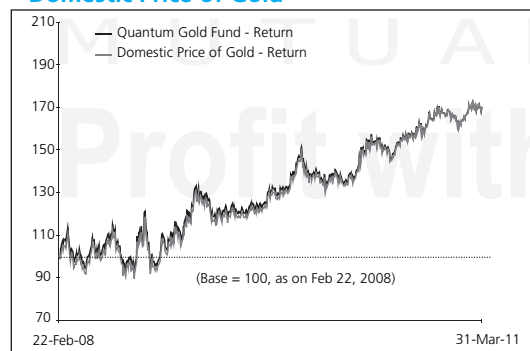
Performance of the Quantum Gold Fund v/s Benchmark – Domestic Price of Gold as on March 31, 2011

Period	QGF Returns (%)	Benchmark – Domestic Price of Gold Returns (%)
6 Months*	7.81	8.35
Last 1 Year**	25.71	26.99
Last 3 Years**	18.56	19.73
Since Inception**	18.60	18.64

* 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. Date of Inception - February 22, 2008. Since inception returns are calculated on NAV of Rs.100 invested at inception.

NAV of the Quantum Gold Fund v/s Benchmark – Domestic Price of Gold


Past performance may or may not be sustained in the future

(e) Quantum Tax Saving Fund – An Open-ended Equity Linked Savings Scheme

Investment Objective of Quantum Tax Saving Fund (QTSF) is to achieve long term capital appreciation by investing primarily in shares of companies that will typically be included in the BSE 200 Index and are in a position to benefit from the anticipated growth and development of the Indian economy and its markets.

The resources of the scheme have been invested in line with the investment objective.

For QTSF, as on March 31, 2011	
Assets under Management	Rs.3.7 crores
Existing Unitholders	1,024

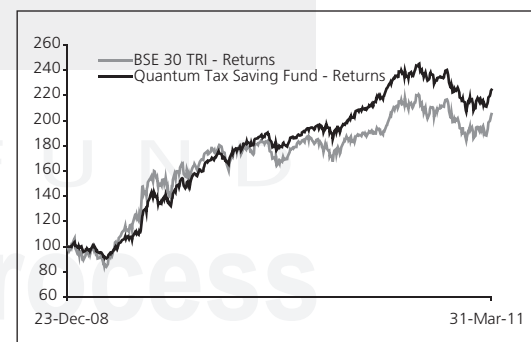
Performance of the Quantum Tax Saving Fund v/s Benchmark – BSE 30 TRI as on March 31, 2011

Period	QTSF Returns (%)	Benchmark – BSE 30 TRI Returns (%)
6 months*	-4.39	-2.88
Last 1 year**	17.56	12.14
Since Inception**	42.70	37.16

* 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 - December 23, 2008. Since inception returns are calculated on NAV of Rs.10 invested at inception.

NAV of the Quantum Tax Saving Fund v/s Benchmark – BSE 30 TRI


Past performance may or may not be sustained in the future

(f) Quantum Equity Fund of Funds – An Open-ended Equity Fund of Funds Scheme

Investment Objective of Quantum Equity Fund of Funds (QEFOF) is to generate long term capital appreciation by investing in a portfolio of open-ended diversified equity schemes of mutual funds registered with SEBI. There can be no assurance of positive returns from following the stated investment strategy

The resources of the scheme have been invested in line with the investment objective.

For QEFOF, as on March 31, 2011	
Assets under Management	Rs.2.42 crores
Existing Unitholders	316

Performance of the Quantum Equity Fund of Funds v/s Benchmark – BSE 200 Index as on March 31, 2011

Period	QEFOF Returns (%)	Benchmark – BSE 200 Index Returns (%)
6 Months*	-5.66	-6.00
1 Year**	12.22	8.15
Since Inception**	22.83	16.00

* 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 20, 2009. Since inception returns are calculated on NAV of Rs.10 invested at inception.

NAV of the Quantum Equity Fund of Funds v/s Benchmark – BSE 200 Index

Past performance may or may not be sustained in the future

MARKET REVIEW AND OUTLOOK**Equity Market Review and Outlook**

It has been an eventful year ranging from volcanic ash eruptions, oil spill, revolutions in the Middle East, bailout of some European nations that were on the verge of default to finally the disaster in Japan. At this point the global economic recovery remains fragile. The stimulus packages announced in the developed economies has not really helped and may be withdrawn causing interest rates in the western world to increase. This could have an impact on Foreign Institutional Investors' flows into India. Default by any European country may have major implications on global financial markets. Although the Indian economy may not be seriously impacted by this turbulence, equity markets may be adversely impacted by a slowdown in FII investments.

Since November 2010, global investors have focused on inflation and interest rates and in India too inflation has emerged as a major concern for the policy makers. The reason that led to higher inflation in India was a rise in prices of primary articles, driven by higher food and fuel prices. However, the key reason for the start of the inflationary trend has been the easy money policy in the US. Bailouts of the risk takers (read risk taking financial institutions) by the US central bank and an enormous dosage of liquidity into the economy have kept the US dollar weak and exported inflation to the rest of world.

While inflation is a global phenomenon, its impact on developing economies is different than the impact on developed economies. In India, in order to control inflation, the Reserve Bank of India has continually raised interest rates. Although an extended period of high interest rates may negatively affect India's GDP growth in the near term, we do not believe that it will have a dramatic impact on India's real GDP growth rate. Between 1994 and 2000, real interest rates were high but India's GDP was not affected - GDP grew comfortably above 6% per annum. Our long term assumption of a rate of growth in GDP of 6.5% per annum has not changed. Despite all the macro headwinds GDP growth in India recorded an impressive 8.5% in FY11. This was driven by strong performance by all three sectors of the economy (viz. agriculture sector, service sector and industrial sector).

A series of corruption scams have only added to the worries of interest rates and inflation. The investigations on various government ministries and delays related to environment clearance and land acquisition have put some investment projects on hold. Turbulence in the Middle East could push oil prices higher leading to an adverse effect on world GDP.

The investment team at Quantum Mutual Fund continues to have a positive outlook for Indian equities. With all the macro noise around us, in the end we are bottom up stock pickers and disciplined value managers. Our challenge remains to understand and analyze businesses, to decipher the valuations ascribed to these businesses in the stock market and to understand the ability of the management to guide these businesses in challenging times. With headlines changing so rapidly, nervous money flows can create interesting opportunities.

Debt Market Review and Outlook

In the fiscal year 2011 (April 2010 – March 2011), there was a shift in the monetary policy stance of the Reserve Bank of India (RBI) from boosting growth to containing inflation. The RBI carries out multiple objectives of managing growth, maintaining inflation and promoting financial stability and does it by adjusting the benchmark interest rates, market liquidity and macro prudential supervision to achieve the stated objective.

Post the financial crisis of 2008, easy liquidity and low interest rates regime (commonly referred to as accommodative monetary policy) was put in place to boost economic growth. However, throughout the fiscal year 2011, this policy was slowly and steadily reversed by increasing interest rates and tightening liquidity. This was necessary as the economic growth (GDP growth rate) improved and inflation levels increased.

The RBI raised its benchmark interest rates (the Repo and Reverse Repo Rate) 6 times during the fiscal year. The Repo rate climbed from 5% to 6.75%, while the Reverse Repo rate increased from 3.75% to 5.75%. However, market interest rates climbed up lot more. By the end of March 2011, 1 year bank Certificate of Deposits (CDs) were trading at around the 10% mark, up from 5.5% in April 2010. The 3 month CDs went up by 600 bps during the fiscal to end the year at 9.5%. Tight liquidity conditions have led to an increase in market interest rates which are much higher than benchmark rates. Liquidity, as determined by the excess money in the banking system, went from a peak surplus of INR 1.2 trillion in April 2010 to a situation of peak deficit of INR 1.7 trillion in December 2010. Tight liquidity increases the funding costs of the banking system thereby increasing benchmark rates. Even longer tenor government bond yields increased from its lows of 7.4% to trade above 8% on the back of rising inflation and higher fiscal deficit.

Despite the rate hikes and tight liquidity, inflation continues to be at intolerable levels and presents itself as the biggest macro economic risk. A part of the food inflation is structural in nature due to rising incomes and higher government spending in rural areas. Currently, a rise in food prices is getting generalized and manifesting itself in higher prices of manufactured products too. This is a dangerous trend which would keep the RBI worried and make them increase interest rates even more and slowdown the growth trend.

In fiscal year 2011-12, macro indicators are expected to stabilize to more sustainable levels. GDP growth is expected to moderate below the 8% mark on the back of high inflation and interest rates. This is a more sustainable level and it will also lower demand led inflation and lower the pressure on interest rates. Inflation would probably remain high in the first half of the fiscal and would gradually decline later in the year owing to the impact of high interest rates on economic activity. In the near term, however, the RBI is expected to continue its anti-inflation stance and most probably hike interest rates further by around 50 -100 bps in order to manage inflation expectations which originate from soaring global prices of oil and commodities.

A closer analysis of the current debt market suggests that for the past couple of years the interest received on bank deposits

and market instruments have been unable to compensate for inflation and is actually providing investors with negative real returns on their fixed income investments (Real Interest Rate = Nominal Interest Rate – Inflation Rate). Senior citizens living off the interest they earn on bank deposits and pension fund accumulation have had to dip into their capital to provide for daily expenses since the interest income from fixed deposits has not compensated for the increased cost of living.

The fiscal year 2011-12, we believe would bring joy to the multitude of savers across the country as fixed deposits and market interest rates have adjusted higher and are offering returns which will compensate for inflation going forward. Current bank fixed deposits of above 9% and interest rates of some market instruments have been seen only once in this decade and that too for a brief period just before and after the crisis of 2008. We believe these interest rates would remain high for atleast the first half of the fiscal and investors should diligently allocate their hard earned savings to these instruments based on their overall asset allocation needs.

Investors should take advantage of the high interest rates by investing in liquid funds, short term funds, fixed maturity plans or fixed deposits.

Gold Market Review and Outlook

In the calendar year 2010, gold continued its bull run. Gold prices scaled higher with a 29.5% increase for the year (in dollars). This was the tenth consecutive price increase and a fourth double digit increase for gold in the last five years.

The price of gold continued to reach new highs on account of uncertainty in global markets, easy monetary policies undertaken by the U.S Fed and decline in the Euro. The Euro was viewed to be on the edge of a financial collapse as concerns of sovereign debt in European countries plagued the economy. Policies such as Quantitative Easing (QE), a.k.a money printing, were undertaken by the US Fed and the European Central Bank resulting in currency debasement. Rising inflation and currency value depreciation also resulted in gold becoming an alternative means of investment. Various macroeconomic factors such as slow economy, low opportunity costs, negative real yields, wealth preservation, and central bank buying have encouraged gold prices and are likely to support it in the future as well.

Additionally, the US and Euro-zone economies are still in a state of unrest. The US is struggling to pull out of recession and also has unemployment concerns which are showing little signs of diminishing. European countries like Portugal, Spain, Italy and Belgium find themselves in the same financial situation as Greece and Ireland which may be forced to restructure its debt which is akin to default. Such defaults could pose significant problems for the global banking sector. Amidst all of this chaos, gold seems to be the only currency whose supply is greatly constrained and thus its value continues to increase.

Demand from consumption centers like India and China seem to be on a strong footing. Investment demand has been robust and would continue to grow, lending support to gold prices in the future. There is no 'bubble' developing in gold, as the relatively high prices seen recently are supported by fundamental

factors like the current economic conditions where governments are struggling to fight off issues like rising deficits, ever growing debts, large unfunded future liabilities and continuous currency debasement. This is leading to inflation concerns which would reiterate the need for gold as an investment. It thus becomes important to allocate to gold, especially since it counterbalances paper money which seems to be losing its sheen and credibility as store of value.

2. BRIEF BACKGROUND OF SPONSOR, TRUST, TRUSTEE COMPANY AND ASSET MANAGEMENT COMPANY

A. SPONSOR

Quantum Mutual Fund is sponsored by Quantum Advisors Private Limited. The Sponsor is the Settlor of the Mutual Fund Trust. The Sponsor has entrusted a sum of Rs.1,00,000 to the Trustee as the initial contribution towards the corpus of the Mutual Fund. The Sponsor is a SEBI Registered Portfolio Manager engaged in the business of rendering Portfolio Management and Advisory Services. The Sponsor has been in the business of providing equity research, investment advisory services and managing portfolio of securities since 1990.

B. QUANTUM MUTUAL FUND

Quantum Mutual Fund (Fund) has been constituted as a Trust in accordance with the provisions of the Indian Trusts Act, 1882, as per the terms of the Trust Deed dated October 7, 2005 with Quantum Advisors Private Limited as the Sponsor/Settlor and Quantum Trustee Company Private Limited, as the Trustee. The Trust Deed has been registered under the Indian Registration Act, 1908. The Trustee has entered into an Investment Management Agreement dated October 7, 2005 with Quantum Asset Management Company Private Limited to function as the Investment Manager for all the Schemes of Quantum Mutual Fund. Quantum Mutual Fund was registered with SEBI on December 2, 2005.

C. QUANTUM TRUSTEE COMPANY PRIVATE LIMITED

Quantum Trustee Company Private Limited (Trustee) is the exclusive owner of the Trust Fund and holds the same in trust for the benefit of the Unitholders. The Trustee has been discharging its duties and carrying out the responsibilities as provided in the SEBI (Mutual Funds) Regulations, 1996 and the Trust Deed. The Trustee seeks to ensure that Quantum Mutual Fund and the schemes and products floated thereunder are managed by Quantum Asset Management Company Private Limited in accordance with the Trust Deed, the Regulations, directions and guidelines issued by SEBI, the Stock Exchanges, the Association of Mutual Funds in India and other regulatory agencies.

D. QUANTUM ASSET MANAGEMENT COMPANY PRIVATE LIMITED

Quantum Asset Management Company Private Limited (AMC) is a private limited company incorporated under the Companies Act, 1956 on September 19, 2005. The AMC has been appointed as the Investment Manager of Quantum Mutual Fund by the Trustee vide Investment Management Agreement dated October 7, 2005, executed between Quantum Trustee Company Private Limited and the AMC. The AMC was approved by SEBI vide its letter dated December 5, 2005 to act as an Asset Management Company for Quantum Mutual Fund.

3. SIGNIFICANT ACCOUNTING POLICIES:

The Significant Accounting Policies form part of the 'Notes to the Accounts' annexed with the Balance Sheet of the Schemes. The Accounting Policies are in accordance with Securities Exchange Board of India (Mutual Funds) Regulations, 1996.

4. UNCLAIMED DIVIDENDS & REDEMPTIONS:

There are no unclaimed dividends and redemption proceeds for the year ended March 31, 2011.

5. DIRECT MARKETING – the only fund house in India to follow this path for the benefit of its investors.

Quantum Mutual Fund continues to adopt a unique method of directly marketing its products without the use of traditional distribution channels. We rather have investors buy into our funds rather than be sold our products. Hence, we have laid special emphasis on communicating with them through regular newsletters and articles like – the Quantum Equity Direct and the Golden Truth.

In the financial year 2009-2010, Quantum Advisors, the Sponsor of Quantum AMC published a nationwide advertisement campaign across print and online media. The focus of this campaign was on breaking myths of the mutual fund industry and establishing facts about the Quantum way of investing. This campaign also brought about the compilation of the "Quantum Theory of Investment"; an easy to read book that explains the Quantum philosophy along with articles from guest writers like – Monika Halan, Vivek Law, Jawahir Mulraj, Sandeep Shanbhag, Vipin Khandelwal, and Rahul Goel.

Going forward, our focus would be on significantly increasing investor interaction through 'Path to Profit' meets, and amplifying investor delight through simple and value adding content. We are also focused on expanding the Quantum family, and adding to our investor base through lead generation initiatives on the internet and other relevant media.

As Trustees we are proud of the fact that Quantum Mutual Fund is the first - and still the only - mutual fund house in the country which follows this unique direct marketing

approach that has been applauded by the press, and well received by associates.

6. INVESTOR SERVICES

As on March 31, 2011, Quantum Mutual Fund served investors primarily through its Invest Online Section on www.QuantumMF.com and also through 214 offices of Karvy Computershare Private Limited.

To further enhance the service levels to investors, Quantum Mutual Fund has associated with the National Stock Exchange's (NSE) Mutual Fund Service System (MFSS) and Bombay Stock Exchange's (BSE) StAR MF platforms to offer investors a facility to invest in four of its funds, viz – Quantum Long Term Equity Fund, Quantum Tax Saving Fund, Quantum Liquid Fund and Quantum Equity Fund of Funds. And to take that forward, we also offered investors the option of investing through monthly and quarterly Systematic Investment Plans (SIPs) through the stock exchange infrastructure.

With our continuous focus on investor delight, we have undertaken a few initiatives:

- Increased the number of banks through which investors could transact with us. Investors can now invest in Quantum Mutual Funds through 46 banks.
- Reduced the investment threshold for Quantum Long Term Equity Fund, Quantum Tax Saving Fund, Quantum Equity Fund of Funds, and Quantum Liquid Fund
- Introduced various frequencies for Systematic Investment Plans and Systematic Transfer Plans
- Introduced Trigger Facility to alert investors based on a specified change in value of investment, NAV, BSE Sensex, or NSE Nifty
- Introduced Corporate SIP, a unique facility that will allow a company to credit a regular installment from the investor's salary account to their investment account with us

Further, our investors have unrestricted access to Quantum Mutual Fund's CustomerCare Team through the Website, Email, and Phone for redressal of any queries they may have.

7. STATUTORY INFORMATION

- a Quantum Advisors Private Limited (the Sponsor) is not responsible or liable for any loss resulting from the operation of the Schemes of the Fund beyond their initial contribution (to the extent contributed) of Rs. 1,00,000 for setting of the Fund, and such other accretions / additions to the same.

- b The price and redemption value of the units and income from them, can go up as well as down on account of fluctuations in the market value of its underlying investments.
- c The entire Annual Report shall be disclosed on the website (www.QuantumMF.com) and shall be available for inspection at the office of Quantum Mutual Fund. Present and prospective unitholders can obtain a copy of the Trust Deed, the Annual Report of the Fund / AMC at a price.

8. LIABILITIES AND RESPONSIBILITIES OF TRUSTEES AND SPONSOR

The main responsibility of the Trustees is to safeguard the interests of the unitholders and inter-alia ensure that Quantum Asset Management Company Private Limited (AMC) functions in the interest of the investors, and in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, the provisions of the Trust Deed and the Scheme Information Document of the scheme. From the information provided to the Quantum Trustee Company Private Limited and the reviews it has undertaken, the Directors of the Trustee Company believe that the AMC has been conducting the operations of Quantum Mutual Fund in the interest of the unitholders and in accordance with the applicable regulatory requirements.

9. DISCLOSURE OF INVESTOR COMPLAINTS

The detail of redressal of complaints received against the Fund during the financial year 2010-11 is attached as annexure A.

10. ACKNOWLEDGEMENT

The Directors of the Trustee Company wish to thank our investors, the Securities and Exchange Board of India, the Association of Mutual Funds in India, Investor Service Centers, Registrar and Transfer Agents, Custodian, and our Bankers. We would also like to thank the employees of Quantum Asset Management Company Private Limited who have chosen to break the myths of the mutual fund business as it exists and establish facts of how it should ideally be. We look forward to their continuous belief and much needed support in building a low-cost mutual fund house for simple, sensible, long-term investing.

**For and on behalf of the Board of Directors of
Quantum Trustee Company Private Limited**

sd/-

Date: May 19, 2011
Place: Mumbai

**Jagdish Capoor
Chairman**

Redressal of Complaints received against Quantum Mutual Fund during April 2009 – March 2010 and during April 2010 – March 2011

	2009-2010	2010-2011
Number of Investors at financial year end	7,142	13,359

Redressal of Complaints received against Quantum Mutual Funds (MF's) during April' 2009-March' 2010 and April'2010-March' 2011

[illegible]

Analysis

	2009-2010	2010-2011
Transaction Count	25583	113989
Percentage of complaints to Transactions	0.26%	0.16%

Notes:

The number of transactions during the year have increased by 4.5 times as compared to the previous year, however the percentage of complaints to the number of transactions have reduced as we have initiated various measures to improve the quality of services and thus reduce the complaints.

We have a dedicated toll free no 1800-22-3863 and email id: Customercare@QuantumAMC.com to handle investor's calls/emails pertaining to any transactions/queries /complaints and the same is handled by efficient customer relations executives for resolution at the AMC end. These are marked to the Investor Relations Officer / Compliance Officer for day to day monitoring.

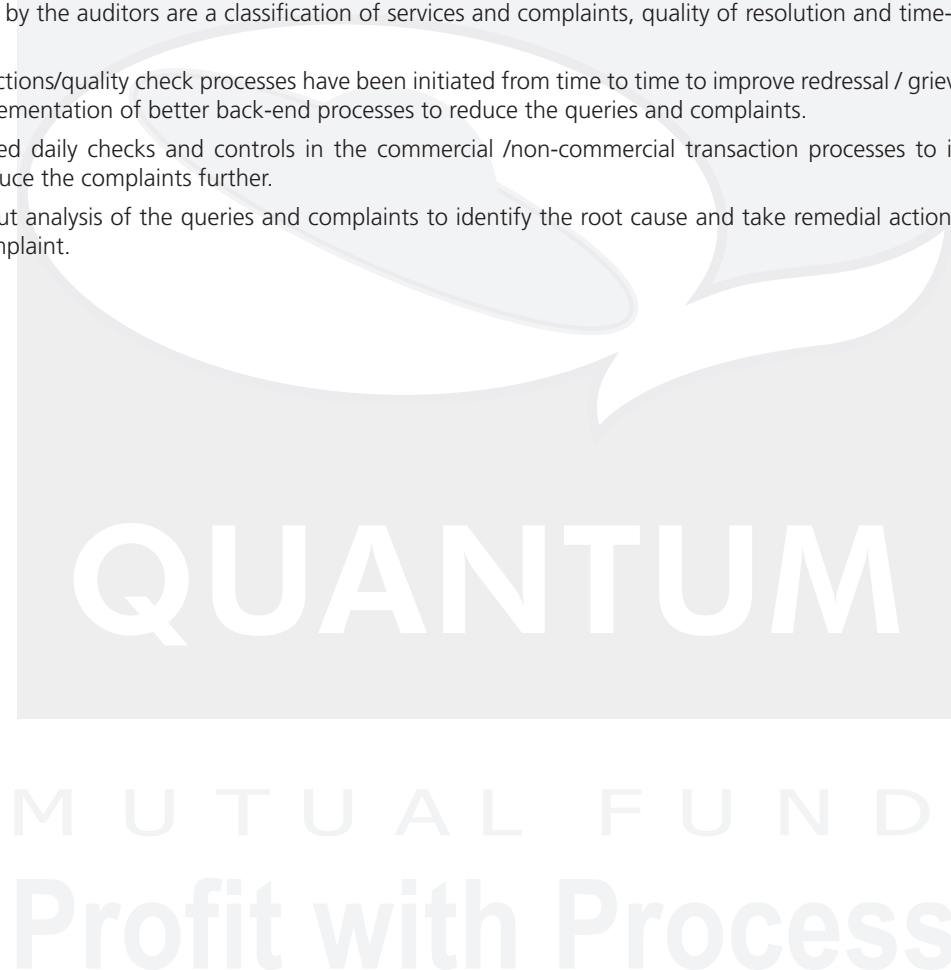
The complaints and their redressal during the month are reviewed in the monthly Risk Management Committee and is also presented to the Quantum Asset Management Company Pvt. Ltd. Board and the Trustee Board through Bi-monthly and Quarterly Reports.

Internal Auditor conducts quarterly audit of transactions and processes both in-house as well as at Service Provider's end. The areas broadly covered by the auditors are a classification of services and complaints, quality of resolution and time-frames for redressal of complaints.

The necessary actions/quality check processes have been initiated from time to time to improve redressal / grievance handling process along with implementation of better back-end processes to reduce the queries and complaints.

We have initiated daily checks and controls in the commercial /non-commercial transaction processes to improve the quality of services and reduce the complaints further.

We also carry out analysis of the queries and complaints to identify the root cause and take remedial action to avoid escalation of queries as a complaint.



Policy Proxy Voting

SEBI vide its circular No. SEBI / IMD / CIR No.18/198647/2010 dated March 15,2010 has advised the Asset Management Companies to make general policy for proxy voting and exercise the voting rights in respect of shares held by the Mutual Funds in the listed companies to play an active role in ensuring better corporate governance of listed companies.

Quantum Asset Management Company Private Limited (AMC) as the Asset Management Company of Quantum Mutual Fund (the Fund) is required to do the following:

- (a) To disclose general policies and procedures for exercising the voting rights in respect of shares held by the Fund on the website of the AMC as well as in the annual report distributed to the unit holders from the financial year 2010-11.
- (b) The actual exercise of their proxy votes in the AGMs / EGMs of the investee companies in the following matters shall be disclosed on the website of the Company as well as in the annual report distributed to the unit holders from the financial year 2010-11.
 1. Corporate governance matters, including changes in the state of incorporation, merger and other corporate restructuring, and anti takeover provisions.
 2. Changes to capital structure, including increases and decreases of capital and preferred stock issuances.
 3. Stock Option Plans and other management compensation issues
 4. Social and corporate responsibility issues
 5. Appointment and Removal of Directors
 6. Any other issue that may affect the interest of the shareholders in general and interest of the unit holders in particulars

Procedure

As a matter of policy and as a fiduciary responsibility to the investors of the Fund, the (AMC) / Quantum Trustee Company Private Limited (Trustee) has the responsibility for voting proxies for portfolio securities consistent with the best economic interests of the Scheme(s) of the Fund.

As per the Companies Act, 1956:

- (A) A proxy is not entitled to vote except on a poll.
- (B) At any General Meeting, a resolution is to be put to vote of the meeting by show of hands in the first instance unless a poll is demanded.

Generally as a practice in the general meeting of the listed companies, a resolution is carried out by show of hands and therefore in such case proxy is not entitled to vote.

As a Mutual Fund is incorporated / registered as a Trust under the Indian Trust Act, the Securities of the Fund are normally held in the name of the Trustee. The Trustee can appoint representative to attend the general meetings and vote on the Resolution by show of hands in the Annual General Meetings / Extra Ordinary General Meetings of the investee companies as per Section 187B of the Companies Act, 1956. The representative appointed by the Trustee of a Trust (Mutual Fund in the instant case) has therefore the same rights and powers (including the right to vote by proxy) on behalf of the Fund.

The AMC will provide the details of proxy voting in the following format prescribed by SEBI.

(A) Management Proposal

Date	Type of Meeting (AGM / EGM)	Proposal	Management	Vote (For / Recommendation Against/ Abstain)

(B) Shareholders Proposal

Date	Type of Meeting (AGM / EGM)	Proposal	Management	Vote (For / Recommendation Against/ Abstain)

Responsibility

The Compliance Officer of the AMC has the responsibility for the implementation and monitoring of the company's proxy voting policy, practices, disclosures and reviewing the proxy procedure.

The Research Team along with the Back Office of the AMC has the responsibilities to maintain records of proxy votings and any document the AMC created that was material to making a decision how to vote proxies, or that memorializes that decision.

Voting Guidelines

The AMC's policy is to vote all proxies from a specific issuer in the same way for each scheme. The AMC /will vote proxies in the best

interests of the scheme(s) of The Fund.

All voting decisions are taken on a case to case basis. The concerned Research Analyst / Fund Manager at the AMC / reviews the different proposals put before the shareholders / Management and arrives at a final decision of how to vote, keeping in mind the long term interest of the scheme(s), investment philosophy of the Fund and the market best practices. The concerned Research Analyst / Fund Manager communicate such voting decision or recommendation to the back office team for further action.

In case of Index Scheme the Fund would "Abstain" from voting on matters concerning the Company invested as an Index Portfolio by the Scheme.

In case of Mutual Fund Units / Debt Securities / meeting convened to decide on debt / fund / scheme restructuring etc, the concerned Credit Analyst / Fund Manager communicates such voting decision / recommendation to the Equity Research Analyst for his input and then to Back Office Team for further action (to the extent permitted by law).

The Custodian (as representative of the Fund) then picks up the voting instructions given by the back office and accordingly votes at the meetings of the shareholders of the various companies.

If the Company decides not to vote a proxy, the Research Analyst / Fund Manager have the responsibility for documenting the reasons for that decision.

Conflicts of Interest

In voting proxies, the AMC will identify any conflicts that exist between the interests of the AMC and the scheme, interest of the scheme vs the scheme and decision of the Research Analyst / Fund Manager vs the Research Analyst / Fund Manager by reviewing the relationship of the AMC with the issuer of each security to determine if the AMC or any of its employees or schemes has any financial, business or personal relationship with the issuer.

Examples of potential conflicts of interest include;

- (a) The AMC / Fund Manager / Research Analysts has the material business relationship with a proponent of a proxy proposal, participants in a proxy contest, or directors or director candidates of a investee company; and
- (b) An employee of the AMC has a personal interest in the outcome of a particular proxy proposal (which might be the case if, for example, a member of an employee's immediate family were a director or executive officer of the relevant company).

Conflict of interest would be filtered out before the Research Analyst / Fund Manager gives his view/ final decision on how to vote which may interalia include relying on an independent third party view (the third party can be a different Research Analyst or a research arm of a broking firm / CRISIL).

