

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

Annual Report for the year ended 31st March 2013

Quantum Asset Management Company Private Limited

The Quantum Philosophy



Report

It is ironical that, despite an annual savings pool of over USD 540 billion (approximately INR 32,40,000 crore), the Indian stock markets remain hostage to foreign flows. Local investors have scraped through to being net buyers of equity mutual funds to the extent of USD 2 billion. Over the same time period, Foreign Institutional Investors have bought shares worth USD 110 billion 55x more than what local Indians have purchased.

It is a tragi-comedy that the "Made

in India" stock market, where the listed companies generate over 90% of their profits from doing business in India, should depend on foreign flows to determine the level of the popular indices. Channelising domestic savings into the Indian stock market should be a focus of policy makers. However, before proposing solutions on how to improve the level of domestic participation, it is important to understand why local investors have stepped away from the stock market and to recognise the inherent conflict in the financial services industry – which undermines the ability of most financial firms to work for the benefit of their clients. Let me explain.

For those who wish to buy stocks directly – and not via mutual funds and ULIPs – the transaction costs of executing trades on the Indian stock exchanges is 90% lower than what it was in 1995. In addition to this positive, there is a lot more information on companies than ever before with business channels, business publications, and research reports from hundreds of analysts. All delivered on varying medium from electronic to paper, from audio to visual. One may argue that a lot of this larger volume of information is "noise" and only supports the speculators – whose population has grown and whose commission revenues are the lifeline of the financial services industry. It would be suicidal for many financial service firms to give long term views and long term solutions.

If a long term investor was honestly advised to buy a basket of 20 stocks and sleep on it for a 10-year time period – and assuming the investor follows this advice - that investor would not call his broker for the next ten years. This suggests there would be no significant transaction from the investor, which would imply zero broking commission to the broker and zero transaction fees to the exchange. In such an environment, the broker and the stock exchange would both suffer from lower revenues. Salaries in the financial services industry would be reduced to less glorified levels and staff may need to be laid off. Hence, brokers and stock exchanges are not likely to be supportive of any serious education initiative – it is against their short term interest. And very few people care about what is good over the long run – society has been conditioned to enjoy the visible today and ignore the unseen tomorrow.

This conflict between the "revenue-focus" of the broker and the "long-term focus" of the investor has decimated the image of the mutual fund industry. For investors who wished to gain a long term exposure to stock markets - but did not have the time or inclination to deal with a broker - equity mutual funds were seen as an elegant solution. This led to a conflict. The army of people manning the distribution outposts preferred to sell products with higher commission – and suggested "flipping" mutual funds. Each sale and each "flip" generated a commission. What the investor needed was a basket of a few, good mutual funds to invest in for the long term. However, if the distribution channel was to pick a basket of maybe 10 equity mutual funds with a 10 year view for the investor, that would suggest a loss of a potential revenue stream from that investor. This is not appealing for the distributors and for the

elephants that dance to their tune: many of the mutual fund houses with their focus on "size of AuM". Regulators continue to set up committees to find ways to revive the mutual fund industry. Many of these committees are populated by those who are a part of the problem.

The field of finance, globally, is stacked against the retail investor. India is no different. The financial services industry needs a daily dose of revenue (the commission they earn from making you trade) to fund the salaries that have grown 100x since 1990. If you have any doubt on the length the financial services industry has been willing to stoop to in order to defend their rewards at your costs, please watch the documentaries "The Inside Job" and "Capitalism: A Love Story". You should also read the many books that have been written about how investors were duped in the technology bubble and in the more recent mortgage bubble which burst in 2008. When accepting the Oscar Award for the Best Documentary Film of 2010, Mr Charles Ferguson, the Producer of "The Inside Job" lamented, "Forgive me, I must start by pointing out that three years after our horrific financial crisis caused by massive fraud, not a single financial executive has gone to jail, and that's wrong."

Quantum Mutual Fund is clear that we will work solely for you and do what we believe is in your best interest. Our team-based, research and investment processes are based on decades of experience of the Sponsor, Quantum Advisors. The aim of Quantum Mutual Fund is to be the most respected mutual fund house and never compromise on our commitment to work for your benefit.

It has been 7 years since we launched our first mutual fund product, Quantum Long Term Equity Fund, and our total Assets under Management across our 8 funds stands at ₹ 200.77 crore as of March 31, 2013 and ₹ 308.39 crore as of June 30, 2013. Our growth in Assets under Management is not a focus - it is a by-product of doing the correct thing. Since March 2009, only 2 mutual fund houses have seen an increase in their total Assets under Management : Quantum Mutual Fund is one of the two. And only 6 mutual fund houses have seen an increase of Assets under Management in their equity schemes: Quantum Mutual Fund is one of them*.

Subbu and I look back on our journey with great satisfaction. We are happy to have chosen the path that no other mutual fund house has chosen. Jimmy Patel, as the CEO of Quantum AMC, continues to lead the charge and carry the "Investor First" flag in an industry obsessed with trying to please the opaque distribution channel. We may stand in a minority of one. But that does not deter us. We know we have your continuing faith to guide us through and that of a growing number of distributors and financial advisors who have signed on to our approach - they recommend our products to clients like you even though we pay these distributors and financial advisors no commission. They deserve your respect for their professional approach - and an advisory fee from you. Goodness must be paid a fair and transparent fee for it to remain in existence. Thank you for your support and confidence in our very un-traditional approach to looking after your savings. We are honoured to work for you - and with you - as custodians of your savings. May the means always be more important than the end.

*Data Source - Accord Fintech

Methodology - Total and Equity AUM figures of all Asset Management Companies (AMC) were extracted from March 2009 to March 2013. Y-O-Y percentage change in AUM for all the AMCs were calculated. This data was then filtered on the basis of AMCs having positive change in Total & Equity AUM. The AMCs with positive changes in both parameters were considered.

Product Label

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(BROWN)- High risk: Quantum Long Term Equity Fund (An Open-ended Equity Scheme)

This product is suitable for investors who are seeking to achieve long term capital appreciation by investing in equity and equity related securities of companies in S&P BSE 200 index. Investors should consult their financial advisers if in doubt whether the product is suitable for them.

(BLUE) - Low risk: Quantum Liquid Fund (An open ended Liquid Scheme)

This product is suitable for investors who are seeking to invest their surplus fund and to receive interest income by investing in debt / money market instruments. Investors should consult their financial advisers if in doubt whether the product is suitable for them.

(BROWN)- High risk: Quantum Gold Fund (An Open-ended Exchange Traded Fund- Gold)

This product is suitable for investors who are seeking to achieve long term returns by investing in physical gold. Investors should consult their financial advisers if in doubt whether the product is suitable for them.

(BROWN)- High risk: Quantum Index Fund (An open ended Exchange Traded Fund)

This product is suitable for investors who are seeking to achieve long term capital appreciation by investing in equity and equity related securities of companies in CNX Nifty Index. Investors should consult their financial advisers if in doubt whether the product is suitable for them.

(BROWN)- High risk: Quantum Tax Saving Fund (An Open ended Equity Linked Savings Scheme)

This product is suitable for investors who are seeking to achieve long term capital appreciation by investing in equity and equity related securities of companies in S&P BSE 200 index and to save tax u/s 80C of the Income Tax Act. Investments in this product are subject to lock in period of 3 years. Investors should consult their financial advisers if in doubt whether the product is suitable for them.

(BROWN)- High risk: Quantum Equity Fund of Funds (An Open-ended Equity Fund of Funds Scheme)

This product is This product is suitable for investors who are seeking to achieve long term capital appreciation by investing in a portfolio of open-ended diversified equity schemes of mutual funds registered with SEBI whose underlying investments are in equity and equity related securities of diversified companies. Investors should consult their financial advisers if in doubt whether the product is suitable for them.

(BROWN)- High risk: Quantum Gold Savings Fund (An open ended Fund of Fund Scheme)

This product is suitable for investors who are seeking to achieve long term returns by investing in a portfolio of gold exchange traded scheme whose underlying investments are in physical gold. Investors should consult their financial advisers if in doubt whether the product is suitable for them.

(YELLOW)- Medium risk: Quantum Multi Asset Fund (An open ended Fund of Funds Scheme)

This product is suitable for investors who are seeking to achieve long term capital appreciation and current income by investing in a portfolio of schemes of Quantum Mutual Fund whose underlying investments are in equity and equity related securities of companies, debt and money market instruments and physical gold. Investors should consult their financial advisers if in doubt whether the product is suitable for them.

Risk may be represented as:

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.UE) investors understand that their ncipal will be at low risk

(YELLOW) investors understand that their principal will be at medium risk

(BROWN) investors understand that their principal will be at high risk

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

(BROWN) - High risk: Quantum Long Term Equity Fund[#] Performance as on March 28, 2013

Mr. Atul Kumar is the fund manager of Quantum Long Term Equity Fund and Quantum Tax Saving Fund.

	Apr 1, 2012 to Mar 28, 2013	Apr 1, 2011 to Mar 30, 2012	Apr 1, 2010 to Mar 31, 2011	Since	Inception**		
	Absolute Returns (%)	Absolute Returns (%)	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of ₹10,000/-(INR)		
Quantum Long Term Equity Fund (Growth Option)	8.97%	-1.50%	19.03%	13.42%	24,300		
Scheme Benchmark - (S&P BSE 30 TRI)	10.13%	-9.16% 12.53% 9.73%		-9.16% 12.53%		12.53% 9.73%	
Additional Benchmark - (S&P BSE Sensex)	8.23%	-10.50%	10.94%	8.20%	17,435		

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 ₹ 10 invested at inception. Mr. Nilesh Shetty is Associate Fund Manager of Quantum Long Term Equity Fund.

(BROWN) - High risk: Quantum Tax Saving Fund[#] Performance as on March 28, 2013

Mr. Atul Kumar is the fund manager of Quantum Tax Saving Fund and Quantum Long Term Equity Fund

	Apr 1, 2012 to Mar 28, 2013	Apr 1, 2011 to Mar 30, 2012	Apr 1, 2010 to Mar 31, 2011	Since	Inception**
	Absolute Returns (%)	Absolute Returns (%)	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of ₹10,000/-(INR)
Quantum Tax Saving Fund (Growth Option)	8.98%	-1.73%	17.56%	22.80%	24,017
Scheme Benchmark - (S&P BSE 30 TRI)	10.13%	-9.16%	12.53%	18.52%	20,645
Additional Benchmark - (S&P BSE Sensex)	8.23%	-10.50%	10.94%	16.87%	19,445

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

Please refer to Page (II) for details on Product Label.

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

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(BLUE) - Low risk: Quantum Liquid Fund[#] Performance as on March 28, 2013

Mr. Arvind Chari is the fund manager of Quantum Liquid Fund and Quantum Equity Fund of Funds.

	Quantum Liquid Fund -(Growth Option)	Scheme Benchmark - (Crisil Liquid Fund Index)	Additional Benchmark - (Crisil 1 year T-Bill index)
7 days ^s	8.13%	7.87%	10.54%
15 days ^{\$}	8.28%	8.10%	11.55%
30 days ^s	7.93%	8.25%	9.78%
April 01, 2012 to Mar 28, 2013 ^{ss}	8.79%	8.17%	8.33%
April 01, 2011 to Mar 30, 2012 ^{ss}	9.05%	8.44%	6.59%
April 01, 2010 to Mar 31, 2011 ^{ss}	6.68%	6.21%	3.86%
Since Inception**			
CAGR Returns (%)	7.50%	6.99%	5.76%
Current value of standard investment of ₹ 10,000/-(INR)	16,569	16,024	14,781

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 - April 7, 2006. Since inception returns are calculated on NAV of ₹ 10 invested at inception.

\$ Simple Annualised Returns. \$\$ Absolute Returns.

(BROWN) - High risk: Quantum Equity Fund of Funds[#] Performance as on March 28, 2013

Mr. Arvind Chari is the fund manager of Quantum Equity Fund of Funds and Quantum Liquid Fund.

	Apr 1, 2012 to Mar 28, 2013	Apr 1, 2011 to Mar 30, 2012	Apr 1, 2010 to Mar 31, 2011	Since	Inception**
	Absolute Returns (%)	Absolute Returns (%)	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of ₹10,000/-(INR)
Quantum Equity Fund of Funds - (Growth Option)	4.86%	-5.66%	12.22%	9.60%	14,028
Scheme Benchmark - (S&P BSE 200 Index)	6.03%	-9.28%	8.15%	8.15% 5.94%	
Additional Benchmark - (S&P BSE Sensex)	8.23%	-10.50%	10.94%	6.00%	12,399

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 - July 20, 2009. Since inception returns are calculated on NAV of ₹ 10 invested at inception.

Please refer to Page (II) for details on Product Label.

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

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(BROWN) - High risk: Quantum Gold Fund[#] Performance as on March 28, 2013

Mr. Chirag Mehta is the fund manager of Quantum Gold Fund and Quantum Gold Savings Fund and Quantum Multi Asset Fund.

	Apr 1, 2012 to Mar 28, 2013	Apr 1, 2011 to Mar 30, 2012	Apr 1, 2010 to Mar 31, 2011	Since Inception**	
	Absolute Returns (%)	Absolute Returns (%)	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of ₹10,000/-(INR)
Quantum Gold Fund (Growth Option)	3.85%	34.90%	25.71%	18.53%	23,803
Scheme Benchmark - (Domestic price of physical Gold)	4.89%	36.24%	26.99%	19.01%	24,303

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 ₹ 100 invested at inception.

As Quantum Multi Asset Fund has not completed 1 year on March 28, 2013, the performance details have not been shown.

(BROWN) - High risk: Quantum Gold Savings Fund[#] Performance as on March 28, 2013

Mr. Chirag Mehta is the fund manager of Quantum Gold Savings Fund and Quantum Gold Fund and Quantum Multi Asset Fund.

	April 01, 2012 to March 28, 2013	Since Inception**				
	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of ₹10,000/-(INR)			
Quantum Gold Savings Fund	4.27%	16.04%	13,194			
Scheme Benchmark - (Domestic price of Gold)	4.89%	18.15%	13,643			

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 - May 19, 2011. Since inception returns are calculated on NAV of ₹ 10 invested at inception. As Quantum Multi Asset Fund has not completed 1 year on March 28, 2013, the performance details have not been shown.

(BROWN) - High risk: Quantum Index Fund[#] Performance as on March 28, 2013

Mr. Hitendra Parekh is the fund manager of Quantum Index Fund.

	April 01, 2012 to March 28, 2013	April 01, 2011 to March 30, 2012	April 01, 2010 to March 31, 2011	Since Inception**	
	Absolute Returns (%)	Absolute Returns (%)	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of ₹10,000/-(INR)
Quantum Index Fund (Growth Option)	8.51%	-8.26%	11.65%	8.30%	14,572
Scheme Benchmark - (CNX Nifty-Total Return Index)	8.72%	-8.18%	12.36%	8.03%	14,397
Additional Benchmark - (S&P BSE Sensex)	8.23%	-10.50%	10.94%	6.61%	13,525

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 - July 10, 2008. Since inception returns are calculated on NAV of ₹10 invested at inception.

Please refer to Page (II) for details on Product Label. Please refer to Page (XIV) for the complete Statutory Details & Risk Factors.

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Quantum Mutual Fund (QMF)

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	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
AuM (in ₹ Cr) (As on year end)	11.26	60.45	64.22	57.84	98.77	134.53	200.77	293.58
Folio (Nos) (As on year end)	798	1,671	2,602	4,446	7,124	13,359	23,466	35,858
No. of Products (As on year end)	1	2	3	5	6	6	7	8
Distributor Commission (₹) (For the year)	0	0	0	0	0	0	0	0

(BROWN) - High risk: Quantum Long Term Equity Fund[#] (QLTEF)

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	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
AuM (in ₹ Cr) (As on year end)	11.26	30.45	40.18	22.79	50.86	73.78	108.42	164.26
Folio (Nos) (As on year end)	798	1,560	1,833	1,962	2,349	5,172	9,595	14,143
Expense Ratio (%) (For the year)	2.50	2.48	2.50	2.50	2.18	1.53	1.29	1.25
Distributor Commission (₹) (For the year)	0	0	0	0	0	0	0	0
Sharpe Ratio (Since inception)	0.48	0.03	0.04	(0.08)	0.21	0.06	0.62	0.59
PortfolioTurnover (%) (For the year)	0	14.13	30.72	16.30	36.56	45.92	14.65	15.44
Brokerage Paid (%) to Average net asset (For the year) *	0.07	0.25	0.14	0.09	0.16	0.21	0.13	0.07

(BROWN) - High risk: Quantum Tax Saving Fund[#] (QTSF)

	2008-09	2009-10	2010-11	2011-12	2012-13
AuM (in ₹ Cr) (As on year end)	0.46	1.62	3.70	6.43	11.23
Folio (Nos) (As on year end)	235	464	1,024	1,759	2,963
Expense Ratio (%) (For the year)	0.68	2.50	1.62	1.29	1.25
Distributor Commission (₹) (For the year)	0	0	0	0	0
Sharpe Ratio (Since inception)	-0.01	0.21	0.05	1.53	1.33
PortfolioTurnover (%) (For the year)	0	28.98	31.63	14.65	13.16
Brokerage Paid (%) to Average net asset (For the year) *	0.20	0.23	0.25	0.15	0.09

(BROWN) - High risk: Quantum Index Fund[#] (QIF)

	2008-09	2009-10	2010-11	2011-12	2012-13
AuM (in ₹ Cr) (As on year end)	1.13	1.22	1.60	1.68	2.17
Folio (Nos) (As on year end)	371	338	398	416	382
Expense Ratio (%) (For the year)	0.75	0.75	0.62	0.50	0.50
Distributor Commission (₹) (For the year)	0	0	0	0	0
Tracking Error (%) (Since inception)	0.03	0.03	0.03	0.03	0.03
Brokerage Paid (%) to Average net asset (For the year) *	0.23	0.12	0.04	0.01	0.02

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

Data as on financial year ending March 31 for all the above mentioned year.* Brokerage refers to brokerage paid for Investment. Date of Inception / Allotment: **QLTEF:** March 13, 2006. **QTSF:** December 23, 2008. **QIF:** July 10, 2008.

Please refer to Page (II) for details on Product Label. Please refer to Page (XIV) for complete Statutory Details & Risk Factors.

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(BROWN) - High risk: Quantum Gold Fund[#] (QGF)

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
AuM (in ₹ Cr) (As on year end)	3.69	7.96	16.74	28.39	51.69	62.42
Folio (Nos) (As on year end)	638	1,599	3,496	5,820	8,653	13.648
Expense Ratio (%) (For the year)	1.00	1.00	1.00	1.00	1.00	1.00
Distributor Commission (₹) (For the year)	0	0	0	0	0	0
Tracking Error (%) (Since inception)	0.015	0.011	0.003	0.007	0.006	0.006
No. of Kilos (As on year end)	30.00	52.00	101.00	135.00	180.40	207.90
Brokerage Paid (%) to Average net asset (For the year) *	0	0	0	0	0	0

(BROWN) - High risk: Quantum Gold Savings Fund[#] (QGSF)

	2011-12	2012-13
AuM (in ₹ Cr) (As on year end)	4.13	7.46
Folio (Nos) (As on year end)	1,471	2,110
Expense Ratio (%) (For the year)	0.25	0.25
Distributor Commission (₹) (For the year)	0	0
Brokerage Paid (%) to Average net asset (For the year)	0.26	0.09

(BLUE) - Low risk: Quantum Liquid Fund[#] (QLF)

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
AUM (in ₹ Cr) (As on year end)	30.00	20.35	25.50	27.05	24.64	25.71	40.55
Folio (Nos) (As on year end)	111	131	279	294	629	1,100	1,592
Expense Ratio (%) (For the year)	0.44	0.45	0.45	0.37	0.36	0.35	0.37
Distributor Commission (₹) (For the year)	0	0	0	0	0	0	0
Brokerage Paid (%) to Average net asset (For the year)	0	0	0	0.002	0.003	0.003	0.004

(BROWN) - High risk: Quantum Equity Fund of Funds[#] (QEFOF)

	2009-10	2010-11	2011-12	2012-13
AUM (in ₹ Cr) (As on year end)	1.27	2.42	2.71	2.94
Folio (Nos) (As on year end)	201	316	472	471
Expense Ratio (%) (For the year)	0.75	0.75	0.75	0.52
Distributor Commission (₹) (For the year)	0	0	0	0
Brokerage Paid (%) to Average net asset (For the year)	0	0	0	0

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

Data as on financial year ending March 31 for all the above mentioned year.* Brokerage refers to brokerage paid for Investment. Date of Inception / Allotment: **QGF:** February 22, 2008. **QGSF:** May 19, 2011. **QLF:** April 7, 2006. **QEFOF:** July 20, 2009.

Please refer to Page (II) for details on Product Label. Please refer to Page (XIV) for complete Statutory Details & Risk Factors.

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(YELLOW) - Medium risk: Quantum Multi Asset Fund[#] (QMAF)

	2012-13
AUM (in ₹ Cr) (As on year end)	2.54
Folio (Nos) (As on year end)	549
Expense Ratio (%) (For the year)	0.25
Distributor Commission (₹) (For the year)	0
Brokerage Paid (%) to Average net asset (For the year)	0.05

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

Data as on financial year ending March 31 for all the above mentioned year.* Brokerage refers to brokerage paid for Investment. Date of Inception / Allotment: **QMAF:** July 11, 2012.

Details of expenses incurred by AMC during the 2012 - 2013

Details of expenses incurred by AIVIC during the 2012 - 2013 Amount in ₹ Lac						unt in ₹ Lacs		
Particulars	QLTEF	QLF	QGF	QIF	QTSF	QEFOF	QGSF	QMAF
Investor Transaction processing Charges	18.20	2.26	1.41	0.05	1.06	0.34	2.09	0.35
Investment Transaction processing Charges	1.74	1.20	0.73	0.33	0.24	0.02	0.14	0.02
Register & Transfer Fees	6.72	2.32	2.71	0.09	0.59	0.44	0.11	0
Bank charges	0.95	0.88	0.02	0	0.32	0.03	0.08	0
Custody Fees	0.22	3.66	6.71	0.22	0.09	0.35	0.08	0.04
Printing charges	0.05	0.01	0.03	0	0	0	0	0
Other Charges	0.23	0.02	0	0	0	0	0	0
Annual Listing Fees	0	0	1.14	2.27	0	0	0	0
Investor Education & Awareness expenses	2.87	0.73	1.17	0.04	0.18	0.06	0.13	0.04
Total	30.98	11.08	13.92	3.00	2.48	1.24	2.63	0.45
% to Daily average net asset	0.24%	0.33%	0.23%	1.50%	0.31%	0.43%	0.45%	0.21%

Trusteeship fees of ₹17,50,000/- has been paid by the AMC for all the schemes of Quantum Mutual Fund.

Please refer to Page (II) for details on Product Label. Please refer to Page (XIV) for complete Statutory Details & Risk Factors.

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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 against. Benchmark returns refers to returns of these specific benchmarks.

	Fund	Benchmark
(BROWN) - High risk:	Quantum Long Term Equity Fund [#]	S&P BSE 30 Total Return Index
(BROWN) - High risk:	Quantum Tax Saving Fund [#]	S&P BSE 30 Total Return Index
(BROWN) - High risk:	Quantum Equity Fund of Funds [#]	S&P BSE 200 Index
(BLUE) - Low risk:	Quantum Liquid Fund [#]	Crisil Liquid Fund Index
(BROWN) - High risk:	Quantum Gold Fund [#]	Domestic Price of Physical Gold
(BROWN) - High risk:	Quantum Index Fund [#]	CNX Nifty Total Return Index
(BROWN) - High risk:	Quantum Gold Savings Fund [#]	Domestic Price of Gold
(YELLOW) - Medium risk	: Quantum Multi Asset Fund [#]	Crisil Composite Bond Fund Index (40%)+ S&P BSE Sensex Total Return Index (40%) + Domestic price of gold (20%)

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

Distribution 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 ₹ 100 and made a gain of ₹ 300, how well do you think that the profit of ₹ 200 compensated you for the risk you faced while parting with your ₹ 100.

The measure of how well your returns compensate 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.

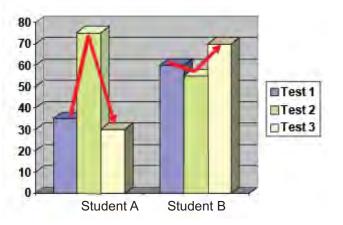
Volatility: Consider this: A and B study mathematics together, Listed below are their examination scores:

	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.

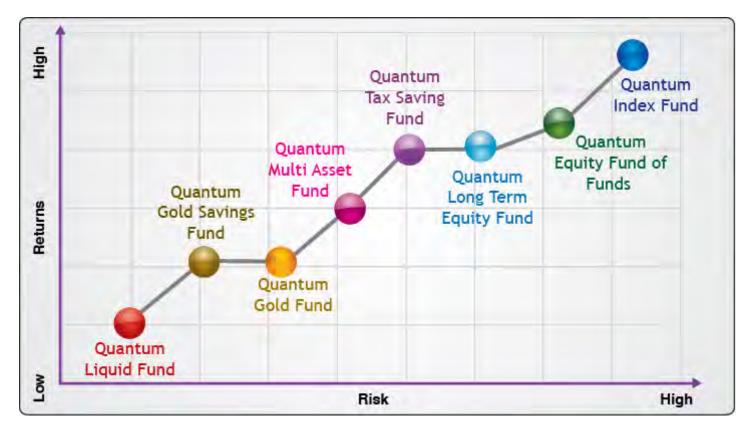
Please refer to Page (II) for details on Product Label. Please refer to Page (XIV) for complete Statutory Details & Risk Factors.



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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, read all scheme related documents carefully.

The various BSE and NSE Indices are compiled on factors such as market cap, trading volume, and a broad sector representation. In doing so, the quality of the management - while admittedly a qualitative judgement - is not considered. This, in our view, represents "risk". For the increased "risk" taken, financial theory suggests that investors should get higher returns. By adding an integrity screen to our investment process, the Quantum Long Term Equity Fund[#] (QLTEF) and the Quantum Tax Saving Fund[#] (QTSF) are attempting to reduce such "risks" - and therefore might generate lower returns. To peruse the performance of our schemes please refer to the Factsheets. Past Performance may or may not be sustained in the future.



Myth: Quantum Mutual Fund is just another Mutual Fund

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



Quantum Mutual Fund - the 29th fund house in India is the first and only direct-to-investor Mutual Fund in the country. We offer simple and easy to understand mutual fund schemes to our investors. We are a low cost fund house because we don't give any commissions to the distributors. Our vision is to serve the investors with highest standards of integrity, ethics and transparency. We invite you to invest with us and be a part of Quantum Family!



SMS: <QUANTUM> TO 9243-22-3863 | Toll Free: 1800 - 209 - 3863 / 1800 - 22- 3863 | Email: CustomerCare@QuantumAMC.com

Mutual Fund investments are subject to market risks, read all scheme related documents carefully. Please refer to page (XIV) for Complete Statutory Detailed and risk factors.

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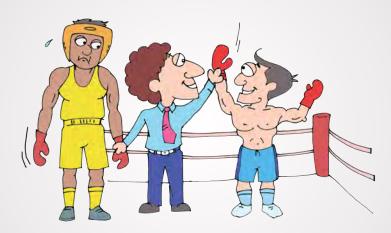
The Quantum Ads: Breaking Myths

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Nyth: Big fund means big returns and small risks

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



There is a misbelief among many investors that size of a mutual fund matters. At Quantum, we believe that this belief has no basis in reality. Here's a simple logic - all mutual funds invest in the stock markets, so they are all equally safe or unsafe. As long as the markets are open, even a small fund can return your money. Look at the investment process of the fund house, and the process they have in place to ascertain the risk you are taking.



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Mutual Fund investments are subject to market risks, read all scheme related documents carefully. Please refer to page (XIV) for Complete Statutory Detailed and risk factors. The Quantum Ads: Breaking Myths

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



Daily trading on stock market is a speculative business and needs a lot of research and financial expertise to time the market correctly. Not everyone is blessed with these abilities and therefore could face a high probability of making losses, thereby risking their savings. At Quantum, we don't advocate speculation. We firmly believe in long term investments and follow an investment process that invests in strong businesses run by sound management teams, so that your savings can be nurtured and strive to deliver good returns for your savings in the long run.



SMS: <QUANTUM> TO 9243-22-3863 | Toll Free: 1800 - 209 - 3863 / 1800 - 22- 3863 | Email: CustomerCare@QuantumAMC.com

Mutual Fund investments are subject to market risks, read all scheme related documents carefully. Please refer to page (XIV) for Complete Statutory Detailed and risk factors.

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Disclaimer, Statutory Details & Risk Factors:

Mutual fund investments are subject to market risks read all scheme related documents carefully.

Please visit – www.QuantumMF.com to read scheme specific risk factors. Investors in the Scheme(s) are not being offered a guaranteed or assured rate of return and there can be no assurance that the schemes objective will be achieved and the NAV of the scheme(s) may go up and down depending upon the factors and forces affecting securities market. Investment in mutual fund units involves investment risk such as trading volumes, settlement risk, liquidity risk, default risk including possible loss of capital. Past performance of the sponsor / AMC / Mutual Fund does not indicate the future performance of the Scheme(s). **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. The Sponsor, Trustee and Investment Manager are incorporated under the Companies Act, 1956.

Scheme Specific Risk Factors: The investors of Quantum Equity Fund of Funds, Quantum Gold Savings Fund and Quantum Multi Asset Fund will bear the recurring expenses, transaction charges and loads if any of the Schemes in addition to the expenses, transaction charges and loads of the underlying Schemes.

Disclaimer of IISL: Quantum Index Fund (QIF) is benchmarked to CNX Nifty Index are not sponsored, endorsed, sold or promoted by India Index Services & Products Limited (IISL). IISL is not responsible for any errors or omissions or the results obtained from the use of such index and in no event shall IISL have any liability to any party for any damages of whatsoever nature (including lost profits) resulted to such party due to purchase or sale or otherwise of such product benchmarked to such index. Please refer SID of the QIF for full Disclaimer clause in relation to the "CNX Nifty Index".

Disclaimer of NSE: It is to be distinctly understood that the permission given by National Stock Exchange of India Limited (NSE) should not in any way be deemed or construed that the Scheme Information Document (SID) of Quantum Gold Fund (QGF) and Quantum Index Fund (QIF) has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the SIDs. The investors are advised to refer to the SID of QGF & QIF for the full text of the Disclaimer clause of NSE.

Annual Report

Purity Test for Gold



Dear Unitholder, Everyone can get "better".

Better doesn't necessarily indicate new. It means improved.

Sometimes (or rather most often) this means regular practice and doing the same work over and over again till the actual performance matches the standard or the benchmark hence helps you to be closer to EXCELLENT. So, why are we telling this to you?

The answer to this is after a period of time, we would like to look back and ask ourselves, just how much value we added to our investors. What did we do to get better? What did we do to make our investor's experience better?

Keeping this in mind, last year we undertook a simple purity test for all the gold held in the Quantum Gold Fund to lay investor's doubts at rest.

We wanted to give a convincing answer to our investors who were repeatedly writing to us about their concerns regarding the purity of gold backing Gold ETFs. We tried to address these concerns by sharing the process that we actually follow for purchasing the gold that backs the Quantum Gold ETF. We told them about how:

- ✓ We purchase gold of only 0.995 finesse or above, sourced only from London Bullion Market Association accredited refiners.
- ✓ We purchase gold that is imported through banking / authorized channels.
- Since the gold is purchased only through authorized channels, there is the assurance 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.

However, going by their own experience or learning from someone else's experience of getting caught with impure physical gold / jewelry and thereby by yielding lower resale value; investors were still hesitant to believe in the purity of gold and the convenience of ETFs. We wouldn't give up, not yet (and probably not ever). We decided to make our answer better. To give them a reason they couldn't refute.

So, we searched 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 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!) Quantum Equipment company had also hired the services of an assayer- Varsha Bullion and Elemental Lab which is a BIS certified hallmarking center to undertake the purity test.

The gold assaying a.k.a purity testing was done using the Karatmeter Mistral, a precious metal 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.

This year too, in a bid to re-affirm our commitment to purity, we have conducted the same exercise.

You would be pleased to know and we are 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. Here is the Assaying Certificate from both the service providers for your reference.

We did not try anything new this time. We simply chose to be consistent. Our decision to have another test this year is our attempt at getting better. This is not a marketing gimmick, not a new technique that would give us "a rush" nor a bid to capture headlines. This is a simple way for our investors to say with full conviction - "We own Quantum Gold ETF units which are backed by PURE gold."

While we get excited about new and exciting avenues, we are also very focused on executing well on a consistent basis. We are not addicted to the climb, we are addicted to excellence.

Regards, Chirag Mehta Fund Manager - Commodities Quantum Gold Fund

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Gold Purity Test Certificate

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

Quantum Equipment Co. Ltd.

Date: 3rd May 2013

Quantum

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 ORA. This is a fast, precise and non destructive 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-AXS Microanalysis GmbH, Germany, has designed & developed OEM kits for karatmeter ORA taking into consideration the latest innovations in X-ray techniques. Bruker-AXS 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 as mentioned in the annexure had purity of 0.995 (995 parts per thousand) and above. The attached annexure provides the details of the test results for purity / fineness of the bars tested identified by the bar nos. mentioned on each bar. We had employed services of "Varsha Bullion & Elemental Analab" for carrying on the task of assaying. Individual bar certificates from the assayer have been separately provided.

Refer Annexure for assaying results.

For Quantum Equipment Co. Pvt Ltd.



www.karatmeter.com



VARSHA BULLION & ELEMENTAL ANALAB

Date: 3rd May 2013

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 analyzer machine known as KaratMeter ORA. This is a fast, precise and non destructive Karat / percentage determination of precious metals and layer thickness using Microspot XRF technology.

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Refer Annexure for assaying results.

For Varsha Bullion & Elemental Analab

Partner / Authorised Signatory

About Varsha Bullion and Elemental Analab.

Varsha Bullion and Elemental Analab is renowned Assaying Center for precious Metals in Mumbai...

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Annual Report 2012 - 2013

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 Mr. Ajit Dayal and Mr. I. V. Subramaniam, directors on the Board of Directors of Quantum Asset Management Company Pvt. Ltd.



Atul Kumar, Sr. Fund Manager (Equity)

Atul Kumar is a fund manager with panache. He has more than a decade's experience in equity research and fund management. Atul's strong dedication and simple yet significant investment style has won accolades for Quantum Long Term Equity Fund. Atul also serves as a Fund Manager for Quantum Tax Saving Fund.

With a Bachelor's Degree in Commerce, CFA qualification and a Post Graduate Diploma in Business Management from ICFAI, Atul's educational background supports his profile of portfolio management. He manages the funds with distinguished efficiency. He also has been a part of various public speaking events including Quantum's 'Path to Profit', where he interacts with investors and answers questions with respect to his funds.

Prior to joining Quantum AMC's Equity Research and Fund Management team in 2005, he has worked with Sahara AMC and K.R. Choksey Shares and Securities Pvt. Ltd.



Arvind Chari, Sr. Fund Manager (Fixed Income)

Arvind Chari is currently the Sr. Fund Manager fixed income and has over 10 years of experience in Indian fixed income markets across dealing, research and portfolio management. Arvind joined Quantum in 2004 as a Research Analyst to build the fixed income and macro economy research function and also to help develop fixed income products for Quantum Mutual Fund. He was appointed as the Fund Manager in 2007. Prior to joining Quantum, from 2002 to 2004, he gained experience at Tower Capital and Securities Pvt Ltd and KJMC Capital Markets Pvt Ltd as a dealer in the Indian government bond markets. Arvind holds a Masters in Commerce (M.Com) and Masters in Management Studies (MMS) from the Mumbai University.

Arvind manages the Quantum Liquid Fund and Quantum Equity Fund of Funds.



Chirag Mehta, Fund Manager (Commodities)

Chirag Mehta holds CAIA (Chartered Alternative Investment Analyst) and MMS in Finance. His association with Quantum began in 2006, where he joined as an Assistant Analyst – Commodities. Chirag's consistent and commendable performance helped him grow to the position of a Fund Manager – Commodities in 2009.

Chirag has many years of experience in handling commodities. Prior to joining Quantum, he completed his internship with Kotak & Co. Ltd where he gained insights into commodities physical trading, hedging and the futures markets. He has also been part of Federation of Indian Commodity Exchanges (FICE). He regularly writes for the Golden Truth Newsletter of Quantum Mutual Fund and addresses public speaking events almost twice a month. He is frequently featured across all the media channels for his views on the commodities market. Chirag manages Quantum Gold Fund, Quantum Gold Savings Fund and Quantum Multi Asset Fund.



Nilesh Shetty, Associate Fund Manager (Equity)

Qualified as an MMS in Finance, CFA Charter and an Associate Member of CPA (AICPA, New Hampshire board) Nilesh Shetty is the Associate Fund Manager for Quantum Long Term Equity Fund.

With several years of experience in equity research, managing funds and developing portfolios, Nilesh was earlier associated with the Edelweiss group and has tracked varied sectors in his previous work assignments.



Hitendra Parekh, Fund Manager (Equity)

Hitendra Parekh has almost two decades of experience in 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 manages the Quantum Index Fund.