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PROXY VOTING EXERCISED DURING THE YEAR ENDED MARCH 31, 2010

Name of Company	Date	Type of Meeting (AGM / EGM)	Proposal	Management Recommendation	"Vote (For / Against / Abstain)"
The Indian Hotels Company Limited	5-Aug-10	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
	5-Aug-10	AGM	Declaration of Dividend	The company is distributing its profits satisfactorily	For
	5-Aug-10	AGM	Re-appoint Mr. K.B. Dadiseth as a Director, who retires by rotation	The Director has played Key role in the Company's performance.	For
	5-Aug-10	AGM	Re-appoint Mr. Shapoor Mistry as a Director, who retires by rotation	The Director has played Key role in the Company's performance.	For
	5-Aug-10	AGM	Re-appoint Mr. Jagdish Capoor as a Director, who retires by rotation	The Director has played Key role in the Company's performance.	For
	5-Aug-10	AGM	Re-appointment of Auditor & fix their Remuneration	Auditor seems to have performed their job satisfactorily, thus can be re-appointed	For
Trent limited	18-Aug-10	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
	18-Aug-10	AGM	Declaration of Dividend on Equity Shares	The company is distributing its profits satisfactorily	For
	18-Aug-10	AGM	Declare a dividend on the redeemable preference shares for the Year March 31, 2011	The company is distributing its profits.	For
	18-Aug-10	AGM	Re-appointment of Auditor & fix their Remuneration	Auditor seems to have performed their job satisfactorily, thus can be re-appointed	For
	18-Aug-10	AGM	Mr. B.S. Bhesania as a Director of the company, who retires by rotation does not seek re-election and not re-appointed	Mr. Bhesania has around 50 years of varied experience in the field of law.	For
	18-Aug-10	AGM	Appoint Mr. Zubin S Dubash as the board of Directors as an Additional Directors of the Company	The Director experience will help the Company to grow in future.	For
	18-Aug-10	AGM	Approval of payment of Remuneration to Mr. N. N. Tata, Managing Director	Mr. N. N. Tata Managing Director possesses necessary skill and experience in business	For

Tata Global Beverages Limited	23-Aug-10	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
	23-Aug-10	AGM	Declaration of Dividend	The company is distributing its profits satisfactorily	For
	23-Aug-10	AGM	Re-appoint Mr. R. N. Tata as a Director, who retires by rotation.	The Director has played Key role in the Companys' performance.	For
	23-Aug-10	AGM	Re-appoint Mr. F. K. Kavarana as a Director, who retires by rotation.	The Director has played Key role in the Companys' performance.	For
	23-Aug-10	AGM	Re-appoint Mr. U. M. Rao as a Director, who retires by rotation.	The Director has played Key role in the Companys' performance.	For
	23-Aug-10	AGM	Re-appointment of Auditor & fix their Remuneration	Auditor seems to have performed their job satisfactorily, thus can be reappointed	For
	23-Aug-10	AGM	Appoint Mrs. Ranjana Kumar, as a Director of the Company, who was appointed by the Board of Directors as an Additional Director of the Company	The Director experience will help the Company to grow in future.	For
	23-Aug-10	AGM	Appoint Mr. Ajay Shankar, as a Director of the Company, who was appointed by the Board of Directors as an Additional Director of the Company	The Director experience will help the Company to grow in future.	For
Bajaj Auto Limited	28-Aug-10	Postal Ballot	Increase in the Authorised Share Capital and Alteration of the Memorandum of Association of the Company	This will not have any impact on financials of the company but will help improving liquidity in trading on stock exchange	For
	28-Aug-10	Postal Ballot	Issue of Bonus Shares	This issue of bonus share will not have any effect on financial of the company.	For
	28-Aug-10	Postal Ballot	Amendment of Articles of Association of the Company	Regulatory Requirement	
	28-Aug-10	Postal Ballot	Increase in limit of inter-corporate loans & investments	Business Requirement	

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Jaiprakash Associates	30-Aug-10	Postal Ballot	Providing security / undertakings to the lenders of Jaiprakash Power Ventures Limited	The scrip is part of the Index Scheme and not actively managed	Abstain
	30-Aug-10	Postal Ballot	Providing undertakings to the lenders of JPSK Sports Pvt Ltd. A subsidiary of the Company	The scrip is part of the Index Scheme and not actively managed	Abstain
	30-Aug-10	Postal Ballot	Making Investments in Fertilisers Business	The scrip is part of the Index Scheme and not actively managed	Abstain
	30-Aug-10	Postal Ballot	Investment in surplus funds of the Company	The scrip is part of the Index Scheme and not actively managed	Abstain
	30-Aug-10	Postal Ballot	Increase in remuneration of relative of Director	The scrip is part of the Index Scheme and not actively managed	Abstain
Bharti Airtel limited	1-Sep-10	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
	1-Sep-10	AGM	Declaration of Dividend	The company is distributing its profits satisfactorily	For
	1-Sep-10	AGM	Re-appointment of Auditor & fix their Remuneration	Auditor seems to have performed their job satisfactorily, thus can be re-appointed	For
	1-Sep-10	AGM	Re-appoint Mr. Pulak Chandan Prasad as a Director, who retires by rotation	The Director has played Key role in the Company's performance.	For
	1-Sep-10	AGM	Re-appoint Ms. Chua Sock Koong as a Director, who retires by rotation	The Director has played Key role in the Company's performance.	For
	1-Sep-10	AGM	Re-appoint Mr. Rajan Bharti Mittal as a Director, who retires by rotation	The Director has played Key role in the Company's performance.	For
	1-Sep-10	AGM	Re-appoint Mr. Rakesh Bharti Mittal as a Director, who retires by rotation	The Director has played Key role in the Company's performance.	For
	1-Sep-10	AGM	To appoint and approve Remuneration of Chairman and Managing Director	The Director experience will help the Company to grow in future.	For
	1-Sep-10	AGM	Consent for appointment of Mr. Shravin Mittal as an employee of subsidiary company	Giving exposure	For
	1-Sep-10	AGM	Payment of commission to Director of company	We believe the directors have played a key role in growing the business and the commission to be paid is not excessive	For

Hindalco Industries Limited	3-Sep-10	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
	3-Sep-10	AGM	Declaration of Dividend	The scrip is part of the Index Scheme and not actively managed	Abstain
	3-Sep-10	AGM	Re-appointment of Auditor & fix their Remuneration	The scrip is part of the Index Scheme and not actively managed	Abstain
	3-Sep-10	AGM	Re-appoint Mr. Kumar Mangalam Birla as a Director, who retires by rotation	The scrip is part of the Index Scheme and not actively managed	Abstain
	3-Sep-10	AGM	Re-appoint Mr. E. B. Desai as a Director, who retires by rotation	The scrip is part of the Index Scheme and not actively managed	Abstain
	3-Sep-10	AGM	Re-appoint Mr. A. K. Agarwala as a Director, who retires by rotation	The scrip is part of the Index Scheme and not actively managed	Abstain
	3-Sep-10	AGM	To create mortgage or charge on the properties of the Company	The scrip is part of the Index Scheme and not actively managed	Abstain
Reliance Power Limited	6-Sep-10	Postal Ballot	Utilisation of IPO proceeds	The scrip is part of the Index Scheme and not actively managed	Abstain
	6-Sep-10	Postal Ballot	Issue of Equity Shares to the Qualified Institutional buyers	The scrip is part of the Index Scheme and not actively managed	Abstain
	6-Sep-10	Postal Ballot	Raising of resources through issue of securities in the International market	The scrip is part of the Index Scheme and not actively managed	Abstain
Container Corporation of India Limited	17-Sep-10	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
	17-Sep-10	AGM	To confirm Interim Dividend and to declare dividend on Equity Shares.	The company is distributing its profits satisfactorily	For
	17-Sep-10	AGM	Re-appointment of Auditor & fix their Remuneration	Auditor seems to have performed their job satisfactorily, thus can be reappointed	For
	17-Sep-10	AGM	To appoint a Director in place of Shri S. Balachandran, however he offers himself for reappointment.	The Director has played Key role in the Company's performance.	For

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	17-Sep-10	AGM	To appoint a Director in place of Shri V. Sanjeevi, however he offers himself for re-appointment.	The Director has played Key role in the Company's performance.	For
	17-Sep-10	AGM	To appoint a Director in place of Shri Janat Shah, however he offers himself for re-appointment.	The Director has played Key role in the Company's performance.	For
	17-Sep-10	AGM	Appointment of Shri Vivek Saahai as Part time Chairman of the Company	The Director's experience will help the Company to grow in future.	For
	17-Sep-10	AGM	Appointment of Shri Anil K. Gupta as Managing Director of the Company.	The Director's experience will help the Company to grow in future.	For
	17-Sep-10	AGM	Appointment of Ms. P. Alli Rani as Director of the Company.	The Director's experience will help the Company to grow in future.	For
Hero Honda Motors Limited	20-Sep-10	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
	20-Sep-10	AGM	To declare Interim dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
	20-Sep-10	AGM	To appoint a Director in place of Mr. Analjit Singh, however he offers himself for re-appointment	The scrip is part of the Index Scheme and not actively managed	Abstain
	20-Sep-10	AGM	To appoint a Director in place of Dr. Pritam Singh, however he offers himself for re-appointment	The scrip is part of the Index Scheme and not actively managed	Abstain
	20-Sep-10	AGM	To appoint a Director in place of Mr. Sumihisa Fukuda, however he offers himself for re-appointment	The scrip is part of the Index Scheme and not actively managed	Abstain
	20-Sep-10	AGM	To appoint a Director in place of Dr. M. Damodaran, however he offers himself for re-appointment	The scrip is part of the Index Scheme and not actively managed	Abstain
	20-Sep-10	AGM	Re-appointment of Auditor & fix their Remuneration	The scrip is part of the Index Scheme and not actively managed	Abstain
	20-Sep-10	AGM	Appointment of Mr. Ravi Nath, who was appointed as Additional Director is appointed as Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
	20-Sep-10	AGM	Appointment of Dr. Anand C. Burman, who was appointed as Additional Director is appointed as Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain

	20-Sep-10	AGM	Appointment of Mr. Suman Kant Munjal, who was appointed as Additional Director is appointed as Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
Gateway Distriparks Limited	20-Sep-10	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
	20-Sep-10	AGM	To declare dividend on equity shares.	The company is distributing its profits satisfactorily	For
	20-Sep-10	AGM	To appoint a Director in place of Mr. Gopinath Pillai, however he offers himself for re-appointment	The Director has played Key role in the Company's performance.	For
	20-Sep-10	AGM	To appoint a Director in place of Mr. Shabbir Hassanbhai, however he offers himself for re-appointment	The Director has played Key role in the Company's performance.	For
	20-Sep-10	AGM	To appoint a Director in place of Mr. Sat Pal Khattar, however he offers himself for re-appointment	The Director has played Key role in the Company's performance.	For
	20-Sep-10	AGM	Re-appointment of Auditor & fix their Remuneration	Auditor seems to have performed their job satisfactorily, thus can be reappointed	For
	20-Sep-10	AGM	To issue offer and allot by way of rights issue, public issue or private placement to qualified Institutional buyers	Any expansion or acquisition to be undertaken can be made through internal account	For
Jaiprakash Associates Limited	21-Sep-10	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
	21-Sep-10	AGM	To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
	21-Sep-10	AGM	To appoint a Director in place of Mr. R. N. Bhardwaj, however he offers himself for re-appointment	The scrip is part of the Index Scheme and not actively managed	Abstain
	21-Sep-10	AGM	To appoint a Director in place of Mr. M. S. Srivastava, however he offers himself for re-appointment	The scrip is part of the Index Scheme and not actively managed	Abstain
	21-Sep-10	AGM	To appoint a Director in place of Mr. B. K. Taparia, however he offers himself for re-appointment	The scrip is part of the Index Scheme and not actively managed	Abstain

	21-Sep-10	AGM	To appoint a Director in place of Mr. S. C. Bhargava, however he offers himself for reappointment	The scrip is part of the Index Scheme and not actively managed	Abstain
	21-Sep-10	AGM	To appoint a Director in place of Mr. Pankaj Gaur, however he offers himself for reappointment	The scrip is part of the Index Scheme and not actively managed	Abstain
	21-Sep-10	AGM	Re-appointment of Auditor & fix their Remuneration	The scrip is part of the Index Scheme and not actively managed	Abstain
	21-Sep-10	AGM	To appoint Shri R. N. Nayak, Additional Director as Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
	21-Sep-10	AGM	To appoint Mr. V. K. Chopra, as Director liable to retire by rotation of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
	21-Sep-10	AGM	To appoint Dr. B. Samal, as Director liable to retire by rotation of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
ACC Ltd.	22-Sep-10	Postal Ballot	To appoint and approve Remuneration of CEO and Managing Director Mr. Kuldip Kaura	The Director experience will help the Company to grow in future.	For
GAIL India Ltd.	22-Sep-10	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
	22-Sep-10	AGM	To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
	22-Sep-10	AGM	To appoint a Director in place of Shri R. K. Goel, however he offers himself for reappointment	The scrip is part of the Index Scheme and not actively managed	Abstain
	22-Sep-10	AGM	To appoint a Director in place of Dr. U. K. Sen, however he offers himself for reappointment	The scrip is part of the Index Scheme and not actively managed	Abstain
	22-Sep-10	AGM	Re-appointment of Auditor & fix their Remuneration	The scrip is part of the Index Scheme and not actively managed	Abstain
	22-Sep-10	AGM	To appoint Shri Mahesh Shah, Additional Director as Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
	22-Sep-10	AGM	To appoint Shri R. M. Sethi, Additional Director as Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
	22-Sep-10	AGM	To appoint Dr. Vinayshul Gautam, Additional Director as Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain

	22-Sep-10	AGM	To appoint Shri S. L. Raina, Additional Director as Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
	22-Sep-10	AGM	To appoint Shri Prabhat Singh, Additional Director as Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
	22-Sep-10	AGM	To appoint Shri Sudhir Bhargava, Additional Director as Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
	22-Sep-10	AGM	To approve payment of sitting fees to independent Directors	The scrip is part of the Index Scheme and not actively managed	Abstain
	22-Sep-10	AGM	To appoint Esha Deol daughter of Shri R. K. Goel as Deputy Manager	The scrip is part of the Index Scheme and not actively managed	Abstain
NTPC Ltd.	23-Sep-10	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
	23-Sep-10	AGM	To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
	23-Sep-10	AGM	To appoint a Director in place of Shri Shanti Narain, however he offers himself for reappointment	The scrip is part of the Index Scheme and not actively managed	Abstain
	23-Sep-10	AGM	To appoint a Director in place of Shri P. K. Sengupta, however he offers himself for reappointment	The scrip is part of the Index Scheme and not actively managed	Abstain
	23-Sep-10	AGM	To appoint a Director in place of Shri K. Dharmarajan, however he offers himself for reappointment	The scrip is part of the Index Scheme and not actively managed	Abstain
	23-Sep-10	AGM	To appoint a Director in place of Shri M. Govinda Rao, however he offers himself for reappointment	The scrip is part of the Index Scheme and not actively managed	Abstain
	23-Sep-10	AGM	Re-appointment of Auditor & fix their Remuneration	The scrip is part of the Index Scheme and not actively managed	Abstain
	23-Sep-10	AGM	To appoint Shri D K Jain, Additional Director as Director of the Company	The scrip is part of the Index Scheme and not actively managed	Abstain
ONGC Ltd.	23-Sep-10	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
	23-Sep-10	AGM	To confirm Interim Dividend and to declare final dividend on Equity Shares.	The company is distributing its profits satisfactorily	For

	23-Sep-10	AGM	To appoint a Director in place of Shri. A. K. Hazarika, however he offers himself for re-appointment.	The Director has played Key role in the Company's performance.	For
	23-Sep-10	AGM	To appoint a Director in place of Shri. D. K. Pande, however he offers himself for re-appointment.	The Director has played Key role in the Company's performance.	For
	23-Sep-10	AGM	To appoint a Director in place of Shri. D. K. Sarraf, however he offers himself for re-appointment.	The Director has played Key role in the Company's performance.	For
	23-Sep-10	AGM	Re-appointment of Auditor & fix their Remuneration	Auditor seems to have performed their job satisfactorily, thus can be re-appointed	For
	23-Sep-10	AGM	Appointment of Shri Sudhir Bhargava, Additional Secretary, Ministry of Petroleum & Natural Gas who was appointed as Additional Director is appointed as Director of the Company.	The Director experience will help the Company to grow in future.	For
PTC India limited	23-Sep-10	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
	23-Sep-10	AGM	To declare dividend @ of 12% (One rupee and twenty paise per equity share of Rs.10/- each) be and hereby declared out of the profits of the Company.	The company is distributing its profits satisfactorily	For
	23-Sep-10	AGM	To appoint a Director in place of Shri. A. B. L. Srivastava, however he offers himself for reappointment.	The Director has played Key role in the Company's performance.	For
	23-Sep-10	AGM	To appoint Statutory Auditors of the Company and fix their remuneration.	Auditor seems to have performed their job satisfactorily, thus can be reappointed	For
	23-Sep-10	AGM	To appoint Shri R. N. Nayak, Additional Director as Director of the Company.	The Director experience will help the Company to grow in future.	For
	23-Sep-10	AGM	To appoint Shri Hemant Bhargava, Additional Director as Director of the Company.	The Director experience will help the Company to grow in future.	For
	23-Sep-10	AGM	Re-appointment of Shri T. N. Thakur as Chairman & Managing Director of the Company.	The Director experience will help the Company to grow in future.	For

Bharat Petroleum Corporation Limited	24-Sep-10	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
	24-Sep-10	AGM	To declare dividend on equity shares.	The company is distributing its profits satisfactorily	For
	24-Sep-10	AGM	To appoint a Director in place of Shri S. K. Joshi, however he offers himself for re-appointment.	The Director has played Key role in the Company's performance.	For
	24-Sep-10	AGM	To appoint a Director in place of R. K. Singh, however he offers himself for re-appointment.	The Director has played Key role in the Company's performance.	For
	24-Sep-10	AGM	To appoint Shri. I.P.S. Anand as Director of the Company.	The Director experience will help the Company to grow in future.	For
	24-Sep-10	AGM	To appoint Shri. Haresh M. Jagtani as Director of the Company.	The Director experience will help the Company to grow in future.	For
	24-Sep-10	AGM	To appoint Shri Alkesh Kumar Sharma, Secretary, Investment Promotion, Government of Kerala as Director of the Company.	The Director experience will help the Company to grow in future.	For
	24-Sep-10	AGM	To appoint Shri N. Venkateswaram as Director of the Company.	The Director experience will help the Company to grow in future.	For
	24-Sep-10	AGM	Re-appointment of Auditor & fix their Remuneration	Auditor seems to have performed their job satisfactorily, thus can be re-appointed	For
	24-Sep-10	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
Power Grid Corporation Ltd.	24-Sep-10	AGM	To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
	24-Sep-10	AGM	To appoint a Director in place of Shri Ashok Khanna, however he offers himself for re-appointment	The scrip is part of the Index Scheme and not actively managed	Abstain
	24-Sep-10	AGM	To appoint a Director in place of Smt. Sarita Prasad, however she offers herself for re-appointment	The scrip is part of the Index Scheme and not actively managed	Abstain
	24-Sep-10	AGM	Re-appointment of Auditor & fix their Remuneration	The scrip is part of the Index Scheme and not actively managed	Abstain
	24-Sep-10	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
Idea Cellular Ltd.	27-Sep-10	AGM	To appoint a Director in place of Mrs. Rajashree Birla, however she offers herself for re-appointment	The scrip is part of the Index Scheme and not actively managed	Abstain
	27-Sep-10	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain

	27-Sep-10	AGM	To appoint a Director in place of Ms. Tarjani Vakil, however she offers herself for re-appointment	The scrip is part of the Index Scheme and not actively managed	Abstain
	27-Sep-10	AGM	To appoint a Director in place of Mr. Arun Thiagarajan, however he offers himself for re-appointment	The scrip is part of the Index Scheme and not actively managed	Abstain
	27-Sep-10	AGM	To appoint a Director in place of Mr. Biswajit A. Subramanian, however he offers himself for re-appointment	The scrip is part of the Index Scheme and not actively managed	Abstain
	27-Sep-10	AGM	Re-appointment of Auditor & fix their Remuneration	The scrip is part of the Index Scheme and not actively managed	Abstain
	27-Sep-10	AGM	Appointment of Mr. Juan Villalonga Navarro, who was appointed as Additional Director is appointed as Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
Reliance Communications Ltd.	28-Sep-10	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
	28-Sep-10	AGM	To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
	28-Sep-10	AGM	To appoint a Director in place of Shri Deepak Shourie, however he offers himself for re-appointment	The scrip is part of the Index Scheme and not actively managed	Abstain
	28-Sep-10	AGM	Re-appointment of Auditor & fix their Remuneration	The scrip is part of the Index Scheme and not actively managed	Abstain
	28-Sep-10	AGM	Issue of QIB shares	The scrip is part of the Index Scheme and not actively managed	Abstain
	28-Sep-10	AGM	Payment of commission to Director of company	The scrip is part of the Index Scheme and not actively managed	Abstain
	28-Sep-10	AGM	Appointing Mr. Hasit Shukla as manager	The scrip is part of the Index Scheme and not actively managed	Abstain
Reliance Capital Ltd.	28-Sep-11	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
	28-Sep-11	AGM	To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
	28-Sep-11	AGM	To appoint a Director in place of Shri Rajendra Chitale, however he offers himself for re-appointment	The scrip is part of the Index Scheme and not actively managed	Abstain
	28-Sep-11	AGM	Re-appointment of Auditor & fix their Remuneration	The scrip is part of the Index Scheme and not actively managed	Abstain

	28-Sep-11	AGM	Appointment of Dr. Bidhubhusan Samal, who was appointed as Additional Director is appointed as Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
	28-Sep-11	AGM	Appointment of Shri V N Kaul, who was appointed as Additional Director is appointed as Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
	28-Sep-11	AGM	Issue of QIB shares	The scrip is part of the Index Scheme and not actively managed	Abstain
	28-Sep-11	AGM	Payment of commission to Director of company	The scrip is part of the Index Scheme and not actively managed	Abstain
	28-Sep-11	AGM	Appointing Shri V R Mohan as manager of the company	The scrip is part of the Index Scheme and not actively managed	Abstain
Reliance Power Ltd.	28-Sep-10	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
	28-Sep-10	AGM	To appoint a Director in place of Shri K H Mankad, however he offers himself for re-appointment	The scrip is part of the Index Scheme and not actively managed	Abstain
	28-Sep-10	AGM	To appoint a Director in place of Dr Yogendra Narain, however he offers himself for re-appointment	The scrip is part of the Index Scheme and not actively managed	Abstain
	28-Sep-10	AGM	Re-appointment of Auditor & fix their Remuneration	The scrip is part of the Index Scheme and not actively managed	Abstain
	28-Sep-10	AGM	To re-appoint Shri K H Mankad as whole time Director and fix his remuneration	The scrip is part of the Index Scheme and not actively managed	Abstain
DLF limited	28-Sep-10	AGM	Adoption of Accounts & Directors and Auditors Report	The scrip is part of the Index Scheme and not actively managed	Abstain
	28-Sep-10	AGM	To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
	28-Sep-10	AGM	To appoint a Director in place of Mr. Rajiv Singh, however he offers himself for re-appointment	The scrip is part of the Index Scheme and not actively managed	Abstain
	28-Sep-10	AGM	To appoint a Director in place of Brig. (Retd) N. P. Singh, however he offers himself for re-appointment	The scrip is part of the Index Scheme and not actively managed	Abstain
	28-Sep-10	AGM	To appoint a Director in place of Mr. B Bhushan, however he offers himself for re-appointment	The scrip is part of the Index Scheme and not actively managed	Abstain

	28-Sep-10	AGM	Re-appointment of Auditor & fix their Remuneration	The scrip is part of the Index Scheme and not actively managed	Abstain
	28-Sep-10	AGM	Payment of commission to Director of company	The scrip is part of the Index Scheme and not actively managed	Abstain
	28-Sep-10	AGM	To authorise to contribute funds to charities	The scrip is part of the Index Scheme and not actively managed	Abstain
	28-Sep-10	AGM	To issue preference shares	The scrip is part of the Index Scheme and not actively managed	Abstain
	28-Sep-10	AGM	Appoint Ms. Savitri Devi Singh as Business Head (Retail Business)	The scrip is part of the Index Scheme and not actively managed	Abstain
	28-Sep-10	AGM	Appoint Ms. Anushka Singh as Sr Management Trainee	The scrip is part of the Index Scheme and not actively managed	Abstain
Zee Entertainment Enterprises Limited	29-Oct-10	AGM	Adoption of Accounts & Directors and Auditors Report	Annual Accounts fairly represent the financial position of the company.	For
	29-Oct-10	AGM	To confirm Interim dividend and to declare Final Dividend.	The company is distributing its profits satisfactorily	For
	29-Oct-10	AGM	To appoint a Director in place of Mr. Laxmi N Goel, however he offers himself for re-appointment.	The Director has played Key role in the Company's performance.	For
	29-Oct-10	AGM	To appoint a Director in place of Mr. Nemi Chanad Jain, however he offers himself for re-appointment.	The Director has played Key role in the Company's performance.	For
	29-Oct-10	AGM	To appoint a Director in place of Prof. R. Vaidyanathan, however he offers himself for re-appointment.	The Director has played Key role in the Company's performance.	For
	29-Oct-10	AGM	Re-appointment of Auditor & fix their Remuneration	Auditor seems to have performed their job satisfactorily, thus can be re-appointed	For
	29-Oct-10	AGM	Re-appointment of Mr. Punit Goenka Managing Director & Chief Executive Officer of the Company.	His experience will help the Company to grow in future.	For
	29-Oct-10	AGM	To pay commission to Non-Executive Directors	We believe the directors have played a key role in growing the business and the commission to be paid is not excessive	For
	29-Oct-10	AGM	Alteration of Authorised Share Capital of Company subject to Alteration of Memorandum of Association & Articles of Association	Any expansion or acquisition to be undertaken can be made through internal account	For
	29-Oct-10	AGM	Issue and allotment of the Bonus Shares	The Company is distributing its profit satisfactorily without cash outflow.	For

SAIL Ltd.	30-Sep-10	AGM	Adoption of Accounts & Directors and Auditor's Report	The scrip is part of the Index Scheme and not actively managed	Abstain
	30-Sep-10	AGM	To appoint a Director in place of Shri Soiles Bhattacharya, however he offers himself for re-appointment	The scrip is part of the Index Scheme and not actively managed	Abstain
	30-Sep-10	AGM	Re-appointment of Auditor & fix their Remuneration	The scrip is part of the Index Scheme and not actively managed	Abstain
	30-Sep-10	AGM	To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed	Abstain
	30-Sep-10	AGM	To receive, consider and adopt the revised audited accounts for the year ended 31st Mar 2008 & 31st Mar 2009.	The scrip is part of the Index Scheme and not actively managed	Abstain
	30-Sep-10	AGM	Appointment of Mr. P. K. Bajaj, who was appointed as Additional Director is appointed as Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
	30-Sep-10	AGM	Appointment of Mr. Deepak Nayyar, who was appointed as Additional Director is appointed as Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
	30-Sep-10	AGM	Appointment of Mr. A. K. Goswami, who was appointed as Additional Director is appointed as Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
	30-Sep-10	AGM	Appointment of Mr. B. B. Singh, who was appointed as Additional Director is appointed as Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
	30-Sep-10	AGM	Appointment of Mr. S. S. Mohanty, who was appointed as Additional Director is appointed as Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
	30-Sep-10	AGM	Appointment of Mr. Jagdish Khattar, who was appointed as Additional Director is appointed as Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain
	30-Sep-10	AGM	Appointment of Mr. Subrata Chaudhuri, who was appointed as Additional Director is appointed as Director of the Company.	The scrip is part of the Index Scheme and not actively managed	Abstain

	30-Sep-10	AGM	To offer, issue or allot upto 41,304 Crore Equity Shares of Rs.10/- each for cash.	The scrip is part of the Index Scheme and not actively managed	Abstain
	30-Sep-10	AGM	To approve scheme of Amalgamation between Maharashtra Elektrosmett Limited and Steel Authority of India Ltd	The scrip is part of the Index Scheme and not actively managed	Abstain
Indian Hotel Company Limited	13-Dec-10	Postal Ballot	Issue of Ordinary Shares and Right Shares to the promoters of the Company	The issue of equity shares will help company to repay its debt subsequently improving its profits. The issue to promoters also demonstrates the higher commitment towards the company.	For
Tata Steel Limited	22-Dec-10	Postal Ballot	To increase Authorised Capital of the Company,	Capital raising through equity can be used to reduce debt and will help in strengthening balance sheet	For
	22-Dec-10	Postal Ballot	Alteration of Memorandum & Articles of Association	Regulatory Requirement	For
	22-Dec-10	Postal Ballot	Raising of funds	The additional resources can be raised without substantially diluting the voting right of the existing shareholder	For
Oil & Natural Gas Corporation Limited	24-Jan-11	Postal Ballot	To sub divided the Equity Shares of the Company and Alteration of Memorandum of Association and Articles of Association	This will not have any impact on financials of the company but will help improving liquidity in trading on stock exchange	For
Share Holders Proposal					
Name of Company	Date	Type of Meeting (AGM / EGM)	Proposal	Management Recommendation	"Vote (For / Against / Abstain)"
Nil	Nil	Nil	Nil	Nil	Nil

M U T U A L F U N D

Profit with Process

AUDITORS' REPORT

TO

THE BOARD OF TRUSTEES OF
QUANTUM MUTUAL FUND

We have audited the attached Balance Sheet of the **Quantum Long Term Equity Fund** (the "scheme") of **Quantum Mutual Fund** as at 31st March, 2011 and the Revenue Account for the year ended on that date which we have signed under reference to this report. These financial statements are the responsibility of the Management of the Quantum Trustee Company Private Limited and Quantum Asset Management Company Private Limited. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