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BOARD OF DIRECTORS	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	Chairman	Mr. Ajit Dayal	Chairman	
Mr. Hormazdiyaar Vakil	Director	Mr. S.R.Balasubramanian	Director	
Mr. Suresh Lulla	Director	Mr. C. Srinivasan	Director	
Mr. Surjit Banga	Director	Mr. I. V. Subramaniam	Director	
		Mr. Kamal Pande	Director	

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Quantum Mutual Fund

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MUTUAL FUND Profit with Process

TRUSTEE'S REPORT TO THE UNITHOLDERS OF QUANTUM MUTUAL FUND FOR THE FINANCIAL YEAR ENDED MARCH 31, 2013

Dear Unitholders,

We are pleased to present to you the Eighth Annual Report of Quantum Mutual Fund along with the audited financial statements of its Schemes for the Financial Year ended March 31, 2013.

Schemes of Quantum Mutual Fund

Quantum Mutual Fund launched its first Scheme "Quantum Long Term Equity Fund" – an open ended equity Scheme and completed its allotment of units on March 13, 2006.

As on March 31, 2013, Quantum Mutual Fund has 8 Schemes:

Sr. No.	Scheme Name	Inception Date
1.	Quantum Long Term Equity Fund	March 13, 2006
2.	Quantum Liquid Fund	April 07, 2006
3.	Quantum Gold Fund	February 22, 2008
4.	Quantum Index Fund	July 10, 2008
5.	Quantum Tax Saving Fund	December 23, 2008
6.	Quantum Equity Fund of Funds	July 20, 2009
7.	Quantum Gold Savings Fund	May 19, 2011
8.	Quantum Multi Asset Fund	July 11,2012

During the financial year ended March 31, 2013, Quantum Mutual Fund has achieved continued growth in assets under management and in its investor base.

The total Assets under Management (AuM) as on March 31, 2013 was ₹ 293.58 crores. This indicates an AuM growth of 46% from an AuM of ₹ 200.77 crores as on March 31, 2012.

The total number of folios in Quantum Funds as on March 31, 2013 was 35,858. This indicates an investor base growth of 53% from 23,466 folios as on March 31, 2012.

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INVESTMENT OBJECTIVES, POLICY, PERFORMANCE, FUTURE OUTLOOK AND OPERATIONS OF THE SCHEMES.

1.

(a) Quantum Long Term Equity Fund – An Openended 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 S&P 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, 2013		
Assets under Management	₹ 164.26 crores	
No. of folios in the Scheme	14,143	

Performance of the Quantum Long Term Equity Fund v/s Benchmark – S&P BSE 30 TRI v/s Additional Benchmark – S&P BSE Sensex as on March 28, 2013

	April 01,	April 01,	April 1,		
	2012 to	2011 to	2010 to	Since Inception**	
	March 28,	March 30,	March 31,		
	2013	2012	2011		
	Absolute	Absolute	Absolute	CAGR	Current
	Returns	Returns	Returns	Returns	value of
	(%)	(%)	(%)	(%)	standard
					investment
					of ₹
					10,000/-
					(INR)
Quantum	8.97%	-1.50%	19.03%	13.42%	24,300
Long Term					
Equity					
Fund -					
(Growth					
Option)					
Scheme	10.13%	-9.16%	12.53%	9.73%	19,245
Benchmark					
- (S&P BSE					
30 TRI)	0.220/	10 500/	10.040/	0.200/	47.425
Additional	8.23%	-10.50%	10.94%	8.20%	17,435
Benchmark					
- (S&P BSE					
Sensex)					

Past performance may or may not be sustained in the future.

**Date of Inception - March 13, 2006.

NAV of the Quantum Long Term Equity Fund v/s Benchmark – S&P BSE 30 TRI v/s Additional Benchmark – S&P BSE Sensex



Past performance may or may not be sustained in the future.

PERFORMANCE ANALYSIS

Over the last financial year the Scheme has delivered a return of 8.97% while the benchmark delivered a return of 10.13%.

The Scheme follows a bottom up research driven investment process, as a result there was higher cash holding which affected performance during the run up in Indian stock markets. Heavy FII money inflows lead to a jump in select momentum stocks, which the Scheme may not own.

(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, 2013		
Assets under Management	₹ 40.55 crores	
No. of folios in the Scheme	1,592	

Performance of the Quantum Liquid Fund v/s Benchmark – CRISIL Liquid Fund Index v/s Additional Benchmark – Crisil 1 year T-bill Index as on March 28, 2013

	Quantum Liquid	Scheme	Additional
	Fund - (Growth	Benchmark	Benchmark -
	Option) %	-(Crisil Liquid	(Crisil 1 year
		Fund Index) %	T-Bill index)
7 days ^s	8.13 %	7.87 %	10.54 %
15 days ^{\$}	8.28 %	8.10 %	11.55 %
30 days ^{\$}	7.93 %	8.25 %	9.78 %

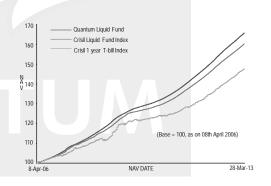
	Quantum Liquid Fund - (Growth Option) %	Scheme Benchmark - (Crisil Liquid Fund Index) %	Additional Benchmark - (Crisil 1 year T-Bill index) %
April 01, 2012 to Mar 28, 2013 ^{ss}	8.79 %	8.17 %	8.33 %
April 01, 2011 to Mar 30, 2012 ^{\$\$}	9.05 %	8.44 %	6.59 %
April 01, 2010 to Mar 31, 2011 ⁵⁵	6.68 %	6.21 %	3.86 %
Since Inception**			
CAGR Returns (%)	7.50 %	6.99 %	5.76 %
Current value of standard investment of ₹ 10,000/- (INR)	16,569	16,024	14,781

Past performance may or may not be sustained in the future.

**Date of Inception - April 07, 2006

\$ Simple Annualised yield, \$\$ Absolute Returns

NAV of the Quantum Liquid Fund v/s Benchmark – Crisil Liquid Fund Index v/s Additional Benchmark – Crisil 1 year T-bill Index



Past performance may or may not be sustained in the future.

PERFORMANCE ANALYSIS

The Scheme's primary focus on maintaining liquidity and ensuring safety of capital continues, leading to a high quality and liquid portfolio which offers the investors an alternative to invest their savings into the Scheme for better returns.

Since July 1, 2012, the Scheme is the first in the country to act upon the fair valuation guidelines laid down by SEBI under which, the assets of the Scheme were moved to being marked – to – market on a daily basis from being amortized. This resulted

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NAV of the Quantum Gold Fund v/s Benchmark

in a marginal increase in the volatility of the NAV and daily performance but has also ensured that the NAV is a true representation of the underlying assets and treats all investors fairly.

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

Investment Objective of Quantum Gold Fund - ETF (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, 2013			
Assets under Management	₹ 62.42 crores		
No. of folios in the Scheme	13,648		

Performance of the Quantum Gold Fund v/s Benchmark – Domestic Price of Physical Gold as on March 28, 2013

	April 1, 2012 to March 28, 2013	April 01, 2011 to March 30, 2012	April 01, 2010 to March 31, 2011	Since Inc	eption**	
	Absolute Returns (%)	Absolute Returns (%)	Absolute Returns (%)	CAGR Returns (%)	Current value of standard	
					investment of ₹ 10,000/- (INR)	
Quantum Gold Fund - (Growth Option)	3.85%	34.90%	25.71%	18.53%	23,803	
Scheme Benchmark - (Domestic price of	4.89%	36.24%	26.99%	19.01%	24,303	
Physical Gold)						

Past performance may or may not be sustained in the future.

**Date of Inception - February 22, 2008.



Past performance may or may not be sustained in future.

PERFORMANCE ANALYSIS

Since Inception, the Scheme has delivered 18.53% p.a. returns as compared to the benchmark returns of 19.01% p.a. over the same period. The Scheme continues to be managed in a passive manner. As at March 31, 2013, 100% of the net assets of the Scheme were invested in physical gold.

The Scheme invests in physical gold in the domestic market and continues to track the spot price of gold in the domestic market while aiming to keep the tracking error as low as possible at all times.

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

Investment Objective of Quantum Index Fund (QIF) is to invest in stocks of companies comprising 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 CNX Nifty Index with the intention of minimizing the performance differences between the Scheme and the 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, 2013		
Assets under Management	₹2.17 crores	
No. of folios in the Scheme	382	

Performance of the Quantum Index Fund v/s Benchmark –CNX Nifty -Total Return Index v/s Additional Benchmark – S&P BSE Sensex as on March 28, 2013

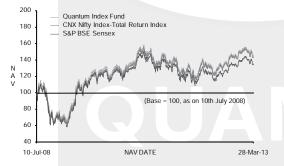
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	April 01, 2012 to March 28, 2013	April 01, 2011 to March 30, 2012	April 01, 2010 to March 31, 2011	Since Inc	eption**
	Absolute Returns (%)	Absolute Returns (%)	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of ₹ 10,000/- (INR)
Quantum Index Fund - (Growth Option)	8.51%	-8.26%	11.65%	8.30%	14,572
Scheme Benchmark - (CNX Nifty-Total Return Index)	8.72%	-8.18%	12.36%	8.03%	14,397
Additional Benchmark - (S&P BSE Sensex)	8.23%	-10.50%	10.94%	6.61%	13,525

Past performance may or may not be sustained in the future.

**Date of Inception - July 10, 2008.

NAV of the Quantum Index Fund v/s Benchmark – CNX Nifty Index – Total Return Index v/s Additional Benchmark – S&P BSE Sensex



Past performance may or may not be sustained in the future.

PERFORMANCE ANALYSIS

Since Inception, the Scheme has delivered 8.30% p.a. returns as compared to the benchmark returns of 8.03% p.a. over same period. The Scheme has given better returns as compared to the benchmark due to dividends received from underlying stocks; the Scheme replicates the underlying CNX Nifty very closely by maintaining the average cash level at a very minimal level. The investment team will continue to manage the Scheme in a passive manner with an aim to keep the tracking error as low as possible.

QUANTUM MUTUAL FUND

(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 S&P 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, 2013			
Assets under Management	₹ 11.23 crores		
No. of folios in the Scheme	2,963		

Performance of the Quantum Tax Saving Fund v/s Benchmark – S&P BSE 30 TRI v/s Additional Benchmark- S&P BSE Sensex as on March 28, 2013

	April 01, 2012 to March 28, 2013	April 01, 2011 to March 30, 2012	April 01, 2010 to March 31, 2011	Since Inc	eption**
	Absolute Returns (%)	Absolute Returns (%)	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of ₹ 10,000/- (INR)
Quantum Tax Saving Fund - (Growth Option)	8.98%	-1.73%	17.56%	22.80%	24,017
Scheme Benchmark - (S&P BSE 30 TRI)	10.13%	-9.16%	12.53%	18.52%	20,645
Additional Benchmark - (S&P BSE Sensex)	8.23%	-10.50%	10.94%	16.87%	19,445

Past performance may or may not be sustained in the future.

**Date of Inception - December 23, 2008.

Process

ANNUAL REPORT 2012-2013

March 28, 2013

NAV of the Quantum Tax Saving Fund v/s Benchmark – S&P BSE 30 TRI v/s Additional Benchmark- S&P BSE Sensex



Past performance may or may not be sustained in the future.

PERFORMANCE ANALYSIS

Over the last financial year the Scheme has delivered a return of 8.98% while the benchmark delivered a return of 10.13%.

The Scheme follows a bottom up research driven investment process, as a result there was higher cash holding which affected performance during the run up in Indian stock markets. Heavy FII money inflows lead to a jump in select momentum stocks, which the Scheme may not own.

(f) Quantum Equity Fund of Funds – An Openended 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 openended 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, 2013				
Assets under Management	₹ 2.94 crores			
No. of folios in the Scheme	471			

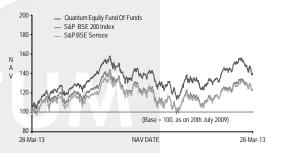
Performance of the Quantum Equity Fund of Funds v/s Benchmark – S&P BSE 200 Index v/s Additional Benchmark – S&P BSE Sensex as on

	April 01, 2012 to March 28, 2013	April 01, 2011 to March 30, 2012	April 01, 2010 to March 31, 2011	Since Inc	eption**
	Absolute Returns (%)	Absolute Returns (%)	Absolute Returns (%)	CAGR Returns (%)	Current value of standard investment of ₹ 10,000/- (INR)
Quantum Equity Fund of Funds - (Growth Option)	4.86%	-5.66%	12.22%	9.60%	14,028
Scheme Benchmark - (S&P BSE 200 Index)	6.03%	-9.28%	8.15%	5.94%	12,377
Additional Benchmark - (S&P BSE Sensex)	8.23%	-10.50%	10.94%	6.00%	12,399

Past performance may or may not be sustained in the future.

**Date of Inception - July 20, 2009.

NAV of the Quantum Equity Fund of Funds v/s Benchmark – S&P BSE 200 Index v/s Additional Benchmark – S&P BSE Sensex



Past performance may or may not be sustained in the future.

PERFORMANCE ANALYSIS

The detailed quantitative process being applied to select the good performing Schemes has resulted in the fund continuing to perform better than its stated benchmark.

old Savings Fund - An Open ended

(g) Quantum Gold Savings Fund – An Open ended Fund of Funds Scheme

Investment objective of Quantum Gold Savings Funds (QGSF) is to provide capital appreciation by predominantly investing in units of Quantum Gold Fund – Exchange Traded Fund. The performance of the Scheme may differ from that of Quantum Gold Fund and the domestic prices of gold due to expenses and certain other factors. There can be no assurance or guarantee that the investment objective of the Scheme will be achieved.

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

For QGSF, as on March	31, 2013
Assets under Management	₹ 7.46 crores
No. of folios in the Scheme	2,110

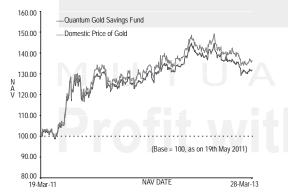
Performance of the Quantum Gold Savings Funds v/s Benchmark – Domestic Price of Gold as on March 28, 2013

	April 1,2012, to March 28, 2013	Since Inception**		
	Absolute Returns (%)	CAGR Returns (%)	Current value of standard	
			investment of ₹ 10,000/-(INR)	
Quantum Gold Savings Fund - (Growth Option)	4.27%	16.04%	13,194	
Scheme Benchmark - (Domestic price of Gold)	4.89%	18.15%	13,643	

Past performance may or may not be sustained in the future.

**Date of Inception - May 19, 2011.

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



Past performance may or may not be sustained in the future.

PERFORMANCE ANALYSIS

The Scheme has underperformed the benchmark partly on account of expense accruals of the Scheme and of the underling Scheme i.e. Quantum Gold Fund. Underperformance could also be attributed to the mismatches of timing between fund inflows and actual deployment.

QUANTUM MUTUAL FUND

The Scheme continues to be managed in a passive manner deploying most of the clear balances on a daily basis. Over a period of time the losses due to timing mismatch of fund inflows and availability of funds would be set off by possible gains as prices move over cycles.

(h) Quantum Multi Asset Fund – An Open ended Fund of Funds Scheme

Investment Objective of Quantum Multi Asset Fund (QMAF) is to generate modest capital appreciation while trying to reduce risk (by diversifying risks across asset classes) from a combined portfolio of equity, debt/money markets and Gold Schemes of Quantum Mutual Fund .The Scheme may invest in the units of debt/money market Schemes of other mutual funds to gain exposure to debt as an asset class to manage any investment and regulatory constraints that arise /that prevent the Scheme from increasing investments in the Schemes of Quantum Mutual Fund. There can be no assurance that the investment objective of the Scheme will be realized.

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

For QMAF, as on Marc	For QMAF, as on March 31, 2013			
Assets under Management	₹ 2.54 crores			
No. of folios in the Scheme	549			

Since the Scheme has not completed one year, the performance details have not been provided.

EQUITY MARKET REVIEW AND OUTLOOK

Market Review, as reported by the equity team at Quantum AMC:

The world continued to grapple with geo political tensions, subdued economic growth, and financial problems in the fiscal year ending March 31, 2013.

The nuclear tension related to North Korea and Iran and resulting sanctions, the ongoing crisis in Syria, Israel's concerns on Syria and Iran, tensions in the South China sea and between China and Japan over small islands and, closer home, China's incursions in India dominated the headlines.

Post the financial crisis, growth remained anaemic in most parts of the world. Europe has been grappling with problems with many members struggling to contain their fiscal deficit. Cyprus banks' depositors had to pay a heavy price to correct the economic excesses of a country whose business model was to be a tax haven. The US stock markets reached a new high, but there are questions on the quality of growth: the benefits seem to be disproportionately distributed in favour of the upper 3% of society and not the public at large. The number of people living off food stamps touched a record high of 48 million (1 in 6 people) in the US. Growth in emerging markets, including the much hyped BRICS countries, has slowed drastically. Major economies including US, Europe and now Japan continue to follow a loose monetary policy, opting to print over USD 200 billion dollars every month to kickstart the economy, rather than taking long term corrective action on pension and health care benefits for their ageing populations.

Real rate of growth in GDP in India declined significantly to a 5.1% p.a. Corruption in public office remains a major concern with new cases emerging almost every week. There were a number of civil society protests related to citizen's security and corruption. Supreme Court of India and CAG came down heavily on some of Government's arbitrary decision making. Rule-based and transparent system seems to be the need of the hour and is imperative to fix many of country's problems. Decision making slowed down considerably hurting investments, though there was some improvement with a new Finance Minister taking charge in the middle of fiscal 2013. In recent months, the announcement of FDI in retail, the postponement and clarity around tax evasion and GAAR, and policies to speed up Infra projects have soothed investors' nerves. Measures to free the controlled prices of oil products and electricity tariffs should help reduce budget deficits. The Union Budget was positive to the extent it stayed away from populist measures to cater to upcoming Parliamentary elections. Despite the challenges in fiscal 2013, Indian equity market turned positive with the Sensex giving a return of 8.2% compared to a negative return of -10.5% for the fiscal year ending March 2012. There has been a slowdown in growth of corporate profitability given the slowing domestic economy and lower export demand. Indian Stock markets have benefited from global money flows on account of reform measures undertaken by the Government. The decline in commodity prices, including crude oil and gold, which could reduce India's trade deficit led to a market rally. FII net inflows into India for the fiscal year 2013 were USD 26.07 Bn as against USD 9.01 Bn in fiscal 2012 – a sharp rise of 189%. However, the rupee continued to depreciate in the same period and declined 6.7% against the USD on concerns of a rising current account deficit.

India's GDP is unlikely to recover rapidly in fiscal 2014 despite the fact that the Reserve Bank of India has reduced interest rates. The REPO rate now stands at 7.25% which is 125 bps below the cyclical

peak of 8.50%. Wholesale inflation has eased considerably but the more relevant CPI remains stubbornly high at 9%. Corporate profitability growth is likely to remain subdued in near term. The share of Investment to GDP has come down from 30.6% to 29.9% and the same has to improve to get growth back on a higher track. A number of policies including the crucial land acquisition need to be cleared for investment to pick up.

While the team remains cautious in the near term, India continues to remain a promising and fast growing economy (relatively) for some time to come. For two decades, India's GDP has grown comfortably above 6% per annum. The long term assumption of the team of a growth in GDP of 6.5%-7% per annum has not changed. While the services sector has been a major contributor to the GDP growth, industry and agriculture sectors are also likely to be healthy. India has a high share of domestic consumption in GDP with the savings rate at approximately 30% of GDP. These will help India to grow despite the problems around the world. The team's long term concern remains: fewer employment opportunities are being created for the estimated 12 mn youth entering the work force each year. This could create social problems for the country.

Future Outlook:

The equity team at Quantum AMC continues to have a positive outlook for Indian equities. Equity valuations at this point of time look reasonable. The team remains focused on the Quantum philosophy of adopting the bottom up stock selection process and remaining disciplined value managers. The 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 of these businesses to guide them in challenging times such as these.

DEBT MARKET REVIEW AND OUTLOOK

Market Review, as reported by the fixed income team at Quantum AMC:

In the outlook for 2012, the fixed income team had reviewed 2011 as a tough year for fixed income from the perspective of bond traders and institutional investors. Stubborn inflation, high fiscal deficit and an aggressive central bank had led to sharp rise in market interest rates and volatility leading to high losses in bond portfolios. But at the same time, it was a good year for savers in fixed income instruments as fixed deposit rates touched decade highs of above 9%.

According to the team the fiscal year 2012 has been steady. The 10 year government bond yield, the key barometer for long term interest rates, ranged between 7.79% - 8.78%; but the average for the fiscal year was 8.16%. This suggests that market interest rates were reasonable and more importantly moving downward. That is true also for SBI's (State Bank of India) deposit and lending rates which have witnessed a marginal drop of between 25 – 50 basis points or bps (0.25% - 0.5%) during the year.

After the initial 50 bps cut in the Repo rate in April 2012 at the start of the fiscal year, the RBI could deliver further rate cuts only in the January – March 2013 period. The reason for the RBI not reducing rates during the April to December 2012 period was mainly due to inflation and also due to the inconsistency shown by the government on managing the fiscal deficit. The government's decision to alter the tax system for foreign investors in its budget further added to uncertainty. This led to continued volatility in the currency and brought the country close to an external crisis.

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The RBI very rightly kept interest rates steady in order to attract debt capital flows.

Post the appointment of Mr. P Chidambaram as the Finance Minister; the government committed to lowering the fiscal deficit, reduced spending and tried to rein in the rising oil subsidies by steadily increasing diesel prices. The government also passed the bill for the introduction of FDI in retail and aviation. With these decisions the government averted a credit rating downgrade, which then would have placed India in the 'Junk' category and may have led to even more capital outflows and a weaker rupee.

Overall the rupee, despite ending the year higher than its all-time low of 57.30 in June 2012, has remained weak against the dollar as compared to some of its Asian peers and this is despite good foreign inflows into the equity and bond market. This has been due to the fact that the current account deficit – (CAD - difference between exports/imports of goods and services) is still high. **The current account deficit** increasing at around 5% of GDP is for the fixed income team, **the most disappointing factor** of this year. The team expects some improvement in CAD in FY 14 as export orders seem to have picked up in last 3 months and the benefit of rupee depreciation comes into play. The team still believes that the deterioration in the CAD is cyclical and if oil and gold prices fall by 10-20%, the current account deficit can be brought down; easing the funding concern and leading to macro-economic stability and a more stable Rupee.

The team also believes that Inflation could moderate in FY 14 giving RBI and the economy further leeway. WPI inflation ended FY 13 below 6% and the team expects it to remain around the 5.5% - 6.0% range for FY 14. But as inflation moderates and growth remains weak, the team expects RBI to cut its interest rates by a further 50 bps (0,5%) from its March end level of 7.5%. The team hopes that the RBI continues to exercise caution and does not cut interest rates aggressively, as India needs a savings boost. Fixed deposit rates need to be well above the inflation rate this year, to entice savers to invest into FDs and thus increase the deposit growth in the system. Thus, even if inflation falls below 5%, we do not expect aggressive rate cuts by the RBI as it will prove detrimental to the overall macro –economic balance.

RBI may, however, nudge banks to reduce their lending rates. And for that as they did in FY 13, they would infuse liquidity into the system through CRR (Cash Reserve Ratio) cuts and OMOs (Open Market operations – buying of government bonds). With higher liquidity, banks incremental borrowing costs from the market would reduce and help them cut their lending rates without reducing deposit rates by much.

Future Outlook:

Overall, we expect the liquidity situation to be in control during the year and hence expect short term rates to ease even more from March 2013 end levels. Return expectations on liquid funds might need to be kept lower than the last 2 years as the fall in repo rate and easy liquidity would result in short term assets yielding lower returns in F.Y. 2013- 2014. For fixed deposit investors, the rates are lower than last fiscal but the team does not expect the rates to fall much and hence can offer a decent opportunity for investors.

GOLD MARKET REVIEW AND OUTLOOK

Market Review, as reported by the equity team at Quantum AMC:

Gold prices have seen in a correction after setting record highs above the USD1900 an ounce mark. However, recently the team has witnessed a sharp selloff in gold – the biggest in the last 30 years.

Prices fell heavily in what could be termed as a speculative sell off. With the lack of immediate triggers, gold became a haven for short sellers. As investors started selling gold heavily, gold prices didn't even seemingly respond to fundamental news which would have earlier, sparked a rally in gold. However, the extent of fall was short lived and prices rebounded due to a surge in the purchase of physical gold.

The team believes that the prices of gold fell dramatically due to a deflation scare which led to panic selling, even by other ETF's. There was also the mistaken belief that the bull-run in gold is over and that the price of gold had reached its zenith, and the only way for gold prices now is down.

The team firmly believes that this short term fall in prices doesn't take the sheen away from gold. Macro economic factors still favour a holding in gold since the recovery of the US economy is not as robust as the US Fed would have the people believe. 1 out of every 6 Americans is reliant on food stamps and the Labour participation rate has fallen significantly. What is becoming increasingly clear is that the economic data of the US is showing signs of further deterioration.

A deteriorating economy combined with the possibility of the US Fed restraining from releasing further monetary stimuli; increases the probability of deflation. The team also notes that falling commodity prices could be yet another indication of failed policy that could well set the stage for further acceleration in monetary expansion. The prices of gold and copper indicate that inflation is still not on the horizon and until more 'action' is seen from central banks. Therefore, gold may continue to be sold until we see further action from the central banks. However, with the first signs of monetary debasement, gold will start moving up again.

Another reason that might prompt speculators to sell gold is the Cyprus issue. Cyprus is likely to sell gold to partly fund its financing requirement. Given that the gold holding of Cyprus is small, it should not be a cause for worry or concern. The issue here is that the Cyprus 'template' may be extended to other countries seeking bailout, which means that financially troubled countries would be forced to sell their gold holdings to partly fund their bailout. This assumption brings a potential supply overhang and thus a reason to sell gold.

However, if many countries come for a bailout which implies a scenario where economic conditions would have deteriorated significantly and the current policy making attitude would ensure more monetary intervention thus increasing the appeal to hold gold.

The physical market responded positively to this correction. Traditional markets like India and China saw heavy buying. The spike in demand was so high that physical gold was reported to be in short supply resulting into premiums soaring and delivery times increasing. Many other markets for physical gold like Dubai, Turkey etc. experienced a gold rush.

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Future Outlook:

The rationale for owning gold assets remains simple: global deterioration of sovereign credit and a growing need to debase currencies in order to meet future obligations, whether it's in the U.S., Europe or Japan. The policy of socializing risk with monetary and fiscal policy has adversely affected the balance sheets of the Western world. The World is in a phase of experimental central banking, which could end badly due to the dislocation of capital it has caused through prolonged periods of negative rates.

The policy of printing money, quantitative easing and extraordinary monetary policy accommodation remains in place at the U.S. Fed, the ECB (European Central Bank) and the BOJ (Bank of Japan), — which for now shows no signs of letting up in the foreseeable future. This, though a worrying trend, means that the team is incredibly bullish for gold over the long term.

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 ₹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 Balance Sheet and the Revenue Account of the Schemes forming part of Annual 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. The Significant Accounting Policies form part of the 'Notes to the Accounts' annexed with the Balance Sheet of the Schemes.

SEBI has outlined investment valuation norms for the mutual funds to compute and carry out valuation of its investment in its portfolio under Regulation 47 and Eighth Schedule of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time. Accordingly, SEBI has mandated the mutual funds to value its investments on Principal of Fair Valuation to ensure fair treatment to all investors including existing investors as well as investors seeking to purchase or redeem units of mutual funds in all Schemes at all points of time. The Board of Directors of AMC and of the Trustee Company has approved the Investment Valuation Policy and the framework for valuation of investments of Quantum Mutual Fund in accordance with SEBI Notification dated February 21, 2012 based on principles of fair valuation which is reflective of realizable value of securities/assets and the same has been reviewed regularly.

UNCLAIMED DIVIDENDS & REDEMPTIONS:

4.

5.

There are no unclaimed dividends and redemption proceeds for the year ended March 31, 2013.

Marketing Quantum Mutual Fund – Simple products for all investors; catering to their financial needs

Quantum Mutual Fund continues with its unique style of marketing its products. Quantum Mutual Fund has always believed in the philosophy of wanting investors to buy Quantum Schemes rather than have the Schemes sold to them. All marketing efforts have been focused towards educating investors about the importance of saving and investing in the right mutual fund Scheme at the right time.

In the financial year 2012-2013, Quantum Mutual Fund continued to increase its focus on Investor Education by propagating the "Quantum Equity Direct" (or QED), a free E-Guide to investors which busts myths about the mutual

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fund industry and highlights the Quantum philosophy of investing. The fund house will continue to increase the reader base for its newsletters like the QED and the Golden Truth (Quantum Gold Fund Manager's commentary on gold) through the internet and also support the same through offline activations.

The Fund has also started the practice of sending mailers to investors on regular basis to update them with any regulatory changes / introduction of new facility / changes in any process & procedures etc.

Quantum Mutual Fund also continued with the "Path to Profit" meets, taking the Quantum message to cities like Bangalore, Chennai, Delhi, Hyderabad, Kolkata, Pune and Mumbai. In order to increase Investor Awareness Quantum Mutual Fund has tied up with institutions like the prestigious BSE Investor Protection Fund (BSE IPF) and the National Securities Depository Limited (NSDL) to educate people on how simple investing really is. Going forward, efforts will be continued in spreading this message through such investor education initiatives.

As Trustees we are proud of the fact that Quantum as a fund house continues to grow and being India's first and only fund house to be direct to investor, it has also been applauded by the media, associates, and most importantly by investors.

INVESTOR SERVICES 6.

As on March 31, 2013, Quantum AMC served investors primarily through its invest Online Section on www.QuantumMF.com and also through 201 offices of Karvy Computershare Private Limited. Quantum AMC's own official point of Acceptance (OPAT) in Chennai continues to help expand the AMC's reach in South India.

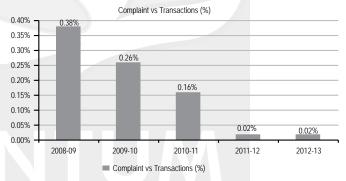
With its continuous focus towards Investor delight, the Investor Relations team has undertaken the following initiatives:

- Investors can reach the AMC any time from Monday 1. to Saturday (except public holidays) from 9:00 A.M. to 9:00 P.M, through the toll free numbers 1800-209-3863 and 800-22-3863 and also through the toll free fax no 1800-22-3864.
- 2. The AMC has started online systematic investment (ISIP) so that investors looking for a regular systematic investment can do the same online without any paper work. ISIP is offered through 19 banks registered with it. To make investment more convenient the AMC continues to offer more services in online mode, such as Online SIP, STP and SWP Cancellation option.
- 3. The AMC continues to offer the pick-up facility for various transactions from 985 locations across India. Investors can call the customer care team and they will arrange for pick of their application form and documents through the dedicated service provider.
- In order to facilitate online investment for its investors. 4 the AMC has activated various modes of payment such as RTGS/NEFT, Debit Card & Pre Paid Card in

units.

- 5 Drop box facility is also provided at various locations in Mumbai to enable the investors to drop their applications for subscriptions, additional subscriptions, redemptions etc. Plans are being put in place by the AMC to extend this facility across India.
- SMS intimation has been activated to Investors for 6. various commercial transactions for an immediate update on the transactions /requests processed. Investors can also SMS 'Help' for any investment related guery.
- 7. For safety and security in online transactions, the website has obtained 256-bit Digital Security Certificate from Verisign, an organization that is considered pioneers in such technology. Quantum AMC is an ISO 27001 Certified Company and implemented ISO/IEC 27001:2005 standard which is designed to ensure the selection of adequate and appropriate security controls that protect information assets thus giving confidence to Investors while transacting Online.

Complaints V/s Transactions Trend and Analysis



Finan-No. of % In-Queries Queries No. of Com Com cial Year Folios Transaccrease in plaints plaint % vs tions Transac-Transac-% vs Transac tions tions Year on tions Year(YOY) 2008-09 4,446 6,570 0.38% 391 5 95% 25 2009-10 7.142 25,583 289% 279 1 09% 67 0.26% 2010-11 13,359 1.62% 1,13,994 346% 1849 182 0.16% 2011-12 23,466 2,59,634 128% 9662 3.72% 50 0.02%

9821

2 74%

78

0.02%

3,58,174 38%

2012-13 35,858

Analysis of Queries and Complaints Vs Transactions and Folio Count for the last 5 Financial years

addition to the net banking option. The AMC has also enabled payment through IMPS or the Interbank Mobile Payment Service for purchase of Mutual Fund

QUANTUM MUTUAL FUND

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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 ₹ 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 Annual report will be sent to unitholders / investors as per the following mode:
 - 1) By email to the unitholders/investors whose email address is available with the AMC/Fund.
 - In physical form to the unitholders / investors whose email address is not available with the AMC/Fund and/or those unitholders / investors who have opted/requested for receipt in physical form.
 - 3) Further, the physical copies of the Annual report shall be made available to the unitholders / investors at the registered office of the AMC and they can also obtain the same on request. The Annual Report shall be displayed on the website of the AMC / Fund.
- d On request, present and prospective unitholders/ investors can obtain copy of the Trust Deed.
- e The Annual Report of the AMC shall be displayed on the website of the AMC /Fund. Unitholders / investors if they so desire, may request for a copy of the Annual Report of the AMC.

8. LIABILITIES AND RESPONSIBILITIES OF TRUSTEE AND SPONSOR

The main responsibility of the Trustee 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 Statement of Additional Information, Scheme Information Document of the respective Schemes. From the information provided to the Ouantum 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. The information contained herein is on the basis of data provided by the AMC to the Trustee Company.

9. DISCLOSURE OF INVESTOR COMPLAINTS

The details of redressal of complaints received against the Fund during the financial year 2012-13 are 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, our Bankers, Payment Aggregators and other service providers. We would also like to thank Quantum Advisors Private Limited - Sponsor, Quantum Asset Management Company Private Limited and its employees 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 and long-term investing.

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

Date: May 30, 2013 Place: Mumbai sd/-

Hormazdiyaar Vakil Director

FUND Process

Annexure A

Redressal of Complaints received against Quantum Mutual Fund during April 2011 - March 2012 and April 2012- March 2013

	2011-2012	2012-2013
No. of Folios as on financial year end	23,466	35,858

Redressal of Complaints received against Quantum Mutual Fund during April 2011 - March 2012 and April 2012- March 2013

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Complaint Code	Type of Complaint#	No of complaints received and resolved during the respective year				ar
		2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
ΙA	Non receipt of Dividend on Units	0	0	0	0	0
ΙB	Interest on delayed payment of dividend	0	0	0	0	0
١C	Non receipt of Redemption Proceeds	0	1	0	1	2
I D	Interest on delayed payment of Redemption	0	0	0	0	0
II A	Non receipt of Statement of Account/Unit Certificate	4	5	36	2	4
II B	Discrepancy in Statement of Account	0	41	131	0	0
II C	Data corrections in Investor details	0	0	0	33	31
II D	Non receipt of Annual Report/Abridged Summary	0	0	0	0	0
III A	Wrong Switch between Schemes	0	0	0	0	0
III B	Unauthorized switch between Schemes	0	0	0	0	0
III C	Deviation from Scheme attributes	0	0	0	0	0
III D	Wrong or excess charges/load	0	0	0	0	0
III E	Non updation of changes viz. address, PAN, bank details, nomination, etc	0	2	0	0	6
IV	Others	21	18	15	14	35
Complaints		25	67	182	50	78
Queries		391	279	1849	9662	9821

Redressal / Resolution of Complaints and Queries received against Quantum Mutual Funds (MF's) for the last 5 Financial Year.

Notes:

The number of transactions during the year has increased by 37.95% as compared to the previous year, however the percentage of complaints to the number of transactions remained same as the Fund initiated various measures to improve the quality of services and thus reduce the complaints.

The Investor Relations team has initiated Welcome calls, ISIP welcome calls, Call for Liquid investments, Redemption verification and confirmation calling, Calls for invest online un successful/failed attempts, Non-commercial transactions related calls, Call back for SMS short code received from existing/prospective investors, IVR related calls and voice mail calls. Call back of Abandoned/unanswered calls for various campaign based calls has been initiated. Tracking of every abandoned call to check the reason for disconnected calls and whether the query for call made is resolved or if any further clarification is required.

The team has initiated various emails to investors like SIP/STP renewal intimations, calling of ISIP pending amount, email requesting for minor related KYC documents, Nominee registration procedure to investors who have invested with us with single mode of holding, email detailing/calling for Date of Birth proof and relationship proof documents for Minor investors as mandated by SEBI. The team has also initiated sending of emails relating to documents not received earlier, seeking feedback from investors for all calls and emails received during the day for further improvement in our services and initiating e-mailers based on feedback. Emails triggered to investors for ensuring compliance on SEBI circular on mis-selling wherein the first time investor is provided information on – (a) applicable NAV for any purchase/switch/redemption under their folio, (b) Exit load, expense ratio and other related expenses of the Scheme in which the investor has invested (c) Risk factors of the Scheme in which the investor has invested.

The necessary action/quality check processes are being 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. Various data verification/cleaning activities are initiated for ensuring mandatory regulatory requirements as well as an initiative to ensure that the communication to investors reaches them on time.

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

Also the team carries out analysis of the queries and complaints to identify the root cause and take remedial action to avoid escalation of queries as a complaint.

Proxy Voting Policy

Quantum Asset Management Company Private Limited ("Asset Management Company /AMC") is the Investment Manager to the Scheme's of Quantum Mutual Fund (the Fund). The AMC has a fiduciary duty to act in the best interest of the scheme(s) / unit holders of the Fund. This responsibility includes exercising voting rights attached to the securities of the companies in which the schemes of the Fund invest ("Investee Company") at the general meetings of the Investee Companies in the best interest of the scheme(s) / unit holders. This Voting Policy shall be applicable to all securities including equity holding across all schemes of the Fund.

SEBI vide its circular No. SEBI / IMD / CIR No.18/198647/2010 dated March 15, 2010 has advised all the Asset Management Companies to disclose general policies and procedure for exercising the voting rights in respect of shares held by the Mutual Funds in the Investee Company and play an active role in ensuring better corporate governance.

In terms of the SEBI Circular the AMC shall disclose the following on its website and in the Annual Report of the Fund from the financial year 2010-11 onwards:

(a) The general policies and procedure for exercising voting rights in respect securities held by the Fund in the Investee Company

(b) The actual exercise of votes in the AGMs / EGMs of the investee companies in the following matters in the format prescribed by SEBI:

- 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.

Voting Guidelines / Philosophy of Voting

The Investment Policy for the schemes of the Fund is to invest in companies which have good business with good management and follows corporate governance norms.

The AMC's policy is to vote for all the "schemes" of the Fund with regard to an "investee company" in the same manner. The AMC will always vote in the best interest of the schemes/unit holders.

All voting decisions are taken by us on a case to case basis. The concerned Research Analyst / Fund Manager at the AMC reviews carefully 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) / unit holders and investment philosophy of the Fund. This decision shall be communicated by the research team to the AMC's back office team who shall then forward this information to the "representative/s" appointed by the Trustee to attend and vote at the 'investee company' meeting.

If there is some serious corporate governance issue in the Investee Company then the AMC will vote against the proposal and in many cases will also exit from the investment.

In case of the Index Scheme the AMC would "Abstain" from voting on matters concerning the Investee Company.

If the AMC decides not to vote on a proposal, the Research Analyst / Fund Manager shall document the reasons for that decision.

Conflicts of Interest

While voting, the AMC will identify any conflicts that exist between the interests of the AMC and the scheme / unit holders. It shall do so by reviewing the relationship of the AMC with the Investee Companies to determine;

- a) If the AMC or any of its employees or schemes has any financial, business or personal relationship with the Investee Company or
- b) Whether the Investee Company is a group company of the AMC or
- c) Whether the Investee Company has investments in the Schemes of the Fund.

Examples of potential conflicts of interest include;

- (a) The AMC / Fund Manager / Research Analysts has a material business relationship with a proponent of a proposal, 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 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).
- (c) The Investee Company has invested more than 5% of the net asset value of a scheme

If a material conflict of interest exists, the Compliance Officer will determine whether it is appropriate to disclose the Key Employee Investment Committee to give the Committee the discretion to vote or to vote according to an independent third party voting recommendation.

Voting Procedure

As per the Companies Act, 1956, a proxy is not entitled to vote except on a poll. At the general meetings, generally a resolution is to be put to vote in the meeting by show of hands at the first instance unless a poll is demanded.

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

The Fund is incorporated / registered as a Trust under the Indian Trust Act and, the Trustee of the Fund is a company formed under the Companies Act 1956. The Trustee being a company can appoints representative to attend the general meetings and vote on the Resolution by show of hands in the general meetings of the Investee Company as per Section 187B of the Companies Act, 1956.

The representative appointed by the Trustee endeavors to attend all the general meetings of the Investee Company and exercised the voting decision of the AMC. In case the resolution is carried out through Postal Ballot the AMC exercised vote on the resolution through the Postal Ballot.

The Agency appointed by the AMC (as representative of the Fund) then picks up the voting instructions given by the back office team and accordingly votes at the general meetings of the Investee Companies.

Recordkeeping

The Back Office Team along with the Research Team of the AMC shall maintain records of the voting and any document the AMC created that was material to making a decision of how to vote on proposals, or that memorializes that decision.

Internal Mechanism to Monitor Policy Implementation

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

The Compliance Team conducts a monitoring exercise every month and submits monitoring report to the Risk Management Committee of the AMC and exception if any to the Board of Directors of AMC & Trustee.



MUTUAL FUND Profit with Process

	PROXY VOTI	NG EXERC	For the Financial Year 2012- SED DURING FINANCIAL YEA	AR ENDED 31st MARCH 2013	
Name of Company	Date	Type of Meeting (AGM / EGM)	Proposal	Management Recommendation	Vote (For / Against / Abstain)
Siemens Limited	11-Apr-12	ССМ	Arrangement of scheme of amalgamation of Siemens power Engineering pvt. Itd	The scrip is part of the Index Scheme and not actively managed.	Abstain
Zee Entertainment Enterprises Ltd	27-Apr-12	EGM	Alteration of Articles of Association	Some of the provisions are routine and others are fair.	For
Ranbaxy Laboratories Ltd	8-May-12	AGM	Adoption of Accounts & Directors and Auditors Report.	The scrip is part of the Index Scheme and not actively managed.	Abstain
			Re appointment of Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed.	Abstain
			To appoint Statutory Auditors of the Company and fix their remuneration.	The scrip is part of the Index Scheme and not actively managed.	Abstain
			Received Mr. Percy K. Shroff, (Director under Casual vacancy), candidature u/s 257 of the Companies Act, 1956. is eligible to be appointed.	The scrip is part of the Index Scheme and not actively managed.	Abstain
			Revision in the Remuneration of Director of the Company	The scrip is part of the Index Scheme and not actively managed.	Abstain
			Revision in the remuneration of Mr. ArunSawhney Director of the Company	The scrip is part of the Index Scheme and not actively managed.	Abstain
HCL Technologies Ltd	28-May-12	PBL	Increase of total holding Foreign Instructional investors in the Company.	The scrip is part of the Index Scheme and not actively managed.	Abstain
			Reappointment of the Mr. Shiv Nadar as MD of the Company for a period of 6 years.	The scrip is part of the Index Scheme and not actively managed.	Abstain
Reliance Industries Limited	7-Jun-12	AGM	Adoption of Accounts & Directors and Auditors Report.	The scrip is part of the Index Scheme and not actively managed.	Abstain
	MU		To declare a dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed.	Abstain
	Pro	fit	Re appointment of Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed.	Abstain
			Appointment of Statutory Auditors of the Company and fix their remunerations.	The scrip is part of the Index Scheme and not actively managed.	Abstain

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Infosys Limited	9-Jun-12	AGM	Adoption of Accounts & Directors and Auditors Report.	Annual Accounts fairly represent the financial position of the Company.	For
			To declare a dividend on equity shares.	The Company is distributing its Profit satisfactorily.	For
			Re appointment of Mr.S Gopalakrishanan as a Director, who retires by rotation.	The Director has played a key role in the company's performance.	For
			Re appointment of Mr.K V Kamath as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For
			Re appointment of Mr.David L Boyles as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For
			Re appointment of Prof. Jeffrey S Lehman as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For
			To appoint M/s B S R & Co., as Auditors of the Company & to fix the remuneration	Auditors seem to have performed their job satisfactorily.	For
			Re appointment of Ann M Fudge as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For
			To appoint V Balakrishnan as Director liable to retire by rotation & also appointed as WholeTime Director of the company.	The Director has played a key role in the company's performance	For
Q		To appoint Ashok Vemuri as Director liable to retire by rotation & also appointed as WholeTime Director of the company.	The Director has played a key role in the company's performance	For	
	U	To appoint B G Srinivas as Director liable to retire by rotation & also appointed as WholeTime Director of the company.	The Director has played a key role in the company's performance	For	
			Remuneration in the form of commission for Non- Executive Directors of the Company	Company remuneration policy is fair and not excessive.	For
Sesa Goa Ltd	19-Jun-12	ССМ	Proposal of Scheme of Amalgamation	The scrip is part of the Index Scheme and not actively managed.	Abstain

Axis Bank Limited	22-Jun-12	AGM	Adoption of Accounts & Directors and Auditors Report.	Annual Accounts fairly represent the financial position of the Company.	For
			Re appointment of Smt. Rama Bijapurkar as a Director, who retires by rotation.	The Director has played a key role in the company's performance.	For
			Re appointment of Shri V. R. Kaundinya as a Director, who retires by rotation.	The Director has played a key role in the company's performance.	For
			To declare a dividend on the Equity Shares of the Bank	The company is distributing its profits satisfactorily.	For
			To appoint M/s. Deloitte Haskins & Sells as statutory auditors of the company and to fix their remuneration	M/s. Deloitte Haskins is among the well-known CA firm in India.	For
			To appoint Prof. Samir K. Barua as a Director of the Bank, liable to retire by rotation	The Director has played a key role in the Company's performance.	For
			To appoint Shri A. K. Dasgupta, as a Director of the Bank, liable to retire by rotation	The Director has played a key role in the Company's performance.	For
			To appoint ShriSom Mittal,, as a Director of the Bank, liable to retire by rotation	The Director has played a key role in the Company's performance.	For
			Re-appointment of Smt. Shikha Sharma as the Managing Director & CEO of the Bank	The proposed CEO & MD has the capability and bandwidth to manage the Company.	For
			Revision in the remuneration payable to Dr. Adarsh Kishore, Chairman of the Bank	Aligning the managerial remuneration will help the Company in the long term.	For
	G		Re appointment of Mr.SomnathSengupta, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
			Appointment of Shri SomnathSengupta as the Whole-time Director of the Bank	The Director has played a key role in the company performance.	For
	ML		Re appointment of Shri V. Srinivasan, as a Director, who retires by rotation.	The Director has played a key role in the company performance.	For
	Prc		Appointment of Shri V. Srinivasan as the Whole-time Director of the Bank	The Director has played a key role in the company performance.	For
State Bank Of India	22-Jun-12	AGM	Adoption of Accounts & Directors and Auditors Report.	Annual Accounts fairly represent the financial position of the Company.	For

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Axis Bank Limited	23-Jun-12	ССМ	Scheme of Arrangement among Enam Securities Private Limited, Axis Bank Limited and Axis Securities	We would like to vote against the acquisition of Enam. The price paid for the acquisition is high as compared to likely decline in the	Against
			and Sales Limited and their respective shareholders and creditors.	profitability of Investment Banking & Broking business Axis should avoid the acquisition.	
ICICI Bank Limited	25-Jun-12	AGM	Adoption of Accounts & Directors and Auditors Report.	The scrip is part of the Index Scheme and not actively managed.	Abstain
			To declare dividend on preference shares.	The scrip is part of the Index Scheme and not actively managed.	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed.	Abstain
			Re appointment of Mr.HomiKhusrokhan, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed.	Abstain
			Re appointment of Mr. V. Sridar, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed.	Abstain
			Re appointment of Mr. N. S. Kannan, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed.	Abstain
			To appoint M/s B S R & Co., as Auditors of the Company & to fix the remuneration	The scrip is part of the Index Scheme and not actively managed.	Abstain
			To appoint Auditors in the branches of the Company & to fix the remuneration	The scrip is part of the Index Scheme and not actively managed.	Abstain
			Re appointment of Dr. Swati Piramal, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed.	Abstain
			Revision in the remuneration of Ms.ChandaKochhar Director of the Company	The scrip is part of the Index Scheme and not actively managed.	Abstain
		Revision in the remuneration of Mr. N S Kannan Director of the Company	The scrip is part of the Index Scheme and not actively managed.	Abstain	
			Revision in the remuneration of Mr. K Ramkumar Director of the Company	The scrip is part of the Index Scheme and not actively managed.	Abstain
	U	T l	Revision in the remuneration of Mr. Rajiv Sabharwal Director of the Company	The scrip is part of the Index Scheme and not actively managed.	Abstain

Asian Paints Limited	25-Jun-12	AGM	Adoption of Accounts & Directors and Auditors	The scrip is part of the Index Scheme and not actively	Abstain
			Report. To declare dividend on equity shares.	managed. The scrip is part of the Index Scheme and not actively managed.	Abstain
			Re appointment of Shri Ashwin Choksi, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed.	Abstain
			Re appointment of Shri AshwinDani, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed.	Abstain
			Re appointment of Shri AbhayVakhil, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed.	Abstain
			Re appointment of Dr. S Sivarama, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed.	Abstain
			Appointment of Statutory Auditors of the Company and fix their remunerations.	The scrip is part of the Index Scheme and not actively managed.	Abstain
Punjab National Bank	26-Jun-12	AGM	Adoption of Accounts & Directors and Auditors Report.	The scrip is part of the Index Scheme and not actively managed.	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed.	Abstain
Bank of Baroda	28-Jun-12	AGM	Adoption of Accounts & Directors and Auditors Report.	The scrip is part of the Index Scheme and not actively managed.	Abstain
			To declare dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed.	Abstain
ING Vysya Bank Ltd	29-Jun-12	AGM	Adoption of Accounts & Directors and Auditors Report.	Annual Accounts fairly represent the financial position of the Company.	For
			To declare a dividend on equity shares.	The company is distributing its profits satisfactorily	For
			Re appointment of Mr. Vaughn Nigel Richtor, as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For
P	МU	I T	Re appointment of Mr.Santosh Ramesh Desai, as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For
	Pro	fi	Re appointment of Mr.Peter Henri Maria Staal, as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For
			To appoint M/s. B S R & Co as the Statutory Auditors and fix their remuneration.	Auditors seem to have performed their job satisfactorily.	For
			Re appointment of MrLars Kramer, as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For

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Tata Consultancy Limited	29-Jun-12	AGM	Adoption of Accounts & Directors and Auditors Report.	Annual Accounts fairly represent the financial position of the Company.	For
			To declare a dividend on equity shares.	The Company is distributing its profit satisfactorily.	For
			To declare Dividend on Redeemable Preference Shares for the financial year 2011-12.	The Company is distributing its profit satisfactorily.	For
			Re appointment of Prof. Clayton M. Christensen, as a Director, who retires by rotation.	The Director has Played key role in Company's performances.	For
			Re appointment of Dr. Ron Sommer, as a Director, who retires by rotation.	The Director has Played key role in Company's performances.	For
			Re appointment of Mr. S. Ramadorai, as a Director, who retires by rotation.	The Director has Played key role in Company's performances.	For
			Re appointment of Mrs. Laura M Cha, as a Director, who retires by rotation does not seek re appointed.	The Director experience will help the Company to grow in future.	For
			To appoint Auditors and fix their remuneration.	Auditors seem to have performed their job satisfactorily.	For
			Appointment of Mr. O. P. Bhatt as a Director of the Company	The Director experience will help the Company to grow in future.	For
			Appointment of Mr. Cyrus Mistry as a Director of the Company	The Director experience will help the Company to grow in future.	For
			Appointment of Branch Auditors	Auditors seem to have performed their job satisfactorily.	For
Bharat Petroleum Corp Ltd	3-Jul-12	Postal Ballot	Increase of Authorised Share Capital and alteration of Memorandum of Association and Article of Association.	The scrip is part of the Index Scheme and not actively managed.	Abstain
			Issue of Bonus Shares by way of Capitalisation of Reserve.	The scrip is part of the Index Scheme and not actively managed.	Abstain

QUANTUM MUTUAL FUND

Sesa Goa Ltd	3-Jul-12	AGM	Adoption of Accounts & Directors and Auditors Report.	The scrip is part of the Index Scheme and not actively managed.	Abstain
			To declare a dividend on equity shares.	The scrip is part of the Index Scheme and not actively managed.	Abstain
			Re appointment of Mr. G D Kamath, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed.	Abstain
			Re appointment of Mr. A Pradhan, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively managed.	Abstain
			To appoint Auditors and fix their remuneration.	The scrip is part of the Index Scheme and not actively managed.	Abstain
			Re appointment of Mr. Prasun Kumar Mukherjee, as a Director, who retires by rotation & Changes in remuneration structure.	The scrip is part of the Index Scheme and not actively managed.	Abstain
Infrastructure De- velopment Finance Company Ltd	9-Jul-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To declare a dividend on equity shares.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Mr. Do- land Peck, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Mr. Gau- tum Kaji, as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To appoint Auditors and fix their remuneration.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
		G	Change the name of the Company	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Alteration of Articles of As- sociation of the Company	The scrip is part of the Index Scheme and not actively man- aged.	Abstain

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Jaiprakash Associ- ates Ltd	11-Jul-12	Postal Ballot	Provide security / undertaking(s) to IFCI Ltd., a lender of Jaypee Sports In- ternational Ltd., a subsidiary of the Company(S.R.)	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Provide security/ guarantee/ undertakings to lenders of Jaiprakash Power Ventures Limited, a subsidiary of the Company(S.R.)	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Providing security to lender of RPJ Minerals Private Limit- ed, an associate of lender of RPJ Minerals Private Limited, an associate of the Company (S.R.)	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Provide security/ guarantee/ undertakings to the lender of Madhya Pradesh Jaypee Minerals Ltd., an associate of the Company (S.R.)	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
Q		Raising of funds through QIP/ECBs with rights of con- version into shares/FCCBs/ ADRs/GDRs/FPO/ Optionally or Compulsorily Convert- ible Redeemable Preference Shares (OCPS/CCPS) etc. pursuant to Section 81(1A) of the Companies Act, 1956. (S.R.)	The scrip is part of the Index Scheme and not actively man- aged.	Abstain	
		Creation of restructured security in favour of a new Single Security Trustee to act for the benefit of the exist- ing secured creditors, new secured creditors and as a Security Agent on behalf of the Debenture Trustees (O.R.)	The scrip is part of the Index Scheme and not actively man- aged.	Abstain	
			Creation of Mortgage/ Charge in favour of lenders/ trustee(s) (O.R.)	The scrip is part of the Index Scheme and not actively man- aged.	Abstain

QUANTUM MUTUAL FUND

Housing Develop- ment Corporation Limited	11-Jul-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	Annual Accounts fairly repre- sent the financial position of the Company.	For
			To declare a dividend on equity shares.	The Company is distributing its Profit satisfactorily.	For
			Re appointment of Mr. Shirish B Patel as a Director, who retires by rotation.	The Director has Played key role in Company's performances.	For
			Re appointment of Mr. B S Mehta as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For
			Re appointment of D.r S A Dave as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For
			To appoint auditors Messrs Deloitte Haskins & Sells, & to fix their remuneration	Auditors seem to have performed their job satisfactorily.	For
G			To appoint branch audi- tors Messrs PKF, Chartered Accountants of the Cor- poration for the purpose of audit of the accounts of the Corporation's branch office(s) at Dubai & to fix their remuneration	Auditors seem to have performed their job satisfactorily.	For
			Appointment of Dr. J. J. Irani as a director of the Cor- poration, liable to retire by rotation.	The Director experience will help the Company to grow in future.	For
		To revise the range of salary payable to the Managing Directors of the company	Company is Proposing some changes in the Salary Structure.	For	
	G		To issue equity share by private placement to quali- fied Institutional buyers & preferential allotment to foreign promoters	Shares are issued for future growth requirements.	For

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HDFC Bank Limited	13-Jul-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	Annual Accounts fairly repre- sent the financial position of the Company.	For	
			To declare a dividend on equity shares.	The Company is distributing its Profit satisfactorily.	For	
			Re appointment of Dr. Pandit Palande as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For	
			Re appointment of Mr. Par- tho Datta as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For	
			To appoint Auditors M/s. BSR & Co. and to fix their remuneration	Auditors seem to have performed their job satisfactorily.	For	
			Re appointment of Mr. Keki Mistry as a Director, who retires by rotation.	The Director experience will help the Company's to grow in future.	For	
			To grant for payment of fees to the extent of ₹ 20,000/- per meeting to Mr. Bobby Parikh, a Director of the Bank	We can vote for paying sitting fee to the Director.	For	
			Re-appointment of Mr. Aditya Puri as Managing Director of the Bank	The MD has been with the Bank for 10 years and has contributed immensely to the growth of HDFC Bank.	For	
Kotak Mahindra Bank Ltd	19-Jul-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain	
		To declare dividend on eq- uity shares.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain		
	Q	QU	QU	Re appointment of Dr. Shankar Acharya as a Direc- tor, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
				Re appointment of Dr. Sudipto Mundle as a Direc- tor, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To appoint auditors M/s S B Billimoria & Co to fix their remuneration	The scrip is part of the Index Scheme and not actively man- aged.	Abstain	

QUANTUM MUTUAL FUND

Sterlite Industries India Ltd	14-Jul-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain	
			To declare Interim on final dividend	The scrip is part of the Index Scheme and not actively man- aged.	Abstain	
			Re appointment of Mr. Anil Agrawal as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain	
			Re appointment of Mr. Berjis Desai as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain	
			To appoint Auditors and fix their remuneration.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain	
DLF Limited	17-Jul-12	Postal Ballot	Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956 for transfer of Company's Wind Power Business.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain	
Bajaj Auto Limited	18-Jul-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	Annual Accounts fairly repre- sent the financial position of the Company.	For	
			To declare a dividend on equity shares.	The Company is distributing its Profit satisfactorily.	For	
			Re appointment of Mr. D S Mehta as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For	
			Re appointment of Mr. Kantikumar R Poddar as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For	
	G		Re appointment of Mr. Shekhar Bajaj as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For	
				Re appointment of Mr. D J Balajirao as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For
			To appoint Auditors and fix their remuneration.	Auditors seem to have performed their job satisfactorily.	For	

Profit with Process

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Dr. Reddy Industries Limited	20-Jul-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To declare a dividend on equity shares.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Mr. Om- kar Goswami as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Mr. Ravi Bhoothalingam as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To appoint Statutory Audi- tors of the Company and fix their remuneration.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Appointment of Mr. Sridar lyengar as a Director of the Company.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re Appointment of Mr. Satish Reddy as Whole Time Director Designated as Managing Director and Chief Operating Officer of the Company.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
Zee Entertainment Enterprises Ltd	20-Jul-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	Annual Accounts fairly repre- sent the financial position of the Company.	For
			To declare a dividend on equity shares.	The Company is distributing its Profit satisfactorily.	For
Q			Re appointment of Mr. Sub- hash Chandra as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For
	Q		Re appointment of Dr. M Y Khan as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For
			To appoint M/s MGB & Co., Chartered Accountants, as the Statutory Auditors of the Company and to fix their remuneration.	Auditors seem to have performed their job satisfactorily.	For

Hindustan Unilever Limited	23-Jul-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	Annual Accounts fairly repre- sent the financial position of the Company.	For
			To declare a dividend on equity shares.	The Company is distributing its Profit satisfactorily.	For
			To elect and appoint Direc- tors in place of the Directors retiring by rotation.	The Director experience will help the Company to grow in future.	For
			To appoint M/s. Lovelock & Lewes., Chartered Account- ants, as the Statutory Audi- tors of the Company and to fix their remuneration.	Auditors seem to have performed their job satisfactorily.	For
			Re appointment of Mr. O P Bhatt as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For
			Appointment of Mr. Nitin Pranjape as a Managing Director & CEO of the Company.	The Director experience will help the Company to grow in future.	For
			Revision in the remuneration of Managing Director of the Company	We believe that the salary pay- able to Managing Director is adequate.	Abstain
			The approval granted for adoption of the revised '2012 HUL Performance Share Scheme' (the 'Scheme') tabled at the meeting and initiated by the Chairman for the purpose of identification.	Useful to have for attractive rela- tive talent.	For
Wipro Ltd	23-Jul-12 AC	23-Jul-12 AGM	Adoption of Accounts & Di- rectors and Auditors Report.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
		мцт	To declare a dividend on equity shares.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Mr. Jagdish Sheth as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Dr. Hen- ning Kagermann as a Direc- tor, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
	Pro	fi	Re appointment of Mr. Shyam Saran as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain

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ITC Limited	mited 27-Jul-12	27-Jul-12 AGM		rectors and Auditors Report. Se	The scrip is part of the Index Scheme and not actively man- aged.	Abstain	
			To declare a dividend on equity shares.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain		
			To elect Directors in place of those retiring by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain		
			To appoint Auditors and to fix their remuneration.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain		
Crompton Greaves Ltd	3-Aug-12 AGN	3-Aug-12 AGM	Adoption of Accounts & Di- rectors and Auditors Report.	Annual Accounts fairly repre- sent the financial position of the Company.	For		
				To declare a div equity shares.	To declare a dividend on equity shares.	The Company is distributing its Profit satisfactorily.	For
				Re appointment of Mr. S Labroo as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For	
						Re appointment of Mr. S P Talwar as a Director, who retires by rotation.	The Director has played a key role in the company's performance
			Re appointment of Dr. V von Massow as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For		
			To appoint M/s Sharp & Tan- nan, Chartered Accountants, as the Statutory Auditors of the Company and to fix their remuneration.	Auditors seem to have performed their job satisfactorily.	For		

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The Indian Hotels Company Limited	3-Aug-12 AGM	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	Annual Accounts fairly repre- sent the financial position of the Company.	For		
			To declare a dividend on equity shares.	The Company is distributing its Profit satisfactorily.	For		
			Re appointment of Mr. Jag- dish Capoor as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For		
			Re appointment of Mr. K. B. Dadiseth as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For		
			Re appointment of Mr. Nadir Godrej as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For		
			To appoint Auditors and fix their remuneration.	Auditors seem to have performed their job satisfactorily.	For		
			Increase in number of Direc- tors	A wider board with more in- dependent director will further strengthen the corporate govern- ance of the company.	For		
		h	Appointment of Mr. Me- hernosh S. Kapadia as a Director of the Company.	The Director experience will help the Company to grow in future.	For		
			Appointment of Mr. Me- hernosh S. Kapadia as a Whole-time Director of the Company.	The Director experience will help the Company to grow in future.	For		
Mahindra & Mahin- dra Ltd	8-Aug-12 AGN	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain		
		Ql M U T	To declare a dividend on equity shares.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain		
			GU		Re appointment of Mr. Deepak S Parekh as a Direc- tor, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Mr. A K Nanda as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain		
			Re appointment of Mr. Narayanan Vagul as a Direc- tor, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain		
	Pro		Re appointment of Mr. R K Kulkarni as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain		

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Tata Motors Limited	10-Aug-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To declare a dividend on equity shares.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Mr. Nasser Munjee as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Mr. Sub- hod Bhargava as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Mr. Vineshkumar Jairath as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
	6		To appoint Auditors and fix their remuneration.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Appointment of Mr. Cyrus P Mistry as a Director.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Appointment of Mr. Ravin- dra Pisharody as a Director	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Appointment of Mr. Ravin- dra Pisharody as Executive Director	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Appointment of Mr. Satish Borwankar as a Director	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
Q		Appointment of Mr. Satish Borwankar as Executive Director	The scrip is part of the Index Scheme and not actively man- aged.	Abstain	
		Revision in the terms of remuneration of Mr. Prakash Telang, Managing Director - India Operations	The scrip is part of the Index Scheme and not actively man- aged.	Abstain	
Hero Motor Crop	13-Aug-12	Postal Ballot	To issue ESOP to employees of the company.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain

Tata Steel Ltd	14-Aug-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	Annual Accounts fairly repre- sent the financial position of the Company.	For
			To declare a dividend on equity shares.	The Company is distributing its Profit satisfactorily.	For
			Re appointment of Mr. B Muthuraman as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For
			Re appointment of Mr. Ishaant Hussain as a Direc- tor, who retires by rotation.	The Director has played a key role in the company's performance	For
			Re appointment of Mr. Andrew Robb as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For
			To appoint auditors and fix their remuneration.	Auditors seem to have performed their job satisfactorily.	For
			Appointment of Mr. Cyrus Pallonji Mistry as an Ad- ditional Director of the Company.	The Director experience will help the Company to grow in future.	For
			Appointment of Mrs. Mallika Srinivasan as an Additional Director of the Company.	The Director experience will help the Company to grow in future.	For
Tata Power Com- pany Ltd	17-Aug-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
	G		To declare a dividend on equity shares.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
		QL	Re appointment of Dr. H S Vachha as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Mr. A K Basu as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
	мц		Re appointment of Mr. R N Tata as a Director, who re- tires by rotation, hold office up to 27 Dec 2012	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
		ΙUΤ	To appoint auditors and fix their remuneration	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
	Pro		Appointment of Additional Director Mr. Cyrus Mistry as Director	The scrip is part of the Index Scheme and not actively man- aged.	Abstain

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CIPLA Limited	IPLA Limited 17-Aug-12	I7-Aug-12 AGM	Adoption of Accounts & Di- rectors and Auditors Report.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To declare a dividend on equity shares.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Dr. H R Manchanda as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Mr. V C Kotwal as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
		To appoint auditors M/s. V. Sankar Aiyar & Co & M/s. R.G.N. Price & Co, joint Statutory Auditors of the Company & fix their remu- neration.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain	
Voltas Ltd	23-Aug-12	23-Aug-12 AGM	Adoption of Accounts & Di- rectors and Auditors Report.	Annual Accounts fairly repre- sent the financial position of the Company.	For
			To declare a dividend on equity shares.	The Company is distributing its Profit satisfactorily.	For
			Re appointment of Mr. S N Menon as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For
			Re appointment of Mr. Ishant Hussain as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For
			Re appointment of Mr. San- jay Johri as a Director, who retires by rotation.	The Director has played a key role in the company performance	For
Q			Appointment of Mr. Vinayak Deshpande as a Director of the company	The Director experience will help the Company to grow in future.	For
		Appointment of Auditors Messer Deloitte Haskins & Sells as Auditors of the Company & fix their remu- neration.	Auditors seem to have performed their job satisfactorily.	For	

CAIRN India Limited	22-Aug-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To declare a dividend on equity shares.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Mr. Aman Mehta as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Mr. Om- kar Goswami as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To appoint M/s. S. R. Batliboi & Co., auditors and fix their remuneration	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Appointment of Mr. Navin Agarwal as an Additional Director of the company	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Appointment of Mr. Tarun Jain as an Additional Direc- tor of the company	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Appointment of Mrs. Priya Agarwal as an Additional Director of the company	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Alteration of Articles of As- sociation	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
Tata Chemicals Limited	22-Aug-12	22-Aug-12 AGM	Adoption of Accounts & Di- rectors and Auditors Report.	Annual Accounts fairly repre- sent the financial position of the Company.	For
			To declare a dividend on equity shares.	The Company is distributing its Profit satisfactorily.	For
			Re appointment of Mr. R Gopalakrishnan as a Direc- tor, who retires by rotation.	The Director has played a key role in the company's performance	For
				Re appointment of Mr. Nulsi N Wadia as a Director, who retires by rotation.	The Director has played a key role in the company's performance
	м u Pro	1 U T Profit	Re appointment of Mr. E A Kshirsagar as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For
			To appoint auditors and fix their remuneration	Auditors seem to have performed their job satisfactorily.	For
			Re appointment of Mr. Cyrus P Mistry as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For
			Re appointment of Dr. Vijay Kelkar as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For

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Larsen & Turbo Limited	24-Aug-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To declare a dividend on equity shares.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Mr. A K Naik as a Director, who retires by rotation eligible which he ceases to be Managing Director of the Company.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Mr. Thomas Mathew T as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Mr. M V Kotwal as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Mr. V K Magapu as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Mr. Ravi Uppal as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To appoint Statutory Audi- tors and fix their remunera- tion	The scrip is part of the Index Scheme and not actively man- aged.	Abstain

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Maruti Suzuki India Ltd	28-Aug-12	28-Aug-12 AGM	Adoption of Accounts & Di- rectors and Auditors Report.	Annual Accounts fairly repre- sent the financial position of the Company.	For	
			To declare a dividend on equity shares.	The Company is distributing its Profit satisfactorily.	For	
			Re appointment of Mr. R C Bhargava as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For	
			Re appointment of Mr. Ka- zuhiko Ayabe as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For	
				Re appointment of Ms. Pal- lavi Shorff as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For
			To appoint auditors and fix their remuneration	Auditors seem to have performed their job satisfactorily.	For	
			Appointment of Mr. Kinji Saito as a Director of the company.	The Director experience will help the Company to grow in future.	For	
			Payment of commission to non-executive directors	The Director has played a key role in growing the business and the Commission proposed in line with norms.	For	
			Re-appointment of Mr. Shuji Oishi as Director & Managing Executive Officer (Marketing & Sales)	The Director has played a key role in the company's performance	For	
				Appointment of Mr. Ka- zuhiko Ayabe as Director & Managing Executive Officer (Supply Chain)	The Director Experience will help to grow the Company in the future.	For

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Tata Global Bever- ages Ltd	31-Aug-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	Annual Accounts fairly repre- sent the financial position of the Company.	For
			To declare a dividend on equity shares.	The Company is distributing its Profit satisfactorily.	For
			Re appointment of Mr. Analjit Singh as a Director, who retires by rotation.	Since his attendance to Board Meeting is less than the over eye, and he did not participate at the AGM, we would recommend vot- ing against his appointment.	Against
			Re appointment of Mr. V Leeladhar as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For
			Re appointment of Mr. U M Rao as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For
			To appoint auditors and fix their remuneration.	Auditors seem to have performed their job satisfactorily.	For
			Appointment of Mr. Cyrus Mistry as a Director of the Company.	The Director Experience will help to grow the Company in the future.	For
			Appointment of Mr. Darius Pandole as a Director of the Company.	The Director Experience will help to grow the Company in the future.	For
			Appointment of Mr. Ajoy Misra as a Director of the Company.	The Director Experience will help to grow the Company in the future.	For
			Appointment and remu- neration of Mr. Ajay Mishra Whole time Executive Direc- tor.	Given his rich background as Taj Hotels and has long standing role at Tata group his contribution to Tata Global could be immense. Hence recommend for his ap- pointment as director.	For
	Q		Approval of payment of remuneration to Mr. Ajoy Misra by an overseas subsidi- ary of the Company.	Director seems to have performed their job satisfactory.	For
			Appointment of Mr. Harish Bhat as a Director of the Company.	The Director Experience will help to grow the Company in the future.	For
	ΙU		Appointment and Remuner- ation of Managing Director.	The Director Experience will help to grow the Company in the future.	For

Reliance Infrastruc- ture Limited	4-Sep-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To declare dividend on eq- uity shares.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Shri Sateesh Sheth as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To appoint Statutory Audi- tors of the Company and fix their remuneration.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Shri S S Kholi as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Shri C P Jain as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Appointment of Mr. V K Chaturvedi as a Director of the Company.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
Gail India Ltd	5-Sep-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	Annual Accounts fairly repre- sent the financial position of the Company.	For
		Gl	To declare a dividend on equity shares.	The Company is distributing its Profit satisfactorily.	For
			Re appointment of Mr. S L Raina as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For
			Re appointment of Mr. Prab- hat Singh as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For
			Re appointment of Shri Su- dhir Bhargava as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For
			To appoint auditors and fix their remuneration	Auditors seem to have performed their job satisfactorily.	For
	m l Pro		Appointment of Mr. Neeraj Mittal as a Director of the Company.	The Director Experience will help to grow the Company in the future.	For
		Profit	Appointment of SMT Shay- amla Gopinath as a Director of the Company.	The Director Experience will help to grow the Company in the future.	For
			Appointment of Shri R P Singh as a Director of the Company.	The Director Experience will help to grow the Company in the future.	For
				Appointment of Shri A K Khandelwal as a Director of the Company.	The Director Experience will help to grow the Company in the future.