- 1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- 2 The Balance Sheet and the Revenue Account dealt with by this report are in agreement with the books of account of the scheme.
- 3 In our opinion, the valuation methods for non-traded securities are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI, under the regulation.
- 4 In our opinion, the Balance Sheet and the Revenue Account dealt with by this report have been prepared in accordance with the Accounting Policies and Standards as specified in the Ninth Schedule of the SEBI (Mutual Funds) Regulations, 1996 as amended up to date.
- 5 In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the SEBI (Mutual Funds) Regulations, 1996 as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Scheme as at 31st March, 2011 ; and
 - ii) in the case of the Revenue Account, of the surplus of the Scheme for the year ended on that date

For **HARIBHAKTI & CO.**
Chartered Accountants
Firm No. – 103523W

sd/-

CHETAN DESAI

Partner

Membership No 17000

Place: Mumbai

Date: 19th May, 2011

QUANTUM LONG-TERM EQUITY FUND
BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	March 31, 2011 Amount (Rs)	March 31, 2010 Amount (Rs)
LIABILITIES			
Unit Capital	'A'	325,632,137	267,288,169
Reserves and Surplus	'B'	412,558,225	241,891,075
Current Liabilities and Provisions	'C'	1,528,641	1,166,439
Total		739,719,003	510,345,683
ASSETS			
Investments	'D'	736,609,897	500,980,553
Other Current Assets	'E'	3,109,106	8,905,070
Deferred Revenue Expenses not written off	'F'	-	460,060
Total		739,719,003	510,345,683
Notes forming part of Accounts	'G'		

As per our report of even date attached

For Quantum Trustee Company Private Limited

sd/-
Mr. Jagdish Capoor
 (Chairman)

sd/-
Mr. Surjit Banga
 (Director)

For Quantum Asset Management
 Company Private Limited

sd/-
Mr. Ajit Dayal
 (Chairman)

sd/-
Mr. I.V. Subramaniam
 (Director)

sd/-
Mr. Jimmy A. Patel
 (Chief Executive Officer)

sd/-
Mr. Atul Kumar
 (Fund Manager)

For Haribhakti & Co.
 Chartered Accountants

sd/-
Chetan Desai
 Partner
 FRN: 103523W

Place : Mumbai
 Date : May 19, 2011

QUANTUM LONG-TERM EQUITY FUND
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedule	March 31, 2011 Amount (Rs)	March 31, 2010 Amount (Rs)
INCOME			
Dividend		7,673,602	4,968,975
Interest		5,281,592	1,007,866
Profit on sale / redemption of investments(Other than inter scheme transfer / sale)		119,714,142	55,277,027
Other Income (Load Income)		613,077	269,885
Total		133,282,413	61,523,753
EXPENSES AND LOSSES*			
Management fees		6,715,380	4,483,350
Trustee expenses		-	948,580
Marketing & Selling Expenses		176,408	1,488,264
Audit fees		-	209,570
Custodian fees		652,750	200,208
Registrar & Transfer Agent's fees		788,040	1,451,184
Insurance Premium		-	121,422
Other operating expenses		978,131	1,079,146
Preliminary Expenses Written Off		460,060	538,207
Loss on Sale/Redemption of Investments (Other than inter scheme transfer / sale)		4,957,474	9,531,140
Less: Excess of Expenditure over permissible limit recovered from AMC		-	(1,286,023)
Total		14,728,243	18,765,048
Net Surplus / (Deficit) for the period		118,554,170	42,758,705

APPROPRIATION ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

Net Surplus brought forward from previous year	78,846,617	(48,111,565)
Net Surplus / (Deficit) for the period	118,554,170	42,758,705
Transferred (to)/ from Equalisation Account	38,528,090	5,507,413
Net Available Surplus	235,928,877	154,553
Less: Unrealised appreciation of previous year written back	-	
Add: Depreciation of previous year written back		78,692,064
Net Surplus / (Deficit) carried forward	235,928,877	78,846,617
Notes forming parts of Accounts		
*please refer note no. 09		

As per our report of even date attached

For Quantum Trustee Company Private Limited		sd/- Mr. Jagdish Capoor (Chairman)	sd/- Mr. Surjit Banga (Director)
For Quantum Asset Management Company Private Limited	sd/- Mr. Ajit Dayal (Chairman)	sd/- Mr. I.V. Subramaniam (Director)	sd/- Mr. Jimmy A. Patel (Chief Executive Officer)
			sd/- Mr. Atul Kumar (Fund Manager)

For Haribhakti & Co.
Chartered Accountants

sd/-
Chetan Desai
Partner
FRN: 103523W

Place : Mumbai
Date : May 19, 2011

QUANTUM LONG TERM EQUITY FUND
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

	Units	March 31, 2011 Amount (Rs)	Units	March 31, 2010 Amount (Rs)
SCHEDULE 'A'				
UNIT CAPITAL				
(Face Value of Rs. 10 Each)				
Unit Capital (Opening Balance)	26,728,817	267,288,168	24,450,197	244,501,965
Add : Subscription during the period	12,283,953	122,839,528	4,268,729	42,687,290
Less : Redemption during the period	(6,449,556)	(64,495,559)	(1,990,109)	(19,901,086)
Unit Capital (Closing Balance)	32,563,214	325,632,137	26,728,817	267,288,169
SCHEDULE 'B'				
RESERVES & SURPLUS				
Unit Premium				
Opening Balance		41,308,050		31,522,910
Add\Less : Net Additions\ Deduction) during the period		61,605,862		15,292,553
Add\Less :-Transferred (to) / from Equalisation Account		(38,528,090)		(5,507,413)
Closing Balance		64,385,822		41,308,050
Equalisation Account				
Transferred from / (to) Unit Premium Reserve		38,528,090		5,507,413
Add\Less : Transferred (to) / from Revenue Account		(38,528,090)		(5,507,413)
Closing Balance		-		-
UNREALISED APPRECIATION IN THE VALUE OF INVESTMENTS				
Opening Balance		121,736,408		-
Add : Net change during the year		(9,492,882)		121,736,408
		112,243,526		121,736,408
Appropriation Account				
Surplus/Deficit carried forward		235,928,877		78,846,617
Total Reserves & Surplus		412,558,225		241,891,075
SCHEDULE 'C'				
CURRENT LIABILITIES & PROVISIONS				
Management Fees Payable		661,879		474,173
Audit Fees Payable		-		188,613
Custody Fees Payable		-		17,447
Registrar Fees Payable		-		140,382
Redemption Payable (other than Inter Scheme)		48,154		166,977
TDS Payable		73,552		126,931
STT payable		7,767		7,806
Other payables		-		44,110
Switch Out Payable		2,000		-
Purchase Contract Outstanding		735,289		-
Total		1,528,641		1,166,439

	March 31, 2011 Amount (Rs)	March 31, 2010 Amount (Rs)
SCHEDULE 'D'		
INVESTMENTS		
Equity shares	632,226,756	439,470,352
Collateralised borrowing & lending obligation	104,383,141	61,510,201
Total	736,609,897	500,980,553
SCHEDULE 'E'		
OTHER CURRENT ASSETS		
Balances with Banks in Current Account including cheques on hand	1,188,028	515,055
Outstanding and Accrued Income	-	7,960
Subscription Receivable (other than Inter Scheme)	1,352,362	641,800
Receivable from Quantum Asset Management Co Pvt Ltd	63	198,211
Other Current Assets	21,487	29,339
Sales Contract outstanding	-	7,512,705
Dividend Receivable	547,166	-
Total	3,109,106	8,905,070
SCHEDULE 'F'		
DEFERRED REVENUE EXPENDITURE		
(to the extent not written off or adjusted)		
Opening b/f	460,060	998,267
Amortised during the period	460,060	538,207
	-	460,060

QUANTUM

MUTUAL FUND

Profit with Process

SCHEDULE 'G'

Notes:

1. ORGANISATION

Quantum Long Term Equity Fund ("the Scheme") is an open-ended growth scheme of Quantum Mutual Fund and was launched on February 8, 2006. Quantum Mutual Fund has been sponsored by Quantum Advisors Private Ltd. Quantum Asset Management Company Private Limited incorporated under the Companies Act, 1956 has been appointed as the Asset Management Company. The duration of the scheme is perpetual. The Scheme closed for initial subscription on February 25, 2006 and is currently open for ongoing subscription.

In accordance with the Securities and Exchange Board of India ("SEBI") (Mutual Funds) Regulations, 1996 ('the SEBI Regulations'), the Board of Directors of Quantum Trustee Company Private Limited ('the Trustee') has appointed Quantum Asset Management Company Private Limited ('the AMC') to manage the Fund's affairs and operate its Schemes. The investment objective of the Scheme is to achieve long-term capital appreciation by investing primarily in shares of companies that will typically be included in the BSE 200 Index and are in a position to benefit from the anticipated growth and development of the Indian economy and its markets. The Scheme offers its investors a Dividend Option and Growth Option (collectively 'the Options'). The Benchmark for the scheme is the BSE 30 TRI Index.

2. SIGNIFICANT ACCOUNTING POLICIES

(2.1) BASIS OF ACCOUNTING

The scheme maintains its books of accounts on an accrual basis. These financial statements have been prepared in accordance with the accounting policies and standards specified in the ninth schedule of SEBI Regulation and amendments thereto as applicable.

(2.2) INVESTMENTS

Investments are accounted on the trade date. The Scheme uses the average cost method for determining the realized gain or loss on sale of investments. In case of interest bearing securities though investments are accounted on the trade date, interest accrues from the settlement date. However, the effect of all investments traded during the financial year is recorded and reflected in the financial statements for that year. The cost of investments includes cost of acquisition, brokerage, stamp duty and any charge included in broker's brought note.

Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.

(2.3) PORTFOLIO VALUATION

Investments are stated at market / fair value at the Balance Sheet date / date of determination. The net

asset value of the units of the scheme is determined separately for the units issued under the Options in valuing the Scheme's investments.

- I. Equity securities listed on a recognized stock exchange are valued at the last quoted closing price on National Stock Exchange of India Limited (NSE) on which the security is traded. If on a particular valuation day a security is not traded on NSE the value at which it is traded on the Bombay Stock Exchange Limited (BSE) of India is used. If no sale is recorded at that time the last quoted closing price of the NSE is used when it is not more than thirty days prior to the valuation date.
- II. Non traded and thinly traded equity securities including those not traded within thirty days prior to valuation date are valued at fair value as determined in good faith by the AMC under a procedure that is approved by the trustee of Quantum Mutual Fund in accordance with the provision contained in the Eight Schedule of the SEBI regulations read with guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable, issued by the SEBI
- III. Privately placed equity securities are valued at fair value as determined in good faith by the AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund in accordance with the guidelines for valuation of unlisted equity securities for mutual fund dated May 9, 2002 issued by the SEBI.
- IV. Equity Securities awaiting listing are valued at fair value as determined in good faith by the AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund.
- V. Debt Securities listed on recognized stock exchange are valued at the last quoted closing price on the principal exchange on which the security is traded. If no sale is reported at that time such security is valued at fair value as determined in good faith by the AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund.
- VI. Non traded and thinly traded debt securities are valued at fair value as determined in good faith by the AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund in accordance with the provision contained in the Eight Schedule of the SEBI Regulations, as amended up to date with relevant circulars read with guidelines for valuation of securities for mutual funds dated September 18, 2000 and subsequent amendments thereto, as applicable, issued by the SEBI.

- VII. Privately placed debt securities are valued at fair value as determined in good faith by the AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund.
- VIII. Traded money market securities are valued at the weighted average price at which they are traded on the particular valuation date. If such security is not traded on particular valuation date then security with residual maturity of over 91 days is valued at benchmark yield/matrix of spread over risk free benchmark yield and security with residual maturity of up to 91 days is valued on amortization basis.
- IX. Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest upto the date of resale.
- X. An Investment is regarded as non-performing, if the interest and/or principal amount has not been received or remains outstanding for one quarter from the day such income or installment has fallen due.
- XI. Net unrealized appreciation/depreciation in the value of investments is determined separately for each category of investments. Further the change in net unrealized appreciation/depreciation, if any between the two balance sheet dates/ date of determination is recognized in the Revenue Account. Unrealized appreciation is reduced from the distributable income at the time of distribution of income. At the end of this financial year, the balance in the revenue account including change in the net unrealised appreciation/depreciation in the value of investments is transferred to Reserve Fund.
- XII. The above policies followed by the fund as and when applicable.

(2.4) INVESTMENT INCOME

Interest income is recorded on an accrual basis. In respect of interest bearing instruments income has been accrued on a day to day basis as it is earned. Where fixed income securities are acquired at premium or discount to the redemption value, such premium or discount is amortized on a straight line basis over the period of redemption. Dividend income earned by the scheme has been recognised on the date the share is quoted on an ex-dividend basis. Profit/loss on sale of investment is accounted for in the year in which the contract for sale is entered into. The cost is calculated on the basis of weighted average cost of investment.

(2.5) EXIT LOAD INCOME

Exit Load collected from the investor is credited to the revenue account

(2.6) NET ASSET VALUE FOR GROWTH / DIVIDEND

OPTIONS

The net asset value of the units of the scheme is determined separately for units issued under the Growth / Dividend Options.

For reporting the net asset value for the Options, daily income earned, including realized and unrealized gain or loss in the value of investments and expenses incurred by the Scheme are allocated to the Options in proportion to the value of units outstanding.

(2.7) UNIT PREMIUM RESERVE

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of the scheme, after an appropriate portion of the issue proceeds and redemption payout is credited or debited respectively to the income equalization reserve.

(2.8) EQUALISATION RESERVE

The purpose of Equalization Account is to maintain per unit distributable surplus so that continuing unit holders' share of distributable surplus remains unchanged on issue or redemption of units. The total distributable surplus (without considering unrealised appreciation) upto the date of issue/redemption of units have been taken into account for the purpose of ascertaining the amount to be transferred to Equalization Account. The net balance in this account is transferred to the Revenue Account at the end of the year.

(2.9) CUSTODY FEES

Deutsche Bank provides custodial services to the scheme for which it receives custody fees.

(2.10) INVESTMENT MANAGEMENT FEES

The Scheme has paid or provided for investment management fees payable to the AMC for managing the Scheme at a percentage of the average daily net asset values recorded by the Scheme, such that the investment manager fees chargeable to the Scheme does not exceeds 1.25% of the average daily net asset values recorded by the Scheme upto Rs.100 crores and 1% of the excess over Rs.100 crores. All costs, charges and expenses incurred by the AMC in the administration and execution of the activities of the Scheme, except costs allowed to be charged to the Scheme under the Securities and Exchange Board of India (Mutual Fund) Regulation, 1996 and amendments thereto, as applicable, are on their own account for which they receive investment management fees.

(2.11) TRUSTEE FEES

Pursuant to the Trust Deed dated October 7, 2005 between Quantum Advisors Private Limited (Settlor) and Quantum Trustee Company Private Limited (Trustee) and the offer document of the scheme, the Fund is authorized to pay the Trustee a fee, for

rendering service as a Trustee of the Fund and the same has been borne by AMC and paid accordingly on quarterly basis.

(2.12) REGISTRAR & TRANSFER AGENT FEES

Karvy Computershare Private Limited provides registrar and share transfer services to the scheme for which it receives registrar and share transfer fees.

(2.13) INCOME TAX

No Provision for taxation has been made as the scheme qualifies as recognized mutual fund under section 10(23D) of the Income –Tax Act, 1961

3. NOTES TO ACCOUNTS

(1) OPTIONS

The Scheme has two options Growth option and Dividend option. A combined Balance Sheet and Revenue Account is prepared for the Scheme.

(2) VALUE OF INVESTMENT AS ON MARCH 31, 2011

The Cost and Market Value/ Fair Value of Investment as on March 31, 2011 is given below.

Sr. No.	Securities	Cost (Rs.)	Market Value (Rs.)	Cost (Rs.)	Market Value (Rs.)
		March 31, 2011		March 31, 2010	
1	EQUITY	519,983,229	632,226,755	317,733,944	439,470,351
2	CBLO	104,383,141	104,383,141	61,510,201	61,510,201
	TOTAL	624,366,370	736,609,896	379,244,145	500,980,552

(3) NON PERFORMING INVESTMENTS.

Type of Investment	Carrying Value Amount (Rs)	Market value Amount (Rs)	Provisions
NIL	NIL	NIL	NIL

(4) NAV

Net Asset Value (NAV per unit having a Face Value of Rs. 10) as on March 31, 2011

SCHEME	NAV (March 31, 2011)	NAV (March 31, 2010)
Growth Option	22.64	19.02
Dividend Option	22.84	19.18

(5) AGGREGATE APPRECIATION AND DEPRECIATION IN THE VALUE OF INVESTMENTS

Aggregate appreciation and depreciation in value of investments as on March 31, 2011 is as follows:

Particulars	March 31, 2011	March 31, 2010
Equity Share	-	-
Unrealised Appreciation	131,445,010.76	130,231,391.34
Unrealised Depreciation	(19,201,484.31)	(8,494,983.83)
Net Unrealised Appreciation Depreciation	112,243,526.45	121,736,407.51

(6) AGGREGATE VALUE OF PURCHASE AND SALE OF INVESTMENTS MADE DURING THE YEAR

Purchases (excluding Reverse repos, Call money & Fixed deposits) – Rs 369,352,463.69

- As a percentage of average daily net assets is 60.61 %

Sales / Redemptions (excluding Reverse repos, Call money & Fixed deposits) –Rs 278,315,505.05

- As a percentage of average daily net assets 45.67%

(7) INCOME AND EXPENDITURE

The total income and expenditure and these amounts as a percentage of the Scheme's average daily net assets on an annualized basis are provided below:

Income (excluding unrealized appreciation & Net off losses on sale of Investments)

- Amount Rs. 128,324,938 /-

- As a percentage of average daily net assets 21.06 %

Expenditure

- Amount Rs. 9,310,709/- (Excluding preliminary expenses w/off Rs. 460,060.27)	
Recurring expenses	– 1.53% *
Preliminary expenses written-off	– 0.07% *
Total	– 1.60% *

*As a percentage of average daily net assets

(8) INVESTMENT MANAGEMENT FEES

Investment Management Fees has been computed on the basis of Average Daily Net Assets of the Scheme accrued on a daily basis. Average daily Net Asset is Rs. 609,411,286.82 & fees charged 1.10% Management Fees accrued during the period is Rs. 6,715,380/-

(9) OTHER FEES

Till May 31, 2010 certain expenses to the extent of 0.80% were borne by the scheme and rest of the expenses were borne by the AMC. From June 01, 2010 onwards other expenses only to the extent of 0.25% are borne by scheme and rest of the expenses are borne by the AMC.

(12) MOVEMENT IN UNIT CAPITAL

Particulars	2010-11		2009-10	
Units of Rs 10 each fully paid up	Qty.	Amount	Qty.	Amount
Growth Option				
Opening	22,187,956.85	221,879,568.48	20,480,834.23	204,808,342.28
Issued -during the period	9,927,011.38	99,270,113.84	3,296,593.43	32,965,934.34
Redeemed during the period	3,962,343.09	39,623,430.91	1,589,470.81	15,894,708.14
Outstanding at end of the period	28,152,625.14	281,526,251.41	22,187,956.85	221,879,568.48
Dividend Option				
Opening	4,540,859.98	45,408,599.77	3,969,362.25	39,693,622.46
Issued -during the period	2,356,941.44	23,569,414.39	972,135.54	9,721,355.39
Redeemed during the period	2,487,212.79	24,872,127.92	400,637.81	4,006,378.08
Outstanding at end of the period	4,410,588.62	44,105,886.24	4,540,859.98	45,408,599.77
Grand Total				
Opening	26,728,816.83	267,288,168.25	24,450,196.48	244,501,964.74
Issued -during the period	12,283,952.82	122,839,528.23	4,268,728.97	42,687,289.73
Redeemed during the period	6,449,555.88	64,495,558.83	1,990,108.62	19,901,086.22
Outstanding at end of the period	32,563,213.77	325,632,137.65	26,728,816.83	267,288,168.25

(13) DISCLOSURE UNDER REGULATIONS 25 (8) OF THE SEBI REGULATIONS – PAYMENTS OF FEES TO ASSOCIATE COMPANIES

Quantum Long Term Equity Fund has made payment to Associate companies during the year ended March 31, 2011 (please refer note no. 29)

(14) INVESTMENTS IN GROUP COMPANIES

Quantum Long Term Equity Fund has made NIL investment in group companies during the year ended March 31, 2011

(15) ACCOUNTING POLICY

There is no change in the accounting policy during the year ended March 31, 2011

(10) AMORTISATION

Initial Issue Expenses of Rs. 0.27 Crores is being amortised over a period of 5 years.

Opening balance of Initial issue expenses Rs. 460,060.27

Written off during the year Rs. 460,060.27

Balance carried forward to next year Rs. NIL

(11) CONTRACTS PENDING DELIVERY

Purchase of securities by the Scheme, the deliveries of which were pending as on March 2011, amounted to Rs. 735,289.19 There were no contracts for Sale pending deliveries as on March 31, 2011.

(16) LARGE HOLDINGS

Unit holders holding over 25% of the Scheme's NAV is NIL as at the end of the year March 31, 2011

(17) DISCLOSURE UNDER REGULATION 25(11) OF THE SECURITY AND EXCHANGE BOARD OF INDIA (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED - NIL**(18) SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRYWISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2011, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2011, as well as the aggregate investments in each investment category.

Sr. No.	Name of Instrument	Industry Classification	Quantity	Amount (Rs. in lacs)	% to Investment category	% to Net Asset
a) EQUITY & EQUITY RELATED						
	Listed /Awaiting listing on the Stock Exchange					
1	Housing Development Finance Corporation Ltd	Finance	62,066.00	435.21	6.88%	
2	HDFC Bank Ltd	Banks	16,306.00	382.51	6.05%	
3	Hindustan Unilever Ltd	Diversified	124,698.00	358.01	5.66%	
4	Bajaj Auto Ltd	Auto	24,297.00	355.53	5.62%	
5	Tata Consultancy Services Ltd	Software	27,156.00	321.50	5.09%	
6	Zee Entertainment Enterprises Ltd	Media & entertainment	245,105.00	302.95	4.79%	
7	Container Corporation of India Ltd	Transportation	25,130.00	301.57	4.77%	
8	The Indian Hotels Company Ltd	Hotels	345,201.00	289.97	4.59%	
9	Ultratech Cement Ltd	Cement	24,149.00	273.25	4.32%	
10	Infosys Technologies Ltd	Software	8,367.00	271.20	4.29%	
11	Crompton Greaves Ltd	Industrial capital goods	99,427.00	271.19	4.29%	
12	State Bank of India	Banks	9,599.00	265.44	4.20%	
13	Tata Steel Ltd	Ferrous metals	41,330.00	257.18	4.07%	
14	ACC Ltd	Cement	23,781.00	255.54	4.04%	
15	Oil & Natural Gas Corporation Ltd	Oil	84,956.00	247.48	3.91%	
16	Ing Vysya Bank Ltd	Banks	69,933.00	224.52	3.55%	
17	Axis Bank Ltd	Banks	15,201.00	213.40	3.38%	
18	Tata Global Beverages Ltd	Consumer non durables	209,970.00	205.25	3.25%	
19	Voltas Ltd	Construction project	107,984.00	197.23	3.12%	
20	Maruti Suzuki India Ltd	Auto	13,752.00	173.57	2.75%	
21	Bharti Airtel Ltd	Telecom - services	47,994.00	171.53	2.71%	
22	Power Finance Corporation Ltd	Finance	67,640.00	169.07	2.67%	
23	PTC India Ltd	Power	190,466.00	158.85	2.51%	
24	3i Infotech Ltd	Software	258,266.00	113.25	1.79%	
25	Gateway Distriparks Ltd	Transportation	88,653.00	107.09	1.69%	
	TOTAL OF EQUITY			6,322.27	100.00%	85.69%
b) Cash & Equivalent						
1	CBLO / Reverse Repo Investments			1,043.83		14.15%
2	Net Receivable / (Payables)			11.66		0.16%
	TOTAL			1,055.49		14.31%
	Grand Total			7,377.76		100.00%

(19) PRIOR PERIOD COMPARATIVES

Previous year's figures have been regrouped/re-arranged where appropriate.

(20) COPY OF TRUST DEED

On written request, present and prospective unit holders/investors can obtain copy of the Trust Deed, the Annual Report (at a price) and the text of the relevant scheme.

required in this regard in accordance with Accounting Standards 18 i.e. Related Party Disclosure issued by the ICAI and Regulation 25(8) of the SEBI Regulation is provided below.

(21) BONUS

No bonus has been declared by the Scheme during the year ended March 31, 2011

(22) BORROWING

The scheme has not made any borrowing during the year ended March 31, 2011

(23) UNDERWRITING

The scheme has not undertaken any underwriting obligation during the year ended March 31, 2011

(24) ARRANGER/ MANAGER

Neither the sponsor nor the associates of the Quantum Mutual Fund have acted as arranger or manager of any issue of equity or debt nor has any associate company lead managed any issue.

(25) DERIVATIVES

The scheme has no exposure to derivative products, foreign securities, ADR's and GDR's.

(26) ANNUAL REPORT REQUEST

The unit holders, if they so desire, may request for the annual report of the AMC.

(27) SEGMENT REPORTING

As per disclosure requirement under Accounting Standard 17 on 'Segment Reporting' issued by ICAI the scheme operates only in one segment viz. to primarily generate returns, based on schemes' investment objective.

(28) CONTINGENT LIABILITIES

The Contingent Liabilities as on 31st March 2011 is NIL

(29) RELATED PARTY TRANSACTIONS

The scheme has entered into transactions with some of the following related parties. The information

Related party relationships

Name	Description of relationship
Quantum Advisors Private Limited	Sponsor
Quantum Asset Management Company Private Limited	Asset Management Company
Quantum Trustee Company Private Limited	Trustee
Quantum Information Services Private Limited	Associate
Helpyourngo.com India Private Limited	Associate
Equitymaster India Limited	Associate
Equitymaster Agora Research Private Limited	Associate
Personalfn Insurance Services India Limited	Associate
Mymakaan.com Private Limited	Associate
Menlo Oak Venture Investments	Associate
Primary Real Estate Advisors Private Limited	Associate
Primary Real Estate Advisors Limited, Mauritius	Associate
QIEF Management LLC	Associate
Principal Real Estate Investment Private Limited	Associate
Quantum Equity Advisors Private Limited	Sponsor's subsidiary
QACIP India Fixed Income Fund Limited, Mauritius	Associate

Other Schemes of the Fund

Quantum Liquid Fund
Quantum Gold Fund
Quantum Index Fund
Quantum Tax Saving Fund
Quantum Equity Fund of Funds

Transaction, if any with the above mentioned related parties as defined under accounting standard 18 and Regulations 25(8) of the SEBI Regulation are provided below:

Name of the related party	Nature of transactions	Year ended March 2011	Balance as at March 31, 2011	Year ended March 2010	Balance as at March 31, 2010
Quantum Asset Management Company Private Limited	Subscription	-	-	-	-
	Redemption	59,044,330.43	-	-	-
	Net Assets value of investment at balance sheet date	-	-	-	48,127,530.35
Quantum Asset Management Company Private Limited	Management Fees	6,715,380.35	661,879.27	4,483,350	474,173
Quantum Trustee Company Private Limited	Trusteeship Fees (Inclusive of Service Tax)	-	-	9,48,580	-

Brokerage and commission paid to associates as per SEBI circular SEBI/IMD/CIR No 18 / 198647 /2010 dated March 15, 2010.

a) Brokerage paid to Associates Companies during the last two fiscal years:-

Name of Associate Company	Nature of Association/ Nature of relation	Period covered	Value of transaction (in Rs. Cr. & % of total value of transaction of the fund)		Brokerage (Rs Cr & % of total brokerage paid by the fund)	
HDFC Securities Limited	Associate Broker	April 01, 2009 - March 31, 2010	1.06 Cr.	3.35%	0.002 Cr.	3.35%
HDFC Securities Limited	Associate Broker	April 01, 2010 - March 31, 2011	1.17 Cr.	1.83%	0.002 Cr.	1.81%

b) Commission paid to Associate Companies during the last two fiscal years:-

Name of Associate Company	Nature of Association/ Nature of relation	Period covered	Business given (Rs. Cr. & % of total business received by the fund)	Commission paid (Rs & % of total commission paid by the fund)
Quantum Information Services Private Limited	Associate Company	April 01, 2009 - March 31, 2010	0.51 cr. & 1.27%	Nil
Quantum Information Services Private Limited	Associate Company	April 01, 2010 - March 31, 2011	0.44 cr. & 7.89%	Nil

(30) CASH FLOW STATEMENT

As per applicability norms of Accounting Standard 3 on 'Cash Flow Statement' issued by ICAI, disclosure is not required, as the scheme turnover (revenues) is not exceeding than the applicable norms.

(31) PROXY VOTING

As per SEBI Circular No. SEBI/IMD/CIR No 18 / 198647 /2010 dated March 15 ,2010, Quantum Mutual Fund has taken following steps:

- Quantum Mutual Fund (the Fund) has designed Proxy Voting Policy which discloses general policies and procedures for exercising the voting rights in respect of shares held by the Fund which was approved by the Board of Directors of Quantum Asset Management Company Private Limited (QAMC) and Quantum Trustee Company Private Limited in their respective meeting held on September 27, 2010.
- The said policy is uploaded on the website of the Company (WWW.QuantumAMC.Com)
- All voting decisions are taken on a case to case basis. The concerned Research Analyst / Fund Manager at the QAMC reviews the different proposals put before the shareholders / Management and arrives at a final decision on how to vote, keeping in mind the long term interest of the scheme(s), investment philosophy of the Fund and the market best practices.
- Shell Transource Private Limited has been appointed as representative under section 187B of the Companies Act 1956 to attend the meeting on behalf of Fund house from time to time.
- The details of the proxy voting actually exercised in general meetings of Companies in the prescribed format is also updated by AMC on its website from time to time.