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Bharti Airtel Ltd	6-Sep-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	Annual Accounts fairly repre- sent the financial position of the Company.	For	
			To declare dividend on eq- uity shares.	The Company is distributing its Profit satisfactorily.	For	
			Re appointment of Ms. Chua Sock Koong as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For	
			Re appointment of Mr. Craig Edward Ehrlich as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For	
			Re appointment of Mr. Nilkesh Arora as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For	
			Re appointment of Mr. Rajan B Mittal as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For	
			Re appointment of Mr. Rakesh B Mittal as a Direc- tor, who retires by rotation.	The Director has played a key role in the company's performance	For	
			To appoint auditors and fix their remuneration	Auditors seem to have performed their job satisfactorily.	For	
DLF Limited	7-Sep-12	7-Sep-12 AGM	Adoption of Accounts & Di- rectors and Auditors Report.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain	
			To declare dividend on eq- uity shares.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain	
Q			Re appointment of Dr. D V Kapur as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain	
		QU	Re appointment of Mr. Rajiv Singh as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain	
	MU			Re appointment of Mr. M M Sabarwal as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
		Τι	To appoint Statutory Audi- tors of the Company and fix their remuneration.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain	

Grasim Industries Limited	7-Sep-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To declare dividend on eq- uity shares.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Mr. D D Rathi as a Director, who retires by rotation does not seek reappointment.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Mr. B V Bhargava as a Director, who retires by rotation does not seek reappointment.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Mr. Kumar Mangalam Birla as a Director, who retires by rotation does not seek reap- pointment.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To appoint Statutory Audi- tors of the Company and fix their remuneration.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
Hero Motor Crop	10-Sep-12	10-Sep-12 AGM	Adoption of Accounts & Di- rectors and Auditors Report.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To declare dividend on eq- uity shares.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
				Re appointment of Mr. Ravi Nath as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.
			Re appointment of Dr. Anand C Burman as a Direc- tor, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Mr. Su- man Kant Munjal as a Direc- tor, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
	мu		Re appointment of Mr. Analjit Singh as a Director, who retires by rotation does not seek reappointment.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
		. .	To appoint Statutory Audi- tors of the Company and fix their remuneration.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain

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Hindalco Industries Limited		AGM	Adoption of Accounts & Di- rectors and Auditors Report.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
		To declare a dividend on equity shares.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain	
		Re appointment of Smt Rajshree Birla as a Director, who retires by rotation.	Rajshree Birla as a Director,	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Mr. K N Bhandari as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Mr. N J Jhaveri as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
	6		Re appointment of Mr. Meleveetil Damodaran as an Additional Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To appoint Statutory Audi- tors of the Company and fix their remuneration.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain

QUANTUM

Coal India Ltd 18-Sep-	18-Sep-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain				
			To declare a dividend on equity shares.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain				
			Re appointment of Prof. S. K. Barua as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain				
			Alteration of Article of As- sociation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain				
			Appointment of Shri S Narsingrao as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain				
			Appointment of Ms. Zohra Chatterji as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain				
			Appointment of Ms. Ana- jali Anand Srivastava as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain				
		QL			Appointment of Smt Sheela Bhide as an Additional Direc- tor of the Company.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain		
			Appointment of Dr. R.N. Trivedi as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain				
			Appointment of Shri Mohd. Anis Ansari as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain				
	C		QL	QL	Appointment of Shri Kamal R Gupta as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain		
									Appointment of Ms. Sachi Chaudhuri as an Additional Director of the Company.
			Appointment of Shri N Kumar as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain				
	MU		Appointment of Shri B K Saxena as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain				

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NTPC Limited 18-Sep-12	18-Sep-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	Annual Accounts fairly repre- sent the financial position of the Company.	For
			To declare a dividend on equity shares.	The Company is distributing its Profit satisfactorily.	For
			Re appointment of Shri B P Singh as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For
			Re appointment of Shri S P Singh as a Director, who retires by rotation.	The Director has played a key role in the company's performance	For
			To fix the remuneration of the Auditors	Auditors seem to have performed their job satisfactorily.	For
			Alteration of Article of As- sociation.	Regulatory Requirement	For
			Appointment of Dr. M Go- vindarao as a Director of the Company.	The Director Experience will help to grow the Company in the future.	For
			Appointment of Shri S B Ghosh Dastidar as a Director of the Company.	The Director Experience will help to grow the Company in the future.	For
			Appointment of Shri R S Sahoo as a Director of the Company.	The Director Experience will help to grow the Company in the future.	For
			Appointment of Shri Ajit M Nibalkar as a Director of the Company.	The Director Experience will help to grow the Company in the future.	For
			Appointment of Shri S R Upadhaya as a Director of the Company.	The Director Experience will help to grow the Company in the future.	For
Q			Appointment of Ms. Homai Daruwala as a Director of the Company.	The Director Experience will help to grow the Company in the future.	For
		Nath tor c App Khar	Appointment of Shri Anol Nath Chatterjee as a Direc- tor of the Company.	The Director Experience will help to grow the Company in the future.	For
			Appointment of Shri Sushil Khanna as a Director of the Company.	The Director Experience will help to grow the Company in the future.	For
	U		Appointment of Shri A K Jha as a Director of the Com- pany.	The Director Experience will help to grow the Company in the future.	For

QUANTUM MUTUAL FUND

Container Corpora- tion of India Limited	18-Sep-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	Annual Accounts fairly repre- sent the financial position of the Company.	For
			To declare a dividend on equity shares.	The Company is distributing its Profit satisfactorily.	For
			To re-appoint Shri Yash Vardhan who retires by rotation and is eligible for re-appointment	The Director has played a key role in the company's performance.	For
			To re-appoint Ltn. Gen Arvind Mahajan who retires by rotation and is eligible for re-appointment	The Director has played a key role in the company's performance.	For
		G ro re To Ba by	To re-appoint Dr. Kaushik Gupta who retires by rotation and is eligible for re-appointment	The Director has played a key role in the company's performance.	For
			To re-appoint Dr. (Prof.) A.K. Bandyopadhyay who retires by rotation and is eligible for re-appointment	The Director has played a key role in the company's performance.	For
			Appointment of M/s. Kumar Chopra & Associates as the auditors of the company	Auditor seems to have performed their job satisfactory.	For
			Appointment of Shri K.K. Srivastava as a part time Chairman of the Company.	The Director experience will help the Company to grow in future.	For
			Appointment of Shri Shahnawaz Ali as a Director of the Company.	The Director experience will help the Company to grow in future.	For
		Appointment of Shri M.K. Akhouri as a Director of the Company.	The Director experience will help the Company to grow in future.	For	
			Alteration of Article of Association.	Regulatory Requirement	For
			Alteration of Article of As- sociation.	Regulatory Requirement	For

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Bharat Heavy Elec- tricals Limited	19-Sep-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To declare a dividend on equity shares.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To re-appoint Shri V K Jairath who retires by rotation and is eligible for re-appointment	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To re-appoint Shri O P Bhutani who retires by rotation and is eligible for re-appointment	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To re-appoint Shri S Ravi who retires by rotation and is eligible for re-appointment	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To fix the remuneration of the Auditors	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Alteration of Article of As- sociation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
Power Grid Finance Corporation Limited	19-Sep-12 AGM	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To declare a dividend on equity shares.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Re appointment of Shri I S Jha as a Director, who retires by rotation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
	Q		To appoint a Director in place of Shri R T Agarwal, who retires by rotation and being eligible, offers himself for re-appointment	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
	U		To appoint a Director in place of Smt Rita Acharya, who retires by rotation and being eligible, offers himself for re-appointment	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
	rof		To fix the remuneration of the Auditors	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Alteration of Article of As- sociation.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain

Power Finance Corporation India Limited	21-Sep-12 A	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	Annual Accounts fairly repre- sent the financial position of the Company.	For	
			To declare a dividend on equity shares.	The Company is distributing its Profit satisfactorily.	For	
			Re appointment of Shri S C Gupta as a Director, who retires by rotation.	The Director has played a key role in the company's performance.	For	
			Re appointment of Shri R Nagarajan as a Director, who retires by rotation.	The Director has played a key role in the company's performance.	For	
			Re appointment of Shri Ajit Prasad as a Director, who retires by rotation.	The Director has played a key role in the company's performance.	For	
			To fix the remuneration of the Auditors	Auditor seems to have performed their job satisfactory.	For	
PTC India Limited	21-Sep-12	21-Sep-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	Annual Accounts fairly repre- sent the financial position of the Company.	For
			To declare a dividend on equity shares.	The Company is distributing its Profit satisfactorily.	For	
			Re appointment of Shri M. K. Goel as a Director, who retires by rotation.	The Director has played a key role in the company's performance.	For	
		QL	Re appointment of Shri S. Balachandran as a Director, who retires by rotation.	The Director has played a key role in the company's performance.	For	
			To Appoint Statutory Audi- tors M/s K.G Somani & Co fix the remuneration.	Auditor seems to have performed their job satisfactory.	For	
			Re appointment of Smt. Rita Acharya as a Director, who retires by rotation.	The Director has played a key role in the company's performance.	For	
			K		Re appointment of Shri Ravi P. Singh as a Director, who retires by rotation.	The Director has played a key role in the company's performance.
			Re appointment of Shri Anil Razdan as a Director, who retires by rotation.	The Director has played a key role in the company's performance.	For	
	M U Pro	м U т Profit	Re appointment of Shri Dhirendra Swarup as a Director, who retires by rotation.	The Director has played a key role in the company's performance.	For	
			Re appointment of Shri H.L. Bajaj as a Director, who retires by rotation.	The Director has played a key role in the company's performance.	For	

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Steel Authority of India Limited	21-Sep-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To re-appoint Dr. Jagdish Khattar who retires by rotation and is eligible for re-appointment	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To re-appoint Prof Subrata Chaudhuri who retires by rotation and is eligible for re-appointment	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To re-appoint Shri Shuman Mukherjee who retires by rotation and is eligible for re-appointment	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To fix the remuneration of the Auditors	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To confirm interim dividend and declare final dividend for the year 2011-12.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Alteration of Article of Association.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
Bharat Petroleum Corp Ltd	21-Sep-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To declare a dividend on equity shares.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
Q			To re-appoint Shri I P S Anand who retires by rotation and is eligible for re-appointment	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
		To re-appoint Shri Haresh.M. Jagtaini who retires by rotation and is eligible for re-appointment	The scrip is part of the Index Scheme and not actively man- aged.	Abstain	
	IJ	тι	To re-appoint Shri Alkesh Kumar Sharma who retires by rotation and is eligible for re-appointment	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
P	rof		To fix the remuneration of the Auditors	The scrip is part of the Index Scheme and not actively man- aged.	Abstain

QUANTUM MUTUAL FUND

Oil & Natural Gas Corporation Ltd	24-Sep-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	Annual Accounts fairly repre- sent the financial position of the Company.	For	
			To declare a dividend on equity shares.	The Company is distributing its Profit satisfactorily.	For	
			To re-appoint Mr. Ajit Kumar Hazarika who retires by rotation and is eligible for re-appointment	The Director has played a key role in the company's performance.	For	
			To re-appoint Mr. Udaykrish- na Nitanand Bose who retires by rotation and is eligible for re-appointment	The Director has played a key role in the company's performance.	For	
			To fix the remuneration of the Auditors	Auditor seems to have performed their job satisfactory.	For	
			Kumar Barua who re	To re-appoint Prof Samir Kumar Barua who retires by rotation and is eligible for re-appointment	The Director has played a key role in the company's performance.	For
			To re-appoint Mr. Om- prakash Bhatt who retires by rotation and is eligible for re-appointment	The Director has not Spend enough time to attend Board Meeting of the company.	Against	
			To re-appoint Smt Sushama Nath who retires by rotation and is eligible for re-appoint- ment	The Director has played a key role in the company's performance.	For	
					To re-appoint Mr. Bimal Julkha who retires by rotation and is eligible for re-appointment	The Director has played a key role in the company's performance.
	C		To re-appoint Mr. Aloke Kumar Banerjee who retires by rotation and is eligible for re-appointment	The Director has played a key role in the company's performance.	For	
			Appointment of Mr. A Girdhar as Director of the Company.	The Director experience will help the Company to grow in future.	For	

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Gateway Distriparks Limited	26-Sep-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	Annual Accounts fairly repre- sent the financial position of the Company.	For
			To declare a dividend on equity shares.	The Company is distributing its Profit satisfactorily.	For
			To re-appoint Mr. Gopinath Pillia who retires by rotation and is eligible for re-appoint- ment	The Director has played a key role in the company's performance.	For
			To re-appoint Mr. M Pinto who retires by rotation and is eligible for re-appointment	The Director has played a key role in the company's performance.	For
			To re-appoint Mr. Saroosh Dinshaw who retires by rotation and is eligible for re-appointment	The Director has played a key role in the company's performance.	For
			To re-appoint Auditors M/s Pricewater House, as the statutory Auditors of the company & to fix their remu- neration.	PWC has been auditor from Last 3 years. It is now time to have a new auditor.	Against
		Appointment of Mr. Ishaan Gupta as a Director of the Company.	Ishaan Gupta has been working with the Company over the last year, though his contribution is valid but he lacks the experience to hold directorship.	Against	
			Re-appointment of Mr. Prem Kishan Gupta as the Manag- ing Director of the company.	The Director has played a key role in the company's performance.	For

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QUANTUM MUTUAL FUND

Jindal Steel and Power Ltd	26-Sep-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To declare a dividend on equity shares.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
		Khaitan who retires by Sc	The scrip is part of the Index Scheme and not actively man- aged.	Abstain	
			To re-appoint Shri Hardip Singh who retires by rotation and is eligible for re-appoint- ment	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To re-appoint Shri Rahul Mehra who retires by rotation and is eligible for re-appointment	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To re-appoint Shri Su- shil Maroo who retires by rotation and is eligible for re-appointment	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To fix the remuneration of the Auditors	The scrip is part of the Index Scheme and not actively man- aged.	Abstain

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Jaiprakash Associ-	27-Sep-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To declare a dividend on equity shares.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To re-appoint Shri S K Jain who retires by rotation and is eligible for re-appointment	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To re-appoint Shri Ranvijay Singh who retires by rotation and is eligible for re-appoint- ment	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To re-appoint Shri R N Bhardwaj who retires by rotation and is eligible for re-appointment	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To re-appoint Shri B K Ta- paria who retires by rotation and is eligible for re-appoint- ment	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To re-appoint Shri S C Bhargava who retires by rotation and is eligible for re-appointment	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To fix the remuneration of the Auditors	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
Maruti Suzuki India Ltd	29-Sep-12	ССМ	Scheme of Amalgamation of between Suzuki Powertrain India Limited and Maruti Suzuki India Limited and their respective shareholders & Creditors.	The Consolidation of the com- panies should be done. It will be helpful in the future & simplifies the accounts of the company.	For

QUANTUM MUTUAL FUND

HCL Technologies 22-Oct-12 A Ltd		AGM	Adoption of Accounts & Di- rectors and Auditors Report.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To declare a dividend on equity shares.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To re-appoint Mr. V N Koura who retires by rotation and is eligible for re-appointment	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To re-appoint Mr. Anita Ramchandran who retires by rotation and is eligible for re-appointment	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To re-appoint Dr. Nikhil Sinha who retires by rotation and is eligible for re-appoint- ment	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To appoint Statutory Auditors M/s PWC of the Company and fix their remu- neration.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
Hero Motor Crop	2-Nov-12	ССМ	Scheme of Amalgamation of between Suzuki Powertrain India Limited and Maruti Suzuki India Limited and their respective shareholders & Creditors.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
Sun Pharmaceuti- cals Industries Ltd	8-Nov-12	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To declare a dividend on equity shares.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
	G		To re-appoint Shri Keki M Mistry who retires by rotation and is eligible for re-appointment	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To re-appoint Shri Sudhir V Valia who retires by rotation and is eligible for re-appoint- ment	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
	Dro		To re-appoint Shri Ashwin S Dani who retires by rotation and is eligible for re-appoint- ment	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To appoint M/s Deloitte Haskins & Sells as auditors of the Company & fix their remuneration.	The scrip is part of the Index Scheme and not actively managed.	Abstain
			To appoint Mr. Makov Israel as an Additional Director of the Company.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain

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Jaiprakash Associ- ates Ltd	5-Dec-12	PBL	Increase of Authorised Share Capital and alteration of Memorandum of Associa- tion and Article of Associa- tion.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
Asian Paints Limited	9-Dec-12	2 PBL Alteration of Articles of As- sociation Scheme and not actively man- aged.		Abstain	
Siemens Limited	10-Dec-12 CCM Scheme of Amalgamation of between Winergy Drive System India Private Limited and Siemens Limited. The scrip is part of the Index Scheme and not actively man- aged.		Abstain		
Lupin LTD	12-Dec-12	PBL	To re-appoint Dr. Kamal K Sharma who retires by rotation and is eligible for re-appointment & fix remu- nerations.	int Dr. Kamal Who retires by Id is eligible for The scrip is part of the Index Scheme and not actively man- aged.	
Wipro Ltd	28-Dec-12	ССМ	Demerged between the Wipro Ltd & Premji Custo- dian Services Private Limited.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
Siemens Ltd	23-Jan-13	AGM	Adoption of Accounts & Di- rectors and Auditors Report.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			To declare a dividend on equity shares.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Reappointment Mr. Darius C Shorff as a Director who retires by rotation and is eligible.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Reappointment Mr. Joe Kaeser as a Director who retires by rotation and is eligible.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
	Y		Reappointment Mr. Naren- dra J Jhaveri as a Director who retires by rotation and is eligible.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
	IJ	тι	To appoint M/s S R Batliboi & Associates as auditors of the Company & fix their remuneration.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
	rof		Reappointment Dr. Armin Bruck and revision in re- muneration as a Managing Director	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
			Revision in Remuneration of Mr. Sunil D Mathur as an Executive Director	The scrip is part of the Index Scheme and not actively man- aged.	Abstain

QUANTUM MUTUAL FUND

AXIS BANK LIMITED	25-Jan-13	PBL	Increase of Authorised Share Capital and alteration of Memorandum of Associa- tion and Article of Associa- tion.	Increase in Equity Share Capital from 5 Billion to 8.5 Billions will help the Company in boosting the networth and Tier 1 Capital	For
			Special Resolution for altera- tion in Article No. 3 (1) of the Article of Associations (increase in authorised share capital)	The Bank will benefit from increase in networth as its Tier 1 Capital will increase.	For
			Special Resolution for In- crease in Tier 1 capital	Axis wants to issue equity shares not exceeding 45.8 million shares. Issue of equity shares will help in growth of business and meeting base 3 capital requirements.	For
			Special Resolution for In- crease in Tier 1 capital	Axis wants to issue equity shares not exceeding 45.8 million shares. Issue of equity shares will help in growth of business and meeting base 3 capital requirements.	For
			Special Resolution for Increase in limit up to which the stock option can be granted under the Employee Stock Option Scheme (ESOS) of the bank.	Grant of ESOP to Employee will align the interest of employee with that of management.	For
Sun Pharmaceuti- cals Industries Ltd	25-Jan-13	ССМ	Scheme of Amalgamation of between Sun Pharmaceu- ticals Industries Ltd to Sun Pharma Laboratories Ltd.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
ACC Limited	15-Feb-13	PBL	Ordinary Resolution for granting approval for payment of Technology & knowhow Fee to Holcim Technology Limited	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
Ambuja Cement Limited	15-Feb-13	PBL	Approval to Company for the payment of Technol- ogy & knowhow Fee and ratifications and confirma- tions of the ' Technology & knowhow Agreement' dated December 17, 2012	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
Punjab National Bank	15-Feb-13	PBL	Increase of Authorised Share Capital and alteration of Memorandum of Associa- tion and Article of Associa- tion.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain

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Gateway Distriparks Limited	nited tive		Commission to Non-Execu- tive Directors	Payment of Commission is not required as the Company need money for capital expenditure and one of its subsidiaries last year come out of loss.	Against
			Remuneration to Non-Exec- utive Directors in subsidiary Companies	Gateway Distriparks was not profitable in FY 11, recently it has turned profitable thus we should wait couple of years before pay- ing remuneration to non- execu- tive Directors	Against
			Employee Stock Option Plan 2013	Employee Stock Option Plan 2013 is good move for the employee & company in future.	For
Bank of Baroda	11-Mar-13	EGM	Increase of Authorised Share Capital and alteration of Memorandum of Associa- tion and Article of Associa- tion.	Authorised Share d alteration of lum of Associa-The scrip is part of the Index Scheme and not actively man- aged.	
Wipro Ltd	21-Feb-13	ССМ	Scheme of Amalgamation of between Wipro Limited & Mr. Azim Premji Custodian Services Pvt Ltd.	The scrip is part of the Index Scheme and not actively man- aged.	Abstain
State Bank Of India	18-Mar-13	EGM	Increase of Authorised Share Capital and alteration of Memorandum of Associa- tion and Article of Associa- tion.	The bank needs to beef up its capital to meet base 3 norms for growth & operations.	For
Bharti Airtel Ltd	25-Mar-13	PBL	Appointment of Sunil Bharati Mittal as Chairman of the Company	He is the founder chairman & CEO of the Bharati enterprises hence understand the various aspects associated with telecom.	For
	Q	U	Appointment of Manoj Kholi as Managing Directors of the Company for a period of 5 years.	He is the founder chairman & CEO of the Bharati enterprises hence understand the various aspects associated with telecom.	For
			Re Appointment of Gopal Vittal as Director of the Company.	The Director has played a key role in the company's performance.	For
Ν		- 1	Appointment of Gopal Vittal as Joint Managing Director of the Company.	The Director experience will help the Company to grow in future.	For

	Share Holders Proposal							
Name of the Company Date Type of Meeting (AGM / EGM)		Proposal	Management Recommendation	Vote (For / Against / Abstain)				
Nil	Nil	Nil	Nil	Nil	Nil			

INDEPENDENT AUDITORS' REPORT

то

THE BOARD OF TRUSTEES OF QUANTUM MUTUAL FUND

Report on the Financial Statements

We have audited the accompanying financial statements of Quantum Long Term Equity Fund (the "Scheme"), which comprise the Balance Sheet as at March 31, 2013, and the Revenue Account and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Trustees of **Quantum Mutual Fund** and Quantum Asset Management Company Private Limited are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Schemein accordance with the accounting policies and standards as specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto ("the Regulations"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Scheme's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Regulations as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2013;
- (b) in the case of the Revenue Account , of the surplusfor the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Profit with Process

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required under the Regulations, 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, Revenue Account, and Cash Flow Statement dealt with by this Report are in agreement with the books of account of the Scheme;
- 3. In our opinion, the Balance Sheet, Revenue Account, and Cash Flow Statement dealt with by this report have been prepared in accordance with the accounting policies and standards as specified in Ninth Schedule of the Regulations.
- 4. The methods used to value non traded securities, as determined by Quantum Asset Management Company Private Limited under procedures approved by the Trustees of Quantum Mutual Fund are in good faith and in accordance with the guidelines for valuation of securities for mutual funds as mentioned in the Eighth Schedule of the Regulations issued by the Securities and Exchange Board of India, are fair and reasonable.

For HARIBHAKTI & CO.

Chartered Accountants Firm Registration No. – 103523W

sd/-

CHETAN DESAI

Membership No 17000

Place: Mumbai Date: 30th May, 2013



MUTUAL FUND Profit with Process

QUANTUM LONG TERM EQUITY FUND BALANCE SHEET AS AT 31st MARCH 2013

	Schedule	31st March, 2013	31st March, 2012
		Amount (₹)	Amount (₹)
LIABILITIES			
Unit Capital	'Α'	675,243,437	485,615,261
Reserves and Surplus	'B'	967,365,900	598,616,240
Current Liabilities and Provisions	'C'	3,212,649	34,133,261
Total		1,645,821,986	1,118,364,762
ASSETS			
Investments	'D'	1,612,145,600	1,108,049,020
Other Current Assets	'E'	33,676,386	10,315,742
Total		1,645,821,986	1,118,364,762
Significant accounting policies and			
notes forming part of Accounts	'F'		
For Quantum Trustee Company Pvt Ltd	For Quantum Asset N	Management Company	Pvt Ltd
sd/- Surjit Banga	sd/- Ajit Dayal		sd/- rinivasan
(Director)	(Chairman)		rector)
sd/- Hormazdiyaar Vakil (Director)	sd/- Jimmy A. Patel (Chief Executive Officer)	Atu	sd/- l Kumar Manager)
As per our report of even date For Haribhakti & Co. Chartered Accountants FRN: 103523W			
sd/- Chetan Desai Partner Membership No: 17000			
Place : Mumbai Date :May 30, 2013			

QUANTUM LONG TERM EQUITY FUND REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2013

	Schedule	31st March, 2013 Amount (₹)	31st March, 2012 Amount (₹)
INCOME			
Dividend		21,043,477	13,491,157
Interest and Discount income		13,157,347	7,176,066
Profit on sale / redemption of investments(Other than inter transfer / sale)	scheme	83,678,139	37,777,858
Other Income (Load Income)		1,436,489	1,283,795
Total		119,315,452	59,728,876
EXPENSES AND LOSSES			
Loss on Sale/Redemption of Investments (Other than inter s transfer / sale)	cheme	-	16,624,570
Management fees		13,113,517	9,188,894
Custodian fees		1,592,785	931,004
Registrar & Transfer Agent's fees		1,423,756	1,057,261
Other Operating expenses		261,905	230,134
Total		16,391,963	28,031,863
Net Surplus / (Deficit)		102,923,489	31,697,013
APPROPRIATION ACCOUNT FC	DR THE YEAR ENDED 31st		
Net Surplus brought forward from previous year		381,970,038	235,928,877
Net Surplus / (Deficit) for the year		102,923,489	31,697,013
Transferred (to)/ from Equalisation Account		162,860,613	114,344,148
Net Surplus / (Deficit) carried forward Significant accounting policies and notes forming part of Ac	counts F	647,754,140	381,970,038
For Quantum Trustee Company Pvt Ltd	For Quantum Asset N	Management Company	Put I td
Tor Quantum nuslee Company I vi Liu		vianagement company	TVI Ela
sd/-	sd/-		sd/-
Surjit Banga (Director)	Ajit Dayal (Chairman)		rinivasan rector)
sd/- Hormazdiyaar Vakil (Director)	sd/- Jimmy A. Patel (Chief Executive Officer)	Atu	sd/- l Kumar Manager)
As per our report of even date For Haribhakti & Co. Chartered Accountants FRN: 103523W			
sd/- Chetan Desai Partner Membership No: 17000			
Place : Mumbai			

Place : Mumbai Date :May 30, 2013

QUANTUM LONG TERM EQUITY FUND SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2013

		31st March, 2013		31st March, 2012
	Units	Amount (₹)	Units	Amount (₹)
SCHEDULE 'A'				
UNIT CAPITAL				
Initial Capital Issued and Subscribed :				
Units of ₹ 10 each fully paidup	10,571,650	105,716,500	10,571,650	105,716,500
Outstanding :				
Unit Capital (Opening Balance)	48,561,526	485,615,261	32,563,214	325,632,138
Add : Subscription during the year	26,213,724	262,137,236	21,498,422	214,984,220
Less : Redemption during the year	7,250,906	72,509,060	5,500,110	55,001,097
Unit Capital (Closing Balance)	67,524,344	675,243,437	48,561,526	485,615,261
SCHEDULE 'B'				
RESERVES & SURPLUS				
Unit Premium		100 005 007		64 205 022
Opening Balance		123,065,397		64,385,822
Add\(Less): Net Additions/(Deduction) during the year		265,771,848		173,023,723
Add\(Less): Transferred (to) / from Equalisation Account		(162,860,613)		(114,344,148)
Closing Balance		225,976,632		123,065,397
Equalisation Account				
Transferred from / (to) Unit Premium Reserve		162,860,613		114,344,148
Add\(Less): Transferred (to) / from Revenue Account		(162,860,613)		(114,344,148)
Closing Balance				-
Unrealised Appreciation in the value of investments (Net)				
Opening Balance		93,580,805		112,243,526
Add:Net change during the year		54,323		(18,662,721)
Additiver change during the year		93,635,128		93,580,805
Appropriation Account				
Surplus/(Deficit) carried forward		647,754,140		381,970,038
Total Deserves 9 Cumplus		067 365 000		E09 616 240
Total Reserves & Surplus		967,365,900		598,616,240
SCHEDULE 'C'				
CURRENT LIABILITIES & PROVISIONS				
Management Fees Payable		1,115,645		845,001
Payable to Quantum Asset Management Co Pvt Ltd		956,948		
Redemption Payble		415,949		32,959,456
Units pending Allotment		380,922		37,263
Other Payables		311,769		240,541
Payable to schemes for switches		31,416		51,000
Total		3,212,649		34,133,261

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	31st March, 2013		31st March, 2012
Units	Amount (₹)	Units	Amount (₹)
SCHEDULE 'D'			
<u>INVESTMENTS</u>			
Equity shares	1,338,424,707		980,053,969
Collateralised borrowing & lending obligation *	273,720,893		127,995,051
Total	1,612,145,600		1,108,049,020
* CBLO investment are registered in the name of the Fund			
SCHEDULE 'E'			
OTHER CURRENT ASSETS			
Balances with Banks in Current Account **	6,655,420		1,177,454
Receivable from schemes for switches	85,967		-
Subscription Receivable	1,801,880		402,412
Receivable from Quantum Asset Management Co Pvt Ltd	· ·		101
Other Current Assets	-		21,487
Sales Contract outstanding	24,224,331		8,349,814
Dividend Receivable	908,788		364,474
Total	33,676,386		10,315,742
** Certain bank a/c are in the name of the Fund			

QUANTUM

MUTUAL FUND Profit with Process

QUANTUM LONG TERM EQUITY FUND CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

	2012-13	2011-12
	Amount (₹)	Amount (₹)
Cash flow from Operating Activities		
Surplus for the year	102,923,489	31,697,013
Adjustments for:-		
(Increase)/Decrease in investments at cost (net)	(358,316,415)	(366,489,934)
(Increase)/Decrease in other current assets	(16,483,210)	(8,167,159)
Increase/(Decrease) in current liabilities	1,279,236	(343,945)
Net cash generated from /(used in) operations (A)	(270,596,900)	(343,304,025)
Cash flow from Financing Activities		
Increase/(Decrease) in unit capital	189,628,176	159,983,124
Increase/(Decrease) in unit premium reserve	265,771,848	173,023,722
Adjustments for:-		
(Increase)/Decrease in subscription receivable for units issued to investors	(1,399,468)	987,212
Increase/(Decrease) in redemption payable for units redeemed by investors	(32,543,507)	32,911,302
Increase/(Decrease) in subscription received for units pending allotment to investors	343,659	-
Net cash generated from /(used in) operations (B)	421,800,708	366,905,360
Net Increase/(Decrease) in Cash and cash equivalents (A + B)	151,203,808	23,601,335
Cash and cash equivalents, beginning of the year	129,172,505	105,571,170
Cash and cash equivalents, end of the year	280,376,313	129,172,505
Components of cash and cash equivalents		
Balances with banks in current accounts	6,655,420	1,177,454
Collateralised borrowing & lending obligation	273,720,893	127,995,051
	280,376,313	129,172,505

For Quantum Trustee Company Pvt Ltd

sd/-Surjit Banga (Director)

sd/-Hormazdiyaar Vakil (Director)

As per our report of even date For Haribhakti & Co. Chartered Accountants FRN: 103523W

sd/-Chetan Desai Partner Membership No: 17000

Place : Mumbai Date :May 30, 2013 sd/-Ajit Dayal (Chairman)

sd/-

Jimmy A. Patel

(Chief Executive Officer)

For Quantum Asset Management Company Pvt Ltd

sd/-C. Srinivasan (Director)

sd/-Atul Kumar (Fund Manager)

SCHEDULE 'F'

1. ORGANISATION

Quantum Long Term Equity Fund ("the Scheme") is an openended 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 S & P 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 S & P BSE 30 TRI.

All investment decisions, relating to the Scheme are being undertaken by the Fund Manager / Portfolio team in accordance with the SEBI Regulations and Investment Objectives as specified in the Scheme Information Document. The AMC has two committees for enabling investment decisions i.e Board Investment Committee (BIC) and Key Employee Investment Committee (KIC). The Board of Directors of the AMC has the ultimate responsibilities of supervising investment activities. The Board of Directors has delegated its power with respect to approval / review of the investment activities to BIC and decision making authority with respect to the Investments to KIC except for the restrictions given in the investment policy from time to time.

Quantum Mutual Fund since inception is a Direct to investor Mutual Fund and does not charge / debit any distribution expenses to the schemes and does not pay any upfront or trail commission to distributors / intermediaries for investments routed through a distributor / intermediary whether empanelled with Quantum Mutual Fund or not. In accordance with the SEBI Circular No. Cir /IMD/ DF/21/2012 dated September 13, 2012 SEBI allowed fund houses to launch direct plans with effect from January 01, 2013 wherein investor can invest directly in the Direct Plan and such Plan shall have lower expense ratio excluding distributor expense, commission etc and the Plan shall have a separate NAV. Quantum Mutual Fund has continued with existing plan and NAV and does not have separate plans for receiving any investment applications either through distributors or directly from investors.

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 the SEBI (Mutual Funds) Regulations, 1996 and amendments thereto as applicable.

(2.2) INVESTMENTS ACCOUNTING OF 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 contract note.

As per SEBI Notification dated 26th September 2012 with effect from October 01, 2012 brokerage and transaction cost incurred for trades which is included in the cost of investments is not exceeded 0.12% (excluding STT) of the trade value. STT is added to the cost wherever applicable.

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

VALUATION OF INVESTMENTS

SEBI has outlined investment valuation norms for the mutual funds to compute and carry out valuation of its investment in its portfolio under Regulation 47 and Eighth Schedule of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

SEBI vide its notification dated February 21, 2012 has amended Regulation 47 and Eighth Schedule and has mandated the mutual funds to value its investments on principal of fair valuation to ensure fair treatment to all investors including existing investors as well as investors seeking to purchase or redeem units of mutual funds in all schemes at all points of time.

The Board of Directors of Quantum Asset Management Company Private Limited ("AMC") and Quantum Trustee Company Private Limited ("Trustee") has approved the Investment valuation Policy and the framework for valuation of investments of Quantum Mutual Fund in accordance with SEBI Notification dated February 21, 2012 effective from July 1, 2012 in its meeting held on May 25, 2012 based on principles of fair valuation which is reflective of realizable value of securities/assets and the same has been reviewed in the Board meeting held on 23rd Oct 2012 and 18th

March 2013. The said investment valuation policies reviewed by internal auditors and approved by the Board can be viewed at www.quantummf.com.

THE INVESTMENTS ARE VALUED AT MARK TO MARKET AS STATED BELOW:-

A. EQUITY AND EQUITY RELATED INSTRUMENTS

- a) Traded equity shares are to be valued at the last quoted closing price on the National Stock Exchange (Principal stock exchange). Where the equity share is not traded on the National stock exchange, the last quoted closing price of Bombay Stock Exchange may be used. If equity share is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the National stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used, provided such date is not more than 30 days prior to valuation date. Freak scenario when the Sensex/ Nifty falls more than 8% at the end of day with respect to previous day's close. Valuation would be done as per the closing traded price on NSE. Per se, there will be no change in the valuation methodology.
- b) If the equity and equity related securities are not traded on NSE or BSE stock exchange for a period of thirty days prior to the valuation date or it is thinly traded security as per SEBI guideline norms of trading less than 50,000 shares in a month and trading value is less than ₹ 5 lacs in a month, then it be should be valued as per the provision contained in the Eighth 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 SEBI.
- c) Unlisted equity shares will be valued as per the method of valuation mentioned in SEBI Circular No. MFD/CIR/03/526/2002 dated May 9, 2002. At the discretion of the valuation committee and with the approval of the Board Investment committee, unlisted equity scrip may be valued at a price lower than the value derived using the aforesaid methodology.
- d) In a case trading in an equity shares is suspended for trading on the stock exchange up to 30 days, then the last traded price would be considered for valuation of that shares.
- e) If an equity shares is suspended for trading on the stock exchange for more than 30 days then valuation committee will decide the valuation.
- f) If the partly paid-up equity shares are traded in market separately then the same shall be valued at traded price (like any other equity

instrument). If the same is not traded separately then partly paid equity shares shall be valued at Underlying Equity shares price as reduced by the balance call money payable with illiquidity discount as suggested by valuation committee. If the fully paid equity shares are not traded for more than 30 days, the same shall be valued as per valuation norms given for non traded shares with necessary illiquidity discount as decided by valuation committee.

B. DEBT AND MONEY MARKET INSTRUMENTS:

a) Debt and Money Market Instruments (MMI) including Treasury Bills till 30th June 2012 are valued at the weighted average price at which they are traded on National Stock Exchange (NSE) on 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 from the last valuation price.

> With effect from 01st July, 2012, traded debt and MMI are valued at the weighted average price / yield reported on any reporting platform / exchange, subject to the traded criteria defined in the valuation policy. The trades reported on any reporting platform / exchange of similar maturity of same issuer is also considered, as outlined in the valuation policy. If traded price are not available, then valued at the benchmark yield / matrix of spread over the risk free benchmark yield obtained from CRISIL &/or ICRA or such other agencies entrusted for the said purpose by AMFI plus the spread determined based on the recent trade, which is reviewed based on the parameters defined in the policy.

> With effect from 1st Aug 2012 Quantum Asset Management Company Private Limited has obtained the services of ICRA Management Consulting Services Limited (IMACS) for valuation of debt and money market instruments/security held in Quantum Mutual fund scheme's portfolio.

> With effect from 19th March, 2013, traded debt and MMI are valued at the weighted average price / yield reported on FIMMDA, subject to the traded criteria defined in the revised valuation policy. The trades reported on any reporting platform / exchange of similar maturity of same issuer is also considered, as outlined in the revised valuation policy. If traded price are not available, then valued at the benchmark yield / matrix as prepared by IMACS plus the spread determined based on the recent trade, which is reviewed based on the parameters defined in the policy.

- b) Treasury Bills are valued based on the security level valuation as provided by IMACS.
- c) CBLO, Repos and Fixed Deposits are valued on interest accrual/ amortization basis.

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.

The net unrealised gain or loss in the value of investments is determined separately for each category of investments. The change in net unrealized loss, if any, between two balance sheet dates is recognized in the revenue account and net unrealised gain, if any, is adjusted in the unrealised appreciation reserve. The loss on investments sold / transferred during the year is charged to the revenue account instead of being first adjusted against the provision for depreciation, if already created in the previous year.

(2.3) REVENUE RECOGNITION

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.

Other income is accounted as and when realized.

(2.4) TOTAL EXPENSES

Expenses are accrued on daily basis within the limits specified under Regulation 52 of SEBI (Mutual Fund) Regulations.

(2.5) EXIT LOAD INCOME

Entire exit load amount collected from the investor is credited to the revenue account of the Scheme since inception. However on crossing of threshold limit as defined under relevant notification of Service tax, i.e., with effect from 06th February, 2013 exit load net off service tax is credited to revenue account.