As per our report of even date attached

For Quantum Trustee Company Private Limited

sd/-
Mr. Jagdish Capoor
(Chairman)

sd/-
Mr. Surjit Banga
(Director)

For Quantum Asset Management
Company Private Limited

sd/-
Mr. Ajit Dayal
(Chairman)

sd/-
Mr. I.V. Subramaniam
(Director)

sd/-
Mr. Jimmy A. Patel
(Chief Executive Officer)

sd/-
Mr. Atul Kumar
(Fund Manager)

For Haribhakti & Co.
Chartered Accountants

sd/-
Chetan Desai
Partner
FRN: 103523W

Place : Mumbai
Date : May 19, 2011

HISTORICAL PER UNIT STATISTICS

Sr. No.	Per Unit Particulars (Rupees)	As on March 31, 2011	As on March 31, 2010	As on March 31, 2009
	Face Value	Rs. 10/-	Rs. 10/-	Rs. 10/-
(a)	Net Asset Value			
i)	Growth Option	22.64	19.02	9.31
ii)	Dividend Option	22.84	19.18	9.39
(b)	Gross Income broken up into the following components			
i)	income other than profit on sale of investment	0.4169	0.2337	0.2666
ii)	income from profit on inter-scheme sales/transfer of investments	-	-	-
iii)	income from profit on sale of investment to third party	3.5261	1.7115	-1.4085
iv)	transfer to revenue account from past years reserve	-	-	-
(c)	Aggregate of expenses, write-off, amortization and charges	0.3002	0.3253	0.3169
(d)	Net Unrealised appreciation in value of investments	3.4489	4.5545	-
(e)	Net Income per unit (excluding unrealized appreciation)	3.6428	1.6199	-1.4587
(f)				
i)	Highest sale price per unit			
	Growth Option	24.48	19.10	14.81
	Dividend Option	24.68	19.26	14.80
ii)	Lowest sale price per unit			
	Growth Option	18.49	9.40	7.98
	Dividend Option	18.65	9.48	8.04
iii)	Highest repurchase price per unit			
	Growth Option	23.50	18.34	14.22
	Dividend Option	23.69	18.49	14.21
iv)	Lowest repurchase price per unit			
	Growth Option	17.75	9.02	7.66
	Dividend Option	17.90	9.10	7.72
	Price earning ratio	N.A	N.A	N.A
(g)	Ratio of expenses to average net assets (excluding unrealized depreciation and amortization of deferred revenue expenditure)	1.53%	2.18%	2.50%
(h)	Ratio of gross income to average daily net assets	21.06%	13.02%	-0.09%

AUDITORS' REPORT

TO

THE BOARD OF TRUSTEES OF
QUANTUM MUTUAL FUND

We have audited the attached Balance Sheet of the **Quantum Liquid Fund** (the "scheme") of **Quantum Mutual Fund** as at 31st March, 2011 and the Revenue Account for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Management of the Quantum Trustee Company Private Limited and Quantum Asset Management Company Private Limited. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. The Balance Sheet and the Revenue Account dealt with by this report are in agreement with the books of account of the scheme.
3. In our opinion, the valuation methods for non-traded securities are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI, under the regulation.
4. In our opinion, the Balance Sheet and the Revenue Account dealt with by this report have been prepared in accordance with the Accounting Policies and Standards as specified in the Ninth Schedule of the SEBI (Mutual Funds) Regulations, 1996 as amended up to date.
5. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the SEBI (Mutual Funds) Regulations, 1996 as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Scheme as at 31st March, 2011; and
 - ii) in the case of the Revenue Account, of the surplus of the Scheme for the year ended on that date

For **HARIBHAKTI & CO.**
Chartered Accountants
Firm No. – 103523W

sd/-

CHETAN DESAI
Partner
Membership No 17000

Place: Mumbai
Date: 19th May, 2011

QUANTUM LIQUID FUND
BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	March 31, 2011 Amount (Rs)	March 31, 2010 Amount (Rs)
LIABILITIES			
Unit Capital	'A'	206,718,928	229,278,414
Reserves and Surplus	'B'	39,704,036	41,220,427
Current Liabilities and Provisions	'C'	446,750	182,985
Total		246,869,714	270,681,826
ASSETS			
Investments	'D'	213,710,223	259,932,827
Deposits	'E'	32,500,000	10,000,000
Other Current Assets	'F'	659,491	748,999
Total		246,869,714	270,681,826
Notes forming part of Accounts	'G'		

As per our report of even date attached

For Quantum Trustee Company Private Limited

sd/-

Mr. Jagdish Capoor
(Chairman)

sd/-

Mr. Surjit Banga
(Director)

For Quantum Asset Management
Company Private Limited

sd/-

Mr. Ajit Dayal
(Chairman)

sd/-

Mr. I.V. Subramaniam
(Director)

sd/-

Mr. Jimmy A. Patel
(Chief Executive Officer)

sd/-

Mr. Arvind Chari
(Fund Manager)

For Haribhakti & Co.
Chartered Accountants

sd/-

Chetan Desai
Partner
FRN: 103523W

Place : Mumbai
Date : May 19, 2011

QUANTUM LIQUID FUND
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedule	March 31, 2011 Amount (Rs.)	March 31, 2010 Amount (Rs.)
INCOME			
Interest		3,211,785	4,930,524
Accretion of Discount		13,832,611	5,090,064
Profit on sale / redemption of investments (Other than inter-scheme transfer / sale)		13,884	27,304
Other Income (Interest on CCIL Margin)		7,224	3,940
Total		17,065,504	10,051,832
EXPENSES AND LOSSES *			
Management fees		756,879	376,848
Trustee expenses		-	27,576
Audit fees		-	17,648
Custodian fees		-	71,187
Registrar & Transfer Agent's fees		35,057	206,982
Insurance Premium		-	62,545
Marketing & Selling Expenses		-	156,195
Other operating expenses		125,246	245,741
Less: Excess of Expenditure over permissible limit recovered from AMC		-	(351,351)
Total		917,182	813,371
Net Surplus / (Deficit) for the period		16,148,322	9,238,461
APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31st March, 2011			
Net Surplus brought forward from previous year		41,223,282	27,032,131
Net Surplus / (Deficit) for the period		16,148,322	9,238,461
Total		57,371,604	36,270,592
Net Available Surplus			
Transferred (to)/ from Equalisation Account		(12,467,143)	9,553,109
Less : Dividend distributed		(5,118,275)	(3,584,978)
Less : Tax on Dividend		(1,419,245)	(1,015,442)
Net Surplus / (Deficit) carried forward		38,366,941	41,223,282
Notes forming parts of Accounts	G		

* please refer note no. 09

As per our report of even date attached

For Quantum Trustee Company Private Limited

sd/-
Mr. Jagdish Capoor
 (Chairman)

sd/-
Mr. Surjit Banga
 (Director)

For Quantum Asset Management Company Private Limited

sd/-
Mr. Ajit Dayal
 (Chairman)

sd/-
Mr. I.V. Subramaniam
 (Director)

sd/-
Mr. Jimmy A. Patel
 (Chief Executive Officer)

sd/-
Mr. Arvind Chari
 (Fund Manager)

For Haribhakti & Co.
 Chartered Accountants

sd/-
Chetan Desai
 Partner
 FRN: 103523W

Place : Mumbai
 Date : May 19, 2011

QUANTUM LIQUID FUND
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

	Units	March 31, 2011 Amount (Rs)	Units	March 31, 2010 Amount (Rs)
SCHEDULE 'A'				
UNIT CAPITAL				
(Face Value of Rs. 10 Each)				
Unit Capital {Opening Balance}	22,927,841.40	229,278,414	22,642,038.51	226,420,385
Add : Subscription during the period	38,853,035.81	388,530,358	29,764,647.50	297,646,475
Less : Redemption during the period	(41,108,984.40)	(411,089,844)	(29,478,844.61)	(294,788,446)
Unit Capital (Closing Balance)	20,671,892.81	206,718,928	22,927,841.40	229,278,414
SCHEDULE 'B'				
RESERVES & SURPLUS				
Unit Premium				
Opening Balance		(2,944)		1,514,123
Add/(Less) : Net Additions\ (Deduction) during the period		(11,129,335)		8,036,042
Add/(Less):- Transferred (to) / from Equalisation Account		12,467,143		(9,553,109)
Closing Balance		1,334,864		(2,944)
Equalisation Account				
Transferred from / (to) Unit Premium Reserve		(12,467,143)		9,553,109
Add/(Less): Transferred (to) / from Revenue Account		12,467,143		(9,553,109)
Closing Balance		-		-
UNREALISED APPRECIATION IN THE VALUE OF INVESTMENTS				
Opening Balance		89		-
Add: Net change during the year		2,142		89
		2,231		89
Appropriation Account				
Surplus/Deficit carried forward		38,366,941		41,223,282
Total Reserves & Surplus		39,704,036		41,220,427
SCHEDULE 'C'				
CURRENT LIABILITIES & PROVISIONS				
Management Fees Payable		69,884		37,617
Audit Charges Payable		-		12,905
Custody Fees Payable		-		5,877
Registrar Fees Payable		-		94,269
TDS Payable		7,971		19,557
Other Expense Payable		-		5,808
Dividend Tax Payable		19,895		6,952
Units pending allotment		349,000		-
Total		446,750		182,985

	Units	March 31, 2011 Amount (Rs)	Units	March 31, 2010 Amount (Rs)
SCHEDULE 'D'				
INVESTMENTS				
Non convertible debentures		-		60,000,000
Certificate of Deposits		197,973,627		198,685,197
Treasury Bill		2,458,468		997,793
Collateralised borrowing & lending obligation		13,278,128		249,837
Total		213,710,223		259,932,827
SCHEDULE 'E'				
DEPOSITS				
Fixed Deposit with Schedule Banks		30,000,000		10,000,000
Margin Money - The Clearing Corporation of India Ltd (CCIL)		2,500,000		-
Total		32,500,000		10,000,000
SCHEDULE 'F'				
OTHER CURRENT ASSETS				
Balances with Banks in Current Account, including cheques on hand		651,669		214,985
Receivable from Quantum Asset Management Co. Pvt. Ltd		-		130,616
Interest Receivable		7,822		403,398
Total		659,491		748,999

QUANTUM

MUTUAL FUND

Profit with Process

SCHEDULE 'G'
Notes:
1. ORGANISATION

Quantum Liquid Fund ("the Scheme") is an open-ended liquid scheme of Quantum Mutual Fund and was launched on April 3, 2006. Quantum Mutual Fund has been Sponsored by Quantum Advisors Private Ltd. Quantum Asset Management Company Private Limited incorporated under the Companies Act, 1956 has been appointed as the Asset Management Company. The duration of the scheme is perpetual. The Scheme closed for initial subscription on April 4, 2006 and opened for ongoing subscription on April 10, 2006.

In accordance with the SEBI (Mutual Funds) Regulations, 1996 ('the SEBI Regulations'), the Board of Directors of Quantum Trustee Company Private Limited ('the Trustee') has appointed Quantum Asset Management Company Private Limited ('the AMC') to manage the Fund's affairs and operate its Schemes. The investment objective of the Scheme is to provide optimal returns with low to moderate levels of risks and high liquidity through judicious investments in money market and debt instruments. The Scheme offers its investors a Growth Option, Monthly Dividend Payout Option and Daily Dividend Re-investment Option (collectively 'the Options').

2. SIGNIFICANT ACCOUNTING POLICIES
(2.1) BASIS OF ACCOUNTING

The scheme maintains its books of accounts on an accrual basis. These financial statements have been prepared in accordance with the accounting policies and standards specified in the ninth schedule of SEBI Regulations and amendments thereto as applicable.

(2.2) INVESTMENT

Investments are accounted on the trade date. The Scheme uses the average cost method for determining the realized gain or loss on sale of investments. In case of interest bearing securities though investments are accounted on the trade date, interest accrues from the settlement date. However, the effect of all investment traded during the financial year is recorded and reflected in the financial statement for that year. The cost of investment includes cost of acquisition, brokerage, stamp duty and any charge included in broker's brought note.

(2.3) PORTFOLIO VALUATION

Investments are stated at market / fair value at the Balance Sheet date / date of determination. The net asset value of the units of the scheme is determined separately for the units issued under the Options in valuing the Scheme's investments.

1. Debt securities listed on a recognized stock exchange are valued at the last quoted closing price on the principal exchange on which the security is traded. If no sale is reported at that time, such securities are valued at fair value as determined in good faith by the AMC under procedure approved by the Board of Trustee of Quantum Mutual Fund.
2. Non-traded and thinly traded debt securities are valued at fair value as determined by AMC under procedure approved by the Board of Trustee of Quantum Mutual Fund in accordance with the guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable, issued by the SEBI.
3. Privately placed debt securities are valued at fair value as determined in good faith by AMC under procedures approved by the Trustee of Quantum Mutual Fund.
4. Traded money market securities are valued at the weighted average price at which they are traded on the particular valuation date. If such security is not traded on particular valuation date then security with residual maturity of up to 91 days is valued on amortization basis
5. Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest up to the date of resale.
6. An investment is regarded as non-performing, if the interest and/or principal amount has not been received or remains outstanding for one quarter from the day such income or installment has fallen due.
7. Net unrealized appreciation or depreciation in the value of investments is determined separately for each category of investments. Further the change in net unrealized appreciation or depreciation, if any between the two balance sheet dates/ date of determination is recognized in the Revenue Account. Unrealized appreciation is reduced from the distributable income at the time of distribution of income. At the end of this financial year, the balance in the revenue account including change in the net unrealised appreciation or depreciation in the value of investments is transferred to Reserve Fund,
8. The above policies are followed as and when applicable.

(2.4) INVESTMENT INCOME

Interest income is recorded on an accrual basis. In respect of interest bearing instruments income has been accrued on a day to day basis as it is earned.

Dividend income is recognized on the ex-dividend

date

Where fixed income securities are acquired at premium or discount to the redemption value, such premium or discount is amortized on a straight line basis over the period of redemption.

Profit/loss on sale of investment is accounted for in the year in which the contract for sale is entered into. The cost is calculated on the basis of weighted average cost of investment.

(2.5) NET ASSET VALUE FOR GROWTH / DIVIDEND PLANS

The net asset value of the units of the scheme is determined separately for units issued under the Growth / Dividend Options.

For reporting the net asset value for the Options, daily income earned, including realized and unrealized gain or loss in the value of investments and expenses incurred by the Scheme are allocated to the Options in proportion to the value of units outstanding.

(2.6) UNIT PREMIUM RESERVE

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of the scheme, after an appropriate portion of the issue proceeds and redemption payout is credited or debited respectively to the income equalization reserve.

(2.7) EQUALISATION RESERVE

The purpose of Equalization Account is to maintain per unit distributable surplus so that continuing unitholders' share of distributable surplus remains unchanged on issue or redemption of units. The total distributable surplus (without considering unrealised appreciation) upto the date of issue/redemption of units have been taken into account for the purpose of ascertaining the amount to be transferred to Equalization Account. The net balance in this account is transferred to the Revenue Account at the end of the year.

(2.8) INCOME EQUALIZATION RESERVE

The net distributable income relating to units issued/repurchased is transferred to/from income equalization reserve for determining the net surplus/deficit, transferred from/to unit premium reserve.

(2.9) CUSTODY FEES

Deutsche Bank provides custodial services to the scheme for which it receives custody fees.

(2.10) INVESTMENT MANAGEMENT FEES

The Scheme has paid or provided for investment management fees payable to AMC for managing the Scheme at a percentage of the average daily net asset values recorded by the Scheme, such that the investment manager fees chargeable to the Scheme does not exceeds 1.25% of the average daily net asset values recorded by the Scheme upto Rs.100 crores and 1% of the excess over Rs.100 crores. All costs, charges and expenses incurred by AMC in the administration and execution of the activities of the Scheme, except costs allowed to be charged to the Scheme under the Securities and Exchange Board of India (Mutual Fund) Regulation, 1996 and amendments thereto, as applicable, are on their own account for which they receive investment management fees.

(2.11) REGISTRAR & TRANSFER AGENT FEES

Karvy Computershare Private Limited provides registrar and share transfer services to the scheme for which it receives registrar and share transfer fees.

(2.12) INCOME TAX

No Provision for taxation has been made as the scheme qualifies as a recognized mutual fund under section 10(23D) of the Income –Tax Act, 1961.

3. NOTES TO ACCOUNTS

(1) OPTIONS

The scheme has three Options: Growth Option, Daily Dividend Re-Investment Option and Monthly Dividend Payout Option. A Combined Balance Sheet and Revenue Account are prepared for the Scheme.

(2) (2) VALUE OF INVESTMENT AS ON MARCH 31, 2011

The Cost and Market Value/Fair Value of Investment as on March 31, 2011 is given below.

SR. NO.	SECURITIES	COST (Rs.)	MARKET VALUE (Rs.)	COST (Rs.)	MARKET VALUE (Rs.)
		March 31, 2011		March 31, 2010	
1.	Debt and Money Market Instruments	227,978,850.00	230,432,094.57	268,967,200.00	269,682,989.98
2.	Repo/CBLO	13,278,128.73	13,278,128.73	249,837.44	249,837.44
	TOTAL	241,256,978.73	243,710,223.30	269,217,037.44	269,932,827.42

(3) NON PERFORMING INVESTMENTS

Type of Investments	Carrying Value Amount (Rs.)	Market value Amount (Rs.)	Provisions
NIL	NIL	NIL	NIL

(4) NAV

Net Asset Value (NAV) per unit having a Face Value of Rs. 10 as on March 31, 2011

SCHEME	NAV (March 31, 2011)	NAV (March 31, 2010)
Growth Option	13.9665	13.0919
Daily Dividend Reinvestment Option	10.0001	10.0000
Monthly Dividend Payout Option	10.0148	10.0078

(5) AGGREGATE APPRECIATION AND DEPRECIATION IN THE VALUE OF INVESTMENTS

Aggregate appreciation and depreciation in value of investments is Rs. 2,231.24/-

(6) AGGREGATE VALUE OF PURCHASE AND SALE OF INVESTMENTS

Purchases (excluding Reverse repos, Call money & Fixed deposits) – Rs.1,352,288,782/-

- As a percentage of average daily net assets is 536.44%

Sales / Redemptions (excluding Reverse repos, Call money & Fixed deposits) – Rs.1,421,748,322/-

- As a percentage of average daily net assets 567.97%

(7) INCOME AND EXPENDITURE

The total income and expenditure and these amounts as a percentage of the Scheme's average daily net assets on an annualized basis are provided below:

Income

- Amount Rs.17,065,504 /-

- As a percentage of average daily net assets 6.77%

Expenditure

- Amount Rs.917,182 /-

- As a percentage of average daily net assets 0.36%

(8) INVESTMENT MANAGEMENT FEES

Investment Management Fees has been computed on the basis of Average Daily Net Asset of the Scheme accrued on a daily basis. Average daily Net Asset is Rs.252,083,895.89/- & fees charged 0.30%. Management Fees accrued during the period is Rs.756,879.14/-.

(9) OTHER FEES

Till May 31, 2010 certain expenses to the extent of 0.20% were borne by the scheme and rest of the expenses were borne by AMC. From June 01, 2010 onwards all other expenses are fully borne by the AMC.

(10) CONTRACTS PENDING DELIVERIES

There were no contracts for sale or purchase pending deliveries as on March 31, 2011.

(11) MOVEMENT IN UNIT CAPITAL

Particulars	2010-11		2009-10	
	Qty.	Amount	Qty.	Amount
Units of Rs 10- each fully paid up				
<u>Growth Option</u>				
Opening	13,329,450.49	133,294,504.94	11,206,735.98	112,067,359.86
Issued during the year	13,191,144.84	131,911,448.39	13,496,355.36	139,463,553.56
Redeemed during the year	16,516,071.41	165,160,714.06	11,823,640.85	118,236,408.48
Outstanding at end of year	10,004,523.93	100,045,239.25	13,329,450.49	133,294,504.94
<u>Daily Dividend Reinvestment Option</u>				
Opening	8,743,957.74	87,439,577.40	10,151,056.21	101,510,562.09
Issued during the year	23,645,516.54	236,455,165.37	12,038,579.71	120,385,797.10
Redeemed during the year	23,114,200.73	231,142,007.30	13,445,678.18	134,456,781.78
Outstanding at end of year	9,275,273.55	92,752,735.48	8,743,957.74	87,439,577.41
<u>Monthly Dividend Payout Plan</u>				
Opening	854,433.14	8,544,331.40	1,284,246.30	12,842,462.95
Issued during the year	2,016,374.43	20,163,744.29	3,779,712.44	37,797,124.35
Redeemed during the period	1,478,712.26	14,787,122.64	4,209,525.58	42,095,255.84
Outstanding at end of period	1,392,095.30	13,920,953.00	854,433.14	8,544,331.36
<u>Grand Total</u>				
Outstanding at the beginning				
opening	22,927,841.37	229,278,413.70	22,642,038.49	226,420,384.84
Issued during the year	38,853,035.81	388,530,358.05	29,764,647.50	297,646,475.01
Redeemed during the period	41,108,984.40	411,089,844.00	29,478,844.61	294,788,446.10
Outstanding at end of period	20,671,892.78	206,718,927.75	22,927,841.37	229,278,413.71

(12) DISCLOSURE UNDER REGULATIONS 25 (8) OF THE SEBI REGULATIONS – PAYMENTS OF FEES TO ASSOCIATE COMPANIES

Quantum Liquid Fund has made NIL payment to Associate companies during the year ended March 31, 2011. (refer note no. 29)

(13) INVESTMENTS IN GROUP COMPANIES

Quantum Liquid Fund has made NIL investment in group companies during the year ended March 31, 2011.

(14) LARGE HOLDINGS

Unit holders holding over 25% of the Scheme's NAV is NIL as at the end of the year March 31, 2011

(15) DISCLOSURE UNDER REGULATION 25(11) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED - NIL**(16) SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRYWISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2011, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2011, as well as the aggregate investments in each investment category.

Sr. No.	Name of Investment	Industry Classification	Rating	Market Value (Rs Lakhs)	% to Net Asset	% to Category
(A)	SHORT TERM DEBT INSTRUMENTS (FLOATING)					
	Unlisted/Private placed instruments			NIL	NIL	NIL
(B)	SHORT TERM DEBT INSTRUMENTS (FIXED)			NIL	NIL	NIL
(C)	MONEY MARKET INSTRUMENTS					
1	Punjab National Bank CD (MD 06/04/2011)	Bank	P1+	499.39	20.27%	23.37%
2	Canara Bank CD (MD 26/04/2011)	Bank	P1+	496.89	20.17%	23.25%
3	Allahabad Bank CD (MD 12/05/2011)	Bank	P1+	494.66	20.08%	23.15%
4	UCO Bank CD (MD 23/06/2011)	Bank	P1+	488.80	19.84%	22.87%
5	91 Days T-Bill (MD 30/06/2011)	Sovereign		24.58	1.00%	1.15%
6	CBLO/REVERSE REPO *			132.78	5.39%	6.21%
	Total (C)			2,137.10	86.73%	100.00%
(D)	FIXED DEPOSITS					
1	HDFC Bank Ltd FD (MD 30/06/2011)	Bank		200.00	8.12%	66.67%
2	YES Bank Ltd FD (MD 30/06/2011)	Bank		100.00	4.06%	33.33%
	Total (D)			300.00	12.18%	100%
(E)	NET RECEIVABLES					
	Net Receivable / (Payables)			26.95	1.09%	
	Total (E)			26.95	1.09%	
	Grand Total			2,464.05	100.00%	

* Denotes Non-Traded Securities.

(17) ACCOUNTING POLICY

There is no change in the accounting policy during the year ended March 31, 2011

(18) PRIOR PERIOD COMPARATIVES

Previous year's figures have been regrouped/re-arranged where appropriate.

(19) COPY OF TRUST DEED

On written request, present and prospective unit holder/investors can obtain copy of the trust Deed, the Annual Report (at a price) and the text of the relevant scheme.

(20) BONUS

No bonus has been declared by the Scheme during the year ended March 31, 2011

(21) INITIAL ISSUE EXPENSES

No initial Issue Expenses were charged to the Quantum Liquid Fund

(22) BORROWING

The scheme has not made any borrowing during the year March 31, 2011

(23) UNDERWRITING

The scheme has not undertaken any underwriting obligation during the year ended March 31, 2011

(24) ARRANGER/MANAGER

Neither the sponsor nor the associates of the Quantum Mutual Fund have acted as arranger or manager of any issue of equity or debt nor has any associate company lead managed any issue.

(25) DERIVATIVES

The scheme has no exposure to derivative products, foreign securities, ADR and GDR.

(26) ANNUAL REPORT REQUEST

The unit holders, if they so desire, may request for the annual report of Quantum Asset Management Company Private Limited.

(27) SEGMENT REPORTING

As per disclosure requirement under Accounting Standard 17 on 'Segment Reporting' issued by ICAI the scheme operates only in one segment viz. to primarily generate returns, based on schemes' investment objective.

(28) CONTINGENT LIABILITIES

The Contingent Liabilities as on 31st March 2011 is NIL



(29) RELATED PARTY TRANSACTIONS

The scheme has entered into transactions with various related parties. The information required in this regard in accordance with Accounting Standards 18 i.e. Related Party Disclosure issued by the ICAI and Regulation 25(8) of the SEBI Regulation is provided below.

Related party relationships

Name	Description of relationship
Quantum Advisors Private Limited	Sponsor
Quantum Asset Management Company Private Limited	Asset Management Company
Quantum Trustee Company Private Limited	Trustee
Quantum Information Services Private Limited	Associate
Helpyourngo.com India Private Limited	Associate
Equitymaster India Limited	Associate
Equitymaster Agora Research Private Limited	Associate
Personalfn Insurance Services India Limited	Associate
Mymakaan.com Private Limited	Associate
Menlo Oak Venture Investments	Associate
Primary Real Estate Advisors Private Limited	Associate
Primary Real Estate Advisors Limited, Mauritius	Associate
QIEF Management LLC	Associate
Principal Real Estate Investment Private Limited	Associate
Quantum Equity Advisors Private Limited	Sponsor's subsidiary
QACIP India Fixed Income Fund Limited, Mauritius	Associate

Other Schemes of the Fund :

Quantum Long Term Equity Fund

Quantum Gold Fund

Quantum Index Fund

Quantum Tax Saving Fund

Quantum Equity Fund of Funds

QUANTUM
MUTUAL FUND
Profit with Process

Transaction, if any with the above mentioned related parties as defined under Accounting standard 18 and Regulation 25(8) of the SEBI Regulations are provided below:

Name of the related party	Nature of transactions	Year ended March 2011	Balance as at March 31, 2011	Year ended March 2010	Balance as at March 31, 2010
Quantum Advisors Pvt. Ltd (QAPL)	Subscription	590,810.01	-	34,955,219.82	-
	Redemption	10,000,000.00	-	15,850,000.00	-
	Net Assets value of investment at balance sheet date		9,918,491.11	-	19,325,595.00
Quantum Asset Management Co Pvt Ltd.	Subscription			53,900,000.00	-
	Redemption	13,000,000.00		71,200,000.00	-
	Net Assets value of investment at balance sheet date		50,777,777.88		60,528,207.00
Quantum Information Services Private Limited (QIS)	Subscription	2,256,277.10	-	12,660,662.00	-
	Redemption	15,000,000.00	-	18,400,000.00	-
	Net Assets value of investment at balance sheet date		434,316.98		13,178,036.00
Equitymaster Agora Research Private Ltd.	Subscription	47,100,000.00	-	18,900,000.00	-
	Redemption	49,300,000.00	-	8,100,000.00	-
	Net Assets value of investment at balance sheet date		26,096,657.58		25,624,833.00
Primary Real Estate Advisors Pvt. Ltd.	Subscription	14,780,224.55	-	15,359,066.08	-
	Redemption	14,800,000.00	-	15,350,000.00	-
	Net Assets value of investment at balance sheet date	-	2,401,368.59	-	2,421,120.00
Quantum Index Fund	Subscription	NIL	-	110,000.00	-
	Redemption	NIL	-	111,373.42	-
	Net Assets value of investment at balance sheet date	-	NIL	-	NIL
Quantum Gold Fund	Subscription	NIL	-	220,000.00	-
	Redemption	NIL	-	221,331.37	-
	Net Assets value of investment at balance sheet date	-	NIL	-	NIL
Quantum Assets Management Co Pvt Ltd.	Management Fees	756,879.14	69,883.98	3,76,848.00	37,617.00
Quantum Trustee Co Pvt. Ltd	Trusteeship Fees (inclusive of Service Tax)	NIL	NIL	27,576.00	-

Profit with Process

Brokerage and commission paid to associates as per SEBI circular SEBI/IMD/CIR No 18 / 198647 /2010 dated March 15, 2011.

- a) Brokerage paid to Associate Companies during the last two fiscal years:- Nil
 b) Commission paid to Associate Companies during the last two fiscal years:-

Name of Associate company	Nature of Association/ Nature of relation	Period covered	Business given (Rs. Cr. & % of total business received by the fund)	Commission paid (Rs & % of total commission paid by the fund)
Quantum Information Services Private Limited	Associate Company	April 01, 2009 - March 31, 2010	3.49 cr. & 8.61%	Nil
Quantum Information Services Private Limited	Associate Company	April 01, 2010 - March 31, 2011	0.51 cr. & 10.55%	Nil

(30) CASH FLOW STATEMENT

As per applicability norms of Accounting Standard 3 on 'Cash Flow Statement' issued by ICAI, disclosure is not required, as the scheme turnover (revenues) is not exceeding than the applicable norms.

As per our report of even date attached

For Quantum Trustee Company Private Limited

sd/-

Mr. Jagdish Capoor
(Chairman)

sd/-

Mr. Surjit Banga
(Director)

For Quantum Asset Management Company Private Limited

sd/-

Mr. Ajit Dayal
(Chairman)

sd/-

Mr. I.V. Subramaniam
(Director)

sd/-

Mr. Jimmy A. Patel
(Chief Executive Officer)

sd/-

Mr. Arvind Chari
(Fund Manager)

For Haribhakti & Co.
Chartered Accountants

sd/-

Chetan Desai
Partner
FRN: 103523W

Place : Mumbai
Date : May 19, 2011

HISTORICAL PER UNIT STATISTICS

Sr. No.	Per Unit Particulars (Rupees)	As on March 31, 2011	As on March 31, 2010	As on March 31, 2009
	Face Value	Rs.10/-	Rs.10/-	Rs.10/-
(a)	Net Asset Value			
	Growth Plan	13.9665	13.0919	12.5459
	Daily Dividend Reinvestment Plan	10.0001	10.0000	10.0000
	Monthly Dividend Payout Plan	10.0148	10.0078	10.0100
(b)	Gross Income broken up into the following components			
(i)	Income other than profit on sale of investment	0.8179	0.4372	0.9453
(ii)	Income from profit on sale of investment to third party	0.0007	0.0012	0.0000
(iii)	Income from profit on inter-scheme sales/transfer of investment	-	-	-
(iv)	Transfer to revenue account from past year's reserve	-	-	-
	Gross Income	0.8186	0.4348	0.9453
(c)	Aggregate of expenses, write-off, amortization and charges	0.0444	0.0355	0.0477
	Total Gross Expenditure	0.0355	0.0477	0.05
(d)	Net Unrealised appreciation in value of investments	0.0001	-	-
(e)	Net Income per unit (excluding unrealized appreciation)	0.7742	0.4029	0.8977
(f)	REPURCHASE PRICE			
	Highest			
(I)	Growth Option	13.9665	13.0919	12.5459
(II)	Daily Dividend Reinvestment Option	10.0001	10.0000	10.0000
(III)	Monthly Dividend Payout Option	10.0661	10.0559	10.0956
	Lowest			
(I)	Growth Option	13.1007	12.5482	11.5237
(II)	Daily Dividend Reinvestment Option	10.0000	10.0000	10.0000
(III)	Monthly Dividend Payout Option	10.0000	10.0000	10.0000
	RESALE PRICE			
	Highest			
(I)	Growth Option	13.9665	13.0919	12.5459
(II)	Daily Dividend Reinvestment Option	10.0001	10.0000	10.0000
(III)	Monthly Dividend Payout Option	10.0661	10.0559	10.0956
	Lowest			
(I)	Growth Option	13.1007	12.5482	11.5237
(II)	Daily Dividend Reinvestment Option	10.0000	10.0000	10.0000
(III)	Monthly Dividend Payout Option	10.0000	10.0000	10.0000
(g)	Ratio of expenses to average daily net assets (excluding Unrealized depreciation and amortization of deferred revenue Expenditure)	0.36%	0.37%	0.50%
(h)	Ratio of gross income to average daily net assets	6.77%	4.61%	10.00%

AUDITORS' REPORT

TO

THE BOARD OF TRUSTEES OF
QUANTUM MUTUAL FUND

We have audited the attached Balance Sheet of the **Quantum Gold Fund** (the "scheme") of **Quantum Mutual Fund** as at 31st March, 2011 and the Revenue Account for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Management of the Quantum Trustee Company Private Limited and Quantum Asset Management Company Private Limited. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. The Balance Sheet and the Revenue Account dealt with by this report are in agreement with the books of account of the scheme.
3. In our opinion, the valuation methods for non-traded securities are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI, under the regulation.
4. In our opinion, the Balance Sheet and the Revenue Account dealt with by this report have been prepared in accordance with the Accounting Policies and Standards as specified in the Ninth Schedule of the SEBI (Mutual Funds) Regulations, 1996 as amended up to date.
5. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the SEBI (Mutual Funds) Regulations, 1996 as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Scheme as at 31st March, 2011 ; and
 - ii) in the case of the Revenue Account, of the surplus of the Scheme for the year ended on that date

For **HARIBHAKTI & CO.**
Chartered Accountants
Firm No. – 103523W

sd/-

CHETAN DESAI
Partner
Membership No 17000

Place: Mumbai
Date: 19th May, 2011

QUANTUM GOLD FUND
BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	March 31, 2011 Amount (Rs)	March 31, 2010 Amount (Rs)
LIABILITIES			
Unit Capital	'A'	28,181,800	20,894,900
Reserves and Surplus	'B'	255,699,041	146,536,193
Current Liabilities and Provisions	'C'	238,920	118,696
Total		284,119,761	167,549,789
ASSETS			
Investments	'D'	284,101,878	167,179,056
Other Current Assets	'E'	17,883	370,733
Total		284,119,761	167,549,789
Notes forming part of Accounts	'F'		

As per our report of even date attached

For Quantum Trustee Company Private Limited

sd/-
Mr. Jagdish Capoor
 (Chairman)

sd/-
Mr. Surjit Banga
 (Director)

For Quantum Asset Management
 Company Private Limited

sd/-
Mr. Ajit Dayal
 (Chairman)

sd/-
Mr. I.V. Subramaniam
 (Director)

sd/-
Mr. Jimmy A. Patel
 (Chief Executive Officer)

sd/-
Mr. Chirag Mehta
 (Fund Manager)

For Haribhakti & Co.
 Chartered Accountants

sd/-
Chetan Desai
 Partner
 FRN: 103523W

Place : Mumbai
 Date : May 19, 2011

QUANTUM GOLD FUND
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

Schedule	March 31, 2011 Amount (Rs)	March 31, 2010 Amount (Rs)
INCOME		
Interest	9,512	426
Profit on sale / redemption of investments (Other than inter-scheme transfer / sale)	9,778,840	466,942
Total	9,788,352	467,368
EXPENSES AND LOSSES*		
Management Fees	2,007,535	597,874
Custody Fees	-	75,573
Trusteeship Fees	-	82,724
Marketing & Selling Expenses	-	186,540
Audit Fees	-	35,848
Registrar & Transfer Agent's fees	15,356	56,392
Insurance Premium	26,331	108,247
Other operating expenses	305,744	139,603
Less: Excess of Expenditure over permissible limit recovered from AMC	-	(86,926)
Total	2,354,966	1,195,875
Net Surplus / (Deficit) for the period	7,433,386	(728,507)
APPROPRIATION ACCOUNT FOR THE PERIOD ENDED 31st MARCH, 2011		
Net Surplus brought forward from previous year	84,381	386,095
Net Surplus / (Deficit) for the period	7,433,386	(728,507)
Transferred (to)/ from Equalisation Account	1,279,927	426,793
Net Surplus / (Deficit) carried forward	8,797,694	84,381

Notes forming parts of Accounts

F

* please refer note no. 09

As per our report of even date attached

For Quantum Trustee Company Private Limited

sd/-
Mr. Jagdish Capoor
(Chairman)sd/-
Mr. Surjit Banga
(Director)For Quantum Asset Management
Company Private Limitedsd/-
Mr. Ajit Dayal
(Chairman)sd/-
Mr. I.V. Subramaniam
(Director)sd/-
Mr. Jimmy A. Patel
(Chief Executive Officer)sd/-
Mr. Chirag Mehta
(Fund Manager)For Haribhakti & Co.
Chartered Accountantssd/-
Chetan Desai
Partner
FRN: 103523WPlace : Mumbai
Date : May 19, 2011

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

	Units	March 31, 2011 Amount (Rs)	Units	March 31, 2010 Amount (Rs)
SCHEDULE 'A'				
UNIT CAPITAL				
(Face Value of Rs. 100/- each)				
Unit Capital (Opening Balance)	208,949	20,894,900	106,497	10,649,700
Add : Subscription during the period	124,869	12,486,900	106,452	10,645,200
(Less) : Redemption during the period	(52,000)	(5,200,000)	(4,000)	(400,000)
Unit Capital (Closing Balance)	281,818	28,181,800	208,949	20,894,900
SCHEDULE 'B'				
RESERVES & SURPLUS				
Unit Premium				
Opening Balance		121,744,636		51,805,629
Add/(Less) : Net Additions/(Deduction) during the period		59,698,540		70,365,800
Add/(Less):-Transferred (to) / from Equalisation Account		(1,279,927)		(426,793)
Closing Balance		180,163,249		121,744,636
Equalisation Account				
Transferred from / (to) Unit Premium Reserve		1,279,927		426,793
Add/(Less): Transferred to / (from) Revenue Account		(1,279,927)		(426,793)
Closing Balance		-		-
UNREALISED APPRECIATION IN THE VALUE OF INVESTMENTS				
Opening Balance		24,707,176		16,748,624
Add:Net change during the year		42,030,922		7,958,552
		66,738,098		24,707,176
Appropriation Account				
Surplus/Deficit carried forward		8,797,694		84,381
Total Reserves & Surplus		255,699,041		146,536,193
SCHEDULE 'C'				
CURRENT LIABILITIES & PROVISIONS				
Management Fees Payable		215,030		70,085
Audit Fees Payable		-		19,854
Custody Fees Payable		-		8,039
Registrar Fees Payable		-		6,615
TDS Payable		23,890		14,103
Total		238,920		118,696
SCHEDULE 'D'				
INVESTMENTS				
GOLD		283,786,160		167,179,056
Collateralised Borrowing & Lending Obligation		315,718		-
Total		284,101,878		167,179,056
SCHEDULE 'E'				
OTHER CURRENT ASSETS				
Balances with Banks in Current Account, including cheques on hand		17,728		132,041
Receivable from Quantum Asset Management Co. Pvt. Ltd.		155		53,269
Other Current Assets		-		185,423
Total		17,883		370,733

SCHEDULE 'F'

Notes:

1. ORGANISATION

Quantum Gold Fund ("the Scheme") is an open-ended exchange traded Scheme of Quantum Mutual Fund and was launched on January 24, 2008. Quantum Mutual Fund has been sponsored by Quantum Advisors Private Ltd. Quantum Asset Management Company Private Limited incorporated under the Companies Act, 1956 has been appointed as Asset Management Company. The duration of the scheme is perpetual. The Scheme closed for initial subscription on February 8, 2008, and was listed on the NSE on February 28, 2008.

In accordance with the SEBI (Mutual Funds) Regulations, 1996 ('the SEBI Regulations'), the Board of Directors of Quantum Trustee Company Private Limited ('the Trustee') has appointed as the Quantum Asset Management Company Private Limited ('the AMC') to manage the Fund's affairs and operate its Schemes. The Investment Objective of the Scheme is to generate returns that are in line with the performance of gold and gold related instruments subject to tracking errors. However, investment in gold related instruments will be made if and when SEBI permits mutual funds to invest, in gold related instruments. The Scheme is designed to provide returns that before expenses, closely correspond to the returns provided by gold. The Scheme offers its investors the Growth Option.

2. SIGNIFICANT ACCOUNTING POLICIES
(2.1) BASIS OF ACCOUNTING

The scheme maintains its books of account on an accrual basis. These financial statement have been prepared in accordance with the accounting policies and standards specified in the ninth schedule of SEBI Regulations and amendments thereto as applicable.

(2.2) INVESTMENTS
(2.2.a) Gold

The cost of gold includes cost of acquisition, CIF premium, VAT, Custom Duty, Stamp Duty & Octroi Charges.

On receipt of refund of VAT in future, the carrying value is adjusted accordingly.

(2.2.b) Others

Investments are accounted on the trade date. The Scheme uses the average cost method for determining the realized gain or loss in sale of investment. In case of interest/discount bearing securities though investments are accounted on the trade date, interest /discount accrues from the settlement date.

(2.3) PORTFOLIO VALUATION

Investments are stated at market / fair value at the Balance Sheet date / date of determination.

- I. The Fund values its investments in gold in accordance with the valuation norms

specified under The SEBI (Fourth Amendment) Regulations 2006, notified by the Government vide gazette dated December 27, 2006 (No. F No. SEBI/LAD/DOP/82534/2006)

The Broad Valuation Norms are detailed below:

The Gold held by the Fund is valued at the AM fixing price of London Bullion Market Association (LBMA) in US dollars per troy ounce for gold having a fineness of 995.0 parts per thousand, subject to the following:

- (a) adjustment for conversion to metric measures as per standard conversion rates;
 - (b) adjustment for conversion of US dollars into Indian rupees as per the RBI reference rate declared by the Foreign Exchange Dealers Association of India (FEDAI); and
 - (c) addition of i) transportation and other charges that may be normally incurred in bringing such gold from London to the place where it is actually stored on behalf of mutual fund; and ii) notional customs duty and other applicable taxes and levies that are normally incurred to bring the gold from London to the place where it is actually stored on behalf of mutual fund; provided that the adjustment under clause (c) above is made on the basis of the notional premium that is usually charged for delivery of gold to the place where it is actually stored on behalf of the mutual fund; Provided further that where the gold held by the Fund has a greater fineness, the relevant LBMA prices of AM fixing is taken as the reference price under this clause. In case the gold acquired by the Fund is not in the form of standard bars, it is assayed and converted into standard bars which comply with the good delivery norms of the LBMA and thereafter valued in terms of this clause.
- The Fund values its investments in debt and money market instruments according to the Valuation Norms as specified in the Eighth Schedule of the Regulations, or such guidelines/recommendations as may be specified by SEBI/AMFI from time to time.
- II. Traded money market securities are valued at the weighted average price at which they are traded on the particular valuation date. If such security is not traded on particular valuation date then security with residual maturity of over 91 days is valued at benchmark yield/ matrix of spread over risk free benchmark yield and security with residual maturity of up to 91 days is valued on amortization basis.
 - III. Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest upto the date of resale.
 - IV. Net unrealized appreciation/depreciation in the value of investments is determined separately for each category of investments. Further the change in net unrealized appreciation/depreciation, if any between the two balance sheet dates/ date of determination is recognized in the Revenue

Account. Unrealized appreciation is reduced from the distributable income at the time of distribution of income. At the end of this financial year, the balance in the revenue account including change in the net unrealized appreciation/depreciation in the value of investments is transferred to Reserve Fund.

(2.4) INVESTMENT INCOME

Interest income is recorded on an accrual basis. Where fixed income securities are acquired at premium or discount to the redemption value, such premium or discount is amortized on a straight line basis over the period of redemption. In respect of interest bearing instruments income has been accrued on a day to day basis as it is earned.

(2.5) NET ASSET VALUE FOR GROWTH OPTION

For reporting the net asset value for the scheme daily income earned, including realized and unrealized gain or loss in the value of investments and expenses incurred by the Scheme are considered.

(2.6) UNIT PREMIUM RESERVE

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of the scheme, after an appropriate portion of the issue proceeds and redemption payout is credited or debited respectively to the income equalization reserve.

(2.7) EQUALISATION RESERVE

The purpose of Equalization Account is to maintain per unit distributable surplus so that continuing unitholders' share of distributable surplus remains unchanged on issue or redemption of units. The total distributable surplus (without considering unrealised appreciation) upto the date of issue/redemption of units have been taken into account for the purpose of ascertaining the amount to be transferred to Equalization Account. The net balance in this account is transferred to the Revenue Account at the end of the year.

(2.8) CUSTODY FEES

Deutsche Bank provides custodial services to the scheme for which it receives custody fees.

(2.9) INVESTMENT MANAGEMENT FEES

The Scheme has paid or provided for investment management fees payable to the AMC for managing the Scheme at a percentage of the average daily net asset values recorded by the Scheme, such that the investment manager fees chargeable to the Scheme does not exceeds 1.25% of the average daily net asset values recorded by the Scheme upto Rs.100 crores and 1% of the excess over Rs.100 crores. All costs, charges and expenses incurred by Quantum Asset Management Company Private Limited in the administration and execution of the activities of the Scheme, except costs allowed to be charged to the Scheme under the Securities and Exchange Board of India (Mutual Fund) Regulation, 1996 and amendments thereto, as applicable, are on their own account for which they receive investment management fees.

(2.10) TRUSTEE FEES

Pursuant to the Trust Deed dated October 7, 2005 between Quantum Advisors Private Limited (Settlor) and Quantum Trustee Company Private Limited (Trustee) and the offer document of the scheme, the Fund is authorized to pay the Trustee a fee, for rendering service as a Trustee of the Fund and the same has been borne by AMC and paid accordingly on quarterly basis.

(2.11) REGISTRAR & TRANSFER AGENT FEES

Karvy Computershare Private Limited. provides registrar and share transfer services to the scheme for which it receives registrar and share transfer fees.

(2.12) INCOME TAX

No Provision for taxation has been made as the schemes qualify as recognized mutual fund under section 10(23D) of the Income –Tax Act, 1961.

3. NOTES TO ACCOUNTS

(1) OPTIONS

The scheme has one Option: Growth Option,

(2) VALUE OF INVESTMENT AS ON MARCH 31, 2011

The Cost and Market Value/Fair Value of Investment as on March 31, 2011 is given below.

SR. NO.	SECURITIES	COST RS.	MARKET VALUE RS.	COST RS.	MARKET VALUE RS.
		March 31, 2011		March 31, 2010	
1.	Gold	217,048,063.23	283,786,160.34	142,471,879.43	167,179,055.79
2.	CBLO/Reverse Repo	315,717.74	315,717.74	-	-
	TOTAL	217,363,780.97	284,101,878.08	142,471,879.43	167,179,055.79

(3) NON PERFORMING INVESTMENTS

Type of Investments	Carrying Value Amount (Rs.)	Market value Amount (Rs.)	Provisions
NIL	NIL	NIL	NIL

(4) NAV

Net Asset Value (NAV) per unit having a Face Value of Rs. 100 as on March 31, 2011

SCHEME	NAV (March 31, 2011)	NAV (March 31, 2010)
Growth Option	1007.3198	801.3012

(5) AGGREGATE APPRECIATION AND DEPRECIATION IN THE VALUE OF INVESTMENTS

Aggregate appreciation and depreciation in value of investments is as follows:

Particulars	March 31, 2011 (Rs.)	March 31, 2010 (Rs.)
GOLD		
Unrealised Appreciation	66,738,097.11	24,707,176.36
Unrealised Depreciation	-	-
Net Unrealised Appreciation	66,738,097.11	24,707,176.36

(6) AGGREGATE VALUE OF PURCHASE AND SALE OF INVESTMENTS

Purchases (excluding Reverse repos, Call money & Fixed deposits) – Rs 115,778,544.59/-

- As a percentage of average daily net assets is 49.16 %

Sales / Redemptions (excluding Reverse repos, Call money & Fixed deposits) – Rs 50,981,200.63/-

- As a percentage of average daily net assets 21.65 %

(7) INCOME AND EXPENDITURE

The total income and expenditure and these amounts as a percentage of the Scheme's average daily net assets on an annualized basis are provided below:

Income (excluding unrealized appreciation)

- Amount Rs. 9,788,352.08/-
- As a percentage of average daily net assets 4.16 %

Expenditure

- Amount Rs. 2,354,965.92/-
- As a percentage of average daily net assets 1.00 %

(8) INVESTMENT MANAGEMENT FEES

Investment Management Fees has been computed on the basis of Average Daily Net Asset of the Scheme accrued on a daily basis. Average daily Net Asset is Rs. 235,495,687.18/- & fees charged 0.85%, Management Fees accrued during the period ended March 31, 2011 is Rs. 2,007,534.97/-

9) OTHER FEES

Till May 31, 2010 certain expenses to the extent of 0.50% were borne by the scheme and rest of the expenses were borne by AMC. From June 01, 2010 onwards all other expenses are fully borne by the AMC.

(10) CONTRACTS ENDING DELIVERIES

There were no contracts for sale or purchase pending deliveries as on March 31, 2011.

(11) MOVEMENT IN UNIT CAPITAL

Particulars	2010-11		2009-10	
	Units	Amount	Units	Amount
Regular Growth				
Opening	208,949	20,894,900	106,497	10,649,700
Issued -During the period	124,869	12,486,900	106,452	10,645,200
Redeemed during the period	52,000	5,200,000	4,000	400,000
Outstanding, end of period	281,818	28,181,800	208,949	20,894,900

(12) DISCLOSURE UNDER REGULATIONS 25 (8) OF THE SEBI REGULATIONS – PAYMENTS OF FEES TO ASSOCIATE COMPANIES

Quantum Gold Fund has made NIL payment to Associate companies during the year ended March 31, 2011
(please refer note no.29)

(13) INVESTMENTS IN GROUP COMPANIES

Quantum Gold Fund has made NIL investment in group companies during the year ended March 31, 2011

(14) LARGE HOLDINGS

Unit holders holding over 25% of the Scheme of NAV is NIL as at the end of the year March 31, 2011

(15) DISCLOSURE UNDER REGULATION 25(11) OF THE SECURITY AND EXCHANGE BOARD OF INDIA (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED - NIL**(16) SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRYWISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2011, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2011, as well as the aggregate investments in each investment category.

Sr. No.	Name of Investment	Quantity	Market Value (Rs. in Lakhs)	% To Net Assets
	GOLD			
a)	Gold 1 kg Bar (0.995 Fineness)	134	2816.76	99.22%
b)	Gold 100 Gram Bar (0.999 Fineness)	10	21.11	0.74%
	TOTAL		2837.86	99.97%
c)	Cash & Equivalent			
1	CBLO / Reverse Repo Investments		3.16	0.11%
2	Net Receivable / (Payables)		(2.21)	(0.08)%
	TOTAL		0.95	0.03%
	Grand Total		2838.81	100%

(17) INITIAL ISSUE EXPENSES

No initial Issue Expenses were charged to the Quantum Gold Fund

(18) BORROWING

The scheme has not made any borrowing during the period March 31, 2011

(19) DERIVATIVES

The scheme has no exposure to derivative products, foreign securities, ADR's and GDR's.

(20) TRUST DEED

On written request, present and prospective unit holder/investors can obtain copy of the Trust Deed, the Annual Report (at a price) and the text of the relevant scheme.

(21) BONUS

No bonus has been declared by the Scheme during the period ended March 31, 2011.

(22) ANNUAL REPORT REQUEST

The unit holders, if they so desire, may request for the annual report of Quantum Assets Management Company Private Limited.

(23) UNDERWRITING

The scheme has not undertaken any underwriting obligation during the period March 31, 2011.

(24) ARRANGER/MANAGER

Neither the sponsor nor the associates of the Quantum Mutual Fund have acted as arranger or manager of any issue of equity or debt nor has any associate company lead managed any issue.

(25) PRIOR PERIOD COMPARATIVES

Previous year's figures have been regrouped /re-arranged where appropriate.

(26) SEGMENT REPORTING

As per disclosure requirement under Accounting Standard 17 on 'Segment Reporting' issued by ICAI the scheme operates only in one segment viz. to primarily generate returns, based on schemes' investment objective.

(27) CONTINGENT LIABILITIES

The Contingent Liabilities as on 31st March 2011 is NIL.

(28) Temporary Funding from the Quantum Asset Management Company Private Limited, as and when required for cash component which is paid to the investors is not considered as borrowings. This is repaid on a priority on generation of liquidity in scheme. No such amount is outstanding as on balance sheet date.
(29) RELATED PARTY TRANSACTIONS

The scheme has entered into transactions with various related parties. The information required in this regard in accordance with Accounting Standards 18 i.e. Related Party Disclosure issued by the ICAI and Regulation 25(8) of the SEBI Regulation is provided below.

Related party relationships

Name	Description of relationship
Quantum Advisors Private Limited	Sponsor
Quantum Asset Management Company Private Limited	Asset Management Company
Quantum Trustee Company Private Limited	Trustee
Quantum Information Services Private Limited	Associate
Helpyourngo.com India Private Limited	Associate
Equitymaster India Limited	Associate
Equitymaster Agora Research Private Limited	Associate
Personalfn Insurance Services India Limited	Associate
Mymakaan.com Private Limited	Associate
Menlo Oak Venture Investments	Associate
Primary Real Estate Advisors Private Limited	Associate
Primary Real Estate Advisors Limited, Mauritius	Associate
QIEF Management LLC	Associate
Principal Real Estate Investment Private Limited	Associate
Quantum Equity Advisors Private Limited	Sponsor's subsidiary
QACIP India Fixed Income Fund Limited, Mauritius	Associate

Other Schemes of the Fund

Quantum Long Term Equity Fund

Quantum Liquid Fund

Quantum Index Fund

Quantum Tax Saving Fund

Quantum Equity Fund of Funds

Transaction, if any with the above mentioned related parties as defined under Accounting Standard 18 and Regulation 25(8) of the SEBI Regulation are provided below:

Name of the related party	Nature of transactions	Year ended March 2011	Bal as at Mar 31, 2011	Year ended March 2010	Bal as at Mar 31, 2010
Quantum Advisors Pvt. Ltd (QAPL)	Subscription	4,050,993.98		10,774,964.90	
	Redemption	4,772,061.63		12,350,422.68	
	Net Assets value of investment at balance sheet date		15,48,250.53		1,855,813.58
Quantum Asset Management Co Pvt. Ltd.	Management Fees	2,007,534.97	215,030.14	597,873.68	70,084.74
Quantum Trustee Co Pvt. Ltd	Trusteeship Fees (inclusive of Service Tax)			82,724.00	-

Brokerage and commission paid to associates as per SEBI circular SEBI/IMD/CIR No 18 / 198647 /2010 dates March 15, 2010

- a) Brokerage paid to Associates Companies during the last two fiscal years:-- Nil
- b) Commission paid to Associate Companies during the last two fiscal years:- Nil

(28) CASH FLOW STATEMENT

As per applicability norms of Accounting Standard 3 on 'Cash Flow Statement' issued by ICAI, disclosure is not required, as the scheme turnover (revenues) is not exceeding than the applicable norms.