(2.6) DETERMINATION OF NET ASSET VALUE (NAV)

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 CAPITAL

Unit Capital represents the net outstanding units at the balance sheet date, thereby reflecting all the transactions relating to the period ended on that date.

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 ACCOUNT

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.

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3. NOTES TO ACCOUNTS

(1) MOVEMENT IN UNIT CAPITAL

Particulars	2012	2-13	2011-12	
Units of ₹ 10 each fully paid up	Units	Amount	Units	Amount
Growth Option				
Opening at the beginning of the year	42,877,573.42	428,775,734	28,152,625.14	281,526,251
- Issued during the year	24,132,043.83	241,320,438	19,449,222.90	194,492,229
- Redeemed during the year	(6,316,991.98)	(63,169,920)	(4,724,274.62)	(47,242,746)
Closing at the end of the year	60,692,625.27	606,926,253	42,877,573.42	428,775,734
Dividend Option				
Opening at the beginning of the year	5,683,952.72	56,839,527	4,410,588.62	44,105,886
- Issued during the year	2,081,679.79	20,816,798	2,049,199.18	20,491,992
- Redeemed during the year	(933,914.06)	(9,339,140)	(775,835.08)	(7,758,351)
Closing at the end of the year	6,831,718.45	68,317,185	5,683,952.72	56,839,527
Grand Total				
Opening	48,561,526.14	485,615,261	32,563,213.76	325,632,138
- Issued during the year	26,213,723.62	262,137,236	21,498,422.08	214,984,221
- Redeemed during the year	(7,250,906.04)	(72,509,060)	(5,500,109.70)	(55,001,097)
Closing at the end of the year	67,524,343.72	675,243,437	48,561,526.14	485,615,261

(2) VALUE OF INVESTMENTS

The Cost and Market Value/Fair Value of Investments is given below:

	March 31, 2013		March 31, 2012	
Investments	Cost (₹)	Market Value (₹)	Cost (₹)	Market Value (₹)
Equity Shares	1,244,789,580	1,338,424,707	886,473,165	980,053,969
Collateralised Borrowing & Lending Obligation (CBLO)	273,720,893	273,720,893	127,995,051	127,995,051
TOTAL	1,518,510,473	1,612,145,600	1,014,468,216	1,108,049,020

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

Particulars	March 31, 2013	March 31, 2012
Equity Shares		
Unrealised Appreciation	213,791,013	145,152,377
Unrealised Depreciation	(120,155,885)	(51,571,572)
Net Unrealised Appreciation/ (Depreciation)	93,635,128	93,580,805

(4) NON PERFORMING INVESTMENTS.

Year	Type of Investment	Carrying Value Amount (₹)	Market value Amount (₹)	Provisions
2012-13	NIL	NIL	NIL	NIL
2011-12	NIL	NIL	NIL	NIL

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

	2012-13		2011-12		
Particulars	Amount (in ₹)	Amount (in ₹) % of daily average Net Assets		% of daily average Net Assets	
Purchases*	477,101,438	36.38%	475,345,711	53.57%	
Sales/Redemptions*	202,501,114	15.44%	130,009,069	14.65%	

(*Purchases & Sales is excluding CBLO & Fixed Deposits.)

(6) NET ASSET VALUE

Net Asset Value (NAV) per unit having Face Value of ₹ 10/- is as given below:

Options	NAV (March 28, 2013)**	NAV (March 30, 2012)*
Growth Option	24.30	22.30
Dividend Option	24.51	22.49

* As 31st March, 2012 was a Non business day NAV as of 30th March, 2012 has been shown.

**As 29th, 30th& 31st March, 2013 is a Non-business day NAV of 28th March, 2013 has been shown.

(7) INCOME AND EXPENDITURE

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

	2012-13		2011-12		
Particulars	Amount (in ₹)	% of daily average Net Assets	Amount (in ₹)	% of daily average Net Assets	
Income*	119,315,452	9.10%	43,104,307	4.86%	
Expenditure	16,391,963	1.25%	11,407,295	1.29%	

(*Income is net off losses on sale of Investments and excluding unrealized appreciation)

(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 ₹ 1,311,342,692 & fees charged 1.00% Management Fees accrued during the period is ₹ 13,113,517/- inclusive of statutory levies with service tax.

(9) TOTAL EXPENSE RATIO

SEBI vide its Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 has allowed mutual funds to charge for additional expenses in addition to the maximum total expense ratio as permissible under Regulation 52 of SEBI. The allowed additional expenses are 30 bps of net assets for inflows beyond top 15 cities and additional 20 bps for additional expenses incurred under different heads and in lieu of crediting back the exit load to the Scheme and charge service tax charged on investment management fees. Quantum Mutual Fund has not increased expense ratio and has continued to charge what it used to charge in the past. The Investment Management and Advisory fees charged by the AMC to the Scheme is within / equal to the total expense limit as prescribed by SEBI Regulations, as amended from time to time, with no sub-limit on the Investment Management and Advisory fees as currently mentioned under the respective Scheme Information Document of the schemes.

(10) OTHER EXPENSES

Other expenses only to the extent of 0.25% are borne by the Scheme and rests of the expenses are borne by the Quantum Asset Management Company Private Ltd.

(11) INVESTOR EDUCATION EXPENSES

SEBI vide its Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 has suggested Mutual Funds/AMCs to annually set apart at least 2 basis points on daily net assets for investor education and awareness initiatives. Quantum Asset Management Company Private Ltd sets aside and incurs the amount for investor education expenses.

(12) TRUSTEE FEES

As per the Trust deed entered between Quantum Advisors Private Limited (Sponsor) and Quantum Trustee Company Private Limited (Trustee) on October 7, 2005, the fund is entitled to pay Trusteeship fees. During the year no trustee fee amount is charged to the Scheme, hence the entire amount of trustee fee is borne by the AMC.

(13) CUSTODY FEES

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

(14) 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.

(15) INCOME TAX

No Provision for taxation has been made since the income of the scheme is exempt under section 10(23D) of the Income Tax Act, 1961.

(16) CONTRACTS PENDING DELIVERIES

Sale of securities by the Scheme, the deliveries of which were pending as on March 31st, 2013, amounted to ₹24,224,331. There were no contracts for Purchase pending deliveries as on March 31, 2013.

(17) DISCLOSURE UNDER REGULATION 25(11) OF THE SEBI (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED – NIL (PREVIOUS YEAR – 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, 2013 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2013, as well as the aggregate investments in each investment category.

Industry & Scrip Name	Quantity	Market/ Fair Value (₹ In Lakhs)	% to Net Assets	% to Investment Category
EQUITY & EQUITY RELATED				
Listed/ Awaiting listing on the Stock Exchange				
Auto	97,745	1,514.56	9.22%	11.32%
Bajaj Auto Ltd	50,593	910.45	5.54%	6.80%
Maruti Suzuki India Ltd	47,152	604.11	3.68%	4.51%
Banks	253,551	2,095.62	12.76%	15.66%
Axis Bank Ltd	27,879	362.62	2.21%	2.71%
HDFC Bank Ltd	101,960	637.61	3.88%	4.76%
ING Vysya Bank Ltd	96,909	539.83	3.29%	4.03%
State Bank of India	26,803	555.56	3.38%	4.15%
Chemicals	154,172	495.82	3.02%	3.70%
Tata Chemicals Ltd	154,172	495.82	3.02%	3.70%
Construction Project	612,363	461.42	2.81%	3.45%
Voltas Ltd	612,363	461.42	2.81%	3.45%
Ferrous Metals	165,121	516.58	3.14%	3.86%
Tata Steel Ltd	165,121	516.58	3.14%	3.86%
Finance	284,853	1,297.53	7.90%	9.69%
Housing Development Finance Corporation Ltd	121,261	1,001.92	6.10%	7.49%
Power Finance Corporation Ltd	163,592	295.61	1.80%	2.21%
Gas	141,188	449.33	2.74%	3.36%
Gail (India) Ltd	141,188	449.33	2.74%	3.36%
Hotels	1,148,579	615.06	3.74%	4.60%
Indian Hotels Co Ltd	1,148,579	615.06	3.74%	4.60%
Industrial Capital Goods	502,471	471.32	2.87%	3.52%
Crompton Greaves Ltd	502,471	471.32	2.87%	3.52%
Media & Entertainment	277,145	583.25	3.55%	4.36%
Zee Entertainment Enterprises Ltd	277,145	583.25	3.55%	4.36%
Oil	227,197	707.49	4.31%	5.29%
Oil & Natural Gas Corporation Ltd	227,197	707.49	4.31%	5.29%
Petroleum Products	160,576	452.18	2.75%	3.38%
Indian Oil Corporation Ltd	160,576	452.18	2.75%	3.38%
Power	844,750	785.20	4.78%	5.87%
NTPC Ltd	339,967	482.58	2.94%	3.61%
PTC India Ltd	504,783	302.62	1.84%	2.26%
Software	82,516	1,756.08	10.69%	13.12%
Infosys Ltd	34,701	1,002.63	6.10%	7.49%
Tata Consultancy Services Ltd	47,815	753.44	4.59%	5.63%

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Industry & Scrip Name	Quantity	Market/ Fair Value (₹ In Lakhs)	% to Net Assets	% to Investment Category
Telecom - Services	93,220	271.97	1.66%	2.03%
Bharti Airtel Ltd	93,220	271.97	1.66%	2.03%
Transportation	166,387	910.84	5.55%	6.81%
Container Corporation of India Ltd	77,734	801.09	4.88%	5.99%
Gateway Distriparks Ltd	88,653	109.75	0.67%	0.82%
Total		13,384.24	81.49%	100.00%
Cash & Cash Equivalent:				
Collateralised Borrowing & Lending Obligation (CBLO)		2,737.21	16.66%	
Net Receivable/(payable)		304.64	1.85%	
Grand Total		16,426.09	100.00%	

(19) BORROWINGS

The Scheme has not made any borrowing during the year ended March 31, 2013. (Previous Year- NIL)

(20) DERIVATIVES

The Scheme has no exposure to derivative products during the financial year. (Previous Year- NIL)

(21) 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.

(22) CONTINGENT LIABILITIES

The Contingent Liabilities as on 31st March 2013 is NIL (Previous Year - NIL)

(23) UNCLAIMED DIVIDEND/REDEMPTION

Unclaimed dividend/redemptions outstanding for more than 3 months as of 31st March 2013 is NIL. (Previous Year-NIL)

(24) DISCLOSURE OF TRASANCTION IN ACCORDANCE WITH ACCOUNTING STANDARD 18 – RELATED PARTY TRASANCTIONS AND AS PER REGULATION 25(8) OF SEBI MUTUAL FUND REGULATION 1996.

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
Ajit Dayal	Associate
Menlo Oak Venture Investments	Associate
Primary Real Estate Advisors Private Limited	Associate
PREI Management Limited Mauritius	Associate
QIEF Management LLC	Associate
QACPI India Fixed Income Fund Limited, Mauritius *	Associate
G Corp Homes Private Limited	Associate

(* Ceased to be an associate with effect from October 5, 2012)

Other Schemes of the Fund

Quantum Liquid Fund

Quantum Gold Fund

Quantum Index Fund

Quantum Tax Saving Fund

Quantum Equity Fund of Fund

Quantum Gold Savings Fund

Quantum Multi Asset Fund

Transaction with the above mentioned related parties (in the nature of their independent investments) are provided below:

Name of the related party	Nature of transactions	For the Year ended March 31, 2013	Balance as at March 31, 2013	For the Year ended March 31, 2012	Balance as at March 31, 2012
Quantum Asset Management Co Pvt. Ltd	Management Fees	13,113,517	1,115,645	9,188,894	845,001
Ajit Dayal	Subscription	-	-	2,000,000	-
	Redemption	-	-	-	-
	Net Assets value of investment at balance sheet date	-	25,230,941	-	23,154,320
QIEF Management LLC	Subscription	-	-	-	-
	Redemption	52,545,629	-	53,852,065	-
	Net Assets value of investment at balance sheet date	-	-	-	53,554,275

Quantum Gold Saving fund and Quantum Multi Asset Fund are fund of fund Scheme which as per their investment objective invests in other schemes of Quantum Mutual Fund as disclosed in the Scheme's offer document, hence information on their investment transactions have not been shown above.

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 (₹ Cr. & % of total business received by the fund)	Commission paid (₹&% of total commission paid by the fund)
Quantum Information Services Private Limited	Associate Company	April 01, 2011 - March 31, 2012	0.49 cr. & 1.05%	NIL
Quantum Information Services Private Limited	Associate Company	April 01, 2012 - March 31, 2013	0.24 cr. & 0.39%	NIL

DISCLOSURE UNDER REGULATIONS 25 (8) OF THE SEBI REGULATIONS

- a) Underwriting obligations taken by the Scheme in respect of issues of securities of Associate companies: NIL (Previous Year: NIL)
- b) Devolvement, if any: NIL (Previous Year: NIL)

- c) Subscriptions by the Schemes in the issues lead managed by Associate companies: NIL (Previous Year: NIL)
- d) Subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies has acted as arranger or manager: NIL (Previous Year: NIL)

(25) INVESTMENTS IN GROUP COMPANIES

Quantum Long Term Equity Fund has made NIL investment in group companies during the year ended March 31, 2013. (Previous Year – NIL)

(26) LARGE HOLDINGS

Unit holders holding over 25% of the Scheme's NAV is NIL as at the end of the year March 31, 2013. (Previous Year – NIL)

(27) HISTORICAL PER UNIT STATISTICS

The Historical Per Unit statistics are given in Annexure I

(28) PRIOR PERIOD COMPARATIVES

Previous year's figures have been regrouped/re-arranged wherever necessary.



MUTUAL FUND

For Quantum Trustee Company Pvt Ltd

sd/-Surjit Banga (Director)

sd/-Hormazdiyaar Vakil (Director) For Quantum Asset Management Company Pvt Ltd

sd/-Ajit Dayal (Chairman)

sd/-Jimmy A. Patel (Chief Executive Officer) sd/-C. Srinivasan (Director)

sd/-Atul Kumar (Fund Manager)

ANNEXURE 1

QUANTUM LONG TERM EQUITY FUND HISTORICAL PER UNIT STATISTICS

Sr. No.	Particulars	As of 31.03.2013	As of 31.03.2012	As of 31.03.2011
	Face Value	₹10/-	₹10/-	₹10/-
(a)	Net Asset Value			
i)	Growth Option	24.30	22.30	22.64
ii)	Dividend Option	24.51	22.49	22.84
(b)	Gross Income broken up into the following components			
i)	income other than profit on sale of investment	0.5278	0.4520	0.4169
ii)	income from profit on inter-scheme sales/transfer of investments	-	-	-
iii)	income from profit on sale of investment to third party	1.2392	0.4356	3.5261
iv)	transfer to revenue account from past years reserve	-	-	-
(c)	Aggregate of expenses, write-off, amortization and charges	0.2428	0.2349	0.3002
(d)	Net Unrealised appreciation in value of investments	1.3867	1.9271	3.4489
(e)	Net Income per unit (excluding unrealized appreciation)	1.5242	0.6527	3.6428
(f)				
i)	Highest sale price			
	Growth Option	26.16	23.48	24.48
	Dividend Option	26.39	23.68	24.68
ii)	Lowest sale price			
	Growth Option	20.35	18.72	18.49
	Dividend Option	20.53	18.88	18.65
iii)	Highest repurchase price			
	Growth Option	25.11	22.54	23.50
	Dividend Option	25.33	22.73	23.69
iv)	Lowest repurchase price			
	Growth Option	19.54	17.97	17.75
	Dividend Option	19.71	18.12	17.90
V)	Price earning ratio	NA	N.A	N.A
(g)	Ratio of expenses to average net assets (excluding unrealized depreciation and amortization of deferred revenue expenditure)	1.25%	1.29%	1.53%
(h)	Ratio of gross income to average daily net assets (excluding unrealized appreciation/depreciation)	9.10%	4.86%	21.06%

Profit with Process

INDEPENDENT AUDITORS' REPORT

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THE BOARD OF TRUSTEES OF QUANTUM MUTUAL FUND

Report on the Financial Statements

We have audited the accompanying financial statements of Quantum Liquid Fund (the "Scheme"), which comprise the Balance Sheet as at March 31, 2013, and the Revenue Account and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Trustees of **Quantum Mutual Fund** and Quantum Asset Management Company Private Limited are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Schemein accordance with the accounting policies and standards as specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto ("the Regulations"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Scheme's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Regulations as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2013;
- (b) in the case of the Revenue Account , of the surplus for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Profit with Process

Report on Other Legal and Regulatory Requirements

As required under the Regulations, 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, Revenue Account, and Cash Flow Statement dealt with by this Report are in agreement with the books of account of the Scheme;
- 3. In our opinion, the Balance Sheet, Revenue Account, and Cash Flow Statement dealt with by this report have been prepared in accordance with the accounting policies and standards as specified in Ninth Schedule of the Regulations.
- 4. The methods used to value non traded securities, as determined by Quantum Asset Management Company Private Limited under procedures approved by the Trustees of Quantum Mutual Fund are in good faith and in accordance with the guidelines for valuation of securities for mutual funds as mentioned in the Eighth Schedule of the Regulations issued by the Securities and Exchange Board of India, are fair and reasonable.

For HARIBHAKTI & CO.

Chartered Accountants Firm Registration No. – 103523W

sd/-

CHETAN DESAI

Membership No 17000

Place: Mumbai Date: 30th May, 2013

QUANTUM

MUTUAL FUND Profit with Process

QUANTUM LIQUID FUND BALANCE SHEET AS AT 31st MARCH, 2013

	Schedule	31st March, 2013	31st March, 2012
		Amount (₹)	Amount (₹)
LIABILITIES			
Unit Capital	'Α'	304,172,026	195,584,620
Reserves and Surplus	'B'	101,313,470	61,506,278
Current Liabilities and Provisions	- 'C'	3,269,294	574,554
Total		408,754,790	257,665,452
ASSETS			
Investments	'D'	400,221,117	257,067,001
Deposits	Έ'	5,000,000	-
Other Current Assets	'F'	3,533,673	598,451
Total		408,754,790	257,665,452
Significant accounting policies and	'G'		
notes forming part of Accounts			
For Quantum Trustee Company Pvt Ltd	For Quantum Asset N	Management Company	Pvt Ltd
sd/-	sd/-		sd/-
Surjit Banga (Director)	Ajit Dayal (Chairman)		rinivasan rector)
sd/- Hormazdiyaar Vakil (Director)	sd/- Jimmy A. Patel (Chief Executive Officer)	Arvir	sd/- nd Chari Manager)
As per our report of even date For Haribhakti & Co. Chartered Accountants FRN: 103523W			
sd/- Chetan Desai Partner Membership No: 17000			
Place : Mumbai			
Date :May 30, 2013			

QUANTUM LIQUID FUND REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2013

Schedule	31st March, 2013	31st March, 2012
	Amount (₹)	Amount (₹)
INCOME		
Interest & Discount income	28,943,592	25,370,231
Profit on sale / redemption of investments (Other than inter-scheme	111,326	38,890
transfer / sale)	111,520	50,050
Other Income (Interest on CCIL Margin)	6,712	15,122
Total	29,061,630	25,424,243
EXPENSES AND LOSSES		
Management fees	1,241,576	999,890
Net Change in Unrealised depreciation in the value of investments	27,981	214
Total	1,269,557	1,000,104
Net Surplus / (Deficit)	27,792,073	24,424,139
APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31st	MARCH, 2013	
Net Surplus brought forward from previous year	59,939,814	38,366,941
Net Surplus / (Deficit) for the year	27,792,073	24,424,139
Transferred (to)/ from Equalisation Account	20,856,472	6,909,112
Less : Dividend distributed	7,321,916	7,591,140
Less : Tax on Dividend	2,047,256	2,169,238
Net Surplus / (Deficit) carried forward	99,219,187	59,939,814
Significant accounting policies and G		
notes forming parts of Accounts		
For Quantum Trustee Company Pvt Ltd For Quantum Asset N	Management Company	Pvt Ltd
sd/-		sd/-
Surjit Banga Ajit Dayal (Director) (Chairman)		rinivasan irector)
	,	,
sd/- sd/- Hormazdiyaar Vakil Jimmy A. Patel		sd/- nd Chari
(Director) (Chief Executive Officer)	(Fund	Manager)
As per our report of even date For Haribhakti & Co.		
Chartered Accountants FRN: 103523W		
sd/- Chetan Desai		
Partner Membership No: 17000		
Place : Mumbai Date :May 30, 2013		

QUANTUM LIQUID FUND SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2013

		31st March, 2013		31st March, 2012
	Units	Amount (₹)	Units	Amount (₹)
SCHEDULE 'A'				
UNIT CAPITAL				
Initial Capital Issued and Subscribed :				
Units of ₹ 10 each fully paidup	13,372,000	133,720,000	13,372,000	133,720,000
Outstanding :				
Unit Capital (Opening Balance)	19,558,462	195,584,620	20,671,893	206,718,928
Add : Subscription during the year	50,199,396	501,993,964	45,560,031	455,600,314
Less : Redemption during the year	39,340,656	393,406,558	46,673,462	466,734,622
Unit Capital (Closing Balance)	30,417,203	304,172,026	19,558,462	195,584,620
SCHEDULE 'B'				
RESERVE & SURPLUS				
Unit Premium				
Opening Balance		1,566,464		1,334,864
Add/(Less) : Net Additions/(Deduction) during the year		21,384,291		7,140,712
Add/(Less):-Transferred (to) / from Equalisation Ac- count		(20,856,472)		(6,909,112)
Closing Balance		2,094,283		1,566,464
Equalisation Account				
Transferred from / (to) Unit Premium Reserve		20,856,472		6,909,112
Add/(Less): Transferred (to) / from Revenue Account		(20,856,472)		(6,909,112)
Closing Balance				
Unrealised Appreciation in the value of Investments (Net) Opening Balance Add:Net change during the year		 		2,231 (2,231)
Appropriation Account				
Surplus/(Deficit) carried forward		99,219,187		59,939,814
Total Reserves & Surplus		101,313,470		61,506,278
SCHEDULE 'C'				
CURRENT LIABILITIES & PROVISIONS				
Management Fees Payable		104,546		76,477
Other Payables		26,798		8,998
Dividend Tax Payable		54,850		40,978
Units pending allotment		3,083,100		448,101

		31st March, 2013		31st March, 2012
	Units	Amount (₹)	Units	Amount (₹)
SCHEDULE 'D'				
INVESTMENTS				
Commercial Paper		49,729,150		-
Certificate of Deposits		295,403,250		245,542,170
Treasury Bill		-		2,950,935
Collateralised borrowing & lending obligation *		55,088,717		8,573,896
Total		400,221,117	-	257,067,001
* CBLO investment are registered in the name of the			=	
Fund				
SCHEDULE 'E'				
DEPOSITS				
Margin Money with Clearing Corporation of India Ltd (CCIL)		5,000,000		-
Total		5,000,000	-	-
SCHEDULE 'F'				
OTHER CURRENT ASSETS				
Balances with Banks in Current Account **		3,513,008		598,425
				26
Receivable from Quantum Asset Management Co. Pvt. Ltd		20,665		20
Total		3,533,673		598,451
** Cortain bank a/c are in the name of the Fund				

** Certain bank a/c are in the name of the Fund



MUTUAL FUND Profit with Process

QUANTUM LIQUID FUND CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

		2012-13	2011-12
		Amount (₹)	Amount (₹)
Α.	Cash flow/(deficit) from Operating Activities		
	Surplus for the period	27,792,073	24,424,139
	Adjustments for:-		
	(Increase)/Decrease in investments at cost (net)	(96,639,295)	(48,063,241)
	(Increase)/Decrease in Deposits	(5,000,000)	32,500,000
	(Increase)/Decrease in other current assets	(20,640)	7,796
	Increase/(Decrease) in current liabilities	45,869	28,702
	Net cash generated from /(used in) operations (A)	(73,821,993)	8,897,396
В.	Cash flow from Financing Activities		
	Increase/(Decrease) in unit capital	108,587,406	(11,134,307)
	Increase/(Decrease) in unit premium reserve	21,384,291	7,140,712
	Adjustments for:-		
	Increase/(Decrease) in subscription received for units pending allotment to investors	2,634,999	-
	(Increase)/Decrease in subscription received for units pending allotment to investors	-	99,101
	Dividend and tax thereon paid during the period	(9,355,300)	(9,760,377)
	Net cash generated from /(used in) operations (B)	123,251,396	(13,654,871)
	Net Increase/(Decrease) in Cash and cash equivalents (A + B)	49,429,403	(4,757,475)
	Cash and cash equivalents, beginning of the year	9,172,322	13,929,797
	Cash and cash equivalents, end of the year	58,601,725	9,172,322
	Components of cash and cash equivalents		
	Balances with banks in current accounts	3,513,008	598,426
	Collateralised borrowing & lending obligation	55,088,717	8,573,896
		58,601,725	9,172,322

For Quantum Trustee Company Pvt Ltd

sd/-Surjit Banga (Director)

sd/-Hormazdiyaar Vakil (Director)

As per our report of even date For Haribhakti & Co. Chartered Accountants FRN: 103523W

sd/-Chetan Desai Partner Membership No: 17000

Place : Mumbai Date :May 30, 2013 For Quantum Asset Management Company Pvt Ltd

sd/-Ajit Dayal (Chairman) sd/-C. Srinivasan (Director)

sd/-Jimmy A. Patel (Chief Executive Officer) sd/-Arvind Chari (Fund Manager)

SCHEDULE 'G'

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').

All investment decisions, relating to the Scheme are being undertaken by the Fund Manager / Portfolio team in accordance with the SEBI Regulations and Investment Objectives as specified in the Scheme Information Document. The AMC has two committees for enabling investment decisions i.e Board Investment Committee (BIC) and Key Employee Investment Committee (KIC). The Board of Directors of the AMC has the ultimate responsibilities of supervising investment activities. The Board of Directors has delegated its power with respect to approval / review of the investment activities to BIC and decision making authority with respect to the Investments to KIC except for the restrictions given in the investment policy from time to time.

Ouantum Mutual Fund since inception is a Direct to investor Mutual Fund and does not charge / debit any distribution expenses to the schemes and does not pay any upfront or trail commission to distributors / intermediaries for investments routed through a distributor / intermediary whether empanelled with Quantum Mutual Fund or not. In accordance with the SEBI Circular No. Cir /IMD/ DF/21/2012 dated September 13, 2012 SEBI allowed fund houses to launch direct plans with effect from January 01, 2013 wherein investor can invest directly in the Direct Plan and such Plan shall have lower expense ratio excluding distributor expense, commission etc and the Plan shall have a separate NAV. Quantum Mutual Fund has continued with it's existing plan and NAV and does not have separate plans for receiving any investment applications either through distributors or directly from investors.

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 the SEBI (Mutual Funds) Regulations, 1996 and amendments thereto as applicable.

(2.2) INVESTMENT

Accounting Of 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 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 Contract note.

As per SEBI Notification dated 26th September 2012 with effect from October 01, 2012 brokerage and transaction cost incurred for trades which is included in the cost of investments is not exceeded 0.12% (excluding STT) of the trade value. STT is added to the cost wherever applicable.

Valuation Of Investments

SEBI has outlined investment valuation norms for the mutual funds to compute and carry out valuation of its investment in its portfolio under Regulation 47 and Eighth Schedule of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

SEBI vide its notification dated February 21, 2012 has amended Regulation 47 and Eighth Schedule and has mandated the mutual funds to value its investments on Principal of Fair Valuation to ensure fair treatment to all investors including existing investors as well as investors seeking to purchase or redeem units of mutual funds in all schemes at all points of time.

The Board of Directors of Quantum Asset Management Company Private Limited ("AMC") and Quantum Trustee Company Private Limited ("Trustee") has approved the Investment Valuation Policy and the framework for valuation of investments of Quantum Mutual Fund in accordance with SEBI Notification dated February 21, 2012 effective from July 1, 2012 in its meeting held on May 25, 2012 based on principles of fair valuation which is reflective of realizable value of securities/assets and the same has been reviewed in the Board meeting held on 23rd Oct 2012 and 18th March 2013. The said investment valuation policies reviewed by internal auditors and approved by the Board can be viewed at www.quantummf.com.

The Investments Are Valued At Mark To Market As Stated Below:-

a) Debt and Money Market Instruments (MMI) including Treasury Bills till 30th June 2012 are valued at the weighted average price at which they are traded on National Stock Exchange (NSE) on 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 from the last valuation price.

> With effect from 01st July, 2012, traded debt and MMI are valued at the weighted average price / yield reported on any reporting platform / exchange, subject to the traded criteria defined in the valuation policy. The trades reported on any reporting platform / exchange of similar maturity of same issuer is also considered, as outlined in the valuation policy. If traded price are not available, then valued at the benchmark yield / matrix of spread over the risk free benchmark yield obtained from CRISIL &/or ICRA or such other agencies entrusted for the said purpose by AMFI plus the spread determined based on the recent trade, which is reviewed based on the parameters defined in the policy.

> With effect from 1st Aug 2012 Quantum Asset Management Company Private Limited has obtained the services of ICRA Management Consulting Services Limited (IMACS) for valuation of debt and money market instruments/security held in Quantum Mutual fund Scheme's portfolio.

> With effect from 19th March, 2013, traded debt and MMI are valued at the weighted average price / yield reported on FIMMDA, subject to the traded criteria defined in the revised valuation policy. The trades reported on any reporting platform / exchange of similar maturity of same issuer is also considered, as outlined in the revised valuation policy. If traded price are not available, then valued at the benchmark yield / matrix as prepared by IMACS plus the spread determined based on the recent trade, which is reviewed based on the parameters defined in the policy.

- B) Government Securities, Treasury Bills and State Development Loans of any maturity would be valued based on the security level valuation as provided by IMACS
- c) CBLO, Repos and Fixed Deposits are valued on interest accrual/ amortization basis.

THE LATEST APPLICABLE POLICY FOR DEBT AND MONEY MARKET INSTRUMENTS IS AS GIVEN BELOW:-

Non convertible debentures and Money Market instruments is valued daily based on available traded prices on FIMMDA's reporting platform (F-TRAC). The trade size for Commercial Paper /Certificate of Deposits should be at least 2 trades aggregating to 100 Crores or more in multiples of 5 Crores. In case of bonds there should be minimum of two trades aggregating to 20 Crores or more in multiples of 5 Crore. Weighted average yields of all trades would be taken for calculating traded price after ignoring all market inter-scheme trades and freak trades.

i)

ii)

iii)

- If traded price is not available for the security to be valued, then traded prices of securities of similar maturity issued by the same issuer which have a residual maturity as mentioned in the valuation policy for the security held in the portfolio would be considered. The traded yield so determined daily and the spread at which it has traded over its relevant benchmark matrix yield would be calculated. This spread would be used for pricing the security when its traded price is not available. This spread thus, automatically gets revised based on newly traded data. If traded prices are not available and/or does not represent fair valuation then the security would be valued based on the benchmark vield matrices for the relevant maturity as being prepared by IMACS plus its last recorded spread over/under the matrix. In the absence of traded prices, the spread would be reviewed regularly by using, primary market trades, traded prices of securities of issuers having a similar long term credit rating, and/or on the opinion of the external valuing agency in consultation with the AMC.
- The Mutual Fund's First trade / Self Trade of 5 Crore or more would be considered for valuation at the weighted average yield of its trades. But if on the same day, market traded price satisfying the above mentioned conditions is available, then market traded price for valuation would be considered over the AMC self-trade and the spread over/under the matrix for the same will be recorded.

Any security purchased in a lot size of less than 5 Crore will be valued at constant spread over matrices recorded at the time of first purchase till its maturity. In case of further purchases in same security, new spread will be calculated based on weighted average spreads of the purchases. This security will be mark to market based on traded prices only when the security holding is 5 Crore or more.

QUANTUM MUTUAL FUND

If the AMC believes that even after following all the process laid above, the security is not appropriately valued then the fair values would be determined by taking on record the assessment of the external valuing agency and the AMC investment team with a proper rationale for the same which would be documented and submitted to the valuation committee.

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.

The net unrealised gain or loss in the value of investments is determined separately for each category of investments. The change in net unrealized loss, if any, between two balance sheet dates is recognized in the revenue account and net unrealised gain, if any, is adjusted in the unrealised appreciation reserve. The loss on investments sold / transferred during the year is charged to the revenue account instead of being first adjusted against the provision for depreciation, if already created in the previous year.

(2.3) REVENUE RECOGNITION

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.

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.

Other income is accounted as and when realized.

(2.4) TOTAL EXPENSES

Expenses are accrued on daily basis within the limits specified under Regulation 52 of SEBI (Mutual Fund) Regulations.

(2.5) DETERMINATION OF NET ASSET VALUE (NAV)

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 CAPITAL

Unit Capital represents the net outstanding units at the balance sheet date, thereby reflecting all the transactions relating to the period ended on that date.

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 ACCOUNT

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.

FUND Process

3. NOTES TO ACCOUNTS

(1) MOVEMENT IN UNIT CAPITAL

Particulars	2012	2012-13		2011-12	
	Units	Amount	Units	Amount	
Units of ₹ 10 each fully paid up					
Growth Option					
Opening at the beginning of the year	11,746,913.80	117,469,138	10,004,523.93	100,045,239	
- Issued during the year	14,842,980.83	148,429,808	13,660,720.74	136,607,207	
- Redeemed during the year	(11,220,667.61)	(112,206,676)	(11,918,330.87)	(119,183,309)	
Closing at the end of the year	15,369,227.02	153,692,270	11,746,913.80	117,469,138	
Daily Dividend Reinvestment Option					
Opening at the beginning of the year	6,752,584.30	67,525,843	9,275,273.55	92,752,736	
- Issued during the year	31,229,755.12	312,297,551	29,141,343.98	291,413,440	
- Redeemed during the year	(25,494,328.97)	(254,943,290)	(31,664,033.23)	(316,640,332)	
Closing at the end of the year	12,488,010.45	124,880,105	6,752,584.30	67,525,843	
Monthly Dividend Payout Option					
Opening at the beginning of the year	1,058,963.87	10,589,639	1,392,095.30	13,920,953	
- Issued during the year	4,126,660.46	41,266,605	2,757,966.67	27,579,667	
- Redeemed during the year	(2,625,659.26)	(26,256,593)	(3,091,098.10)	(30,910,981)	
Closing at end of the year	2,559,965.07	25,599,651	1,058,963.87	10,589,639	
Grand Total					
Opening at the beginning of the year	19,558,461.97	195,584,620	20,671,892.78	206,718,928	
- Issued during the year	50,199,396.41	501,993,964	45,560,031.39	455,600,314	
- Redeemed during the year	(39,340,655.83)	(393,406,558)	(46,673,462.20)	(466,734,622)	
Closing at the end of the year	30,417,202.55	304,172,026	19,558,461.97	195,584,620	

(2) VALUE OF INVESTMENTS

The Cost and Market Value/Fair Value of Investments is given below:

	March 3	31, 2013	March 31, 2012		
Investments	Cost (₹)	Market Value (₹)	Cost (₹)	Market Value (₹)	
Debt and Money Market Instruments	344,108,500	345,132,400	248,493,320	248,493,105	
Collateralised Borrowing & Lending Obligation (CBLO)	55,088,717	55,088,717	8,573,896	8,573,896	
Total	399,197,217	400,221,117	257,067,216	257,067,001	

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

Particulars	March 31, 2013	March 31, 2012	
Debt & Money Market Instruments		CC	
Unrealised Appreciation	69,037		
Unrealised Depreciation	(97,232)	(214)	
Net Unrealised Appreciation/ (Depreciation)	(28,195)	(214)	

(4) NON PERFORMING INVESTMENTS

Year	Type of Investments	Carrying Value Amount (₹)	Market value Amount (₹)	Provisions
2012-13	NIL	NIL	NIL	NIL
2011-12	NIL	NIL	NIL	NIL

(5) AGGREGATE VALUE OF PURCHASE AND SALE OF INVESTMENTS

Particulars	2012	2-13	2011-12		
	Amount (in ₹)	% of daily average Net Assets	Amount (in ₹)	% of daily average Net Assets	
Purchases*	1,690,887,350	506.52%	1,055,164,045	373.27%	
Sales/Redemptions*	1,616,997,050	484.39%	1,027,432,850	363.46%	

(*Purchases & Sales is excluding CBLO & Fixed Deposits)

(6) NET ASSET VALUE

Net Asset Value (NAV) per unit having Face Value of ₹ 10 is as given below:

Options	NAV (March 28, 2013)**	NAV (March 30, 2012)*	
Growth Option	16.5686	15.2303	
Daily Dividend Reinvestment Option	10.0011	10.0000	
Monthly Dividend Payout Option	10.0089	10.0118	

* As 31st was a Non business day NAV of 30th March, 2012 has been considered.

** As 29th, 30th& 31st March, 2013 is a Non-business day NAV of 28th March, 2013 has been shown.

(7) INCOME AND EXPENDITURE

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

	2012-13		201	1-12
Particulars	Amount (in ₹)	% of daily aver- age Net Assets	Amount (in ₹)	% of daily aver- age Net Assets
Income*	29,061,625	8.71%	25,424,243	8.99%
Expenditure	1,241,576	0.37%	999,890	0.35%

(*Income is net off losses on sale of Investments and excluding unrealized appreciation)

(8) INVESTMENT MANAGEMENT FEES

Investment Management Fees has been computed on the basis of daily average Net Asset of the Scheme accrued on a daily basis. Daily average Net Asset is ₹ 333,821,723/- & fees charged 0.37%. Management Fees accrued during the period is ₹ 1,241,576/- inclusive of statutory levies with service tax.

(9) TOTAL EXPENSE RATIO & INVESTMENT MANAGEMENT FEES

SEBI vide its Circular no.CIR/IMD/DF/21/2012 dated September 13, 2012 has allowed mutual funds to charge for additional expenses in addition to the maximum total expense ratio as permissible under Regulation 52 of SEBI. The allowed additional expenses are 30 bps of net assets for inflows beyond top 15 cities and additional 20 bps for additional expenses incurred under different heads and in lieu of crediting back the exit load to the Scheme and service tax charged on investment management fees. Quantum Mutual Fund has not increased expense ratio and has continued to charge what it used to charge in the previous year. The Investment Management fees charged by the AMC to the Scheme is within / equal to the total expense limit as prescribed by SEBI Regulations, as amended from time to time, with no sub-limit on the Investment Management and Advisory fees as currently mentioned under the respective Scheme Information Document of the Schemes.

(10) OTHER EXPENSES

All other expenses of the Scheme are fully borne by the Quantum Asset Management Company Private Limited on behalf of Scheme.

(11) INVESTOR EDUCATION EXPENSES

SEBI vide its Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 has suggested Mutual Funds/AMCs to annually set apart at least 2 basis points on daily net assets for investor education and awareness initiatives. Quantum Asset Management Company Private Ltd sets aside and incurs the amount for investor education expenses.

(12) TRUSTEE FEES

As per the Trust deed entered between Quantum Advisors Private Limited (Sponsor) and Quantum Trustee Company Private Limited (Trustee) on October 7, 2005, the fund is entitled to pay Trusteeship fees. During the year no trustee fee amount is charged to the Scheme, hence the entire amount of trustee fee is borne by the AMC.

(13) CUSTODY FEES

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

(14) 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.

(15) INCOME TAX

No Provision for taxation has been made since the income of the Scheme is exempt under section 10(23D) of the Income Tax Act, 1961.

(16) CONTRACT PENDING DELIVERIES

There were no contracts for sale or purchase pending deliveries as on March 31, 2013.

(17) DISCLOSURE UNDER REGULATION 25(11) OF THE SEBI (MUTUAL FUNDS) REGULATIONS,1996 AS AMENDED – NIL (PREVIOUS YEAR: 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 as of March 31, 2013, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2013, as well as the aggregate investments in each investment category.

Asset Class & Security	Rating	Market Value (₹ in Lakhs)	% to Net Assets	% to Category
SHORT TERM DEBT INSTRUEMNTS				
Unlisted/Privately placed instruments		Nil	Nil	Nil
MONEY MARKET INSTRUMENTS				
CERTIFICATE OF DEPOSIT				
BANKS		2,954.03	72.84%	100.00%
State Bank of Patiala CD (MD 20/05/13)	CRISIL A1+	493.77	12.18%	16.72%
HDFC Bank Ltd CD (MD 24/05/13)	CARE A1+	493.49	12.17%	16.71%
IDBI Bank Ltd CD (MD 03/06/13)	CRISIL A1+	492.38	12.14%	16.67%
Axis Bank Ltd CD (MD 05/06/13)	CRISIL A1+	492.04	12.13%	16.66%
Oriental Bank of Commerce CD (MD 07/06/13)	CRISIL A1+	491.93	12.13%	16.65%
State Bank of Hyderabad CD (MD 19/06/13)	CRISIL A1+	490.43	12.09%	16.60%
COMMERCIAL PAPER		497.29	12.26%	100.00%
Power Finance Corp. Ltd CP (MD 15/04/13)	CRISIL A1+	497.29	12.26%	100.00%
Cash & Cash Equivalent				
Collateralised Borrowing & Lending Obligation (CBLO)		550.89	13.59%	
Net Receivable / (Payables)		52.64	1.31%	
Grand Total		4,054.85	100.00	

(19) The Fund has kept cash of ₹ 50 lacs as a margin money deposit with The Clearing Corporation of India Ltd (CCIL) for CBLO investments.

(20) BORROWINGS

The Scheme has not made any borrowing during the year March 31, 2013. (Previous Year - Nil)

(21) DERIVATIVES

The Scheme has no exposure to derivative products during the financial year. (Previous Year - Nil)

(22) 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.

(23) CONTINGENT LIABILITIES

The Contingent Liabilities as on 31st March 2013 is NIL (Previous Year - Nil)

(24) UNCLAIMED DIVIDEND/REDEMPTION

Unclaimed dividend/redemptions outstanding for more than 3 months as of 31st March 2013 is Nil (Previous Year-Nil).

(25) DISCLOSURE OF TRASANCTION INACCORDANCE WITH ACCOUNTING STANDARD 18 – RELATED PARTY TRASANCTIONSAND AS PER REGULATION 25(8) OFSEBI MUTUAL FUND REGULATION 1996

	RELATED PART	Y RELATIONSHIPS
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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
Ajit Dayal	Associate
Menlo Oak Venture Investments	Associate
Primary Real Estate Advisors Private Limited	Associate
PREI Management Limited Mauritius	Associate
QIEF Management LLC	Associate
QACPI India Fixed Income Fund Limited, Mauritius *	Associate
G Corp Homes Private Limited	Associate

(* Ceased to be an associate with effect from October 5, 2012)

Other Schemes of the Fund

Quantum Long Term Equity Fund Quantum Gold Fund Quantum Index Fund Quantum Tax Saving Fund Quantum Equity Fund of Fund Quantum Gold Savings Fund Quantum Multi Asset Fund

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Name of the related party	Nature of transactions	For the Year ended March 31, 2013	Balance as at March 31, 2013	For the Year ended March 31, 2012	Balance as at March 31, 2012
Quantum Advisors Pvt. Ltd (QAPL)	Subscriptions/ Switch In	-	-	15,460,906	-
	Redemptions/ Switch Out	-	-	10,188,778	-
	Net Assets value of investment at balance sheet date	-	17,417,673	-	16,010,791
Quantum Assets Management Co Pvt Ltd.	Subscription	-	-	-	-
	Redemption /Switch Out	-	-	-	-
	Net Assets value of investment at balance sheet date		60,238,191	-	55,372,555
Quantum Information Services Private Limited (QIS)	Subscriptions	59,091		2,187,118	-
	Redemptions	1,900,000	-	737,244	-
	Net Assets value of investment at balance sheet date	-	43,854	-	1,884,186
Equitymaster Agora Research Private Ltd.	Subscriptions	8,200,000	-	-	-
	Redemptions	4,250,000	-	10,700,000	-
	Net Assets value of investment at balance sheet date	-	22,879,175	-	17,112,001
Primary Real Estate Advisors Pvt. Ltd.	Subscriptions	49,557,853		49,015,728	-
	Redemption	53,500,000		45,740,000	-
	Net Assets value of investment at balance sheet date	-	1,727,378	-	5,677,132
Ajit Dayal	Subscriptions	-	-	-	-
	Redemption	-	-	-	-
MU	Net Assets value of investment at balance sheet date	L F	240,917	D	221,520
Quantum Assets Management Co Pvt Ltd.	Management Fees	1,241,576	104,546	999,890	76,476

Transaction with the above mentioned related parties (in the nature of their independent investments) are provided below:

Quantum Gold Savings fund and Quantum Multi Asset Fund are fund of fund Scheme which as per their investment objective invests in other schemes of Quantum Mutual Fund as disclosed in the Scheme's offer document, hence information on their investment transactions have not been shown above.

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:-

Name of Associate company	Nature of Association/ Nature of relation	Period covered	Business given (₹ Cr. & % of total business received by the fund)	
Quantum Information Services Private Limited	Associate Company	April 01, 2011 - March 31, 2012	0.20 cr. & 0.40%	Nil
Quantum Information Services Private Limited	Associate Company	April 01, 2012 - March 31, 2013	0.03 cr. & 0.05%	Nil

Disclosure Under Regulations 25 (8) Of The Sebi Regulations

- a) Underwriting obligations taken by the Scheme in respect of issues of securities of Associate companies: Nil (Previous Year: Nil)
- b) Devolvement, if any: NIL (Previous Year: Nil)
- c) Subscriptions by the schemes in the issues lead managed by Associate companies: Nil (Previous Year: Nil)
- d) Subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies has acted as arranger or manager: Nil (Previous Year: Nil)

(26) INVESTMENTS IN GROUP COMPANIES

Quantum Liquid Fund has made NIL investment in group companies during the year ended March 31, 2013. (Previous Year – Nil)

(27) LARGE HOLDINGS

Unit holders holding over 25% of the Scheme's NAV is NIL as at the end of the year March 31, 2013. (Previous Year – Nil)

(28) HISTORICAL PER UNIT STATISTICS

The Historical per unit statistics are given in Annexure I.

(29) PRIOR PERIOD COMPARATIVES

Previous year's figures have been regrouped/re-arranged wherever necessary.

MUTUAL FUND

For Quantum Trustee Company Pvt Ltd

sd/-Surjit Banga (Director)

sd/-Hormazdiyaar Vakil (Director) For Quantum Asset Management Company Pvt Ltd

sd/-Ajit Dayal (Chairman)

sd/-Jimmy A. Patel (Chief Executive Officer) sd/-C. Srinivasan (Director)

sd/-Arvind Chari (Fund Manager)

ANNEXURE 1

QUANTUM LIQUID FUND HISTORICAL PER UNIT STATISTICS

Sr. No.	Particulars	As of 31.03.2013	As of 31.03.2012	As of 31.03.2011
	Face Value	₹ 10	₹ 10	₹ 10
(a)	Net Asset Value			
	Growth Option	16.5686	15.2346#	13.9665
	Daily Dividend Reinvestment Option	10.0011	10.0000#	10.0001
	Monthly Dividend Payout Option	10.0089	10.0146#	10.0148
(b)	Gross Income broken up into the following components			
(i)	Income other than profit on sale of investment	0.9518	1.2980	0.8179
(ii)	Income from profit on sale of investment to third party	0.0037	0.0020	0.0007
(iii)	Income from profit on inter-scheme sales/transfer of investment	-	-	-
(iv)	Transfer to revenue account from past year's reserve	-	-	-
	Gross Income	0.9555	1.3000	0.8186
(c)	Aggregate of expenses, write-off, amortization and charges	0.0408	0.0511	0.0355
(d)	Net Unrealised appreciation in value of investments	(0.0009)	0.0000	0.0001
(e)	Net Income per unit (excluding unrealized appreciation)	0.9146	1.2489	0.4029
(f)				
I)	Highest Repurchase Price			
i)	Growth Option	16.5686	15.2346	13.9665
ii)	Daily Dividend Reinvestment Option	10.0079	10.0001	10.0001
iii)	Monthly Dividend Payout Option	10.0837	10.0782	10.0661
II)	Lowest Repurchase Price			
i)	Growth Option	15.2433	13.9699	13.1007
ii)	Daily Dividend Reinvestment Option	10.0000	10.0000	10.0000
iii)	Monthly Dividend Payout Option	10.0011	10.0011	10.0000
III)	Highest Resale Price			
i)	Growth Option	16.5686	15.2346	13.9665
ii)	Daily Dividend Reinvestment Option	10.0079	10.0001	10.0001
iii)	Monthly Dividend Payout Option	10.0837	10.0782	10.0661
IV)	Lowest Resale Price			
i)	Growth Option	15.2433	13.9699	13.1007
ii)	Daily Dividend Reinvestment Option	10.0000	10.0000	10.0000
iii)	Monthly Dividend Payout Option	10.0011	10.0011	10.0000
V)	Price earning Ratio	NA	NA	NA
(g)	Ratio of expenses to average daily net assets (excluding Unrealized depreciation and amortization of deferred revenue Expenditure)	0.37%	0.35%	0.36%
(h)	Ratio of gross income to average daily net assets	8.71%	8.99%	6.77%

March 31, 2012 being a non-business day, NAV of the Liquid Fund considered above has been computed but not published on AMFI website.

INDEPENDENT AUDITORS' REPORT

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THE BOARD OF TRUSTEES OF QUANTUM MUTUAL FUND

Report on the Financial Statements

We have audited the accompanying financial statements of Quantum Gold Fund (the "Scheme"), which comprise the Balance Sheet as at March 31, 2013, and the Revenue Account and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Trustees of **Quantum Mutual Fund** and Quantum Asset Management Company Private Limited are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Schemein accordance with the accounting policies and standards as specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto ("the Regulations"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Scheme's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Regulations as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2013;
- (b) in the case of the Revenue Account , of the surplus for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Profit with Process

Report on Other Legal and Regulatory Requirements

As required under the Regulations, 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, Revenue Account, and Cash Flow Statement dealt with by this Report are in agreement with the books of account of the Scheme;
- 3. In our opinion, the Balance Sheet, Revenue Account, and Cash Flow Statement dealt with by this report have been prepared in accordance with the accounting policies and standards as specified in Ninth Schedule of the Regulations.
- 4. The methods used to value non traded securities, as determined by Quantum Asset Management Company Private Limited under procedures approved by the Trustees of Quantum Mutual Fund are in good faith and in accordance with the guidelines for valuation of securities for mutual funds as mentioned in the Eighth Schedule of the Regulations issued by the Securities and Exchange Board of India, are fair and reasonable.

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

sd/-

CHETAN DESAI Membership No 17000

Place: Mumbai Date: 30th May, 2013



MUTUAL FUND Profit with Process

QUANTUM GOLD FUND BALANCE SHEET AS AT 31st MARCH 2013

	Schedule	31st March, 2013 Amount (₹)	31st March, 2012 Amount (₹)
LIABILITIES			
Unit Capital	'A'	44,236,300	38,036,300
Reserves and Surplus	'B'	579,993,082	478,818,684
Current Liabilities and Provisions	'C'	526,380	422,315
Total		624,755,762	517,277,299
ASSETS			
Investments	'D'	624,742,277	516,694,986
Other Current Assets	'E'	13,485	582,313
Total		624,755,762	517,277,299
Significant accounting policies and			
Notes forming part of Accounts	'F'		
For Quantum Trustee Company Pvt Ltd sd/- Surjit Banga (Director)	sd/- Ajit Dayal (Chairman)		sd/- irinivasan irector)
sd/- Hormazdiyaar Vakil (Director) (C	sd/- Jimmy A. Patel :hief Executive Officer)	Chir. (Fund	sd/- ag Mehta I Manager)
As per our report of even date For Haribhakti & Co. Chartered Accountants FRN: 103523W			
sd/- Chetan Desai Partner Membership No: 17000			
Place : Mumbai Date :May 30, 2013			

QUANTUM GOLD FUND REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2013

Sch	edule	31st March, 2013 Amount (₹)	31st March, 2012 Amount (₹)
INCOME			
Interest and Discount income		16,633	11,897
Profit on sale / redemption of investments (Other than inter- scheme transfer / sale)		19,306,638	3,822,232
Total		19,323,271	3,834,129
EXPENSES AND LOSSES			
Loss on sale / redemption of investments (Other than inter- scheme transfers / sale)		26,009	27,695
Management Fees		6,032,666	4,178,647
Total		6,058,675	4,206,342
Net Surplus / (Deficit)		13,264,596	(372,213)
APPROPRIATION ACCOUNT FOR THE YEAR	ENDED 31st	t MARCH, 2013	
Net Surplus brought forward from previous year		11,313,281	8,797,694
Net Surplus / (Deficit) for the year		13,264,596	(372,213)
Transferred (to)/ from Equalisation Account		2,131,438	2,887,800
Net Surplus / (Deficit) carried forward		26,709,315	11,313,281
Significant accounting policies and	F		
notes forming parts of Accounts			
For Quantum Trustee Company Pvt Ltd For Qu	uantum Asset	Management Company	y Pvt Ltd
sd/- sd/ Surjit Banga Ajit Da (Director) (Chairr	ayal		sd/- Frinivasan Virector)
sd/- sd/ Hormazdiyaar Vakil Jimmy A (Director) (Chief Execut	A. Patel		sd/- ag Mehta I Manager)
As per our report of even date For Haribhakti & Co. Chartered Accountants FRN: 103523W			
sd/- Chetan Desai Partner Membership No: 17000			
Place : Mumbai Date :May 30, 2013			

QUANTUM GOLD FUND SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2013

	Units	31st March, 2013 Amount (₹)	Units	31st March, 2012 Amount (₹)
SCHEDULE 'A'	Units	Anoune (()	Units	Amount (()
UNIT CAPITAL				
Initial Capital Issued and Subscribed :				
Units of ₹ 100 each fully paidup	57,061	5,706,100	57,061	5,706,100
Outstanding :				
Unit Capital (Opening Balance)	380,363	38,036,300	281,818	28,181,800
Add : Subscription during the year	100,000	10,000,000	104,545	10,454,500
Less : Redemption during the year	38,000	3,800,000	6,000	600,000
Unit Capital (Closing Balance)	442,363	44,236,300	380,363	38,036,300
SCHEDULE 'B'				
RESERVES & SURPLUS				
Unit Premium				
Opening Balance		285,733,430		180,163,249
Add/(Less) : Net Additions/(Deduction) during the year		85,612,909		108,457,981
Add/(Less):-Transferred (to) / from Equalisation Account		(2,131,438)		(2,887,800)
Closing Balance		369,214,901		285,733,430
Equalisation Account				
Transferred from / (to) Unit Premium Reserve		2,131,438		2,887,800
Add/(Less): Transferred (to) / from Revenue Account		(2,131,438)		(2,887,800)
Closing Balance		-		-
Unrealised Appreciation in the value of investments (Net)				66 700 000
Opening Balance		181,771,973		66,738,098
Add:Net change during the year		2,296,893		115,033,875
Closing Balance		184,068,866		181,771,973
<u>Appropriation Account</u> Surplus/(Deficit) carried forward		26,709,315		11,313,281
Total Reserves & Surplus		579,993,082		478,818,684
SCHEDULE 'C'				470,010,004
CURRENT LIABILITIES & PROVISIONS				
Management Fees Payable		421,099		380,083
Other Payables		105,281		42,232
Total		526,380		422,315
SCHEDULE 'D'				
<u>INVESTMENTS</u>				
Gold		624,510,360		516,653,016
Collateralised Borrowing & Lending Obligation*		231,917		41,970
Total		624,742,277		516,694,986
* CBLO investment are registered in the name of the Fund				
SCHEDULE 'E'				
OTHER CURRENT ASSETS				
Balances with Banks in Current Account**		13,294		12,067
Sales Contract outstanding		-		570,246
Recievable from Quantum Asset Management Co. Pvt. Ltd.		191		
Total		13,485		582,313
** Certain bank a/c are in the name of the Fund				

QUANTUM GOLD FUND CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

		2012-13 Amount (₹)	2011-12 Amount (₹)
Α.	Cash flow/(deficit) from Operating Activities		
	Surplus for the year	13,264,596	(372,213)
	Adjustments for:-		
	(Increase)/Decrease in investments at cost (net)	(105,560,451)	(117,832,981)
	(Increase)/Decrease in other current assets	570,055	(570,091)
	Increase/(Decrease) in current liabilities	104,064	183,396
	Net cash generated from /(used in) operations (A)	(91,621,735)	(118,591,889)
	Cash flavo face Financian Articities		
В.	Cash flow from Financing Activities	6 200 000	0 854 500
	Increase/(Decrease) in unit capital	6,200,000	9,854,500
	Increase/(Decrease) in unit premium reserve	85,612,909	108,457,980
	Net cash generated from /(used in) operations (B)	91,812,909	118,312,480
			(270.400)
	Net Increase/(Decrease) in Cash and cash equivalents (A + B)	191,174	(279,409)
	Cash and cash equivalents, beginning of the year	54,037	333,446
	Cash and cash equivalents, end of the year	245,211	54,037
	Components of cash and cash equivalents		
	Balances with banks in current accounts	13,294	12,067
	Collateralised borrowing & lending obligation	231,917	41,970
		245,211	54,037
For (Quantum Trustee Company Pvt Ltd For Quantum Asset Ma	anagement Company P	vt Ltd
sd/- Surji	t Banga Ajit Dayal		d/- nivasan
	ector) (Chairman)		ector)

(Director)

sd/-Hormazdiyaar Vakil (Director)

As per our report of even date For Haribhakti & Co. Chartered Accountants FRN: 103523W

sd/-Chetan Desai Partner Membership No: 17000

Place : Mumbai Date :May 30, 2013 (Chairman)

(Director)

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

sd/-Chirag Mehta (Fund Manager)

SCHEDULE 'F'

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. The Benchmark for the Scheme is Domestic Price Of Gold.

All investment decisions, relating to the Scheme are being undertaken by the Fund Manager / Portfolio team in accordance with the SEBI Regulations and Investment Objectives as specified in the Scheme Information Document. The AMC has two committees for enabling investment decisions i.e Board Investment Committee (BIC) and Key Employee Investment Committee (KIC). The Board of Directors of the AMC has the ultimate responsibilities of supervising investment activities. The Board of Directors has delegated its power with respect to approval / review of the investment activities to BIC and decision making authority with respect to the Investments to KIC except for the restrictions given in the investment policy from time to time.

Quantum Mutual Fund since inception is a Direct to investor Mutual Fund and does not charge / debit any distribution expenses to the schemes and does not pay any upfront or trail commission to distributors / intermediaries for investments routed through a distributor / intermediary whether empanelled with Quantum Mutual Fund or not. In accordance with the SEBI Circular No. Cir /IMD/DF/21/2012 dated September 13, 2012 SEBI allowed fund houses to launch direct plans w.e.f. January 01, 2013 wherein investor can invest directly in the Direct Plan and such Plan shall have lower expense ratio excluding distributor expense. commission etc and the Plan shall have a separate NAV. Quantum Mutual Fund has continued with existing plan and NAV and does not have separate plans for receiving any investment applications either through distributors or directly from investors.

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 the SEBI (Mutual Funds) Regulations, 1996 and amendments thereto as applicable.

(2.2) INVESTMENTS

Accounting of Investments

(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.

(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.

VALUATION OF INVESTMENTS

SEBI has outlined investment valuation norms for the mutual funds to compute and carry out valuation of its investment in its portfolio under Regulation 47 and Eighth Schedule of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

SEBI vide its notification dated February 21, 2012 has amended Regulation 47 and Eighth Schedule and has mandated the mutual funds to value its investments on Principal of Fair Valuation to ensure fair treatment to all investors including existing investors as well as investors seeking to purchase or redeem units of mutual funds in all schemes at all points of time.

The Board of Directors of Quantum Asset Management Company Private Limited ("AMC") and Quantum Trustee Company Private Limited ("Trustee") has approved the Investment Valuation Policy and the framework for valuation of investments of Quantum Mutual Fund in accordance with SEBI Notification dated February 21, 2012 effective from July 1, 2012 in its meeting held on May 25, 2012 based on principles of fair valuation which is reflective of realizable value of securities/assets and the same has been reviewed in the Board meeting held on 23rd Oct 2012 and 18th March 2013. The said investment valuation policies reviewed by internal auditors and approved by the Board can be viewed at www.quantummf.com. The Investments are valued at Mark to Market as stated below:-

A. GOLD:

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).

- i. LBMA Gold Fixing: As per SEBI Guidelines Gold would be valued at AM fixing price available on the LBMA site for the day. In case the LBMA AM Fix is not published on a particular day then we would take an average international spot gold price rate prevailing on that day between half an hour before the London AM Fix time to half an hour later then the London AM Fix time. This would be done to value gold as close as possible to the fair value prevailing on the particular day when the LBMA Fix price is unavailable.
- ii. The Gold Premium and fixing charges for valuation purpose would be fixed on 1st working day of every month and same will be applicable for that month. Valuation committee will decide the same.
- iii. LBMA Gold price is quoted for USD/Oz for 999 fineness. For conversion of Troy Ounces to Kilogram we use the NYMEX conversion factor of 31.99 Troy ounces per kilogram for 995 purity. The fineness quotient is to be adjusted by using the factor 0.995996 (0.995/0.999) In Case if the gold lying in stock is of 999 fineness, the conversion factor would be 32.12 for 999 fineness.
- iv. To convert it into ₹ /Kg, it has to be multiplied by INR reference rate from RBI. In case RBI reference rate for any day is not published the latest available reference rate will be considered.
- The Indian levies in the form of custom duty, stamp duty, octroi duty, VAT as applicable are added as applicable and as prescribed by relevant authorities to arrive at the final landed price of gold.

B. DEBT & MONEY MARKET INSTRUMENTS:

a) Debt and Money Market Instruments (MMI) including Treasury Bills till 30th June 2012 are valued at the weighted average price at which they are traded on National Stock Exchange (NSE) on 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 from the last valuation price. With effect from 01st July, 2012, traded debt and MMI are valued at the weighted average price / yield reported on any reporting platform / exchange, subject to the traded criteria defined in the valuation policy. The trades reported on any reporting platform / exchange of similar maturity of same issuer is also considered, as outlined in the valuation policy. If traded price are not available, then valued at the benchmark yield / matrix of spread over the risk free benchmark yield obtained from CRISIL &/or ICRA or such other agencies entrusted for the said purpose by AMFI plus the spread determined based on the recent trade, which is reviewed based on the parameters defined in the policy.

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With effect from 1st Aug 2012 Quantum Asset Management Company Private Limited has obtained the services of ICRA Management Consulting Services Limited (IMACS) for valuation of debt and money market instruments/security held in Quantum Mutual fund Scheme's portfolio.

With effect from 19th March, 2013, traded debt and MMI are valued at the weighted average price / yield reported on FIMMDA, subject to the traded criteria defined in the revised valuation policy. The trades reported on any reporting platform / exchange of similar maturity of same issuer is also considered, as outlined in the revised valuation policy. If traded price are not available, then valued at the benchmark yield / matrix as prepared by IMACS plus the spread determined based on the recent trade, which is reviewed based on the parameters defined in the policy.

- b) Treasury Bills are valued based on the security level valuation as provided by IMACS.
- c) CBLO, Repos and Fixed Deposits are valued on interest accrual/ amortization basis.

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.

The net unrealised gain or loss in the value of investments is determined separately for each category of investments. The change in net unrealized loss, if any, between two balance sheet dates is recognized in the revenue account and net unrealised gain, if any, is adjusted in the unrealised appreciation reserve. The loss on investments sold / transferred during the year is charged to the revenue account instead of being first adjusted against the provision for depreciation, if already created in the previous year.

(2.3) REVENUE RECOGNITION

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.

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.

Other income is accounted as and when realized.

(2.4) TOTAL EXPENSES

Expenses are accrued on daily basis within the limits specified under Regulation 52 of SEBI (Mutual Fund) Regulations.

(2.5) DETERMINATION OF NET ASSET VALUE (NAV)

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 CAPITAL

Unit Capital represents the net outstanding units at the balance sheet date, thereby reflecting all the transactions relating to the period ended on that date.

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 ACCOUNT

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.

3. NOTES TO ACCOUNTS

(1) MOVEMENT IN UNIT CAPITAL

Particulars	2012-13		2011	-12
Units of ₹ 100 each fully paid up	Units	Amount	Units	Amount
Regular Growth				
Opening at the beginning of the year	380,363	38,036,300	281,818	28,181,800
- Issued during the year	100,000	10,000,000	104,545	10,454,500
- Redeemed during the year	(38,000)	(38,00,000)	(6,000)	(600,000)
Closing at the end of the year	442,363	44,236,300	380,363	38,036,300

(2) VALUE OF INVESTMENTS

The Cost and Market Value/Fair Value of Investments is given below:

	March 31, 2013		March 31, 2012	
Investments	Cost (₹)	Market Value (₹)	Cost (₹)	Market Value (₹)
Gold	440,441,494	624,510,360	334,881,043	516,653,016
Collateralised Borrowing & Lending Obligation (CBLO)	231,917	231,917	41,970	41,970
Total	440,673,411	624,742,277	334,923,013	516,694,986

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

Particulars	March 31, 2013 (₹)	March 31, 2012 (₹)
Gold		
Unrealised Appreciation	184,068,866	181,771,973
Unrealised Depreciation	-	-
Net Unrealised Appreciation/ (Depreciation)	184,068,866	181,771,973

(4) NON PERFORMING INVESTMENTS

Year	Type of Investments	Carrying Value Amount (₹)	Market value Amount (₹)	Provisions
2012-13	NIL	NIL	NIL	NIL
2011-12	NIL	NIL	NIL	NIL

(5) AGGREGATE VALUE OF PURCHASE AND SALE OF INVESTMENTS

	20	012-13		2011-12
Particulars	Amount (in ₹)	% of daily average Net Assets	Amount (in ₹)	% of daily average Net Assets
Purchases*	156,054,088	25.87%	131,941,981	31.58%
Sales/Redemptions*	69,774,266	11.57%	17,881,980	4.28%

(*Purchases & Sales is excluding CBLO & Fixed Deposits.)

(6) NET ASSET VALUE

Net Asset Value (NAV) per unit having Face Value of ₹ 100 is as given below:

Option	NAV (March 28, 2013)**	NAV (March 30, 2012)*
Growth Option	1,411.2402	1,358.8837

* As 31st March 2012 was a Non business day NAV of 30th March, 2012 has been considered.

** As 29th, 30th & 31st March, 2013 was a Non-business day NAV of 28th March, 2013 has been shown.

(7) INCOME AND EXPENDITURE

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

	2012-13		2011-12		
Particulars	Amount (in ₹)	% of daily average Net Assets	Amount (in ₹)	% of daily average Net Assets	
Income*	19,297,264	3.20%	3,806,434	0.91%	
Expenditure	6,032,666	1.00%	4,178,947	1.00%	

(*Income is net off losses on sale of Investments and excluding unrealized appreciation)

(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 ₹ 603,266,631/- & fees charged 1.00%, Management Fees accrued during the period ended March 31, 2013 is ₹ 6,032,666/- inclusive of statutory levies with service tax.

(9) TOTAL EXPENSE RATIO

SEBI vide its Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 has allowed mutual funds to charge for additional expenses in addition to the maximum total expense ratio as permissible under Regulation 52 of SEBI. The allowed additional expenses are 30 bps of net assets for inflows beyond top 15 cities and additional 20 bps for additional expenses incurred under different heads and in lieu of crediting back the exit load to the Scheme and charge service tax

charged on investment management fees. Quantum Mutual Fund has not increased expense ratio and has continued to charge what it used to charge in the past. The Investment Management and Advisory fees charged by the AMC to the Scheme is within / equal to the total expense limit as prescribed by SEBI Regulations, as amended from time to time, with no sub-limit on the Investment Management and Advisory fees as currently mentioned under the respective Scheme Information Document of the schemes.

(10) OTHER EXPENSES

All other expenses of the Scheme are fully borne by the Quantum Asset Management Company Private Limited on behalf of Scheme.

(11) INVESTOR EDUCATION EXPENSES

SEBI vide its Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 has suggested Mutual Funds/AMCs to annually set apart at least 2 basis points on daily net assets for investor education and awareness initiatives. Quantum Asset Management Company Private Ltd sets aside and incurs the amount for investor education expenses.

(12) TRUSTEE FEES

As per the Trust Deed entered between Quantum Advisors Private Limited (Sponsor) and Quantum Trustee Company Private Limited (Trustee) on October 7, 2005, the fund is entitled to pay Trusteeship fees. During the year no trustee fee amount is charged to the Scheme, thus entire amount of trustee fee is borne by the AMC.

(13) CUSTODY FEES

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

(14) 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.

(15) INCOME TAX

No Provision for taxation has been made since the income of the Scheme is exempt under section 10(23D) of the Income Tax Act, 1961.

(16) CONTRACTS PENDING DELIVERIES

There were no contracts for Purchase and sale pending deliveries as on March 31, 2013.

(17) DISCLOSURE UNDER REGULATION 25(11) OF THE SEBI (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED-Not applicable.

(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, 2013, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2013, as well as the aggregate investments in each investment category.

Investments	Quantity	Market Value (₹ in Lakhs)	% to Net Assets	% to category
Gold		6,245.10	100.05	100.00
Gold 1 kg Bar (0.995 Fineness)	205	6,157.92	98.65	98.60
Gold 100 Gram Bar (0.995 Fineness)	23	69.09	1.11	1.11
Gold 100 Gram Bar (0.999 Fineness)	6	18.09	0.29	0.29
Cash & Cash Equivalent	P	(2.81)	(0.05)	
Collateralised Borrowing & Lending Obligation (CBLO)		2.32	0.04	
Net Receivable / (Payables)		(5.13)	(0.09)	
Total		6,242.29	100.00	

(19) BORROWINGS

The Scheme has not made any borrowing during the current financial year. (Previous Year- Nil)

(20) DERIVATIVES

The Scheme has no exposure to derivative products during the current financial year. (Previous Year-Nil)

(21) 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.

(22) CONTINGENT LIABILITIES

The Contingent Liabilities as on 31st March 2013 is Nil (Previous Year - Nil).

(23) UNCLAIMED REDEMPTION

Unclaimed redemptions outstanding for more than 3 months as of 31st March 2013 is Nil (Previous Year-Nil).

(24) DISCLOSURE OF TRASANCTION IN ACCORDANCE WITH ACCOUNTING STANDARD 18 – RELATED PARTY TRASANCTIONS AND AS PER REGULATION 25(8) OF SEBI MUTUAL FUND REGULATION 1996.

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
Ajit Dayal	Associate
Menlo Oak Venture Investments	Associate
Primary Real Estate Advisors Private Limited	Associate
PREI Management Limited Mauritius	Associate
QIEF Management LLC	Associate
QACPI India Fixed Income Fund Limited, Mauritius *	Associate
G Corp Homes Private Limited	Associate

(* Ceased to be an associate with effect from October 5, 2012)

Other Schemes of the Fund

Quantum Long Term Equity Fund Quantum Liquid Fund

Quantum Index Fund

Quantum Tax Saving Fund

Quantum Equity Fund of Fund

Quantum Gold Savings Fund

Quantum Multi Asset Fund

Transaction with the above mentioned related parties (in the nature of their independent investments) are provided below:

Name of the related party	Nature of transactions	Year ended March 31, 2013	Balance as at March 31, 2013	Year ended March 31, 2012	Balance as at March 31, 2012
Quantum Advisors Pvt. Ltd (QAPL)	Subscription	7,469,448	-	6,003,157	-
	Redemption	7,928,344	-	5,629,623	-
	Net Assets value of investment at balance sheet date	-	1,971,503	-	2,284,284
Ajit Dayal	Subscription	-	-	-	-
	Redemption	-	-	-	-
	Net Assets value of investment at balance sheet date	-	7,140,875	-	6,875,952
Quantum Asset Management Co Pvt. Ltd.	Management Fees	6,032,666	421,099	4,178,647	380,083

Quantum Gold Savings fund and Quantum Multi Asset Fund are fund of fund Scheme which as per their investment objective invests in other schemes of Quantum Mutual Fund as disclosed in the Scheme's offer document, hence information on their investment transactions have not been shown above.

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

DISCLOSURE UNDER REGULATIONS 25 (8) OF THE SEBI REGULATIONS

- a) Underwriting obligations taken by the Scheme in respect of issues of securities of Associate companies: Nil (Previous Year: Nil)
- b) Devolvement, if any: Nil (Previous Yer: Nil)
- c) Subscriptions by the Schemes in the issues lead managed by Associate companies: Nil (Previous Year: Nil)
- d) Subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies has acted as arranger or manager: Nil (Previous Year: Nil)

(25) INVESTMENTS IN GROUP COMPANIES

Quantum Gold Fund has made Nil investment in group companies during the year ended March 31, 2013. (Previous Year – Nil)



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(26) LARGE HOLDINGS

Unit holders holding over 25% of the Scheme of NAV is Nil as at the end of the year March 31, 2013. (Previous Year – Nil)

(27) HISTORICAL PER UNIT STATISTICS

The Historical Per Unit statistics are given in Annexure I.

(28) PRIOR PERIOD COMPARATIVES

Previous year's figures have been regrouped /re-arranged wherever necessary.