QUANTUM

As per our report of even date attached

For Quantum Trustee Company Private Limited

sd/-
Mr. Jagdish Capoor
(Chairman)

sd/-
Mr. Surjit Banga
(Director)

For Quantum Asset Management Company Private Limited

sd/-
Mr. Ajit Dayal
(Chairman)

sd/-
Mr. I.V. Subramaniam
(Director)

sd/-
Mr. Jimmy A. Patel
(Chief Executive Officer)

sd/-
Mr. Chirag Mehta
(Fund Manager)

For Haribhakti & Co.
Chartered Accountants

sd/-
Chetan Desai
Partner
FRN: 103523W

Place : Mumbai
Date : May 19, 2011

HISTORICAL PER UNIT STATISTICS

No.	Particulars	Quantum Gold Fund ("the Scheme") Audited as of 31.03.2011	Quantum Gold Fund ("the Scheme") Audited as of 31.03.2010	Quantum Gold Fund ("the Scheme") Audited as of 31.03.2009
(a)	Net Assets Value, per unit - Growth Option	1007.3198	801.3012	795.9004
(b)	Gross Income per-unit broken up into the following components			
(i)	income other than profit on sale of investment, per unit	0.03380	0.0020	0.0019
(ii)	income from profit on inter scheme sales / transfer of investment per unit	-	-	-
(iii)	income from profit on sale of investment to third party, per unit	34.6991	2.2347	7.4532
(iv)	transfer to revenue account from past years' reserve, per unit	-	-	-
(c)	Aggregate of expenses, write off, amortisation and charges, per-unit	8.3570	5.7233	5.8273
(d)	Net unrealized appreciation in value of investments	236.8128	38.0885	157.2685
(e)	Net Income per unit (excluding unrealized appreciation)	26.3759	(3.4866)	1.6278
(i)	Highest sale price per unit	1022.8254	896.9495	788.9388
(ii)	Lowest sale price per unit	798.6109	692.4474	542.8786
(f)	Ratio of expenses to average daily net assets by % (Excluding unrealized depreciation and amortization of deferred revenue expenditure)	1.00%	1.00%	1.00%
(g)	Ratio of income to Average daily net assets by % (exclusive of unrealized appreciation)	4.16%	0.39%	1.28%

QUANTUM

MUTUAL FUND

Profit with Process

AUDITORS' REPORT

TO

THE BOARD OF TRUSTEES OF

QUANTUM MUTUAL FUND

We have audited the attached Balance Sheet of the **Quantum Index Fund** (the "scheme") of Quantum Mutual Fund as at 31st March, 2011 and the Revenue Account for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Management of the Quantum Trustee Company Private Limited and Quantum Asset Management Company Private Limited. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. The Balance Sheet and the Revenue Account dealt with by this report are in agreement with the books of account of the scheme.
3. In our opinion, the valuation methods for non-traded securities are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI, under the regulation.
4. In our opinion, the Balance Sheet and the Revenue Account dealt with by this report have been prepared in accordance with the Accounting Policies and Standards as specified in the Ninth Schedule of the SEBI (Mutual Funds) Regulations, 1996 as amended up to date.
5. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the SEBI (Mutual Funds) Regulations, 1996 as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Scheme as at 31st March, 2011 ; and
 - ii) in the case of the Revenue Account, of the surplus of the Scheme for the year ended on that date

For **HARIBHAKTI & CO.**

Chartered Accountants

Firm No. – 103523W

sd/-

CHETAN DESAI

Partner

Membership No 17000

Place: Mumbai

Date: 19th May, 2011

QUANTUM INDEX FUND
BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	March 31, 2011 Amount (Rs)	March 31, 2010 Amount (Rs)
LIABILITIES			
Unit Capital	'A'	271,460	231,460
Reserves and Surplus	'B'	15,686,058	11,954,876
Current Liabilities and Provisions	'C'	6,060	15,195
Total		15,963,578	12,201,531
ASSETS			
Investments	'D'	15,954,665	12,184,468
Other Current Assets	'E'	8,913	17,063
Total		15,963,578	12,201,531
Notes forming part of Accounts	'F'		

As per our report of even date attached

For Quantum Trustee Company Private Limited

sd/-

Mr. Jagdish Capoor
(Chairman)

sd/-

Mr. Surjit Banga
(Director)

For Quantum Asset Management
Company Private Limited

sd/-

Mr. Ajit Dayal
(Chairman)

sd/-

Mr. I.V. Subramaniam
(Director)

sd/-

Mr. Jimmy A. Patel
(Chief Executive Officer)

sd/-

Mr. Hitendra Parekh
(Fund Manager)

For Haribhakti & Co.
Chartered Accountants

sd/-

Chetan Desai
Partner
FRN: 103523W

Place : Mumbai
Date : May 19, 2011

QUANTUM INDEX FUND
REVENUE ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2011

	Schedule	March 31, 2011 Amount (Rs)	March 31, 2010 Amount (Rs)
INCOME			
Dividend		174,624	134,948
Interest		1,419	-
Profit on sale / redemption of investments (Other than inter-scheme transfer / sale)		632,282	1,620,861
Other Income		-	362
Total		808,325	1,756,171
EXPENSES AND LOSSES *			
Loss on sale / redemption of investments (Other than inter-scheme transfers / sale)		164,295	507,607
Management Fees		68,531	30,951
Trusteeship Fees		-	22,060
Marketing & Selling Expenses		-	41,758
Audit Fees		-	11,030
Custodian Fees		-	26,038
Registrar & Transfer Agent's Fees		452	5,451
Other Operating Expenses		16,137	4,870
Insurance Premium		-	2,920
Less: Excess of Expenditure over permissible limit recovered from Quantum Asset Management Co Pvt Ltd		-	(52,112)
Total		249,415	600,573
Net Surplus / (Deficit) for the period		558,910	1,155,598
APPROPRIATION ACCOUNT FOR THE PERIOD ENDED 31st March, 2011			
Net Surplus brought forward from previous year		720,021	(3,846,572)
Net Surplus / (Deficit) for the period		558,910	1,155,598
Add: Depreciation of previous year written back		-	3,415,646
Transferred (to)/ from Equalisation Account		219,341	(4,651)
Net Surplus / (Deficit) carried forward		1,498,272	720,021
Notes forming parts of Accounts	F		
* please refer note no.09			

As per our report of even date attached

For Quantum Trustee Company Private Limited	sd/- Mr. Jagdish Capoor (Chairman)	sd/- Mr. Surjit Banga (Director)
For Quantum Asset Management Company Private Limited	sd/- Mr. Ajit Dayal (Chairman)	sd/- Mr. I.V. Subramaniam (Director)
	sd/- Mr. Jimmy A. Patel (Chief Executive Officer)	sd/- Mr. Hitendra Parekh (Fund Manager)
For Haribhakti & Co. Chartered Accountants	sd/- Chetan Desai Partner FRN: 103523W	

Place : Mumbai
Date : May 19, 2011

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

	Units	March 31, 2011 Amount (Rs)	Units	March 31, 2010 Amount (Rs)
SCHEDULE 'A'				
UNIT CAPITAL				
(Face Value of Rs. 10 Each)				
Unit Capital (Opening Balance)	23,146	231,460	37,146	371,460
Add : Subscription during the period	6,000	60,000	-	-
(Less) : Redemption during the period	(2,000)	(20,000)	(14,000)	(140,000)
Unit Capital (Closing Balance)	27,146	271,460	23,146	231,460
SCHEDULE 'B'				
RESERVES & SURPLUS				
Unit Premium				
Opening Balance		8,509,716		14,788,902
Add\Less: Net Additions\Deduction during the period		2,050,206		(6,283,837)
Add\Less: Transferred to / (from) Equalisation Account		(219,341)		4,651
Closing Balance		10,340,581		8,509,716
Equalisation Account				
Transferred from / (to) Unit Premium Reserve		219,341		(4,651)
Add\Less: Transferred to / (from) Revenue Account		(219,341)		4,651
Closing Balance		-		-
UNREALISED APPRECIATION IN THE VALUE OF INVESTMENTS				
Opening Balance		2,725,139		-
Add: Net change during the year		1,122,066		2,725,139
		3,847,205		2,725,139
Appropriation Account				
Surplus/Deficit carried forward		1,498,272		720,021
Total Reserves & Surplus		15,686,058		11,954,876
SCHEDULE 'C'				
CURRENT LIABILITIES & PROVISIONS				
Management Fees Payable		5,454		2,533
Audit Charges Payable		-		9,927
Custody Fees Payable		-		333
Registrar Fees Payable		-		441
TDS Payable		606		1,961
Other Expense Payable		-		-
Total		6,060		15,195
SCHEDULE 'D'				
INVESTMENTS				
Equity shares		15,951,485		12,184,468
Debentures		3,180		-
Total		15,954,665		12,184,468
SCHEDULE 'E'				
OTHER CURRENT ASSETS				
Balances with Banks in Current Account, including cheques on hand		6,125		7,611
Receivable from Quantum Asset Management Co Pvt Ltd		-		7,429
Other Current Assets		6		188
Dividend Receivable		2,782		1,835
		8,913		17,063

SCHEDULE 'F'

Notes:

1. ORGANISATION

Quantum Index Fund ("the Scheme") is an open-ended exchange traded Scheme of Quantum Mutual Fund and was launched on June 09, 2008. Quantum Mutual Fund has been sponsored by Quantum Advisors Private Ltd. Quantum Asset Management Company Private Limited incorporated under the Companies Act, 1956 has been appointed as Asset Management Company. The duration of the scheme is perpetual. The Scheme closed for initial subscription on June 20, 2008, and was listed on the NSE on July 10, 2008.

In accordance with the SEBI (Mutual Funds) Regulations, 1996 ('the SEBI Regulations'), the Board of Directors of Quantum Trustee Company Private Limited ('the Trustee') has appointed Quantum Asset Management Company Private Limited ('the AMC') to manage the Fund's affairs and operate its Schemes. 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 the Nifty by "passive" investment. The scheme is 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.

2. SIGNIFICANT ACCOUNTING POLICIES

(2.1) BASIS OF ACCOUNTING

The scheme maintains its books of account on an accrual basis. These financial statement have been prepared in accordance with the accounting policies and standards specified in the ninth schedule of SEBI Regulations and amendments thereto as applicable.

(2.2) INVESTMENTS

Investments are accounted on the trade date. The Scheme uses the average cost method for determining the realized gain or loss in sale of investment. In case of interest bearing securities though investments are accounted on the trade date, interest accrues from the settlement date. However, the effect of all investment traded during the financial year is recorded and reflected in the financial statement for that year. The cost of investment includes cost of acquisition, brokerage, stamp duty and any charge included in broker's brought note.

Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.

(2.3) PORTFOLIO VALUATION

Investments are stated at market / fair value at the Balance Sheet date / date of determination. The net asset value of the units of the scheme is determined

separately for the units issued under the Options in valuing the Scheme's investments.

- I. Equity securities listed on a recognized stock exchange are valued at the last quoted closing price on National Stock Exchange of India Limited (NSE) on which the security is traded. If no sale is recorded at that time the last quoted closing price of the NSE is used when it is not more than thirty days prior to the valuation date.
- II. Non traded and thinly traded equity securities including those not traded within thirty days prior to valuation date are valued at fair value as determined in good faith by AMC under a procedure that is approved by the trustee of Quantum Mutual Fund in accordance with the provision contained in the Eight Schedule of the SEBI (MF) regulations read with guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable, issued by the Securities and Exchange Board of India (SEBI)
- III. Privately placed equity securities are valued at fair value as determined in good faith by AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund in accordance with the guidelines for valuation of unlisted equity securities for mutual fund dated May 9, 2002 issued by SEBI.
- IV. Equity Securities awaiting listing are valued at fair value as determined in good faith by AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund.
- V. Debt Securities listed on recognized stock exchange are valued at the last quoted closing price on the principal exchange on which the security is traded. If no sale is reported at that time such security is valued at fair value as determined in good faith by Quantum Asset Management Company Private Limited under a procedure that is approved by the Trustee of Quantum Mutual Fund.
- VI. Non traded and thinly traded debt securities are valued at fair value as determined in good faith by Quantum Asset Management Company Private Limited under a procedure that is approved by the Trustee of Quantum Mutual Fund in accordance with the provision contained in the Eight Schedule of the SEBI (MF) regulations 1996, as amended up to date with relevant circulars read with guidelines for valuation of securities for mutual funds dated September 18, 2000 and subsequent amendments thereto, as applicable, issued by SEBI.
- VII. Privately placed debt securities are valued at fair value as determined in good faith by AMC under a procedure that is approved by

the Trustee of Quantum Mutual Fund.

- VIII. Traded money market securities are valued at the weighted average price at which they are traded on the particular valuation date. If such security is not traded on particular valuation date then security with residual maturity of over 91 days is valued at benchmark yield/matrix of spread over risk free benchmark yield and security with residual maturity of up to 91 days is valued on amortization basis
- IX. Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest upto the date of resale.
- X. An Investment is regarded as non-performing, if the interest and/or principal amount has not been received or remains outstanding for one quarter from the day such income or installment has fallen due.
- XI. The above policies followed by the fund as and when applicable.
- XII. Net unrealized appreciation/depreciation in the value of investments is determined separately for each category of investments. Further the change in net unrealized appreciation/depreciation, if any between the two balance sheet dates/ date of determination is recognized in the Revenue Account. Unrealized appreciation is reduced from the distributable income at the time of distribution of income. At the end of this financial year, the balance in the revenue account including change in the net unrealised appreciation/depreciation in the value of investments is transferred to Reserve Fund.

(2.4) INVESTMENT INCOME

Interest income is recorded on an accrual basis. In respect of interest bearing instruments income has been accrued on a day to day basis as it is earned. Where fixed income securities are acquired at premium or discount to the redemption value, such premium or discount is amortized on a straight line basis over the period of redemption. Dividend income earned by the scheme has been recognised on the date the share is quoted on an ex-dividend basis. Profit/loss on sale of investment is accounted for in the year in which the contract for sale is entered into. The cost is calculated on the basis of weighted average cost of investment.

(2.5) NET ASSET VALUE FOR GROWTH OPTION

For reporting the net asset value for the scheme daily income earned, including realized and unrealized gain or loss in the value of investments and expenses incurred by the Scheme are considered.

(2.6) UNIT PREMIUM RESERVE

Upon issue and redemption of units, the net

premium or discount to the face value of units is adjusted against the unit premium reserve of the scheme, after an appropriate portion of the issue proceeds and redemption payout is credited or debited respectively to the income equalization reserve.

(2.7) EQUALISATION RESERVE

The purpose of Equalization Account is to maintain per unit distributable surplus so that continuing unitholders' share of distributable surplus remains unchanged on issue or redemption of units. The total distributable surplus (without considering unrealised appreciation) upto the date of issue/redemption of units have been taken into account for the purpose of ascertaining the amount to be transferred to Equalization Account. The net balance in this account is transferred to the Revenue Account at the end of the year.

(2.8) CUSTODY FEES

Deutsche Bank provides custodial services to the scheme for which it receives custody fees.

(2.9) INVESTMENT MANAGEMENT FEES

The Scheme has paid or provided for investment management fees payable to the AMC for managing the Scheme at a percentage of the average daily net asset values recorded by the Scheme, such that the investment manager fees chargeable to the Scheme does not exceeds 0.75% of the average daily net asset values recorded by the Scheme. All costs, charges and expenses incurred by the AMC in the administration and execution of the activities of the Scheme, except costs allowed to be charged to the Scheme under the Securities and Exchange Board of India (Mutual Fund) Regulation, 1996 and amendments thereto, as applicable, are on their own account for which they receive investment manager fees.

(2.10) TRUSTEE FEES

Pursuant to the Trust Deed dated October 7, 2005 between Quantum Advisors Private Limited (Settlor) and Quantum Trustee Company Private Limited (Trustee) and the offer document of the scheme, the Fund is authorized to pay the Trustee a fee, for rendering service as a Trustee of the Fund and the same has been borne by AMC and paid accordingly on quarterly basis.

(2.11) REGISTRAR & TRANSFER AGENT FEES

Karvy Computershare Private Limited. provides registrar and share transfer services to the scheme for which it receives registrar and share transfer fees.

(2.12) INCOME TAX

No Provision for taxation has been made as the schemes qualify as recognized mutual fund under section 10(23D) of the Income –Tax Act, 1961.

3. NOTES to ACCOUNTS

(1) OPTIONS

The scheme has one Option: Growth Option,

(2) VALUE OF INVESTMENT AS ON MARCH 31, 2011

The Cost and Market Value/Fair Value of Investment as on March 31, 2011 is given below.

SR. NO.	SECURITIES	COST RS.	MARKET VALUE RS.	COST RS.	MARKET VALUE RS.
		March 31, 2011		March 31, 2010	
1.	Equity	12,107,459.47	15,951,484.85	9,459,329.41	12,184,468.45
	TOTAL	12,107,459.47	15,951,484.85	9,459,329.41	12,184,468.45

(3) NON PERFORMING INVESTMENTS

Type of Investments	Carrying Value Amount (Rs.)	Market value Amount (Rs.)	Provisions
NIL	NIL	NIL	NIL

(4) NAV

Net Asset Value (NAV) per unit having a Face Value of Rs. 10 as on March 31, 2011

SCHEME	NAV (March 31, 2011)	NAV (March 31, 2010)
Growth Option	587.8405	529.4986

(5) AGGREGATE APPRECIATION AND DEPRECIATION IN THE VALUE OF INVESTMENTS

Aggregate appreciation and depreciation in value of investments as on March 31, 2011 is as follows:

Particulars	March 31, 2011 (Rs.)	March 31, 2010 (Rs.)
Equity Share		
Appreciation	4,176,990.04	3,101,701.15
Depreciation	332,964.66	376,562.11
Net Appreciation / Depreciation	38,44,025.38	2,725,139.04

(6) AGGREGATE VALUE OF PURCHASE AND SALE OF INVESTMENTS

Purchases (excluding Reverse repos, Call money & Fixed deposits) – Rs 4,593,374.89

As a percentage of average daily net assets is 33.49 %

Sales / Redemptions (excluding Reverse repos, Call money & Fixed deposits) – Rs 2,418,523.34

As a percentage of average daily net assets 17.63 %

(7) INCOME AND EXPENDITURE

The total income and expenditure and these amounts as a percentage of the Scheme's average daily net assets on an annualized basis are provided below:

Income (excluding unrealized appreciation & Net off losses on sale of Investments)

- Amount Rs. 644,029.44/-

- As a percentage of average daily net assets 4.70 %

Expenditure

- Amount Rs. 85,120.12/-

- As a percentage of average daily net assets 0.62 %

(8) INVESTMENT MANAGEMENT FEES

Investment Management Fees has been computed on the basis of Average Daily Net Asset of the Scheme accrued on a daily basis. Average daily Net Asset is Rs. 13,714,509.85 & fees charged 0.50%, Management Fees accrued during the period ended March 31, 2011 is Rs. 68,531.10/-.

(9) OTHER FEES

Till May 31, 2010 certain expenses to the extent of 0.50% were borne by the scheme and rest of the expenses were borne by AMC. From June 01, 2010 onwards all other expenses are fully borne by the AMC

(10) CONTRACTS ENDING DELIVERIES

There were no contracts for sale or purchase pending deliveries as on March 31, 2011.

(11) MOVEMENT IN UNIT CAPITAL

Particulars	2010-11		2009-10	
	Units	Amount	Units	Amount
Units of Rs 10 each fully paid up				
Regular Growth				
Opening	23,146	231,460	37,146	391,460
Issued-During the period	6,000	60,000	-	-
Redeemed during the period	2,000	20,000	14,000	140,000
Outstanding, end of period	27,146	271,460	23,146	231,460

(12) DISCLOSURE UNDER REGULATIONS 25 (8) OF THE SEBI REGULATIONS – PAYMENTS OF FEES TO ASSOCIATE COMPANIES

Quantum Index Fund has made NIL payment to Associate companies during the year ended March 31, 2011
(Refer note no. 29)

(13) INVESTMENTS IN GROUP COMPANIES

Quantum Index Fund has made NIL investment in group companies during the year ended March 31, 2011

(14) ACCOUNTING POLICY

There is no change in the accounting policy during the year ended March 31, 2011

(15) LARGE HOLDINGS

Unit holders holding over 25% of the NAV of the Scheme is NIL as at the end of the year March 31, 2011

(16) DISCLOSURE UNDER REGULATION 25(11) OF THE SECURITY AND EXCHANGE BOARD OF INDIA (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED - NIL**(17) SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRYWISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2011, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2011, as well as the aggregate investments in each investment category.

Sr. No.	Name of the Instrument	Industry wise Classification	Quantity	Market value Amount (Rs. in Lacs)	% to Investment Category	% of Net Assets
	Equity & Equity related					
a)	Listed/ awaiting listing on Stock Exchange					
1	Reliance Industries Ltd	Petroleum Products	1,540.00	16.16	10.13%	
2	Infosys Technologies Ltd	Software	438.00	14.20	8.90%	
3	ICICI Bank Ltd	Banks	1,041.00	11.62	7.28%	
4	ITC Ltd	Consumer Non Durables	4,817.00	8.77	5.50%	
5	Housing Development Finance Corp Ltd	Finance	1,184.00	8.30	5.20%	
6	Larsen & Toubro Ltd	Construction Project	484.00	8.00	5.01%	
7	Hdfc Bank Ltd	Banks	323.00	7.58	4.75%	

Sr. No.		Name of the Instrument	Industry wise Classification	Quantity	Market value Amount (Rs. in Lacs)	% to Investment Category	% of Net Assets
	8	State Bank Of India	Banks	234.00	6.47	4.06%	
	9	Tata Consultancy Services Ltd	Software	461.00	5.46	3.42%	
	10	Tata Motors Ltd	Auto	319.00	3.98	2.50%	
	11	Bharti Airtel Ltd	Telecom - Services	1,095.00	3.91	2.45%	
	12	Tata Steel Ltd	Ferrous Metals	599.00	3.73	2.34%	
	13	Oil & Natural Gas Corporation Ltd	Oil	1,225.00	3.57	2.24%	
	14	Axis Bank Ltd	Banks	233.00	3.27	2.05%	
	15	Mahindra & Mahindra Ltd	Auto	434.00	3.04	1.91%	
	16	Bharat Heavy Electricals Ltd	Industrial Capital Goods	144.00	2.97	1.86%	
	17	Hindustan Unilever Ltd	Diversified	948.00	2.72	1.71%	
	18	Hindalco Industries Ltd	Non - Ferrous Metals	1,178.00	2.46	1.54%	
	19	Jindal Steel & Power Ltd	Ferrous Metals	353.00	2.46	1.54%	
	20	Sterlite Industries Ltd	Non - Ferrous Metals	1,296.00	2.25	1.41%	
	21	NTPC Ltd	Power	1,162.00	2.24	1.41%	
	22	Wipro Ltd	Software	459.00	2.20	1.38%	
	23	Tata Power Company Ltd	Power	146.00	1.95	1.22%	
	24	Gail (India) Ltd	Gas	407.00	1.89	1.18%	
	25	Dr. Reddy's Laboratories Ltd	Pharmaceuticals	115.00	1.88	1.18%	
	26	Bajaj Auto Ltd	Auto	123.00	1.80	1.13%	
	27	Maruti Suzuki India Ltd	Auto	120.00	1.51	0.95%	
	28	Sun Pharmaceutical Industries Ltd	Pharmaceuticals	341.00	1.51	0.95%	
	29	Infrastructure Development Finance Company Ltd	Finance	968.00	1.50	0.94%	
	30	Cipla Ltd	Pharmaceuticals	461.00	1.48	0.93%	
	31	Kotak Mahindra Bank Ltd	Banks	321.00	1.47	0.92%	
	32	Punjab National Bank	Banks	121.00	1.47	0.92%	
	33	Grasim Industries Ltd.	Cement	58.00	1.43	0.89%	
	34	Cairn India Ltd	Oil	394.00	1.38	0.87%	
	35	Hero Honda Motors Ltd	Auto	86.00	1.37	0.86%	
	36	Power Grid Corporation Of India Ltd	Power	1,287.00	1.31	0.82%	
	37	Siemens Ltd	Industrial Capital Goods	137.00	1.21	0.76%	
	38	Ambuja Cements Ltd	Cement	751.00	1.11	0.69%	
	39	HCL Technologies Ltd	Software	220.00	1.05	0.66%	
	40	Sesa Goa Ltd	Minerals/ Mining	347.00	1.01	0.63%	
	41	Jaiprakash Associates Ltd	Cement	1,044.00	0.97	0.61%	

Sr. No.	Name of the Instrument	Industry wise Classification	Quantity	Market value Amount (Rs. in Lacs)	% to Investment Category	% of Net Assets
42	ACC Ltd	Cement	88.00	0.95	0.59%	
43	Steel Authority Of India Ltd	Ferrous Metals	534.00	0.91	0.57%	
44	DLF Ltd	Construction	329.00	0.88	0.55%	
45	Reliance Infrastructure Ltd	Power	127.00	0.88	0.55%	
46	Bharat Petroleum Corporation Ltd	Petroleum Products	118.00	0.72	0.45%	
47	Reliance Power Ltd	Power	500.00	0.65	0.41%	
48	Reliance Communications Ltd	Telecom - Services	604.00	0.65	0.41%	
49	Ranbaxy Laboratories Ltd	Pharmaceuticals	139.00	0.62	0.39%	
50	Reliance Capital Ltd	Finance	103.00	0.60	0.38%	
b)	Unlisted					
	9.25% Dr Reddys Laboratories Ltd NCD (MD24/03/2014)		636.00	0.03	0.02%	0.02%
	Total			159.55	100.00%	99.98%
c)	Cash & Equivalent					
1	Net Receivables/ (Payables)			0.03		0.02%
	Total			0.03		0.02%
	GRAND TOTAL			159.58		100.00%

(18) INITIAL ISSUE EXPENSES

No initial Issue Expenses were charged to the Quantum Index Fund

(19) BORROWING

The scheme has not made any borrowing during the period March 31, 2011

(20) DERIVATIVES

The scheme has no exposure to derivative products, foreign securities, ADR's and GDR's.

(21) TRUST DEED

On written request, present and prospective unit holder/investors can obtain copy of the Trust Deed, the Annual Report (at a price) and the text of the relevant scheme.

(22) BONUS

No bonus has been declared by the Scheme during the period ended March 31, 2011.

(23) ANNUAL REPORT REQUEST

The unit holders, if they so desire, may request for the annual report of the AMC.

(24) UNDERWRITING

The scheme has not undertaken any underwriting obligation during the period March 31, 2011

(25) ARRANGER/MANAGER

Neither the sponsor nor the associates of the Quantum Mutual Fund have acted as arranger or manager of any issue of equity or debt nor has any associate company lead managed any issue.

(26) PRIOR PERIOD COMPARATIVES

Previous year's figures have been regrouped/re-arranged where appropriate.

(27) SEGMENT REPORTING

As per disclosure requirement under Accounting Standard 17 on 'Segment Reporting' issued by ICAI the scheme operates only in one segment viz. to primarily generate returns, based on schemes' investment objective.

(28) CONTINGENT LIABILITIES

The Contingent Liabilities as on 31st March 2011 is NIL

(29) RELATED PARTY TRANSACTIONS

The scheme has entered into transactions with various related parties. The information required in this regard in accordance with Accounting Standards 18 i.e. Related Party Disclosure issued by the ICAI and Regulation 25(8) of the SEBI Regulation is provided below.

Related party relationships

Name	Description of relationship
Quantum Advisors Private Limited	Sponsor
Quantum Asset Management Company Private Limited	Asset Management Company
Quantum Trustee Company Private Limited	Trustee
Quantum Information Services Private Limited	Associate
Helpyourngo.com India Private Limited	Associate
Equitymaster India Limited	Associate
Equitymaster Agora Research Private Limited	Associate
Personalfn Insurance Services India Limited	Associate
Mymakaan.com Private Limited	Associate
Menlo Oak Venture Investments	Associate
Primary Real Estate Advisors Private Limited	Associate
Primary Real Estate Advisors Limited, Mauritius	Associate
QIEF Management LLC	Associate
Principal Real Estate Investment Private Limited	Associate
Quantum Equity Advisors Private Limited	Sponsor's subsidiary
QACIP India Fixed Income Fund Limited, Mauritius	Associate

Other Schemes of the Fund

Quantum Long Term Equity Fund

Quantum Liquid Fund

Quantum Gold Fund

Quantum Tax Saving Fund

Quantum Equity Fund of Funds

Transaction, if any with the above mentioned related parties as defined under Accounting Standard 18 and Regulation 25(8) of the SEBI Regulation are provided below:

Name of the related party	Nature of transactions	Year ended March 2011	Bal as at Mar 31, 2011	Year ended March 2010	Bal as at Mar 31, 2010
Quantum Asset Management Co Pvt. Ltd.	Management Fees	68,531	5,453.78	30,950.50	2,533.43
Quantum Trustee Co Pvt. Ltd	Trusteeship Fees (Inclusive of Service tax)	-	-	22,060.00	-
Quantum Advisors Pvt Ltd	Subscriptions	6,681,457.75		5,696,664.28	
Quantum Advisors Pvt Ltd	Redemptions	5,843,730.93	17,45,886.29	7,578,983.71	860,298.71

Brokerage and commission paid to associates as per SEBI circular SEBI/IMD/CIR No 18 / 198647 /2010 dated March 15, 2011

- a) Brokerage paid to Associates Companies during the last two fiscal years:- Nil
- b) Commission paid to Associate Companies during the last two fiscal years:- Nil

(28) CASH FLOW STATEMENT

As per applicability norms of Accounting Standard 3 on 'Cash Flow Statement' issued by ICAI, disclosure is not required, as the scheme turnover (revenues) is not exceeding than the applicable norms.

As per our report of even date attached

For Quantum Trustee Company Private Limited

sd/-
Mr. Jagdish Capoor
(Chairman)

sd/-
Mr. Surjit Banga
(Director)

For Quantum Asset Management Company Private Limited

sd/-
Mr. Ajit Dayal
(Chairman)

sd/-
Mr. I.V. Subramaniam
(Director)

sd/-
Mr. Jimmy A. Patel
(Chief Executive Officer)

sd/-
Mr. Hitendra Parekh
(Fund Manager)

For Haribhakti & Co.
Chartered Accountants

sd/-
Chetan Desai
Partner
FRN: 103523W

Place : Mumbai
Date : May 19, 2011

HISTORICAL PER UNIT STATISTICS

No.	Particulars	Quantum Index Fund As on March 31, 2011	Quantum Index Fund As on March 31, 2010
(a)	Net Assets Value, per unit	587.8405	526.4986
(b)	Gross Income per-unit broken up into the following components		
	(i) income other than profit on sale of investment, per unit	6.4850	5.8459
	(ii) income from profit on inter scheme sales / transfer of investment per unit	-	-
	(iii) income from profit on sale of investment to third party, per unit	17.2396	48.097
	(iv) transfer to revenue account from past years' reserve, per unit	-	-
(c)	Aggregate of expenses, write off, amortisation and charges, per-unit	3.1356	4.0165
(d)	Net unrealized appreciation in value of investments	141.7227	117.7369
(e)	Net Income per unit (excluding unrealized appreciation)	20.5890	49.9264
	i) Highest sale price per unit	635.2255	531.9083
	ii) Lowest sale price per unit	482.7710	308.5061
(f)	Ratio of expenses to average daily net assets by % (Excluding unrealized depreciation and amortization of deferred revenue expenditure)	0.62%	0.75%
(g)	Ratio of income to Average daily net assets by % (exclusive of unrealized appreciation)	4.7%	10.07%

QUANTUM

MUTUAL FUND

Profit with Process

AUDITORS' REPORT

TO

THE BOARD OF TRUSTEES OF

QUANTUM MUTUAL FUND

We have audited the attached Balance Sheet of the **Quantum Tax Saving Fund** (the "scheme") of Quantum Mutual Fund as at 31st March, 2011 and the Revenue Account for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Management of the Quantum Trustee Company Private Limited and Quantum Asset Management Company Private Limited. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. The Balance Sheet and the Revenue Account dealt with by this report are in agreement with the books of account of the scheme.
3. In our opinion, the valuation methods for non-traded securities are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI, under the regulation.
4. In our opinion, the Balance Sheet and the Revenue Account dealt with by this report have been prepared in accordance with the Accounting Policies and Standards as specified in the Ninth Schedule of the SEBI (Mutual Funds) Regulations, 1996 as amended up to date.
5. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the SEBI (Mutual Funds) Regulations, 1996 as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Scheme as at 31st March, 2011 ; and
 - ii) in the case of the Revenue Account, of the surplus of the Scheme for the year ended on that date

For **HARIBHAKTI & CO.**
Chartered Accountants
Firm No. – 103523W

sd/-

CHETAN DESAI
Partner
Membership No 17000

Place: Mumbai

Date: 19th May, 2011

QUANTUM TAX SAVING FUND
BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	March 31, 2011 Amount (Rs)	March 31, 2010 Amount (Rs)
LIABILITIES			
Unit Capital	'A'	16,694,830	8,595,277
Reserves and Surplus	'B'	20,741,408	7,799,103
Current Liabilities and Provisions	'C'	33,369	81,925
Total		37,469,607	16,476,305
ASSETS			
Investments	'D'	35,471,691	15,701,755
Other Current Assets	'E'	1,997,916	774,550
Total		37,469,607	16,476,305
Notes forming part of Accounts	'F'		

As per our report of even date attached

For Quantum Trustee Company Private Limited

sd/-
Mr. Jagdish Capoor
 (Chairman)

sd/-
Mr. Surjit Banga
 (Director)

For Quantum Asset Management
 Company Private Limited

sd/-
Mr. Ajit Dayal
 (Chairman)

sd/-
Mr. I.V. Subramaniam
 (Director)

sd/-
Mr. Jimmy A. Patel
 (Chief Executive Officer)

sd/-
Mr. Atul Kumar
 (Fund Manager)

For Haribhakti & Co.
 Chartered Accountants

sd/-
Chetan Desai
 Partner
 FRN: 103523W

Place : Mumbai
 Date : May 19, 2011

QUANTUM TAX SAVING FUND
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

Schedule	March 31, 2011 Amount (Rs)	March 31, 2010 Amount (Rs)
INCOME		
Dividend	280,064	110,268
Interest	200,134	26,569
Profit on sale / redemption of investments(Other than inter scheme transfer / sale)	3,274,709	1,135,842
Total	3,754,907	1,272,679
EXPENSES AND LOSSES *		
Management Fees	263,035	124,327
Loss on sale / redemption of investments (Other than inter-scheme transfers / sale)	98,379	-
Trusteeship Fees	-	22,060
Marketing & Selling Expenses	-	46,847
Audit Fees	-	11,030
Custodian Fees	30,950	59,547
Registrar & Transfer Agent's Fees	37,867	42,603
Insurance Premium	-	3,801
Other operating expenses	40,441	80,897
Less: Excess of Expenditure over permissible limit recovered from AMC	-	(142,459)
Total	470,672	248,653
Net Surplus / (Deficit) for the period	3,284,235	1,024,026
APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31st March, 2011		
Net Surplus brought forward from previous year	1,497,493	(5,834)
Net Surplus / (Deficit) for the period	3,284,235	1,024,026
Transferred (to)/ from Equalisation Account	3,757,678	479,301
Net Surplus / (Deficit) carried forward	8,539,406	1,497,493

Notes forming parts of Accounts

F

* Refer note no. 09

As per our report of even date attached

For Quantum Trustee Company Private Limited

sd/-

Mr. Jagdish Capoor
(Chairman)

sd/-

Mr. Surjit Banga
(Director)For Quantum Asset Management
Company Private Limited

sd/-

Mr. Ajit Dayal
(Chairman)

sd/-

Mr. I.V. Subramaniam
(Director)

sd/-

Mr. Jimmy A. Patel
(Chief Executive Officer)

sd/-

Mr. Atul Kumar
(Fund Manager)For Haribhakti & Co.
Chartered Accountants

sd/-

Chetan Desai
Partner
FRN: 103523WPlace : Mumbai
Date : May 19, 2011

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

	Units	March 31, 2011 Amount (Rs)	Units	March 31, 2010 Amount (Rs)
SCHEDULE 'A'				
UNIT CAPITAL				
(Face Value of Rs. 10 Each)				
Unit Capital (Opening Balance)	859,527.73	8,595,278	476,419.83	4,764,198
Add : Subscription during the period	809,955.22	8,099,552	383,107.90	3,831,079
Less : Redemption during the period	-	-	-	-
Unit Capital (Closing Balance)	1,669,482.95	16,694,830	859,527.73	8,595,277
SCHEDULE 'B'				
RESERVES & SURPLUS				
Unit Premium				
Opening Balance		2,112,310		(87,890)
Add/(Less): Net Additions(Deduction) during the period		9,656,910		2,679,501
Add/(Less):-Transferred (to) / from Equalisation Account		(3,757,678)		(479,301)
Closing Balance		8,011,542		2,112,310
Equalisation Account				
Transferred from / (to) Unit Premium Reserve		3,757,678		479,301
Add/(Less): Transferred (to) / from Revenue Account		(3,757,678)		(479,301)
Closing Balance		-		-
UNREALISED APPRECIATION IN THE VALUE OF INVESTMENTS				
Opening Balance		4,189,300		82,422
Add:Net change during the year		1,160		4,106,878
		4,190,460		4,189,300
APPROPRIATION ACCOUNT				
Surplus/Deficit carried forward		8,539,406		1,497,493
Total Reserves & Surplus		20,741,408		7,799,103
SCHEDULE 'C'				
CURRENT LIABILITIES & PROVISIONS				
Purchase contract outstanding		-		-
Management Fees Payable		30,032		15,854
Audit Fees Payable		-		9,927
Custody Fees Payable		-		3,937
Registrar Fees Payable		-		37,674
Other Expense Payable		-		6,150
TDS Payable		3,337		8,383
Total		33,369		81,925
SCHEDULE 'D'				
INVESTMENTS				
Equity shares		30,777,887		13,203,374
Collateralised borrowing & lending obligation		4,693,804		2,498,381
Total		35,471,691		15,701,755
SCHEDULE 'E'				
OTHER CURRENT ASSETS				
Balances with Banks in Current Account including cheques on hand		717,681		111,340
Subscription Receivable (other than Inter Scheme)		1,256,000		538,554
Receivable from Quantum Asset Management Co Pvt Ltd.		-		113,292
Sales Contract outstanding		-		10,807
Dividend/Interest Receivable		24,235		324
Prepaid Expense		-		233
Total		1,997,916		774,550

SCHEDULE 'F'

Notes:

1. ORGANISATION

Quantum Tax Saving Fund ("the Scheme") is an open-ended Equity Linked Savings Scheme of Quantum Mutual Fund and was launched on December 10, 2008. Quantum Mutual Fund has been sponsored by Quantum Advisors Private Ltd. Quantum Asset Management Company Private Limited incorporated under the Companies Act, 1956 has been appointed as Asset Management Company. The duration of the scheme is perpetual. The Scheme closed for initial subscription on December 13, 2008, and is currently open for ongoing subscription.

In accordance with the SEBI (Mutual Funds) Regulations, 1996 ('the SEBI Regulations'), the Board of Directors of Quantum Trustee Company Private Limited ('the Trustee') has appointed Quantum Asset Management Company Private Limited ('the AMC') to manage the Fund's affairs and operate its Schemes. The investment objective of the scheme is to achieve long-term capital appreciation by investing primarily in shares of companies that will typically be included in the BSE 200 Index and are in a position to benefit from the anticipated growth and development of the Indian economy and its markets. The Scheme offers its investors a Dividend Option and Growth Option (collectively 'the Options'). The Benchmark for the scheme is the BSE 30 TRI Index.

2. SIGNIFICANT ACCOUNTING POLICIES

(2.1) BASIS OF ACCOUNTING

The scheme maintains its books of account on an accrual basis. These financial statements have been prepared in accordance with the accounting policies and standards specified in the ninth schedule of SEBI Regulations and amendments thereto as applicable.

(2.2) INVESTMENTS

Investments are accounted on the trade date. The Scheme uses the average cost method for determining the realized gain or loss in sale of investment. In case of interest bearing securities though investments are accounted on the trade date, interest accrues from the settlement date. However, the effect of all investments traded during the financial year is recorded and reflected in the financial statement for that year. The cost of investment includes cost of acquisition, brokerage, stamp duty and any charge included in broker's brought note.

Rights/Bonus entitlements, if any, are accounted on ex-right/ex-bonus date of the principal stock exchange.

(2.3) PORTFOLIO VALUATION

Investments are stated at market / fair value at the Balance Sheet date / date of determination. The net asset value of the units of the scheme is determined separately for the units issued under the Options in valuing the Scheme's investments.

- I. Equity securities listed on a recognized stock exchange are valued at the last quoted closing

price on National Stock Exchange of India Limited (NSE) on which the security is traded. If on a particular valuation day a security is not traded on NSE the value at which it is traded on the Bombay Stock Exchange Limited (BSE) of India is used. If no sale is recorded at that time the last quoted closing price of the NSE is used when it is not more than thirty days prior to the valuation date.

- II. Non traded and thinly traded equity securities including those not traded within thirty days prior to valuation date are valued at fair value as determined in good faith by AMC under a procedure that is approved by the trustee of Quantum Mutual Fund in accordance with the provision contained in the Eight Schedule of the SEBI (MF) regulations read with guidelines for valuation of securities for mutual funds dated September 18, 2000 and amendments thereto, as applicable, issued by the Securities and Exchange Board of India (SEBI)
- III. Privately placed equity securities are valued at fair value as determined in good faith by AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund in accordance with the guidelines for valuation of unlisted equity securities for mutual fund dated May 9, 2002 issued by SEBI.
- IV. Equity Securities awaiting listing are valued at fair value as determined in good faith by AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund.
- V. Debt Securities listed on recognized stock exchange are valued at the last quoted closing price on the principal exchange on which the security is traded. If no sale is reported at that time such security is valued at fair value as determined in good faith by AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund.
- VI. Non traded and thinly traded debt securities are valued at fair value as determined in good faith by AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund in accordance with the provision contained in the Eight Schedule of the SEBI (MF) regulations 1996, as amended up to date with relevant circulars read with guidelines for valuation of securities for mutual funds dated September 18, 2000 and subsequent amendments thereto, as applicable, issued by SEBI.
- VII. Privately placed debt securities are valued at fair value as determined in good faith by AMC under a procedure that is approved by the Trustee of Quantum Mutual Fund.
- VIII. Traded money market securities are valued at the weighted average price at which they are traded on the particular valuation date. If such

security is not traded on particular valuation date then security with residual maturity of over 91 days is valued at benchmark yield/matrix of spread over risk free benchmark yield and security with residual maturity of up to 91 days is valued on amortization basis.

- IX. Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest upto the date of resale.
- X. An Investment is regarded as non-performing, if the interest and/or principal amount has not been received or remains outstanding for one quarter from the day such income or installment has fallen due.
- XI. Net unrealized appreciation/depreciation in the value of investments is determined separately for each category of investments. Further the change in net unrealized appreciation/depreciation, if any between the two balance sheet dates/ date of determination is recognized in the Revenue Account. Unrealized appreciation is reduced from the distributable income at the time of distribution of income. At the end of this financial year, the balance in the revenue account including change in the net unrealised appreciation/depreciation in the value of investments is transferred to Reserve Fund.
- XII. The above policies followed by the fund as and when applicable.

(2.4) INVESTMENT INCOME

Interest income is recorded on an accrual basis. In respect of interest bearing instruments income has been accrued on a day to day basis as it is earned. Where fixed income securities are acquired at premium or discount to the redemption value, such premium or discount is amortized on a straight line basis over the period of redemption. Dividend income earned by the scheme has been recognised on the date the share is quoted on an ex-dividend basis. Profit/loss on sale of investment is accounted for in the year in which the contract for sale is entered into. The cost is calculated on the basis of weighted average cost of investment.

(2.5) NET ASSET VALUE FOR GROWTH / DIVIDEND OPTIONS

The net asset value of the units of the scheme is determined separately for units issued under the Growth / Dividend Options.

For reporting the net asset value for the Options, daily income earned, including realized and unrealized gain or loss in the value of investments and expenses incurred by the Scheme are allocated to the Options in proportion to the value of units outstanding.

(2.6) UNIT PREMIUM RESERVE

Upon issue and redemption of units, the net

premium or discount to the face value of units is adjusted against the unit premium reserve of the scheme, after an appropriate portion of the issue proceeds and redemption payout is credited or debited respectively to the income equalization reserve.

(2.7) EQUALISATION RESERVE

The purpose of Equalization Account is to maintain per unit distributable surplus so that continuing unitholders' share of distributable surplus remains unchanged on issue or redemption of units. The total distributable surplus (without considering unrealised appreciation) upto the date of issue/redemption of units have been taken into account for the purpose of ascertaining the amount to be transferred to Equalization Account. The net balance in this account is transferred to the Revenue Account at the end of the year.

(2.8) CUSTODY FEES

Deutsche Bank provides custodial services to the scheme for which it receives custody fees.

(2.9) INVESTMENT MANAGEMENT FEES

The Scheme has paid or provided for investment management fees payable to Quantum Asset Management Company Private Limited for managing the Scheme at a percentage of the average daily net asset values recorded by the Scheme, such that the investment manager fees chargeable to the Scheme does not exceeds 1.25% of the average daily net asset values recorded by the Scheme upto Rs.100 crores and 1% of the excess over Rs.100 crores. All costs, charges and expenses incurred by Quantum Asset Management Company Private Limited in the administration and execution of the activities of the Scheme, except costs allowed to be charged to the Scheme under the SEBI Regulations and amendments thereto, as applicable, are on their own account for which they receive investment manager fees.

(2.10) TRUSTEE FEES

Pursuant to the Trust Deed dated October 7, 2005 between Quantum Advisors Private Limited (Settlor) and Quantum Trustee Company Private Limited (Trustee) and the offer document of the scheme, the Fund is authorized to pay the Trustee a fee, for rendering service as a Trustee of the Fund and the same has been borne by AMC and paid accordingly on quarterly basis.

(2.11) REGISTRAR & TRANSFER AGENT FEES

Karvy Computershare Private Limited provides registrar and share transfer services to the scheme for which it receives registrar and share transfer fees.

(2.12) INCOME TAX

No Provision for taxation has been made as the schemes qualify as recognized mutual fund under section 10(23D) of the Income –Tax Act, 1961.

3. NOTES TO ACCOUNTS

(1) OPTIONS

The Scheme has two Options Growth Option and Dividend Option. A combined Balance Sheet and Revenue Account is prepared for the Scheme.

(2) VALUE OF INVESTMENT AS ON MARCH 31, 2011

The Cost and Market Value/Fair Value of Investment as on March 31, 2011 is given below.

SR. NO.	SECURITIES	COST RS.	MARKET VALUE RS.	COST RS.	MARKET VALUE RS.
		March 31, 2011		March 31, 2010	
1.	Equity	26,587,427.28	30,777,887.30	9,014,074.52	13,203,374.15
2	CBLO/ Reverse Repo	4,693,803.52	4,693,803.52	2,498,381.18	2,498,381.18
	TOTAL	31,281,230.80	35,471,690.82	11,512,455.70	15,701,755.33

(3) NON PERFORMING INVESTMENTS

Type of Investments	Carrying Value Amount (Rs.)	Market value Amount (Rs.)	Provisions
NIL	NIL	NIL	NIL

(4) NAV

Net Asset Value (NAV) per unit having a Face Value of Rs. 10 as on March 31, 2011

SCHEME	NAV (March 31, 2011)	NAV (March 31, 2010)
Growth Option	22.426	19.076
Dividend Option	22.418	19.070

(5) AGGREGATE APPRECIATION AND DEPRECIATION IN THE VALUE OF INVESTMENTS

Aggregate appreciation and depreciation in value of investments as on March 31, 2011 is as follow

Particulars	March 31, 2011 (Rs.)	March 31, 2010 (Rs.)
Equity		
Appreciation	4,753,506.41	4,268,938.09
Depreciation	563,046.39	79,638.46
Net Appreciation / Depreciation	4,190,460.02	4,189,299.63

(6) AGGREGATE VALUE OF PURCHASE AND SALE OF INVESTMENTS

Purchases (excluding Reverse repos, Call money & Fixed deposits) – Rs.21,493,681.52

- As a percentage of average daily net assets is 93.79 %

Sales / Redemptions (excluding Reverse repos, Call money & Fixed deposits) – 7,169,184.07

- As a percentage of average daily net assets is 31.28 %

(7) INCOME AND EXPENDITURE

The total income and expenditure and these amounts as a percentage of the Scheme's average daily net assets on an annualized basis are provided below:

Income (excluding unrealized appreciation)

- Amount Rs. 3,656,528.41

- As a percentage of average daily net assets 15.96 %

Expenditure

- Amount Rs. 372,293.52

- As a percentage of average daily net assets 1.62 %

(8) INVESTMENT MANAGEMENT FEES

Investment Management Fees has been computed on the basis of Average Daily Net Asset of the Scheme accrued on a daily basis. Average daily Net Asset is Rs. 22,915,750.32 & fees charged 1.25% Management Fees accrued during the period is Rs. 263,035.49 /-.

(9) OTHER FEES

Till May 31,2010 certain expenses to the extent of 0.80% were borne by the scheme and rest of the expenses were borne by the AMC. From June 01, 2010 onwards other expenses only to the extent of 0.25% are borne by scheme and rest of the expenses are borne by the AMC.

(10) CONTRACTS PENDING DELIVERIES

There were no contracts for sale or purchase pending deliveries as on March 31, 2011.

(11) MOVEMENT IN UNIT CAPITAL

Particulars	2010-11		2009-10	
	Units	Amount	Units	Amount
Units of Rs 10 each fully paid up				
Growth Option				
Opening	558,853.961	5,588,540	312,062.856	3,120,629
Issued-During the period	621,419.89	6,214,198.87	246,791.105	2,467,911
Redeemed during the period	-	-	-	-
Outstanding, end of period	1,180,273.85	11,802,738.48	558,853.961	5,588,540
Dividend Option				
Opening	300,673.769	3,006,738	164,356.978	1,643,570
Issued -During the period	188,535.33	1,885,353.31	136,316.791	1,363,168
Redeemed during the period	-	-	-	-
Outstanding, end of period	489,209.10	4,892,091.00	300,673.769	3,006,738
Grand Total				
Opening	859,527.730	8,595,277	476,419.834	4,764,198
Issued -During the period	809,955.22	8,099,552.18	383,107.896	3,83,1079
Redeemed during the period	-	-	-	-
Outstanding, end of period	1,669,482.95	16,694,829.48	859,527.730	8,595,277

(12) DISCLOSURE UNDER REGULATIONS 25 (8) OF THE SEBI REGULATIONS – PAYMENTS OF FEES TO ASSOCIATE COMPANIES

Quantum Tax Saving Fund has made NIL payment to Associate companies during the year ended March 31, 2011
(Please refer note no. 29)

(13) INVESTMENTS IN GROUP COMPANIES

Quantum Tax Saving Fund has made NIL investment in group companies during the year ended March 31, 2011

(14) ACCOUNTING POLICY

There is no change in the accounting policy during the year ended March 31, 2011

(15) LARGE HOLDINGS

Unit holders holding over 25% of the Scheme of NAV is NIL as at the end of the year March 31, 2011

(16) DISCLOSURE UNDER REGULATION 25(11) OF THE SECURITY AND EXCHANGE BOARD OF INDIA (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED - NIL**(17) SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRYWISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2011, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2011, as well as the aggregate investments in each investment category.

Sr. No.	Name of the Instrument	Industry wise Classification	Quantity	Market value Amount (Rs. Lakhs)	% to Investment Category	% of Net Assets
	Equity & Equity related					
a)	Listed/ awaiting listing on Stock Exchange					
1	Housing Development Finance Corporation Ltd	Finance	2,917.00	20.45	6.65%	
2	Bajaj Auto Ltd	Auto	1,251.00	18.31	5.95%	
3	Hindustan Unilever Ltd	Diversified	6,087.00	17.48	5.68%	
4	HDFC Bank Ltd	Banks	729.00	17.10	5.56%	
5	Tata Steel Ltd	Ferrous Metals	2,312.00	14.39	4.67%	

Sr. No.	Name of the Instrument	Industry wise Classification	Quantity	Market value Amount (Rs. Lakhs)	% to Investment Category	% of Net Assets
6	Indian Hotels Co Ltd	Hotels	16,850.00	14.15	4.60%	
7	Zee Entertainment Enterprises Ltd	Media & Entertainment	11,429.00	14.13	4.59%	
8	Crompton Greaves Ltd	Industrial Capital Goods	5,173.00	14.11	4.58%	
9	Container Corporation of India Ltd	Transportation	1,153.00	13.84	4.50%	
10	State Bank of India	Banks	490.00	13.55	4.40%	
11	Tata Consultancy Services Ltd	Software	1,142.00	13.52	4.39%	
12	Oil & Natural Gas Corporation Ltd	Oil	4,386.00	12.78	4.15%	
13	Ultratech Cement Ltd	Cement	1,065.00	12.05	3.92%	
14	ING Vysya Bank Ltd	Banks	3,616.00	11.61	3.77%	
15	ACC Ltd	Cement	1,049.00	11.27	3.66%	
16	Tata Global Beverages Ltd	Consumer Non Durables	11,106.00	10.86	3.53%	
17	Infosys Technologies Ltd	Software	334.00	10.83	3.52%	
18	Voltas Ltd	Construction Project	5,889.00	10.76	3.49%	
19	Axis Bank Ltd	Banks	746.00	10.47	3.40%	
20	Bharti Airtel Ltd	Telecom - Services	2,605.00	9.31	3.02%	
21	Maruti Suzuki India Ltd	Auto	728.00	9.19	2.99%	
22	Power Finance Corporation Ltd	Finance	3,574.00	8.93	2.90%	
23	PTC India Ltd	Power	10,321.00	8.61	2.80%	
24	3I Infotech Ltd	Software	12,468.00	5.47	1.78%	
25	Gateway Distriparks Ltd	Transportation	3,836.00	4.63	1.51%	
	Total of all Equity			307.78	100.00%	83.23%
b)	Cash & Equivalent					
1	CBLO/Reverse Repo Investment			46.94		12.69%
2	Net Receivables/ (Payables)			15.06		4.07%
	Total			61.99		16.77%
	GRAND TOTAL			369.77		100.00%

(18) INITIAL ISSUE EXPENSES

No initial Issue Expenses were charged to the Quantum Tax Saving Fund

(19) BORROWING

The scheme has not made any borrowing during the period March 31, 2011

(20) DERIVATIVES

The scheme has no exposure to derivative products, foreign securities, ADR's and GDR's.

(21) TRUST DEED

On written request, present and prospective unit holder/investors can obtain copy of the Trust Deed, the Annual Report (at a price) and the text of the relevant scheme.

(22) BONUS

No bonus has been declared by the Scheme during the period ended March 31, 2011

(23) ANNUAL REPORT REQUEST

The unit holders, if they so desire, may request for the annual report of AMC.

(24) UNDERWRITING

The scheme has not undertaken any underwriting obligation during the period March 31, 2011

(25) ARRANGER/MANAGER

Neither the sponsor nor the associates of the Quantum Mutual Fund have acted as arranger or manager of any issue of equity or debt nor has any associate company lead managed any issue.

(26) PRIOR PERIOD COMPARATIVES

Previous year's figures have been regrouped /re-arranged where appropriate.

(27) SEGMENT REPORTING

As per disclosure requirement under Accounting Standard 17 on 'Segment Reporting' issued by ICAI the scheme operates only in one segment viz. to primarily generate returns, based on schemes' investment objective.

(28) CONTINGENT LIABILITIES

The Contingent Liabilities as on 31st March 2011 is NIL

(29) RELATED PARTY TRANSACTIONS

The scheme has entered into transactions with various related parties. The information required in this regard in accordance with Accounting Standards 18 i.e. Related Party Disclosure issued by the ICAI and Regulation 25(8) of the SEBI Regulation is provided below.

Related party relationships

Name	Description of relationship
Quantum Advisors Private Limited	Sponsor
Quantum Asset Management Company Private Limited	Asset Management Company
Quantum Trustee Company Private Limited	Trustee
Quantum Information Services Private Limited	Associate
Helpyourngo.com India Private Limited	Associate
Equitymaster India Limited	Associate
Equitymaster Agora Research Private Limited	Associate
Personalfn Insurance Services India Limited	Associate
Mymakaan.com Private Limited	Associate
Menlo Oak Venture Investments	Associate
Primary Real Estate Advisors Private Limited	Associate
Primary Real Estate Advisors Limited, Mauritius	Associate
QIEF Management LLC	Associate
Principal Real Estate Investment Private Limited	Associate
Quantum Equity Advisors Private Limited	Sponsor's subsidiary
QACIP India Fixed Income Fund Limited, Mauritius	Associate

Other Schemes of the Fund

Quantum Long Term Equity Fund

Quantum Liquid Fund

Quantum Gold Fund

Quantum Index Fund

Quantum Equity Fund of Funds

Transaction, if any with the above mentioned related parties as defined under Accounting Standard 18 and Regulation 25(8) of the SEBI Regulation are provided below:

Name of the related party	Nature of transactions	Year ended March 2011	Bal as at Mar 31, 2011	Year ended March 2010	Bal as at Mar 31, 2010
Quantum Asset Management Co Pvt Ltd	Management Fees	263,035.49	30,032.11	124,326.65	15,853.49
Quantum Trustee Co Pvt Ltd	Trusteeship Fees (Inclusive of Service Tax)	-	-	22,060.00	-

Brokerage and commission paid to associates as per SEBI circular SEBI/IMD/CIR No 18 / 198647 /2010 dated March 15, 2010.

a) Brokerage paid to Associates Companies during the last two fiscal years:-

Name of Associate Company	Nature of Association/ Nature of relation	Period covered	Value of transaction (in Rs. Cr. & % of total value of transaction of the fund)		Brokerage (Rs Cr & % of total brokerage paid by the fund)	
HDFC Securities Limited	Associate Broker	April 01, 2009 - March 31, 2010	0.01 Cr.	1.24%	@	1.22%
HDFC Securities Limited	Associate Broker	April 01, 2010 - March 31, 2011	Nil	Nil	Nil	Nil

b) Commission paid to Associate Companies during the last two fiscal years:-

Name of Associate company	Nature of Association/ Nature of relation	Period covered	Business given (Rs. Cr. & % of total business received by the fund)	Commission paid (Rs & % of total commission paid by the fund)
Quantum Information Services Private Limited	Associate Company	April 01, 2009 - March 31, 2010	@ & 0.01%	Nil
Quantum Information Services Private Limited	Associate Company	April 01, 2010 - March 31, 2011	@ & 0.68%	Nil

@ Figures less than 0.01 crores

(30) CASH FLOW STATEMENT

As per applicability norms of Accounting Standard 3 on 'Cash Flow Statement' issued by ICAI, disclosure is not required, as the scheme turnover (revenues) is not exceeding than the applicable norms.

(31) PROXY VOTING

As per SEBI Circular No. SEBI/IMD/CIR No 18 / 198647 /2010 dated March 15 ,2010, Quantum Mutual Fund has taken following steps:

- Quantum Mutual Fund (the Fund) has designed Proxy Voting Policy which discloses general policies and procedures for exercising the voting rights in respect of shares held by the Fund which was approved by the Board of Directors of Quantum Asset Management Company Private Limited (QAMC) and Quantum Trustee Company Private Limited in their respective meeting held on September 27, 2010.
- The said policy is uploaded on the website of the Company (WWW.QuantumAMC.Com)
- All voting decisions are taken on a case to case basis. The concerned Research Analyst / Fund Manager at the QAMC reviews the different proposals put before the shareholders / Management and arrives at a final decision on how to vote, keeping in mind the long term interest of the scheme(s), investment philosophy of the Fund and the market best practices.
- Shell Transource Private Limited has been appointed as representative under section 187B of the Companies Act 1956 to attend the meeting on behalf of Fund house from time to time.
- The details of the proxy voting actually exercised in general meetings of Companies in the prescribed format is also updated by AMC on its website from time to time.