MUTUAL FUND

For Quantum Trustee Company Pvt Ltd

sd/-Surjit Banga (Director)

sd/-Hormazdiyaar Vakil (Director) For Quantum Asset Management Company Pvt Ltd

sd/-Ajit Dayal (Chairman)

sd/-Jimmy A. Patel (Chief Executive Officer) sd/-C. Srinivasan (Director)

sd/-Chirag Mehta (Fund Manager)

ANNEXURE 1 QUANTUM GOLD FUND HISTORICAL PER UNIT STATISTICS

Sr. No.	Particulars	As of 31.03.2013	As of 31.03.2012	As of 31.03.2011
	Face Value	₹ 100/-	₹ 100/-	₹ 100/-
(a)	Net Assets Value, per unit - Growth Option	1,411.2402	1,358.8837	1,007.3198
(b)	Gross Income per-unit broken up into the following components			
(i)	income other than profit on sale of investment, per unit	0.0376	0.0313	0.0338
(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	43.5855	9.9761	34.6991
(iv)	transfer to revenue account from past years' reserve, per unit	-	-	-
(c)	Aggregate of expenses, write off, amortisation and charges, per-unit	13.6374	10.9859	8.3570
(d)	Net unrealized appreciation in value of investments	416.1037	477.8908	236.8128
(e)	Net Income per unit (excluding unrealized apprecia- tion)	29.9858	(0.9786)	26.3759
(f)				
(i)	Highest sale price	1,547.7900	1,409.0144	1,022.8254
(ii)	Lowest sale price	1,334.3290	1,005.2214	798.6109
(iii)	Price Earning Ratio	NA	NA	NA
(g)	Ratio of expenses to average daily net assets by % (Excluding unrealized depreciation and amortization of deferred revenue expenditure)	1.00%	1.00%	1.00%
(h)	Ratio of income to Average daily net assets by % (exclusive of unrealized appreciation)	3.20%	0.91%	4.16%

MUTUAL FUND Profit with Process

INDEPENDENT AUDITORS' REPORT

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THE BOARD OF TRUSTEES OF QUANTUM MUTUAL FUND

Report on the Financial Statements

We have audited the accompanying financial statements of Quantum Index Fund (the "Scheme"), which comprise the Balance Sheet as at March 31, 2013, and the Revenue Account and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Trustees of **Quantum Mutual Fund** and Quantum Asset Management Company Private Limited are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Schemein accordance with the accounting policies and standards as specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto ("the Regulations"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Scheme's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Regulations as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2013;

(b) in the case of the Revenue Account, of the deficit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Profit with Process

ANNUAL REPORT 2012-2013

Report on Other Legal and Regulatory Requirements

As required under the Regulations, 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, Revenue Account, and Cash Flow Statement dealt with by this Report are in agreement with the books of account of the Scheme;
- 3. In our opinion, the Balance Sheet, Revenue Account, and Cash Flow Statement dealt with by this report have been prepared in accordance with the accounting policies and standards as specified in Ninth Schedule of the Regulations.
- 4. The methods used to value non traded securities, as determined by Quantum Asset Management Company Private Limited under procedures approved by the Trustees of Quantum Mutual Fund are in good faith and in accordance with the guidelines for valuation of securities for mutual funds as mentioned in the Eighth Schedule of the Regulations issued by the Securities and Exchange Board of India, are fair and reasonable.

For HARIBHAKTI & CO.

Chartered Accountants Firm Registration No. – 103523W

sd/-

CHETAN DESAI

Membership No 17000

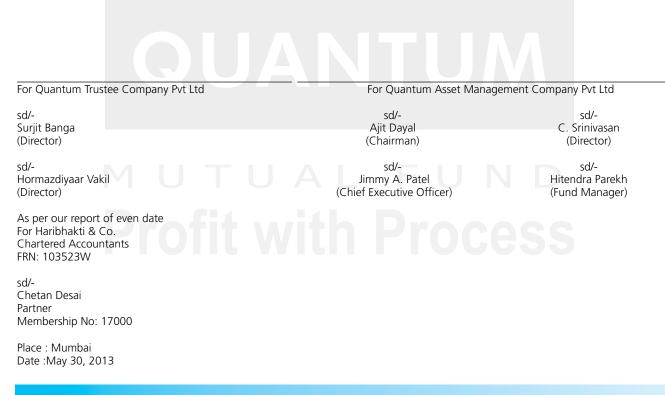
Place: Mumbai Date: 30th May, 2013

QUANTUM

MUTUAL FUND Profit with Process

QUANTUM INDEX FUND BALANCE SHEET AS AT 31st MARCH, 2013

	Schedule	31st March, 2013	31st March, 2012
		Amount (₹)	Amount (₹)
LIABILITIES			
Unit Capital	'A'	371,460	311,460
Reserves and Surplus	'B'	21,365,132	16,485,758
Current Liabilities and Provisions	'C'	9,373	7,119
Total		21,745,965	16,804,337
ASSETS			
Investments	'D'	21,723,096	16,785,880
Other Current Assets	'E'	22,869	18,457
Total		21,745,965	16,804,337
Significant account policies and Notes forming part of Accounts	'F'		



QUANTUM INDEX FUND REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2013

Sch	nedule 31st March, 2013	31st March, 2012
	Amount (₹)	Amount (₹)
INCOME		
Dividend	300,815	223,815
Interest and Discount income	2,875	2,366
Profit on sale / redemption of investments (Other than inter-scheme transfer / sale)	54,430	299,583
Total	358,120	525,764
EXPENSES AND LOSSES		
Loss on sale / redemption of investments (Other than inter-scheme transfers / sale)	331,754	104,564
Management Fees	100,002	79,545
Total	431,756	184,109
Net Surplus / (Deficit)	(73,636)	341,655
APPROPRIATION ACCOUNT FOR THE YEAR END	DED 31st MARCH, 2013	
Net Surplus brought forward from previous year	2,082,591	1,498,272
Net Surplus / (Deficit) for the year	(73,636)	341,655
Transferred (to)/ from Equalisation Account	397,578	242,664
Net Surplus / (Deficit) carried forward	2,406,533	2,082,591
Significant accounting policies and	F	
For Quantum Trustee Company Pvt Ltd For Quantum	um Asset Management Company	Pvt Ltd
sd/- sd/- Surjit Banga Ajit Dayal (Director) (Chairman)	C. Si	sd/- rinivasan rector)
sd/- Hormazdiyaar Vakil (Director)	tel Hiteno	sd/- lra Parekh Manager)
As per our report of even date For Haribhakti & Co. Chartered Accountants FRN: 103523W		
sd/- Chetan Desai Partner Membership No: 17000		
Place : Mumbai Date :May 30, 2013		

QUANTUM INDEX FUND

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2013

		31st March, 2013		31st March, 2012
	Units	Amount (₹)	Units	Amount (₹)
SCHEDULE 'A'				
UNIT CAPITAL				
Initial Capital Issued and Subscribed :				
Units of ₹ 10 each fully paidup	39,146	391,460	39,146	391,460
Outstanding :				
Unit Capital {Opening Balance)	31,146	311,460	27,146	271,460
Add : Subscription during the year	6,000	60,000	6,000	60,000
Less : Redemption during the year	-	-	2,000	20,000
Unit Capital (Closing Balance)	37,146	371,460	31,146	311,460
SCHEDULE 'B'				
RESERVES & SURPLUS				
Unit Premium				
Opening Balance		11,994,722		10,340,581
Add\(Less) : Net Additions/(Deduction) during the year		3,280,513		1,896,805
Add\(Less):-Transferred (to) / from Equalisation Account		(397,578)		(242,664)
Closing Balance		14,877,657		11,994,722
Equalisation Account				
Transferred from / (to) Unit Premium Reserve		397,578		242,664
Add\(Less): Transferred to / (from) Revenue Account		(397,578)		(242,664)
Closing Balance		-		-
Unrelaised Appreciation in the value of investments (Net)				
Opening Balance		2,408,445		3,847,205
Add:Net change during the year		1,672,497		(1,438,760)
		4,080,942		2,408,445
Appropriation Account				
Surplus/(Deficit) carried forward		2,406,533		2,082,591
Total Reserves & Surplus		21,365,132		16,485,758
SCHEDULE 'C'				
CURRENT LIABILITIES & PROVISIONS				
Management Fees Payable		7,498		6,407
Other Payables		1,875		712
Total		9,373		7,119

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QUANTUM MUTUAL FUND

	31st March, 2013		31st March, 2012
Units	Amount (₹)	Units	Amount (₹)
SCHEDULE 'D'			
<u>INVESTMENTS</u>			
Equity shares	21,723,096		16,785,880
Total	21,723,096	-	16,785,880
		-	
SCHEDULE 'E'			
OTHER CURRENT ASSETS			
Balances with Banks in Current Account *	10,102		15,395
Recievable from Quantum Asset Management Co Pvt Ltd	49		-
Dividend Receivable	12,718		3,062
	22,869		18,457
* Certain bank a/c are in the name of the Fund		-	

QUANTUM

MUTUAL FUND Profit with Process

QUANTUM INDEX FUND CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

	2012-13	2011-12
	Amount (₹)	Amount (₹)
Cash flow/(deficit) from Operating Activities		
Surplus for the year	(73,636)	341,655
Adjustments for:-		
(Increase)/Decrease in investments at cost (net)	(3,264,719)	(2,269,976)
(Increase)/Decrease in other current assets	(9,705)	(274)
Increase/(Decrease) in current liabilities	2,254	1,059
Net cash generated from /(used in) operations (A)	(3,345,806)	(1,927,536)
Cash flow from Financing Activities		
Increase/(Decrease) in unit capital	60,000	40,000
Increase/(Decrease) in unit premium reserve	3,280,513	1,896,806
Net cash generated from /(used in) operations (B)	3,340,513	1,936,806
Net Increase/(Decrease) in Cash and cash equivalents (A + B)	(5,293)	9,270
Cash and cash equivalents, beginning of the year	15,395	6,125
Cash and cash equivalents, end of the year	10,102	15,395
Components of cash and cash equivalents		
Balances with banks in current accounts	10,102	15,395
	10,102	15,395

For Quantum Trustee Company Pvt Ltd For Quantum Asset Management Company Pvt Ltd sd/sd/sd/-Ajit Dayal Surjit Banga C. Srinivasan (Director) (Chairman) (Director) sd/sd/sd/-Jimmy A. Patel Hormazdiyaar Vakil Hitendra Parekh (Chief Executive Officer) (Director) (Fund Manager) As per our report of even date For Haribhakti & Co. Chartered Accountants FRN: 103523W sd/-Chetan Desai

Chetan Desai Partner Membership No: 17000

Place : Mumbai Date :May 30, 2013

SCHEDULE 'F'

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 CNX Nifty Index and endeavor 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 CNX Nifty Index with the intention of minimizing the performance differences between the Scheme and the CNX Nifty Index in capital terms, subject to market liquidity, costs of trading, management expenses and other factors which may cause tracking error. The Scheme has one Option i.e. Growth Option. The Benchmark for the Scheme is CNX Nifty TRI.

Quantum Index Fund – Exchange Traded Fund ("QIF") Scheme is Rajiv Gandhi Equity Savings Scheme (RGESS) compliant with effect from January 07, 2013. Investments made in by a new retail investor as defined in the Notification of Ministry of Finance and SEBI circular and who complies with the conditions of the RGESS as prescribed in the Notification as amended from time to time shall be entitled to the benefits of the RGESS.

All investment decisions, relating to the Scheme are being undertaken by the Fund Manager / Portfolio team in accordance with the SEBI Regulations and Investment Objectives as specified in the Scheme Information Document. The AMC has two committees for enabling investment decisions i.e Board Investment Committee (BIC) and Key Employee Investment Committee (KIC). The Board of Directors of the AMC has the ultimate responsibilities of supervising investment activities. The Board of Directors has delegated its power with respect to approval / review of the investment activities to BIC and decision making authority with respect to the Investments to KIC except for the restrictions given in the investment policy from time to time.

Quantum Mutual Fund since inception is a Direct to investor Mutual Fund and does not charge / debit any distribution expenses to the schemes and does not pay any upfront or trail commission to distributors / intermediaries for investments routed through a distributor / intermediary whether empanelled with Quantum Mutual Fund or not. In accordance with the SEBI Circular No. Cir /IMD/ DF/21/2012 dated September 13, 2012 SEBI allowed fund houses to launch direct plans with effect from January 01, 2013 wherein investor can invest directly in the Direct Plan and such Plan shall have lower expense ratio excluding distributor expense, commission etc and the Plan shall have a separate NAV. Quantum Mutual Fund has continued with existing plan and NAV and does not have separate plans for receiving any investment applications either through distributors or directly from investors.

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 the SEBI (Mutual Funds) Regulations, 1996 and amendments thereto as applicable.

(2.2) INVESTMENTS

2.

ACCOUNTING OF INVESTMENTS

Investments are accounted on the trade date. The Scheme uses the weighted 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 contract note.

As per SEBI Notification dated 26th September 2012 with effect from October 01, 2012 brokerage and transaction cost incurred for trades which is included in the cost of investments is not exceeded 0.12% (excluding STT) of the trade value. STT is added to the cost wherever applicable.

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

VALUATION OF INVESTMENTS

SEBI has outlined investment valuation norms for the mutual funds to compute and carry out valuation of its investment in its portfolio under Regulation 47 and Eighth Schedule of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

SEBI vide its notification dated February 21, 2012 has amended Regulation 47 and Eighth Schedule and has mandated the mutual funds to value its investments on Principal of Fair Valuation to ensure fair treatment to all investors including existing investors as well as investors seeking to purchase or redeem units of mutual funds in all schemes at all points of time.

The Board of Directors of Quantum Asset Management Company Private Limited ("AMC") and Quantum Trustee Company Private Limited ("Trustee") has approved the Investment Valuation Policy and the framework for valuation of investments of Quantum Mutual Fund in accordance with SEBI Notification dated February 21, 2012 effective from July 1, 2012 in its meeting held on May 25, 2012 based on principles of fair valuation which is reflective of realizable value of securities/assets and the same has been reviewed in the Board meeting held on 23rd Oct 2012 and 18th March 2013. The said investment valuation policies reviewed by internal auditors and approved by the Board can be viewed at www.guantummf.com.

The Investments are valued at Mark to Market as stated below:-

A. EQUITY AND EQUITY RELATED INSTRUMENTS

- Traded equity shares are to be valued at the а last guoted closing price on the National Stock Exchange (Principal stock exchange). Where the equity share is not traded on the National stock exchange, the last quoted closing price of Bombay Stock Exchange may be used. If equity share is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the National stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used, provided such date is not more than 30 days prior to valuation date. Freak scenario when the Sensex/ Nifty falls more than 8% at the end of day with respect to previous day's close. Valuation would be done as per the closing traded price on NSE. Per se, there will be no change in the valuation methodology.
- b. If the equity and equity related securities are not traded on NSE or BSE stock exchange for a period of thirty days prior to the valuation date or it is thinly traded security as per SEBI guideline norms of trading less than 50,000 shares in a month and trading value is less than ₹ 5 lacs in a month, then it be should be valued as per the provision contained in the Eighth 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 SEBI.
- c. Unlisted equity shares will be valued as per the method of valuation mentioned in SEBI Circular No. MFD/CIR/03/526/2002 dated May 9, 2002. At the discretion of the valuation committee and with the approval of the Board Investment committee, unlisted equity scrip may be valued at a price lower than the value

derived using the aforesaid methodology.

- d. In a case trading in an equity shares is suspended for trading on the stock exchange up to 30 days, then the last traded price would be considered for valuation of that shares. If an equity shares is suspended for trading on the stock exchange for more than 30 days then valuation committee will decide the valuation.
- e. If the partly paid-up equity shares are traded in market separately then the same shall be valued at traded price (like any other equity instrument). If the same is not traded separately then partly paid equity shares shall be valued at Underlying Equity shares price as reduced by the balance call money payable with illiquidity discount as suggested by valuation committee. If the fully paid equity shares are not traded for more than 30 days, the same shall be valued as per valuation norms given for non traded shares with necessary illiquidity discount as decided by valuation committee.

B. DEBT AND MONEY MARKET INSTRUMENTS

a)

Debt and Money Market Instruments (MMI) including Treasury Bills till 30th June 2012 are valued at the weighted average price at which they are traded on National Stock Exchange (NSE) on 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 from the last valuation price.

With effect from 01st July, 2012, traded debt and MMI are valued at the weighted average price / yield reported on any reporting platform / exchange, subject to the traded criteria defined in the valuation policy. The trades reported on any reporting platform / exchange of similar maturity of same issuer is also considered, as outlined in the valuation policy. If traded price are not available, then valued at the benchmark yield / matrix of spread over the risk free benchmark yield obtained from CRISIL &/or ICRA or such other agencies entrusted for the said purpose by AMFI plus the spread determined based on the recent trade, which is reviewed based on the parameters defined in the policy.

With effect from 1st Aug 2012 Quantum Asset Management Company Private Limited has obtained the services of ICRA Management Consulting Services Limited (IMACS) for valuation of debt and money market instruments/security held in Quantum Mutual fund Scheme's portfolio.

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With effect from 19th March, 2013, traded debt and MMI are valued at the weighted average price / yield reported on FIMMDA, subject to the traded criteria defined in the revised valuation policy. The trades reported on any reporting platform / exchange of similar maturity of same issuer is also considered, as outlined in the revised valuation policy. If traded price are not available, then valued at the benchmark yield / matrix as prepared by IMACS plus the spread determined based on the recent trade, which is reviewed based on the parameters defined in the policy.

- b) Treasury Bills are valued based on the security level valuation as provided by IMACS.
- c) CBLO, Repos and Fixed Deposits are valued on interest accrual/ amortization basis.

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.

The net unrealised gain or loss in the value of investments is determined separately for each category of investments. The change in net unrealized loss, if any, between two balance sheet dates is recognized in the revenue account and net unrealised gain, if any, is adjusted in the unrealised appreciation reserve. The loss on investments sold / transferred during the year is charged to the revenue account instead of being first adjusted against the provision for depreciation, if already created in the previous year.

(2.3) REVENUE RECOGNITION

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.

QUANTUM MUTUAL FUND

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.

Other income is accounted as and when realized.

(2.4) TOTAL EXPENSES

Expenses are accrued on daily basis within the limits specified under Regulation 52 of SEBI (Mutual Fund) Regulations.

(2.5) DETERMINATION OF NET ASSET VALUE (NAV)

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 CAPITAL

Unit Capital represents the net outstanding units at the balance sheet date, thereby reflecting all the transactions relating to the period ended on that date.

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 ACCOUNT

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.

3. NOTES TO ACCOUNTS

(1) MOVEMENT IN UNIT CAPITAL

Particulars	2012	2012-13		2011-12	
Units of ₹ 10 each fully paid up	Units	Amount	Units	Amount	
Growth Option					
Opening at the beginning of the year	31,146	311,460	27,146	271,460	
- Issued during the year	6,000	60,000	6,000	60,000	
- Redeemed during the year	-	-	(2,000)	(20,000)	
Closing at the end of the year	37,146	371,460	31,146	311,460	

(2) VALUE OF INVESTMENTS

The Cost and Market Value/Fair Value of Investments is given below:

	March 31, 2013		March 31, 2012	
Investments	Cost (₹)	Market Value (₹)	Cost (₹)	Market Value (₹)
Equity Shares	17,642,154	21,723,096	14,377,436	16,785,880
Total	17,642,154	21,723,096	14,377,436	16,785,880

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

Particulars	March 31, 2013 (₹)	March 31, 2012 (₹)
Equity Shares		
Unrealised Appreciation	5,418,903	3,555,573
Unrealised Depreciation	(1,337,961)	(1,147,128)
Net Appreciation /(Depreciation)	4,080,942	2,408,445

(4) NON PERFORMING INVESTMENTS

Year	Type of Investments Carrying Value Amount (₹) Amount (₹)		Market value Amount (₹)	Provisions
2012-13	NIL	NIL	NIL	NIL
2011-12	NIL	NIL	NIL	NIL

(5) AGGREGATE VALUE OF PURCHASE AND SALE OF INVESTMENTS

	201	2-13	2011-12		
Particulars	Amount (in ₹)	mount (in ₹) % of daily average A Net Assets		% of daily average Net Assets	
Purchases*	4,230,310	21.15%	3,573,995	22.47%	
Sales/Redemptions*	688,279	3.44%	1,499,055	9.42%	

(*Purchases & Sales is excluding CBLO & Fixed Deposits.)

(6) NET ASSET VALUE

Net Asset Value (NAV) per unit having Face Value of ₹ 10 is as given below:

Option	NAV (March 28, 2013)**	NAV (March 30, 2012)*	
Growth Option	585.1904	539.3131	

* As 31st was a Non business day NAV of 30th March, 2012 has been considered.

** As 29th, 30th, 31st March, 2013 is a Non-business day NAV of 28th March, 2013 has been shown.

(7) INCOME AND EXPENDITURE

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

	2012-13		2011-12	
Particulars	Amount (in ₹)	% of daily average Net Assets	Amount (in ₹)	% of daily average Net Assets
Income*	26,366	0.13%	421,200	1.06%
Expenditure	100,002	0.50%	79,545	0.50%

(*Income is net off losses on sale of Investments and excluding unrealized appreciation)

(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 ₹ 20,000,427 & fees charged 0.50%, Management Fees accrued during the period ended March 31, 2013 is ₹ 100,002/- inclusive of statutory levies with service tax.

(9) TOTAL EXPENSE RATIO

SEBI vide its Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 has allowed mutual funds to charge for additional expenses in addition to the maximum total expense ratio as permissible under Regulation 52 of SEBI. The allowed additional expenses are 30 bps of net assets for inflows beyond top 15 cities and additional 20 bps for additional expenses incurred under different heads and in lieu of crediting back the exit load to the Scheme and charge service tax charged on investment management fees. Quantum Mutual Fund has not increased expense ratio and has continued to charge what it used to charge in the past. The Investment Management and Advisory fees charged by the AMC to the Scheme is within / equal to the total expense limit as prescribed by SEBI Regulations, as amended from time to time, with no sub-limit on the Investment Management and Advisory fees as currently mentioned under the respective Scheme Information Document of the Schemes.

(10) OTHER EXPENSES

All other expenses of the Scheme are fully borne by the Quantum Asset Management Company Private Limited on behalf of Scheme.

(11) INVESTOR EDUCATION EXPENSES

SEBI vide it's Circular no.CIR/IMD/DF/21/2012 dated September 13, 2012 has suggested Mutual Funds/AMCs to annually set apart at least 2 basis points on daily net assets for investor education and awareness initiatives. Quantum Asset Management Company Private Ltd sets aside and incurs the amount for investor education expenses.

(12) TRUSTEE FEES

As per the Trust deed entered between Quantum Advisors Private Limited (Sponsor) and Quantum Trustee Company Private Limited (Trustee) on October 7, 2005, the fund is entitled to pay Trusteeship fees. During the year no trustee fee amount is charged to the Scheme, hence the entire amount of trustee fee is borne by the AMC.

(13) CUSTODY FEES

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

(14) 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.

(15) INCOME TAX

No Provision for taxation has been made since the income of the Scheme is exempt under section 10(23D) of the Income Tax Act, 1961.

(16) CONTRACTS PENDING DELIVERIES

There were no contracts for sale or purchase pending deliveries as on March 31, 2013.

(17) DISCLOSURE UNDER REGULATION 25(11) OF THE SEBI (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED-Not applicable.

(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, 2013, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2013, as well as the aggregate investments in each investment category.

Profit with Process

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Industry & Scrip Name	Quantity	Market/ Fair Value (₹ In Lakhs)	% to Net Assets	% to Investment Category
EQUITY & EQUITY RELATED		Lunity		cuttigory
Listed/ Awaiting listing on the Stock Exchange				
Auto	3,123	17.26	7.94%	7.95%
Bajaj Auto Ltd	162	2.92	1.34 %	1.34%
Hero MotoCorp Ltd	115	1.77	0.82%	0.82%
Mahindra & Mahindra Ltd	555	4.78	2.20%	2.20%
Maruti Suzuki India Ltd	161	2.06	0.95 %	0.95%
Tata Motors Ltd	2,130	5.73	2.64 %	2.64%
Banks	5,050	44.58	20.51%	20.52%
Axis Bank Ltd	341	4.44	2.04%	2.04%
Bank Of Baroda	203	1.37	0.63 %	0.63%
HDFC Bank Ltd	2,198	13.75	6.32 %	6.33%
ICICI Bank Ltd	1,383	14.46	6.65 %	6.65%
Kotak Mahindra Bank Ltd	451	2.95	1.35 %	1.36%
Punjab National Bank	162	1.16	0.54 %	0.54%
State Bank of India	312	6.47	2.98 %	2.98%
Cement	2,593	8.15	3.75%	3.75%
ACC Ltd	113	1.31	0.60 %	0.60%
Ambuja Cements Ltd	916	1.60	0.73%	0.73%
Grasim Industries Ltd	76	2.14	0.98%	0.98%
Jaiprakash Associates Ltd	1,370	0.90	0.41%	0.41%
Ultratech Cement Ltd	118	2.21	1.01%	1.02%
Construction	441	1.04	0.48%	0.48%
DLF Ltd	441	1.04	0.48%	0.48%
Construction Project	649	8.87	4.08%	4.08%
Larsen & Toubro Ltd	649	8.87	4.08%	4.08%
Consumer Non Durables	7,856	28.80	13.25%	13.26%
Asian Paints Ltd	55	2.70	1.24%	1.24%
Hindustan Unilever Ltd	1,241	5.79	2.67 %	2.67%
ITC Ltd	6,560	20.30	9.34 %	9.34%
Ferrous Metals	1,269	4.13	1.90%	1.90%
Jindal Steel and Power Ltd	464	1.61	0.74 %	0.74%
Tata Steel Ltd	805	2.52	1.16 %	1.16%
Finance	3,334	17.41	8.01%	8.01%
Housing Development Finance Corpo ration Ltd	1,849	15.28	7.03%	7.03%
IDFC Ltd.	1,485	2.13	0.98%	0.98%
Gas	546	1.74	0.80%	0.80%
Gail (India) Ltd	546	1.74	0.80%	0.80%
Industrial Capital Goods	1,058	2.26	1.04%	1.04%
Bharat Heavy Electricals Ltd	954	1.69	0.78%	0.78%
Siemens Ltd	104	0.57	0.26%	0.26%
Minerals/Mining	1,239	3.10	1.43%	1.43%
Coal India Ltd	765	2.36	1.09%	1.09%

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Sesa Goa Ltd	474	0.74	0.34 %	0.34%
Non - Ferrous Metals	1,551	1.42	0.65%	0.65%
Hindalco Industries Ltd	1,551	1.42	0.65 %	0.65%
Oil	2,776	8.40	3.86%	3.87%
Cairn India Ltd	637	1.74	0.80 %	0.80%
Oil & Natural Gas Corporation Ltd	2,139	6.66	3.06 %	3.07%
Petroleum Products	2,286	16.44	7.56%	7.57%
Bharat Petroleum Corp Ltd	311	1.17	0.54 %	0.54%
Reliance Industries Ltd	1,975	15.26	7.02 %	7.03%
Pharmaceuticals	1,692	11.35	5.22%	5.22%
Cipla Ltd	614	2.33	1.07 %	1.07%
Dr Reddy Laboratories Ltd	152	2.69	1.24 %	1.24%
Lupin Ltd	286	1.80	0.83%	0.83%
Ranbaxy Laboratories Ltd	186	0.82	0.38%	0.38%
Sun Pharmaceuticals Industries Ltd	454	3.72	1.71%	1.71%
Power	5,386	6.43	2.96%	2.96%
NTPC Ltd	1,541	2.19	1.01 %	1.01%
Power Grid Corporation of India Ltd	1,717	1.82	0.84 %	0.84%
Reliance Infrastructure Ltd	165	0.54	0.25 %	0.25%
Tata Power Co Ltd	1,963	1.89	0.87 %	0.87%
Software	2,133	31.65	14.56%	14.57%
HCL Technologies Ltd	317	2.52	1.16 %	1.16%
Infosys Ltd	578	16.70	7.68 %	7.69%
Tata Consultancy Services Ltd	616	9.71	4.47 %	4.47%
Wipro Ltd	622	2.72	1.25 %	1.25%
Telecom - Services	1,444	4.21	1.94%	1.94%
Bharti Airtel Ltd	1,444	4.21	1.94 %	1.94%
Total		217.23	99.94%	100.00%
Cash & Cash Equivalent		0.13	0.06%	
Net Receivable/(payable)		0.13	0.06 %	
Total		217.36	100.00%	

(19) BORROWINGS

The Scheme has not made any borrowing during the current financial year(Previous Year-Nil)

(20) DERIVATIVES

The Scheme has no exposure to derivative products during the current financial year. (Previous Year-Nil)

(21) 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.

(22) CONTINGENT LIABILITIES

The Contingent Liabilities as on 31st March 2013 is Nil (Previous Year – Nil).

(23) UNCLAIMED REDEMPTION

Unclaimed redemptions outstanding for more than 3 months as of 31st March 2013 is Nil. (Previous Year-Nil)

(24) DISCLOSURE OF TRASANCTION IN ACCORDANCE WITH ACCOUNTING STANDARD 18 – RELATED PARTY TRASANCTIONS AND AS PER REGULATION 25(8) OF SEBI MUTUAL FUND REGULATION 1996.

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
Ajit Dayal	Associate
Menlo Oak Venture Investments	Associate
Primary Real Estate Advisors Private Limited	Associate
PREI Management Limited Mauritius	Associate
QIEF Management LLC	Associate
QACPI India Fixed Income Fund Limited, Mauritius *	Associate
G Corp Homes Private Limited	Associate

(* Ceased to be an associate with effect from October 5, 2012)

Other Schemes of the Fund

- Quantum Long Term Equity Fund
- Quantum Liquid Fund
- Quantum Gold Fund
- Quantum Tax Saving Fund
- Quantum Equity Fund of Fund
- Quantum Gold Savings Fund
- Quantum Multi Asset Fund

Transaction with the above mentioned related parties (in the nature of their independent investments) are provided below:

Name of the related party	Nature of transactions	Year ended March 31, 2013	Balance as at March 31, 2013	Year ended March 31, 2012	Balance as at March 31, 2012
Quantum Asset Management Co Pvt. Ltd.	Management Fees	100,002	7,498	79,545	6,407
Quantum Advisors Pvt Ltd	Subscriptions	2,792,410	FUĪ	4,942,028	-
Dro	Redemptions	3,022,175		4,708,089	-
FIO	Net Assets value of investment at balance sheet date		1,649,067	833	1,847,687

Quantum Gold Savings fund and Quantum Multi Asset Fund are fund of fund Scheme which as per their investment objective invests in other schemes of Quantum Mutual Fund as disclosed in the Scheme's offer document, hence

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information on their investment transactions have not been shown above.

Brokerage and commission paid to associates as per SEBI circular SEBI/IMD/CIR No 18 / 198647 /2010 dated March 15, 2012.

- 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

DISCLOSURE UNDER REGULATIONS 25 (8) OF THE SEBI REGULATIONS

- a) Underwriting obligations taken by the Scheme in respect of issues of securities of Associate companies: Nil (Previous Year: Nil)
- b) Devolvement, if any: Nil (Previous Year: Nil)
- c) Subscriptions by the schemes in the issues lead managed by Associate companies: Nil (Previous Year: Nil)
- d) Subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies has acted as arranger or manager: Nil (Previous Year: Nil)

(25) INVESTMENTS IN GROUP COMPANIES

Quantum Index Fund has made Nil investment in group companies during the year ended March 31, 2013. (Previous Year – Nil)

(26) LARGE HOLDINGS

Unit holders holding over 25% of the NAV of the Scheme is Nil as at the end of the year March 31, 2013. (Previous Year – Nil)

(27) HISTORICAL PER UNIT STATISTICS

The Historical Per Unit statistics are given in Annexure I.

(28) PRIOR PERIOD COMPARATIVES

Previous year's figures have been regrouped/re-arranged wherever necessary.

MUTUAL FUND

For Quantum Trustee Company Pvt Ltd

sd/-Surjit Banga (Director)

sd/-Hormazdiyaar Vakil (Director) For Quantum Asset Management Company Pvt Ltd

sd/-Ajit Dayal (Chairman)

sd/-Jimmy A. Patel (Chief Executive Officer) sd/-C. Srinivasan (Director)

sd/-Hitendra Parekh (Fund Manager)

ANNEXURE 1

QUANTUM INDEX FUND HISTORICAL PER UNIT STATISTICS

Sr. No.	Particulars	As of 31.03.2013	As of 31.03.2012	As of 31.03.2011
	Face Value	₹ 10/-	₹ 10/-	₹ 10/-
(a)	Net Assets Value	585.1904	539.3131	587.8405
(b)	Gross Income per-unit broken up into the following components			
(i)	income other than profit on sale of investment, per unit	8.1756	7.2621	6.4850
(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	-7.4658	6.2613	17.2396
(iv)	transfer to revenue account from past years' reserve, per unit	-	-	-
(c)	Aggregate of expenses, write off, amortisation and charges, per-unit	2.6921	2.5541	3.1356
(d)	Net unrealized appreciation in value of investments	109.8622	77.3276	141.7227
(e)	Net Income per unit (excluding unrealized appreciation)	-1.9823	10.9693	20.5890
(f)				
i)	Highest sale price per unit	625.7200	595.5656	635.2255
ii)	Lowest sale price per unit	492.0236	462.4212	482.7710
iii)	Price Earning ratio	NA	NA	NA
(g)	Ratio of expenses to average daily net assets by % (Excluding unrealized depreciation and amortization of deferred revenue expenditure)	0.50	0.50	0.62
(h)	Ratio of income to Average daily net assets by % (exclusive of unrealized appreciation)	0.13	2.65	4.70



MUTUAL FUND Profit with Process

INDEPENDENT AUDITORS' REPORT

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THE BOARD OF TRUSTEES OF QUANTUM MUTUAL FUND

Report on the Financial Statements

We have audited the accompanying financial statements of Quantum Tax Saving Fund (the "Scheme"), which comprise the Balance Sheet as at March 31, 2013, and the Revenue Account and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Trustees of **Quantum Mutual Fund** and Quantum Asset Management Company Private Limited are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Schemein accordance with the accounting policies and standards as specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto ("the Regulations"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Scheme's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Regulations as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2013;
- (b) in the case of the Revenue Account , of the surplus for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Profit with Process

Report on Other Legal and Regulatory Requirements

As required under the Regulations, 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, Revenue Account, and Cash Flow Statement dealt with by this Report are in agreement with the books of account of the Scheme;
- 3. In our opinion, the Balance Sheet, Revenue Account, and Cash Flow Statement dealt with by this report have been prepared in accordance with the accounting policies and standards as specified in Ninth Schedule of the Regulations.
- 4. The methods used to value non traded securities, as determined by Quantum Asset Management Company Private Limited under procedures approved by the Trustees of Quantum Mutual Fund are in good faith and in accordance with the guidelines for valuation of securities for mutual funds as mentioned in the Eighth Schedule of the Regulations issued by the Securities and Exchange Board of India, are fair and reasonable.

For HARIBHAKTI & CO.