As per our report of even date attached

For Quantum Trustee Company Private Limited

sd/-

Mr. Jagdish Capoor
(Chairman)

sd/-

Mr. Surjit Banga
(Director)

For Quantum Asset Management
Company Private Limited

sd/-

Mr. Ajit Dayal
(Chairman)

sd/-

Mr. I.V. Subramaniam
(Director)

sd/-

Mr. Jimmy A. Patel
(Chief Executive Officer)

sd/-

Mr. Atul Kumar
(Fund Manager)

For Haribhakti & Co.
Chartered Accountants

sd/-

Chetan Desai
Partner
FRN: 103523W

Place : Mumbai
Date : May 19, 2011

HISTORICAL PER UNIT STATISTICS

No.	Particulars	Quantum Tax Fund (" the Scheme ") Audited as of 31.03.2011	Quantum Tax Fund (" the Scheme ") Audited as of 31.03.2010	Quantum Tax Fund (" the Scheme ") Audited as of 31.03.2009
	Face Value	Rs. 10/-	Rs. 10/-	Rs. 10/-
(a)	Net Assets Value, per unit			
i)	Growth Option	22.426	19.076	9.979
ii)	Dividend Option	22.418	19.070	9.972
(b)	Gross Income per-unit broken up into the following components			
(i)	income other than profit on sale of investment, per unit	0.2912	0.1592	0.0244
(ii)	income from profit on inter scheme sales / transfer of investment per unit	-	-	-
(iii)	income from profit on sale of investment to third party, per unit	1.9262	1.3215	-
(iv)	transfer to revenue account from past years' reserve, per unit	-	-	-
(c)	Aggregate of expenses, write off, amortisation and charges, per-unit	0.2258	0.2893	0.0367
(d)	Net unrealized appreciation in value of investments	2.5412	4.7781	0.1730
(e)	Net Income per unit (excluding unrealized appreciation)	1.9916	1.1914	-0.0122
(f)	i) Highest sale price per unit			
	Growth Option	24.495	19.145	10.371
	Dividend Option	24.486	19.139	10.371
ii) Lowest sale price per unit				
	Growth Option	18.522	10.006	9.086
	Dividend Option	18.515	10.053	9.086
iii) Highest repurchase price per unit				
	Growth Option	24.495	19.145	10.371
	Dividend Option	24.486	19.139	10.371
iv) Lowest repurchase price per unit				
	Growth Option	18.522	10.060	9.086
	Dividend Option	18.515	10.053	9.086
(g)	Ratio of expenses to average daily net assets by % (Excluding unrealized depreciation and amortization of deferred revenue expenditure)	1.62%	2.50%	0.68%
(h)	Ratio of income to Average daily net assets by % (exclusive of unrealized appreciation)	15.96%	12.80%	0.45%

AUDITORS' REPORT

TO

THE BOARD OF TRUSTEES OF

QUANTUM MUTUAL FUND

We have audited the attached Balance Sheet of the **Quantum Equity Fund of Fund** (the "scheme") of **Quantum Mutual Fund** as at 31st March, 2011 and the Revenue Account for the period ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the Management of the Quantum Trustee Company Private Limited and Quantum Asset Management Company Private Limited. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. The Balance Sheet and the Revenue Account dealt with by this report are in agreement with the books of account of the scheme.
3. In our opinion, the valuation methods for non-traded securities are fair and reasonable and are in accordance with the guidelines for valuation issued by SEBI, under the regulation.
4. In our opinion, the Balance Sheet and the Revenue Account dealt with by this report have been prepared in accordance with the Accounting Policies and Standards as specified in the Ninth Schedule of the SEBI (Mutual Funds) Regulations, 1996 as amended up to date.
5. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the SEBI (Mutual Funds) Regulations, 1996 as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Scheme as at 31st March, 2011 ; and
 - ii) in the case of the Revenue Account, of the surplus of the Scheme for the period ended on that date

For **HARIBHAKTI & CO.**

Chartered Accountants

Firm No. – 103523W

sd/-

CHETAN DESAI

Partner

Membership No 17000

Place: Mumbai

Date: 19th May, 2011

QUANTUM EQUITY FUND OF FUNDS
BALANCE SHEET AS AT MARCH 31, 2011

	Schedule	March 31, 2011 Amount (Rs)	March 31, 2010 Amount (Rs)
LIABILITIES			
Unit Capital	'A'	17,094,225	10,087,980
Reserves and Surplus	'B'	7,145,563	2,660,043
Current Liabilities and Provisions	'C'	66,907	46,157
Total		24,306,695	12,794,180
ASSETS			
Investments	'D'	24,235,554	12,647,446
Other Current Assets	'E'	71,141	146,734
Total		24,306,695	12,794,180
Notes forming part of Accounts	'F'		

As per our report of even date attached

For Quantum Trustee Company Private Limited

sd/-
Mr. Jagdish Capoor
 (Chairman)

sd/-
Mr. Surjit Banga
 (Director)

For Quantum Asset Management
 Company Private Limited

sd/-
Mr. Ajit Dayal
 (Chairman)

sd/-
Mr. I.V. Subramaniam
 (Director)

sd/-
Mr. Jimmy A. Patel
 (Chief Executive Officer)

sd/-
Mr. Arvind Chari
 (Fund Manager)

For Haribhakti & Co.
 Chartered Accountants

sd/-
Chetan Desai
 Partner
 FRN: 103523W

Place : Mumbai
 Date : May 19, 2011

QUANTUM EQUITY FUND OF FUNDS
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

	Schedule	March 31, 2011 Amount (Rs)	March 31, 2010 Amount (Rs)
INCOME			
Interest		41,416	12,102
Profit on sale / redemption of investments (Other than inter-scheme transfer / sale)		1,668,023	125,305
Other Income (Load Income)		29,260	11,639
Total		1,738,699	149,046
EXPENSES AND LOSSES *			
Loss on sale / redemption of investments (Other than inter-scheme transfers / sale)		15,742	-
Management Fees		111,232	33,576
Marketing & Selling Expenses		-	9,164
Audit Fees		-	11,030
Registrar & Transfer Agent's Fees		3,363	27,519
Other Operating Expenses		12,585	38,680
Insurance Premium		-	3,014
Less: Ex cess of Ex penditure over permissible limit recovered from AMC		-	(72,619)
Total		142,922	50,364
Net Surplus / (Deficit) for the period		1,595,777	98,682
APPROPRIATION ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2011			
Net Surplus brought forward from previous year		118,608	-
Net Surplus / (Deficit) for the period		1,595,777	98,682
Transferred (to)/ from Equalisation Account		858,154	19,926
Net Surplus / (Deficit) carried forward		2,572,539	118,608
Notes forming parts of Accounts	F		
* Refer note no. 9			

As per our report of even date attached

For Quantum Trustee Company Private Limited		sd/- Mr. Jagdish Capoor (Chairman)	sd/- Mr. Surjit Banga (Director)
For Quantum Asset Management Company Private Limited	sd/- Mr. Ajit Dayal (Chairman)	sd/- Mr. I.V. Subramaniam (Director)	sd/- Mr. Jimmy A. Patel (Chief Executive Officer)
			sd/- Mr. Arvind Chari (Fund Manager)

For Haribhakti & Co.
Chartered Accountants

sd/-
Chetan Desai
Partner
FRN: 103523W

Place : Mumbai
Date : May 19, 2011

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

	Units	March 31, 2011 Amount (Rs)	Units	March 31, 2010 Amount (Rs)
SCHEDULE 'A'				
UNIT CAPITAL				
(Face Value of Rs. 10/- each)				
Unit Capital {Opening Balance}	1,008,798.08	10,087,981	-	-
Add : Subscription during new fund offer period	-	-	585,424.94	5,854,249
Add : Subscription during the period	1,084,036.47	10,840,365	494,249.05	4,942,490
Less : Redemption during the period	(383,412.05)	(3,834,121)	(70,875.90)	(708,759)
Unit Capital (Closing Balance)	1,709,422.50	17,094,225	1,008,798.08	10,087,980
SCHEDULE 'B'				
RESERVES & SURPLUS				
Unit Premium				
Opening Balance		751,705		-
Add\Less) : Net Additions\ Deduction) during the period		2,613,969		771,631
Add\Less):-Transferred (to) / from Equalisation Account		(858,154)		(19,926)
Closing Balance		2,507,520		751,705
Equalisation Account				
Transferred from / (to) Unit Premium Reserve		858,154		19,926
Add\Less): Transferred (to) / from Revenue Account		(858,154)		(19,926)
Closing Balance		-		-
UNREALISED APPRECIATION IN THE VALUE OF INVESTMENTS				
Opening Balance		1,789,730		-
Add:Net change during the year		275,774		1,789,730
		2,065,504		1,789,730
Appropriation Account				
Surplus/Deficit carried forward		2,572,539		118,608
Total Reserves & Surplus		7,145,563		2,660,043
SCHEDULE 'C'				
CURRENT LIABILITIES & PROVISIONS				
Management Fees Payable		13,154		5,176
Audit Fees Payable		-		9,927
Registrar Fees Payable		-		25,498
Other Expense Payable		-		720
TDS Payable		1,461		4,836
Redemption Payable		52,292		-
Total		66,907		46,157
SCHEDULE 'D'				
INVESTMENTS				
Mutual Fund Units		24,014,751		11,947,901
Collateralised Borrowing & Lending Obligation		220,803		699,545
Total		24,235,554		12,647,446
SCHEDULE 'E'				
OTHER CURRENT ASSETS				
Balances with Banks in Current Account, including cheques on hand		59,091		86,172
Receivable from Quantum Asset Management Co. Pvt Ltd		-		60,471
Interest Receivable		-		91
Subscription Receivable		12,050		-
Total		71,141		146,734

SCHEDULE 'F'

Notes:

1. ORGANISATION

Quantum Equity Fund of Funds ("the Scheme") is an open-ended Scheme of Quantum Mutual Fund and was launched on June 26, 2009. Quantum Mutual Fund has been sponsored by Quantum Advisors Private Ltd. Quantum Asset Management Company Private Limited incorporated under the Companies Act, 1956 has been appointed as an Asset Management Company. The duration of the scheme is perpetual. The Scheme closed for initial subscription on July 13, 2009, and is currently open for ongoing subscription.

In accordance with the SEBI (Mutual Funds) Regulations, 1996 ('the SEBI Regulations'), the Board of Directors of Quantum Trustee Company Private Limited ('the Trustee') has appointed Quantum Asset Management Company Private Limited ('the AMC') to manage the Fund's affairs and operate its Schemes. The investment objective of the scheme is to generate long-term capital appreciation by investing in a portfolio of open-ended diversified equity schemes of mutual funds registered with SEBI. There can be no assurance of positive returns from following the stated investment strategy. The Scheme offers its investors a Dividend Option and Growth Option (collectively 'the Options').

2. SIGNIFICANT ACCOUNTING POLICIES

(2.1) BASIS OF ACCOUNTING

The scheme maintains its books of accounts on an accrual basis. These financial statements have been prepared in accordance with the accounting policies and standards specified in the ninth schedule of SEBI Regulations and amendments thereto as applicable.

(2.2) INVESTMENTS

Investments are accounted on the trade date. The Scheme uses the average cost method for determining the realized gain or loss on sale of investments. In case of interest bearing securities though investments are accounted on the trade date, interest accrues from the settlement date. However, the effect of all investments traded during the financial year is recorded and reflected in the financial statements for that year. The cost of investments includes cost of acquisition, brokerage, stamp duty and any charge included in broker's brought note.

(2.3) PORTFOLIO VALUATION

- I. Investments in Mutual Funds are valued at the last declared net asset value (NAV) per unit.
- II. Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest upto the date of resale.
- III. Following the issue of the guidance note on accounting for investment in the financial statements of mutual funds by The Institute of Chartered Accountant of India (pursuant to the Eleventh Schedule of the Regulation 1996 and pending further clarification from SEBI) net unrealized appreciation/depreciation in the value of investments is determined separately for each category

of investments. Further the change in net unrealized appreciation/depreciation, if any between the two balance sheet dates/ date of determination is recognized in the Revenue Account. Unrealized appreciation is reduced from the distributable income at the time of distribution of income. At the end of this financial year, the balance in the revenue account including change in the net unrealised appreciation/depreciation in the value of investments is transferred to Reserve Fund.

(2.4) INVESTMENT INCOME

Interest income is recorded on an accrual basis. In respect of interest bearing instruments income has been accrued on a day to day basis as it is earned. Where fixed income securities are acquired at premium or discount to the redemption value, such premium or discount is amortized on a straight line basis over the period of redemption. Dividend income earned by the scheme has been recognised on the date the share is quoted on an ex-dividend basis. Profit/loss on sale of investment is accounted for in the year in which the contract for sale is entered into. The cost is calculated on the basis of weighted average cost of investment.

(2.5) EXIT LOAD INCOME

Exit Load collected from the investor is credited to the revenue account.

(2.6) NET ASSET VALUE FOR GROWTH / DIVIDEND OPTIONS

The net asset value of the units of the scheme is determined separately for units issued under the Growth / Dividend Options.

For reporting the net asset value for the Options, daily income earned, including realized and unrealized gain or loss in the value of investments and expenses incurred by the Scheme are allocated to the Options in proportion to the value of units outstanding.

(2.7) UNIT PREMIUM RESERVE

Upon issue and redemption of units, the net premium or discount to the face value of units is adjusted against the unit premium reserve of the scheme, after an appropriate portion of the issue proceeds and redemption payout is credited or debited respectively to the income equalization reserve.

(2.8) EQUALISATION RESERVE

The purpose of Equalization Account is to maintain per unit distributable surplus so that continuing unitholders' share of distributable surplus remains unchanged on issue or redemption of units. The total distributable surplus (without considering unrealised appreciation) upto the date of issue/redemption of units have been taken into account for the purpose of ascertaining the amount to be transferred to Equalization Account. The net balance in this account is transferred to the Revenue Account at the end of the year.

(2.9) INVESTMENT MANAGEMENT FEES

The Scheme has paid or provided for investment management fees payable to AMC for managing the Scheme at a percentage of the average daily net asset values recorded by the Scheme, such that the investment manager fees chargeable to the Scheme does not exceeds 0.75% of the average daily net asset values recorded by the Scheme. All costs, charges and expenses incurred by Quantum Asset Management Company Private Limited in the administration and execution of the activities of the Scheme, except costs allowed to be charged to the Scheme under the Securities and Exchange Board of India (Mutual Fund) Regulation, 1996 and amendments thereto, as applicable, are on their own account for which they receive investment management fees.

(2.10) TRUSTEE FEES

Pursuant to the Trust Deed dated October 7, 2005 between Quantum Advisors Private Limited (Settlor) and Quantum Trustee Company Private Limited (Trustee) and the offer document of the scheme, the Fund is authorized to pay the Trustee a fee, for rendering service as a Trustee of the Fund and the same has been borne by AMC and paid accordingly on quarterly basis.

(2.11) REGISTRAR & TRANSFER AGENT FEES

Karvy Computershare Private Limited provides registrar and share transfer services to the scheme for which it receives registrar and share transfer fees.

(2.12) INCOME TAX

No Provision for taxation has been made as the scheme qualifies as recognized mutual fund under section 10(23D) of the Income –Tax Act, 1961.

3. NOTES TO ACCOUNTS**(1) OPTIONS**

The Scheme has two Options Growth Option and Dividend Option. A combined Balance Sheet and Revenue Account is prepared for the Scheme.

(2) VALUE OF INVESTMENT AS ON MARCH 31, 2011

The Cost and Market Value/Fair Value of Investment as on March 31, 2011 is given below.

Sr. No.	Securities	Cost Rs.	Market Value Rs.	Cost Rs.	Market Value Rs.
		March 31, 2011		March 31, 2010	
1.	Mutual Fund Units	21,949,247	24,014,751	10,158,170	11,947,902
2	CBLO/ Reverse Repo	220,803	220,803	699,545	699,545
	TOTAL	22,170,050	24,235,554	10,857,716	12,647,447

(3) NON PERFORMING INVESTMENTS

Type of Investments	Carrying Value Amount (Rs.)	Market value Amount (Rs.)	Provisions
NIL	NIL	NIL	NIL

(4) NAV

Net Asset Value (NAV) per unit having a Face Value of Rs. 10 as on March 31, 2011

SCHEME	NAV (March 31, 2011)	NAV (March 31, 2010)
Growth Option	14.1800	12.6360
Dividend Option	14.1820	12.6380

(5) AGGREGATE APPRECIATION AND DEPRECIATION IN THE VALUE OF INVESTMENTS

Aggregate appreciation and depreciation in value of investments as on March 31, 2011 is as follow

Particulars	March 31, 2011 (Rs.)	March 31, 2010 (Rs.)
Mutual Fund Units		
Appreciation	2,224,087	1,789,730
Depreciation	158,583	-
Net Appreciation/ Depreciation	2,065,504	1,789,730

(6) AGGREGATE VALUE OF PURCHASE AND SALE OF INVESTMENTS

Purchases (excluding Reverse repos, Call money & Fixed deposits) – Rs 17,622,000/-

- As a percentage of average daily net assets is 103.92 %

Sales / Redemptions (excluding Reverse repos, Call money & Fixed deposits) – 7,483,205/-

- As a percentage of average daily net assets is 44.13%

(7) INCOME AND EXPENDITURE

The total income and expenditure and these amounts as a percentage of the Scheme's average daily net assets on an annualized basis are provided below:

Income (excluding unrealized appreciation)

- Amount Rs. 17,22,957/-
- As a percentage of average daily net assets 10.16 %

Expenditure

- Amount Rs. 127,179/-
- As a percentage of average daily net assets 0.75 %

(8) INVESTMENT MANAGEMENT FEES

Investment Management Fees has been computed on the basis of Average Daily Net Asset of the Scheme accrued on a daily basis. Average daily Net Asset is Rs. 16,957,108.42 & fees charged 0.66%, Management Fees accrued during the period is Rs. 111,231.85 /-.

(9) OTHER FEES

Till May 31, 2010 certain expenses to the extent of 0.25% were borne by the scheme and rest of the expenses were borne by AMC. From June 01, 2010 onwards all other expenses are fully borne by the AMC.

(10) CONTRACTS PENDING DELIVERIES

There were no contracts for sale or purchase pending deliveries as on March 31, 2011.

(11) MOVEMENT IN UNIT CAPITAL

Particulars	2010-11		2009-10	
Units of Rs 10 each fully paid up	Units	Amount	Units	Amount
Growth Option				
Opening	781,865.37	7,818,653.70	-	-
Issued	-	-	-	-
-New Fund Offer	-	-	497,550.45	4,975,504.50
-During the period	999,543.66	9,995,436.60	343,145.78	3,431,457.80
Redeemed during the period	272,169.44	2,721,694.40	58,830.86	588,308.60
Outstanding, end of period	1,509,239.59	15,092,395.90	781,865.37	7,818,653.70
Dividend Option				
Opening	226,932.71	2,269,327.10	-	-
Issued	-	-	-	-
-New Fund Offer	-	-	87,874.48	878,744.80
-During the period	84,492.81	844,928.10	151,103.27	1,511,032.70
Redeemed during the period	111,242.61	1,112,426.10	12,045.05	120,450.50
Outstanding, end of period	200,182.91	2,001,829.10	226,932.70	2,269,327.00
Grand Total				
Opening	1,008,798.08	10,087,980.80	-	-
Issued	-	-	-	-
-New Fund Offer	-	-	585,424.93	5,854,249.30
-During the period	1,084,036.47	10,840,365.75	494,249.05	4,942,490.50
Redeemed during the period	383,412.05	3,834,120.50	70,875.91	708,759.10
Outstanding, end of period	1,709,422.47	17,093,907.70	1,008,798.07	10,087,980.70

(12) DISCLOSURE UNDER REGULATIONS 25 (8) OF THE SEBI REGULATIONS – PAYMENTS OF FEES TO ASSOCIATE COMPANIES

Quantum Equity Fund of Funds has made NIL payment to Associate companies during the year ended March 31, 2011 (Refer note no. 29)

(13) INVESTMENTS IN GROUP COMPANIES

Quantum Equity Fund of Funds has made NIL investment in group companies during the year ended March 31, 2011

(14) ACCOUNTING POLICY

There is no change in the accounting policy during the year ended March 31, 2011

(15) LARGE HOLDINGS

Unit holders holding over 25% of the Scheme's of NAV is NIL as at the end of the year March 31, 2011

(16) DISCLOSURE UNDER REGULATION 25(11) OF THE SECURITY AND EXCHANGE BOARD OF INDIA (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED - NIL**(17) SUPPLEMENTARY INVESTMENT PORTFOLIO INFORMATION AND INDUSTRYWISE CLASSIFICATION**

Details of investment portfolio and industry wise classification of the Scheme's investments in each category of investments at March 31, 2011, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2011, as well as the aggregate investments in each investment category.

Sr. No.	Name of the Instrument	Industry wise Classification	Quantity	Market value Amount (Rs. Lakhs)	% to Inv. Category	% of Net Assets
	Equity & Equity related					
a)	Mutual Fund					
1	HDFC Top 200 Fund – Growth	Mutual Fund	21,177.13	45.58	18.98%	
2	DSP BlackRock Equity Fund - Regular Option – Growth	Mutual Fund	268,917.47	44.56	18.56%	
3	HDFC Equity Fund – Growth	Mutual Fund	15,443.90	43.75	18.22%	
4	Birla Sun Life Frontline Equity Fund – Option A - Growth	Mutual Fund	41,902.00	37.67	15.69%	
5	Canara Robeco Equity Diversified - Growth	Mutual Fund	65,655.26	36.10	15.03%	
6	SBI Magnum Multiplier Plus Scheme - 93 –Growth	Mutual Fund	41,330.98	32.49	13.53%	
	Total of Mutual Fund			240.15	100.00%	99.07%
b)	Cash & Equivalent					
1	CBLO/Reverse Repo Investment			2.21		0.91%
2	Net Receivables/ (Payables)			0.04		0.02%
	Total			2.25		0.93%
	GRAND TOTAL			242.39		100.00%

(18) INITIAL ISSUE EXPENSES

No initial Issue Expenses were charged to the Quantum Equity Fund of Funds

(19) BORROWING

The scheme has not made any borrowing during the period March 31, 2011

(20) DERIVATIVES

The scheme has no exposure to derivative products, foreign securities, ADR's and GDR's.

(21) TRUST DEED

On written request, present and prospective unit holder/investors can obtain copy of the Trust Deed, the Annual Report (at a price) and the text of the relevant scheme.

(22) BONUS

No bonus has been declared by the Scheme during the period ended March 31, 2011

(23) ANNUAL REPORT REQUEST

The unit holders, if they so desire, may request for the annual report of Quantum Assets Management Company Private Limited.

(24) UNDERWRITING

The scheme has not undertaken any underwriting obligation during the period March 31, 2011

(25) ARRANGER/MANAGER

Neither the sponsor nor the associates of the Quantum Mutual Fund have acted as arranger or manager of any issue of equity or debt nor has any associate company lead managed any issue.

(26) PRIOR PERIOD COMPARATIVES

Previous year figures have been regranted/rearranged where appropriate.

(27) SEGMENT REPORTING

As per disclosure requirement under Accounting Standard 17 on 'Segment Reporting' issued by ICAI the scheme operates only in one segment viz. to primarily generate returns, based on schemes' investment objective.

(28) CONTINGENT LIABILITIES

The Contingent Liabilities as on 31st March 2011 is NIL

(29) RELATED PARTY TRANSACTIONS

The scheme has entered into transactions with various related parties. The information required in this regard in accordance with Accounting Standards 18 i.e. Related Party Disclosure issued by the ICAI and Regulation 25(8) of the SEBI Regulation is provided below.

Related party relationships

Name	Description of relationship
Quantum Advisors Private Limited	Sponsor
Quantum Asset Management Company Private Limited	Asset Management Company
Quantum Trustee Company Private Limited	Trustee
Quantum Information Services Private Limited	Associate
Helpyourngo.com India Private Limited	Associate
Equitymaster India Limited	Associate
Equitymaster Agora Research Private Limited	Associate
Personalfn Insurance Services India Limited	Associate
Mymakaan.com Private Limited	Associate
Menlo Oak Venture Investments	Associate
Primary Real Estate Advisors Private Limited	Associate
Primary Real Estate Advisors Limited, Mauritius	Associate
QIEF Management LLC	Associate
Principal Real Estate Investment Private Limited	Associate
Quantum Equity Advisors Private Limited	Sponsor's subsidiary
QACIP India Fixed Income Fund Limited, Mauritius	Associate

Other Schemes of the Fund

Quantum Long Term Equity Fund

Quantum Liquid Fund

Quantum Gold Fund

Quantum Index Fund

Quantum Tax Saving Fund

Transaction, if any with the above mentioned related parties as defined under Accounting Standard 18 and Regulation 25(8) of the SEBI Regulation are provided below:

Name of the related party	Nature of transactions	Year ended March 2011	Bal as at Mar 31, 2011	Year ended March 2010	Bal as at Mar 31, 2010
Quantum Asset Management Co Pvt Ltd	Management Fees	111,231.85	13,154.03	33,576.00	5,176.00

Brokerage and commission paid to associates as per SEBI circular SEBI/IMD/CIR No 18 / 198647 /2010 dated March 15, 2010.

- a) Brokerage paid to Associates Companies during the last two fiscal years:- Nil
b) Commission paid to Associate Companies during the last two fiscal years:-

Name of Associate company	Nature of Association/ Nature of relation	Period covered	Business given (Rs. Cr. & % of total business received by the fund)	Commission paid (Rs & % of total commission paid by the fund)
Quantum Information Services Private Limited	Associate Company	April 01, 2010 - March 31, 2011	0.01 cr. & 6.78%	Nil

(28) CASH FLOW STATEMENT

As per applicability norms of Accounting Standard 3 on 'Cash Flow Statement' issued by ICAI, disclosure is not required, as the scheme turnover (revenues) is not exceeding than the applicable norms.

QUANTUM

As per our report of even date attached

For Quantum Trustee Company Private Limited

sd/-
Mr. Jagdish Capoor
(Chairman)

sd/-
Mr. Surjit Banga
(Director)

For Quantum Asset Management Company Private Limited

sd/-
Mr. Ajit Dayal
(Chairman)

sd/-
Mr. I.V. Subramaniam
(Director)

sd/-
Mr. Jimmy A. Patel
(Chief Executive Officer)

sd/-
Mr. Arvind Chari
(Fund Manager)

For Haribhakti & Co.
Chartered Accountants

sd/-
Chetan Desai
Partner
FRN: 103523W

Place : Mumbai
Date : May 19, 2011

HISTORICAL PER UNIT STATISTICS

No.	Particulars	Quantum Equity Fund of Funds (" the Scheme ") Audited as of 31.03.2011	Quantum Equity Fund of Funds (" the Scheme ") Audited as of 31.03.2010
	Face Value	Rs. 10/-	Rs. 10/-
(a)	Net Assets Value, per unit		
i)	Growth Option	14.18	12.636
ii)	Dividend Option	14.182	12.638
(b)	Gross Income per-unit broken up into the following components		
(i)	income other than profit on sale of investment, per unit	0.0413	0.012
(ii)	income from profit on inter scheme sales / transfer of investment per unit	-	-
(iii)	income from profit on sale of investment to third party, per unit	0.9666	0.1242
(iv)	transfer to revenue account from past years' reserve, per unit	-	-
(c)	Aggregate of expenses, write off, amortisation and charges, per-unit	0.0744	0.0499
(d)	Net unrealized appreciation in value of investments	1.2083	1.7741
(e)	Net Income per unit (excluding unrealized appreciation)	0.9335	0.0863
(f)	i) Highest sale price per unit		
	Growth Option	15.792	12.794
	Dividend Option	15.794	12.795
ii)	Lowest sale price per unit		
	Growth Option	12.138	10.292
	Dividend Option	12.139	10.292
iii)	Highest repurchase price per unit		
	Growth Option	15.560	12.600
	Dividend Option	15.560	12.600
iv)	Lowest repurchase price per unit		
	Growth Option	11.960	10.140
	Dividend Option	11.960	10.140
(g)	Ratio of expenses to average daily net assets by % (Excluding unrealized depreciation and amortization of deferred revenue expenditure)	0.75%	0.52%
(h)	Ratio of income to Average daily net assets by % (excluding of unrealized appreciation)	10.16%	1.55%

Profit with Process

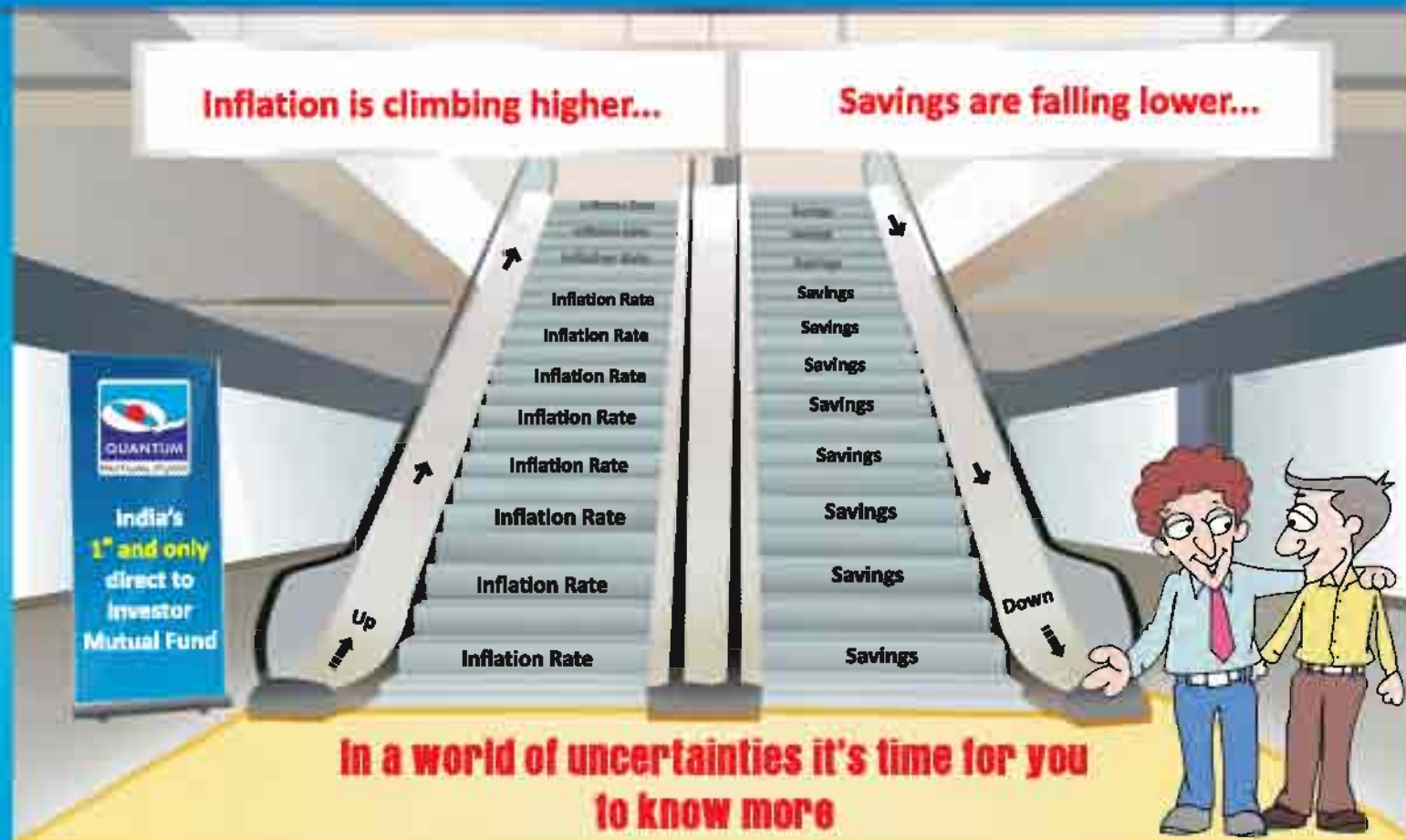
NOTES



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