Chartered Accountants Firm Registration No. – 103523W

sd/-

CHETAN DESAI

Membership No 17000

Place: Mumbai Date: 30th May, 2013



MUTUAL FUND Profit with Process

QUANTUM TAX SAVING FUND BALANCE SHEET AS AT 31st MARCH 2013

	Schedule	31st March, 2013 Amount (₹)	31st March, 2012 Amount (₹)
LIABILITIES			
Unit Capital	'Α'	46,761,517	29,161,939
Reserves and Surplus	'B'	65,542,875	35,094,123
Current Liabilities and Provisions	'C'	725,929	80,234
Total		113,030,321	64,336,296
ASSETS			
Investments	'D'	108,158,804	62,350,589
Other Current Assets	'E'	4,871,517	1,985,707
Total		113,030,321	64,336,296
Significant accounting policies and			
notes forming part of Accounts	'F'		
5.			
For Quantum Trustee Company Pvt Ltd	For Quantum Asset N	Management Company	Pvt Ltd
sd/-	sd/-		sd/-
Surjit Banga (Director)	Ajit Dayal (Chairman)		rinivasan irector)
	sd/-		sd/-
sd/- Hormazdiyaar Vakil (Director)	Jimmy A. Patel (Chief Executive Officer)	Atu	l Kumar Manager)
As per our report of even date			
For Haribhakti & Co. Chartered Accountants FRN: 103523W			
sd/-			
Chetan Desai			
Partner Membership No: 17000			
Place : Mumbai			
Date :May 30, 2013			
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QUANTUM TAX SAVING FUND REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2013

	Schedule	31st March, 2013 Amount (₹)	31st March, 2012 Amount (₹)
INCOME			
Dividend		1,291,466	668,700
Interest and Discount income		871,148	365,982
Profit on sale / redemption of investments (Other than inter scheme transfer / sale)		4,095,530	1,721,909
Total		6,258,144	2,756,591
EXPENSES AND LOSSES			
Management Fees		807,126	461,810
Loss on sale / redemption of investments (Other than inter-scheme transfers / sale)		-	580,194
Custodian Fees		89,536	46,247
Registrar & Transfer Agent's Fees		100,986	59,340
Other operating expenses		11,264	5,893
Total		1,008,912	1,153,484
Net Surplus / (Deficit)		5,249,232	1,603,107
APPROPRIATION ACCOUNT F	OR THE YEAR ENDED 31st I	MARCH, 2013	
Net Surplus brought forward from previous year		16,528,250	8,539,406
Net Surplus / (Deficit) for the year		5,249,232	1,603,107
Transferred (to)/ from Equalisation Account		11,321,709	6,385,737
Net Surplus / (Deficit) carried forward		33,099,191	16,528,250
Significant accounting policies and notes forming part of Accounts	F NITII		
For Quantum Trustee Company Pvt Ltd	For Quantum Asset M	lanagement Company	Pvt Ltd
sd/- Surjit Banga (Director)	sd/- Ajit Dayal (Chairman)	C. Sr	sd/- inivasan rector)
sd/- Hormazdiyaar Vakil (Director)	sd/- Jimmy A. Patel (Chief Executive Officer)	Atul	sd/- Kumar Manager)
As per our report of even date For Haribhakti & Co. Chartered Accountants FRN: 103523W			
sd/- Chetan Desai Partner Membership No: 17000			
Place : Mumbai Date :May 30, 2013			

QUANTUM TAX SAVING FUND SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2013

		31st March, 2013		31st March, 2012
	Units	Amount (₹)	Units	Amount (₹)
SCHEDULE 'A'				
UNIT CAPITAL				
Initial Capital Issued and Subscribed :				
Units of ₹ 10 each fully paidup	179,850	1,798,500	179,850	1,798,500
Outstanding :				
Unit Capital (Opening Balance)	2,916,194	29,161,939	1,669,483	16,694,830
Add : Subscription during the year	1,914,007	19,140,070	1,293,111	12,931,107
Less : Redemption during the year	154,049	1,540,492	46,400	463,998
Unit Capital (Closing Balance)	4,676,152	46,761,517	2,916,194	29,161,939
SCHEDULE 'B'				
RESERVE & SURPLUS				
Unit Premium				
Opening Balance		15,395,657		8,011,542
Add/(Less) : Net Additions/(Deduction) during the year		24,709,905		13,769,852
Add/(Less):-Transferred (to) / from Equalisation Account		(11,321,709)		(6,385,737)
Closing Balance		28,783,853		15,395,657
Equalisation Account				
Transferred from / (to) Unit Premium Reserve		11,321,709		6,385,737
Add/(Less): Transferred (to) / from Revenue Account		(11,321,709)		(6,385,737)
Closing Balance				
Unrealised Appreciation in the value of investmeents (N	<u>let)</u>			
Opening Balance		3,170,216		4,190,460
Add:Net change during the year		489,615		(1,020,244)
		3,659,831		3,170,216
APPROPRIATION ACCOUNT				
Surplus/(Deficit) carried forward		33,099,191		16,528,250
Total Reserves & Surplus		65,542,875		35,094,123
SCHEDULE 'C'				
CURRENT LIABILITIES & PROVISIONS				
Units pending Allotment		523,502		29,500
Management Fees Payable		73,567		45,177
Redemption Payble		47,857		-
Other Payables		19,939		5,557
Payable to Quantum Asset Management Co Pvt Ltd		61,064		-
Total		725,929		80,234

	31st March, 2013		31st March, 2012
Units	Amount (₹)	Units	Amount (₹)
SCHEDULE 'D'			
<u>INVESTMENTS</u>			
Equity shares	87,690,084		53,711,738
Collateralised borrowing & lending obligation *	20,468,720		8,638,851
Total	108,158,804		62,350,589
* CBLO investment are registered in the name of the Fund			
SCHEDULE 'E'			
OTHER CURRENT ASSETS			
Balances with Banks in Current Account **	3,238,810		1,179,613
Subscription Receivable	485,000		736,000
Receivable from Quantum Asset Management Co Pvt Ltd.	-		7
Sales Contract outstanding	1,063,840		-
Dividend Receivable	54,776		20,087
Receivable from schemes for switches	29,091		50,000
Total	4,871,517		1,985,707
** Certain bank a/c are in the name of the Fund			

QUANTUM

MUTUAL FUND Profit with Process

QUANTUM TAX SAVING FUND CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

		2012-13 Amount (₹)	2011-12 (ج)
A. Cash flow from Operating	Activities	Amount (₹)	Amount (₹)
Surplus for the year		5,249,232	1,603,106
Adjustments for:-			
(Increase)/Decrease in investi	nents at cost (net)	(33,488,731)	(23,954,094)
(Increase)/Decrease in other	current assets	(1,077,613)	(45,859)
Increase/(Decrease) in curren	t liabilities	103,837	17,364
Net cash generated from	(used in) operations (A)	(29,213,275)	(22,379,483)
B. Cash flow from Financing	Activities		
Increase/(Decrease) in unit ca	pital	17,599,578	12,467,109
Increase/(Decrease) in unit p	remium reserve	24,709,905	13,769,853
Adjustments for:-			
(Increase)/Decrease in subscr	iption receivable for units issued to investors	251,000	549,500
Increase/(Decrease) in redem	ption payable for units redeemed by investors	47,857	-
Increase/(Decrease) in subscr	Increase/(Decrease) in subscription received for units pending allotment to investors		-
Net cash generated from	(used in) operations (B)	43,102,342	26,786,462
Net Increase/(Decrease) in	Cash and cash equivalents (A + B)	13,889,067	4,406,979
Cash and cash equivalents, b	beginning of the year	9,818,463	5,411,484
Cash and cash equivalents	s, end of the year	23,707,530	9,818,463
Components of cash and	cash equivalents		
Balances with banks in curre	nt accounts	3,238,810	1,179,612
Collateralised borrowing & le	ending obligation	20,468,720	8,638,851
		23,707,530	9,818,463
For Quantum Trustee Company Pvt	Ltd For Quantum Asset M	anagement Company Pvt	t Ltd
sd/-	sd/-	sd/	
Surjit Banga (Director)	Ajit Dayal (Chairman)	C. Sriniv (Direc	
sd/-		, , , , , , , , , , , , , , , , , , ,	,
Hormazdiyaar Vakil (Director)	sd/- Jimmy A. Patel (Chief Executive Officer)	sd/ Atul Ku (Fund Ma	umar
As per our report of even date For Haribhakti & Co. Chartered Accountants FRN: 103523W			
sd/-			

Chetan Desai Partner Membership No: 17000

Place : Mumbai Date :May 30, 2013

SCHEDULE 'F'

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 S&P 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 S & P BSE 30 TRI.

All investment decisions, relating to the Scheme are being undertaken by the Fund Manager / Portfolio team in accordance with the SEBI Regulations and Investment Objectives as specified in the Scheme Information Document. The AMC has two committees for enabling investment decisions i.e Board Investment Committee (BIC) and Key Employee Investment Committee (KIC). The Board of Directors of the AMC has the ultimate responsibilities of supervising investment activities. The Board of Directors has delegated its power with respect to approval / review of the investment activities to BIC and decision making authority with respect to the Investments to KIC except for the restrictions given in the investment policy from time to time.

Quantum Mutual Fund since inception is a Direct to investor Mutual Fund and does not charge / debit any distribution expenses to the schemes and does not pay any upfront or trail commission to distributors / intermediaries for investments routed through a distributor / intermediary whether empanelled with Quantum Mutual Fund or not. In accordance with the SEBI Circular No. Cir /IMD/ DF/21/2012 dated September 13, 2012 SEBI allowed fund houses to launch direct plans with effect from January 01, 2013 wherein investor can invest directly in the Direct Plan and such Plan shall have lower expense ratio excluding distributor expense, commission etc and the Plan shall have a separate NAV. Quantum Mutual Fund has continued with existing plan and NAV and does not have separate plans for receiving any investment applications either through distributors or directly from investors.

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 the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto as applicable.

(2.2) INVESTMENTS

Accounting of 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 contract note.

As per SEBI Notification dated 26th September 2012 with effect from October 01, 2012 brokerage and transaction cost incurred for trades which is included in the cost of investments is not exceeded 0.12% (excluding STT) of the trade value. STT is added to the cost wherever applicable.

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

VALUATION OF INVESTMENTS

The Securities and Exchange Board of India (SEBI) has outlined investment valuation norms for the mutual funds to compute and carry out valuation of its investment in its portfolio under Regulation 47 and Eighth Schedule of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

SEBI vide its notification dated February 21, 2012 has amended Regulation 47 and Eighth Schedule and has mandated the mutual funds to value its investments on Principal of Fair Valuation to ensure fair treatment to all investors including existing investors as well as investors seeking to purchase or redeem units of mutual funds in all schemes at all points of time.

The Board of Directors of Quantum Asset Management Company Private Limited ("AMC") and Quantum Trustee Company Private Limited ("Trustee") has approved the Investment Valuation Policy and the framework for valuation of investments of Quantum Mutual Fund in accordance with SEBI Notification dated February 21, 2012 effective from July 1, 2012 in its meeting held on May 25, 2012 based on principles of fair valuation which is reflective of

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realizable value of securities/assets and the same has been reviewed in the Board meeting held on 23rd Oct 2012 and 18th March 2013. The said investment valuation policies reviewed by internal auditors and approved by the Board can be viewed at www.guantummf.com.

The Investments are valued at Mark to Market as stated below:-

A. EQUITY AND EQUITY RELATED INSTRUMENTS

- a) Traded equity shares are to be valued at the last quoted closing price on the National Stock Exchange (Principal stock exchange). Where the equity share is not traded on the National stock exchange, the last quoted closing price of Bombay Stock Exchange may be used. If equity share is not traded on any stock exchange on a particular valuation day, the value at which it was traded on the National stock exchange or any other stock exchange, as the case may be, on the earliest previous day may be used, provided such date is not more than 30 days prior to valuation date. Freak scenario when the Sensex/ Nifty falls more than 8% at the end of day with respect to previous day's close. Valuation would be done as per the closing traded price on NSE. Per se, there will be no change in the valuation methodology.
- b) If the equity and equity related securities are not traded on NSE or BSE stock exchange for a period of thirty days prior to the valuation date or it is thinly traded security as per SEBI guideline norms of trading less than 50,000 shares in a month and trading value is less than ₹ 5 lacs in a month, then it be should be valued as per the provision contained in the Eighth 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 SEBI.
- c) Unlisted equity shares will be valued as per the method of valuation mentioned in SEBI Circular No. MFD/CIR/03/526/2002 dated May 9, 2002. At the discretion of the valuation committee and with the approval of the Board Investment committee, unlisted equity scrip may be valued at a price lower than the value derived using the aforesaid methodology.
- d) In a case trading in an equity shares is suspended for trading on the stock exchange up to 30 days, then the last traded price would be considered for valuation of that shares.
- e) If an equity shares is suspended for trading on the stock exchange for more than 30 days then valuation committee will decide the valuation.

f) If the partly paid-up equity shares are traded in market separately then the same shall be valued at traded price (like any other equity instrument). If the same is not traded separately then partly paid equity shares shall be valued at Underlying Equity shares price as reduced by the balance call money payable with illiquidity discount as suggested by valuation committee. If the fully paid equity shares are not traded for more than 30 days, the same shall be valued as per valuation norms given for non traded

shares with necessary illiquidity discount as

QUANTUM MUTUAL FUND

decided by valuation committee. B. DEBT AND MONEY MARKET INSTRUMENTS:

a)

Debt and Money Market Instruments (MMI) including Treasury Bills till 30th June 2012 are valued at the weighted average price at which they are traded on National Stock Exchange (NSE) on 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 from the last valuation price.

With effect from 01st July, 2012, traded debt and MMI are valued at the weighted average price / yield reported on any reporting platform / exchange, subject to the traded criteria defined in the valuation policy. The trades reported on any reporting platform / exchange of similar maturity of same issuer is also considered, as outlined in the valuation policy. If traded price are not available, then valued at the benchmark yield / matrix of spread over the risk free benchmark yield obtained from CRISIL &/or ICRA or such other agencies entrusted for the said purpose by AMFI plus the spread determined based on the recent trade, which is reviewed based on the parameters defined in the policy.

With effect from 1st Aug 2012 Quantum Asset Management Company Private Limited has obtained the services of ICRA Management Consulting Services Limited (IMACS) for valuation of debt and money market instruments/security held in Quantum Mutual fund Scheme's portfolio.

With effect from 19th March, 2013, traded debt and MMI are valued at the weighted average price / yield reported on FIMMDA, subject to the traded criteria defined in the revised valuation policy. The trades reported on any reporting platform / exchange of similar maturity of same issuer is also considered, as outlined in the revised valuation policy. If traded price are not available, then valued at the benchmark yield / matrix as prepared by

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IMACS plus the spread determined based on the recent trade, which is reviewed based on the parameters defined in the policy.

- b) Treasury Bills are valued based on the security level valuation as provided by IMACS.
- c) CBLO, Repos and Fixed Deposits are valued on interest accrual/ amortization basis.

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.

The net unrealised gain or loss in the value of investments is determined separately for each category of investments. The change in net unrealized loss, if any, between two balance sheet dates is recognized in the revenue account and net unrealised gain, if any, is adjusted in the unrealised appreciation reserve. The loss on investments sold / transferred during the year is charged to the revenue account instead of being first adjusted against the provision for depreciation, if already created in the previous year.

(2.3) REVENUE RECOGNITION

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.

Other income is accounted as and when realized.

(2.4) TOTAL EXPENSES

Expenses are accrued on daily basis within the limits specified under Regulation 52 of SEBI (Mutual Fund) Regulations.

(2.5) DETERMINATION OF NET ASSET VALUE (NAV)

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 CAPITAL

Unit Capital represents the net outstanding units at the balance sheet date, thereby reflecting all the transactions relating to the period ended on that date.

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 ACCOUNT

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.

fund Process

3. NOTES TO ACCOUNTS

(1) MOVEMENT IN UNIT CAPITAL

Particulars	201	2012-13		-12
Units of Rs 10 each fully paid up	Units	Amount	Units	Amount
Growth Option				
Opening at the beginning of the year	2,183,167.42	21,831,674	1,180,273.85	11,802,738
- Issued during the year	1,591,866.42	15,918,664	1,036,304.48	10,363,045
- Redeemed during the year	(77,024.84)	(770,248)	(33,410.91)	(334,109)
Closing at the end of the year	3,698,009.00	36,980,090	2,183,167.42	21,831,674
Dividend Option				
Opening at the beginning of the year	733,026.43	7,330,264	489,209.10	4,892,091
- Issued during the year	322,140.67	3,221,407	256,806.20	2,568,062
- Redeemed during the year	(77,024.40)	(770,244)	(12,988.87)	(129,889)
Closing at the end of the year	978,142.70	9,781,427	733,026.43	7,330,264
Grand Total				
Opening at the beginning of the year	2,916,193.85	29,161,938	1,669,482.95	16,694,829
- Issued during the year	1,914,007.09	19,140,071	1,293,110.68	12,931,107
- Redeemed during the year	(154,049.24)	(1,540,492)	(46,399.78)	(463,998)
Closing at the end of the year	4,676,151.70	46,761,517	2,916,193.85	29,161,938

(2) VALUE OF INVESTMENTS

The Cost and Market Value/Fair Value of Investments is given below:

	March	31, 2013	Ma	rch 31, 20 <mark>12</mark>
Investments	Cost (₹)	Market Value (₹)	Cost (₹)	Market Value (₹)
Equity Shares	84,030,253	87,690,084	50,541,522	53,711,738
Collateralised Borrowing & Lending Obligation	20,468,720	20,468,720	8,638,851	8,638,851
TOTAL	104,498,973	108,158,804	59,180,372	62,350,589

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

Particulars	March 31, 2013 (₹)	March 31, 2012 (₹)
Equity shares		
Unrealised Appreciation	10,767,142	5,852,614
Unrealised Depreciation	(7,107,311)	(2,682,398)
Net Appreciation / (Depreciation)	3,659,831	3,170,216

(4) NON PERFORMING INVESTMENTS

Year	Type of Investments	Carrying Value Amount (₹)	Market value Amount (₹)	Provisions
2012-13	NIL	NIL	NIL	NIL
2011-12	NIL	NIL	NIL	NIL

(5) AGGREGATE VALUE OF PURCHASE AND SALE OF INVESTMENTS

	2012-13		2	011-12
Particulars	Amount (in ₹)	% of daily average net assets	Amount (in ₹)	% of daily average net assets
Purchases*	40,011,768	49.57%	29,345,848	65.81%
Sales/Redemptions*	10,621,864	13.16%	6,533,465	14.65%

(*Purchases & Sales is excluding CBLO & Fixed Deposits.)

(6) NET ASSET VALUE

Net Asset Value (NAV) per unit having Face Value of ₹ 10 is as given below:

Options	NAV (March 28, 2013)**	NAV (March 30, 2012)*
Growth Option	24.017	22.037
Dividend Option	24.002	22.025

* As 31st Mar, 2012 was a Non business day NAV of 30th March, 2012 has been shown.

** As 29th, 30th& 31st March, 2013 is a Non-business day NAV of 28th March, 2013 has been shown.

(7) INCOME AND EXPENDITURE

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

	2012-13		20	11-12
Particulars	Amount (in ₹)	% of daily average net assets	Amount (in ₹)	% of daily aver- age net assets
Income*	6,258,144	7.75%	2,176,397	4.88%
Expenditure	1,008,912	1.25%	573,287	1.29%

(*Income is net off losses on sale of Investments and excluding unrealized appreciation)

(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 ₹ 80,712,063/- & fees charged 1.00% Management Fees accrued during the period is ₹ 807,126 /- inclusive of statutory levies with service tax.

(9) OTHER EXPENSES

Other expenses only to the extent of 0.25% are borne by the Scheme and rests of the expenses are borne by the AMC.

(10) TOTAL EXPENSE RATIO

SEBI vide its Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 has allowed mutual funds to charge for additional expenses in addition to the maximum total expense ratio as permissible under Regulation 52 of SEBI. The allowed additional expenses are 30 bps of net assets for inflows beyond top 15 cities and additional 20 bps for additional expenses incurred under different heads and in lieu of crediting back the exit load to the Scheme and charge service tax charged on investment management fees. Quantum Mutual Fund has not increased expense ratio and has continued to charge what it used to charge in the past. The Investment Management and Advisory fees charged by the AMC to the Scheme is within / equal to the total expense limit as prescribed by SEBI Regulations, as amended from time to time, with no sub-limit on the Investment Management and Advisory fees as currently mentioned under the respective Scheme Information Document of the schemes.

(11) INVESTOR EDUCATION EXPENSES

SEBI vide its Circular no.CIR/IMD/DF/21/2012 dated September 13, 2012 has suggested Mutual Funds/AMCs to annually set apart at least 2 basis points on daily net assets for investor education and awareness initiatives. Quantum Asset Management Company Private Ltd sets aside and incurs the amount for investor education expenses.

(12) TRUSTEE FEES

As per the Trust deed entered between Quantum Advisors Private Limited (Sponsor) and Quantum Trustee Company Private Limited (Trustee) on October 7, 2005, the fund is entitled to pay Trusteeship fees. During the year no trustee fee amount is charged to the Scheme, thus entire amount of trustee fee is borne by the AMC.

(13) CUSTODY FEES

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

(14) 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.

(15) INCOME TAX

No Provision for taxation has been made since the income of the Scheme is exempt under section 10(23D) of the Income Tax Act, 1961.

(16) CONTRACTS PENDING DELIVERIES

Sale of securities by the Scheme, the deliveries of which were pending as on March 31st, 2013, amounted to ₹ 1,063,840. There were no contracts for Purchase pending deliveries as on March 31, 2013.

(17) DISCLOSURE UNDER REGULATION 25(11) OF THE SECURITY AND EXCHANGE BOARD OF INDIA (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED – Nil (Previous Year – 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, 2013, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2013, as well as the aggregate investments in each investment category.

Industry & Scrip Name	Quantity	Market/ Fair Value (₹ In Lakhs)	% to Net As- sets	% to Investment Category
EQUITY & EQUITY RELATED				
Listed/Awaiting listing on the Stock Exchange				
Auto	6,389	99.01	8.81%	11.29%
Bajaj Auto Ltd	3,310	59.57	5.30%	6.79%
Maruti Suzuki India Ltd	3,079	39.45	3.51%	4.50%
Banks	17,787	144.58	12.88%	16.49%
Axis Bank Ltd	1,810	23.54	2.10%	2.68%
HDFC Bank Ltd	8,289	51.84	4.62%	5.91%
ING Vysya Bank Ltd	5,948	33.13	2.95%	3.78%
State Bank of India	1,740	36.07	3.21%	4.11%
Chemicals	9,943	31.98	2.85%	3.65%
Tata Chemicals Ltd	9,943	31.98	2.85%	3.65%
Construction Project	39,980	30.12	2.68%	3.44%
Voltas Ltd	39,980	30.12	2.68%	3.44%
Ferrous Metals	10,565	33.05	2.94%	3.77%

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Tata Steel Ltd	10,565	33.05	2.94%	3.77%
Finance	18,794	84.93	7.56%	9.69%
Housing Development Finance Corpora				
tion Ltd	7,896	65.24	5.81%	7.44%
Power Finance Corporation Ltd	10,898	19.69	1.75%	2.25%
Gas	9,286	29.55	2.63%	3.37%
Gail (India) Ltd	9,286	29.55	2.63%	3.37%
Hotels	75,370	40.36	3.59%	4.60%
Indian Hotels Co Ltd	75,370	40.36	3.59%	4.60%
Industrial Capital Goods	33,281	31.22	2.78%	3.56%
Crompton Greaves Ltd	33,281	31.22	2.78%	3.56%
Media & Entertainment	18,248	38.40	3.42%	4.38%
Zee Entertainment Enterprises Ltd	18,248	38.40	3.42%	4.38%
Oil	13,694	42.64	3.80%	4.86%
Oil & Natural Gas Corporation Ltd	13,694	42.64	3.80%	4.86%
Petroleum Products	10,544	29.69	2.64%	3.39%
Indian Oil Corporation Ltd	10,544	29.69	2.64%	3.39%
Power	55,112	51.11	4.56%	5.83%
NTPC Ltd	22,043	31.29	2.79%	3.57%
PTC India Ltd	33,069	19.82	1.77%	2.26%
Software	5,406	114.90	10.23%	13.10%
Infosys Ltd	2,262	65.36	5.82%	7.45%
Tata Consultancy Services Ltd	3,144	49.54	4.41%	5.65%
Telecom - Services	6,824	19.91	1.77%	2.27%
Bharti Airtel Ltd	6,824	19.91	1.77%	2.27%
Transportation	8,754	55.43	4.94%	6.32%
Container Corporation of India Ltd	4,918	50.68	4.51%	5.78%
Gateway Distriparks Ltd	3,836	4.75	0.42%	0.54%
Total		876.90	78.08%	100.00%
Cash & Cash Equivalent				
Collateralised Borrowing & Lending Obligation (CBLO)		204.69	18.23%	
Net Receivable/(payable)		41.46	3.69%	
Grand Total		1,123.04	100.00%	

(19) BORROWINGS

The Scheme has not made any borrowing during the period March 31, 2013. (Previous Year-Nil)

(20) DERIVATIVES

The Scheme has no exposure to derivative products during the financial year. (Previous Year- Nil)

(21) 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.

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(22) CONTINGENT LIABILITIES

The Contingent Liabilities as on 31st March 2013 is Nil. (Previous Year - Nil)

(23) UNCLAIMED DIVIDEND/REDEMPTION

Unclaimed dividend/redemptions outstanding for more than 3 months as of 31st March 2013 is Nil (Previous Year-Nil).

(24) DISCLOSURE OF TRASANCTION IN ACCORDANCE WITH ACCOUNTING STANDARD 18 – RELATED PARTY TRASANCTIONS AND AS PER REGULATION 25(8) OF SEBI MUTUAL FUND REGULATION 1996.

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
Ajit Dayal	Associate
Menlo Oak Venture Investments	Associate
Primary Real Estate Advisors Private Limited	Associate
PREI Management Limited Mauritius	Associate
QIEF Management LLC	Associate
QACPI India Fixed Income Fund Limited, Mauritius *	Associate
G Corp Homes Private Limited	Associate

(* Ceased to be an associate with effect from October 5, 2012)

Other Schemes of the Fund

- Quantum Long Term Equity Fund
- Quantum Liquid Fund
- Quantum Gold Fund
- Quantum Index Fund
- Quantum Equity Fund of Fund
- Quantum Gold Savings Fund
- Quantum Multi Asset Fund

Profit with Process

Transaction with the above mentioned related parties (in the nature of their independent investments) are provided below:

Name of the related party	Nature of transactions	For the Year ended March 2013	Balance as at March 31, 2013	For the Year ended March 2012	Balance as at March 31, 2012
Quantum Asset Management Co Pvt Ltd	Management Fees	807,126	73,567	461,810	45,178

Quantum Gold Savings fund and Quantum Multi Asset Fund are fund of fund Scheme which as per their investment objective invests in other schemes of Quantum Mutual Fund as disclosed in the Scheme's offer document, hence information on their investment transactions have not been shown above.

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 (₹ 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, 2011 - March 31, 2012	0.01 cr. & 0.34%	Nil
Quantum Information Services Private Limited	Associate Company	April 01, 2012 - March 31, 2013	* & 0.05%	Nil

(*Figure less than 0.01 cr.)

DISCLOSURE UNDER REGULATIONS 25 (8) OF THE SEBI REGULATIONS

- a) Underwriting obligations taken by the Scheme in respect of issues of securities of Associate companies: Nil (Previous Year: Nil)
- b) Devolvement, if any: Nil (Previous Year: Nil)
- c) Subscriptions by the Schemes in the issues lead managed by Associate companies: Nil (Previous Year: Nil)
- d) Subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies has acted as arranger or manager: Nil (Previous Year: Nil)

MUTUAL FUND Profit with Process

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(25) INVESTMENTS IN GROUP COMPANIES

Quantum Tax Saving Fund has made Nil investment in group companies during the year ended March 31, 2013. (Previous Year – Nil)

(26) LARGE HOLDINGS

Unit holders holding over 25% of the Scheme of NAV is Nil as at the end of the year March 31, 2013. (Previous Year – Nil)

(27) HISTORICAL PER UNIT STATISTICS

The Historical Per Unit statistics are given in Annexure I

(28) PRIOR PERIOD COMPARATIVES

Previous year's figures have been regrouped /re-arranged wherever necessary.



MUTUAL FUND

For Quantum Trustee Company Pvt Ltd

sd/-Surjit Banga (Director)

sd/-Hormazdiyaar Vakil (Director) For Quantum Asset Management Company Pvt Ltd

sd/-Ajit Dayal (Chairman)

sd/-Jimmy A. Patel (Chief Executive Officer) sd/-C. Srinivasan (Director)

sd/-Atul Kumar (Fund Manager)

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ANNEXURE - I QUANTUM TAX SAVING FUND HISTORICAL PER UNIT STATISTICS

Sr. No.	Particulars	As of 31.03.2013	As of 31.03.2012	As of 31.03.2011
	Face Value	₹ 10/-	₹ 10/-	₹ 10/-
(a)	Net Assets Value, per unit			
i)	Growth Option	24.017	22.037	22.426
ii)	Dividend Option	24.002	22.025	22.418
(b)	Gross Income per-unit broken up into the following components			
(i)	income other than profit on sale of investment, per unit	0.4625	0.3548	0.2912
(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	0.8758	0.3915	1.9262
(iv)	transfer to revenue account from past years' reserve, per unit	-	-	-
(c)	Aggregate of expenses, write off, amortization and charges, per-unit	0.2158	0.1966	0.2258
(d)	Net unrealized appreciation in value of investments	0.7827	1.0871	2.5412
(e)	Net Income per unit (excluding unrealized appreciation)	1.1226	0.5497	1.9916
(f)				
i)	Highest resale price			
	Growth Option	25.864	23.178	24.495
	Dividend Option	25.847	23.164	24.486
ii)	Lowest resale price			
	Growth Option	20.144	18.530	18.522
	Dividend Option	20.132	18.520	18.515
iii)	Highest repurchase price			
	Growth Option	25.864	23.178	24.495
	Dividend Option	25.847	23.164	24.486
iv)	Lowest repurchase price			
	Growth Option	20.144	18.530	18.522
	Dividend Option	20.132	18.520	18.515
v)	Price Earning Ratio	NA	NA	NA
(g)	Ratio of expenses to average daily net assets by % (Excluding unreal- ized depreciation and amortization of deferred revenue expenditure)	1.25%	1.29%	1.62%
(h)	Ratio of income to Average daily net assets by % (exclusive of un- realized appreciation)	7.75%	4.88%	15.96%
	Profit with P	roce	ess	

INDEPENDENT AUDITORS' REPORT

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THE BOARD OF TRUSTEES OF QUANTUM MUTUAL FUND

Report on the Financial Statements

We have audited the accompanying financial statements of Quantum Equity Fund of Funds (the "Scheme"), which comprise the Balance Sheet as at March 31, 2013, and the Revenue Account and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Trustees of **Quantum Mutual Fund** and Quantum Asset Management Company Private Limited are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Schemein accordance with the accounting policies and standards as specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto ("the Regulations"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Scheme's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Regulations as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2013;
- (b) in the case of the Revenue Account , of the surplus for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Profit with Process

Report on Other Legal and Regulatory Requirements

As required under the Regulations, 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, Revenue Account, and Cash Flow Statement dealt with by this Report are in agreement with the books of account of the Scheme;
- 3. In our opinion, the Balance Sheet, Revenue Account, and Cash Flow Statement dealt with by this report have been prepared in accordance with the accounting policies and standards as specified in Ninth Schedule of the Regulations.
- 4. The methods used to value non traded securities, as determined by Quantum Asset Management Company Private Limited under procedures approved by the Trustees of Quantum Mutual Fund are in good faith and in accordance with the guidelines for valuation of securities for mutual funds as mentioned in the Eighth Schedule of the Regulations issued by the Securities and Exchange Board of India, are fair and reasonable.

For HARIBHAKTI & CO.

Chartered Accountants Firm Registration No. – 103523W

sd/-

CHETAN DESAI

Membership No 17000

Place: Mumbai Date: 30th May, 2013



MUTUAL FUND Profit with Process

QUANTUM EQUITY FUND OF FUNDS BALANCE SHEET AS AT 31st MARCH 2013

BALANCE SH	Schedule 31st March, 2013 31st March					
	Schedule	Amount (₹)	Amount (₹)			
LIABILITIES						
Unit Capital	'A'	20,990,258	20,287,088			
Reserves and Surplus	'B'	8,453,743	6,853,207			
Current Liabilities and Provisions	'C'	287,070	17,098			
Total		29,731,071	27,157,393			
ASSETS						
Investments	'D'	29,431,083	27,132,030			
Other Current Assets	- 'E'	299,988	25,363			
Total	_	29,731,071	27,157,393			
Significant accounting policies and	'F'					
Notes forming part of Accounts						
For Quantum Trustee Company Pvt Ltd	For Quantum Asset M	lanagement Company	Pvt Ltd			
sd/-	sd/-		sd/-			
Surjit Banga	Ajit Dayal	C. Sr	rinivasan			
(Director)	(Chairman)	(Di	rector)			
sd/-	sd/-		sd/-			
Hormazdiyaar Vakil	Jimmy A. Patel		nd Chari			
(Director)	(Chief Executive Officer)		Manager)			
As par our report of over date						
As per our report of even date For Haribhakti & Co.						
Chartered Accountants						
FRN: 103523W						
sd/-						
Chetan Desai						
Partner						
Membership No: 17000						
Place : Mumbai						
Date :May 30, 2013						

QUANTUM EQUITY FUND OF FUNDS REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2013

REVENUE ACCOUNT FOR TH	E YEAR ENDED 31st	⁴ MARCH, 2013	
		31st March, 2013 Amount (₹)	31st March, 2012 Amount (₹)
INCOME			
Interest and Discount income		33,293	37,928
Profit on sale / redemption of investments (Other than inter-so transfer / sale)	heme	5,137,977	235,332
Other Income (Load Income)		14,388	12,013
Total		5,185,657	285,273
EXPENSES AND LOSSES			
Loss on sale / redemption of investments (Other than inter-sch transfers / sale)	heme	13,732	16,581
Management Fees		149,555	189,936
Net Change in Unrealised depreciation in the value of investm	ents	3,090,658	
Total		3,253,945	206,517
Net Surplus / (Deficit)		1,931,712	78,756
APPROPRIATION ACCOUNT FOR	THE YEAR ENDED 31st I		
Net Surplus brought forward from previous year		3,038,534	2,572,539
Net Surplus / (Deficit) for the year		1,931,712	78,756
Transferred (to)/ from Equalisation Account		160,316	387,239
Net Surplus / (Deficit) carried forward	-	5,130,562	3,038,534
Significant accounting policies and notes forming parts of Accounts	F		
For Quantum Trustee Company Pvt Ltd	For Quantum Asset M	1anagement Company	Pvt Ltd
		<u> </u>	
sd/- Surjit Banga	sd/- Ajit Dayal		sd/- inivasan
(Director)	(Chairman)	(D)	rector)
sd/- Hormazdiyaar Vakil UTUA (Director)	sd/- Jimmy A. Patel (Chief Executive Officer)	Arvir	sd/- nd Chari Manager)
As per our report of even date For Haribhakti & Co. Chartered Accountants FRN: 103523W			
sd/- Chetan Desai Partner Membership No: 17000			
Place : Mumbai Date :May 30, 2013			

QUANTUM EQUITY FUND OF FUNDS SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2013

		31st March, 2013		31st March, 2012
	Units	Amount (Rs)	Units	Amount (Rs)
SCHEDULE 'A'				
UNIT CAPITAL				
Initial Capital Issued and Subscribed :				
Units of ₹ 10 each fully paidup	585,425	5,854,249	585,425	5,854,249
Outstanding :				
Unit Capital (Opening Balance)	2,028,709	20,287,088	1,709,422	17,094,225
Add : Subscription during the year	486,822	4,868,223	549,259	5,492,589
Less : Redemption during the year	416,505	4,165,053	229,973	2,299,726
Unit Capital (Closing Balance)	2,099,026	20,990,258	2,028,709	20,287,088
SCHEDULE 'B'				
RESERVES & SURPLUS				
Unit Premium				
Opening Balance		3,176,409		2,507,520
Add\(Less) : Net Additions/(Deduction) during the year		307,088		1,056,128
Add\(Less):-Transferred (to) / from Equalisation Account		(160,316)		(387,239)
Closing Balance		3,323,181		3,176,409
Equalisation Account				
Transferred from / (to) Unit Premium Reserve		160,316		387,239
Add\(Less): Transferred (to) / from Revenue Account		(160,316)		(387,239)
Closing Balance				-
<u>Unrealised Appreciation in the value Of investments</u> (Net)				
Opening Balance		638,264		2,065,504
Add:Net change during the year		(638,264)		(1,427,240)
				638,264
Appropriation Account				
Surplus/(Deficit) carried forward		5,130,562		3,038,534
Total Reserves & Surplus		8,453,743		6,853,207

Profit with Process

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		31st March, 2013		31st March, 2012
	Units	Amount (Rs)	Units	Amount (Rs)
SCHEDULE 'C'				
CURRENT LIABILITIES & PROVISIONS				
Management Fees Payable		6,105		15,388
Purchase contract outstanding		196,000		-
Payable to schemes for switches		83,439		-
Other payables		1,526		1,710
Total		287,070		17,098
SCHEDULE 'D' INVESTMENTS				
Mutual Fund Units		29,189,169		26,684,348
Collateralised Borrowing & Lending Obligation*		241,914		447,682
Total		29,431,083		27,132,030
* CBLO investment are registered in the name of the Fund				
SCHEDULE 'E'				
OTHER CURRENT ASSETS				
Balances with Banks in Current Account**		235,624		18,263
Receivable from Quantum Asset Management Co. Pvt Ltd		200		-
Receivable from schemes for switches		25,190		-
Subscription Receivable		38,974		7,100
Total		299,988		25,363
** Certain bank a/c are in the name of the Fund				

** Certain bank a/c are in the name of the Fund

MUTUAL FUND Drofit with Drococc

QUANTUM EQUITY FUND OF FUNDS CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

		2012-13	2011-12
		Amount (₹)	Amount (₹)
Α.	Cash flow from Operating Activities		
	Surplus for the year	1,931,712	78,756
	Adjustments for:-		
	(Increase)/Decrease in investments at cost (net)	(3,143,085)	(4,096,836)
	(Increase)/Decrease in other current assets	(25,390)	-
	Increase/(Decrease) in current liabilities	269,972	2,482
	Net cash generated from /(used in) operations (A)	(966,791)	(4,015,598)
В.	Cash flow from Financing Activities		
	Increase/(Decrease) in unit capital	703,170	3,192,863
	Increase/(Decrease) in unit premium reserve	307,088	1,056,128
	Adjustments for:-		
	(Increase)/Decrease in subscription receivable for units issued to investors	(31,874)	4,950
	Increase/(Decrease) in redemption payable for units redeemed by investors	-	(52,292)
	Net cash generated from /(used in) operations (B)	978,384	4,201,649
	Net Increase/(Decrease) in Cash and cash equivalents (A + B)	11,593	186,051
	Cash and cash equivalents, beginning of the year	465,945	279,894
	Cash and cash equivalents, end of the year	477,538	465,945
	Components of cash and cash equivalents		
	Balances with banks in current accounts	235,624	18,263
	Collateralised borrowing & lending obligation	241,914	447,682
		477,538	465,945

For Quantum Trustee Company Pvt Ltd

sd/-Surjit Banga (Director)

sd/-Hormazdiyaar Vakil (Director)

As per our report of even date For Haribhakti & Co. Chartered Accountants FRN: 103523W

sd/-Chetan Desai Partner Membership No: 17000

Place : Mumbai Date :May 30, 2013 sd/-Ajit Dayal (Chairman)

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

For Quantum Asset Management Company Pvt Ltd

sd/-C. Srinivasan (Director)

sd/-Arvind Chari (Fund Manager)

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SCHEDULE 'F'

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'). The Benchmark for the Scheme is S&P BSE 200 Index.

All investment decisions, relating to the Scheme are being undertaken by the Fund Manager / Portfolio team in accordance with the SEBI Regulations and Investment Objectives as specified in the Scheme Information Document. The AMC has two committees for enabling investment decisions i.e Board Investment Committee (BIC) and Key Employee Investment Committee (KIC). The Board of Directors of the AMC has the ultimate responsibilities of supervising investment activities. The Board of Directors has delegated its power with respect to approval / review of the investment activities to BIC and decision making authority with respect to the Investments to KIC except for the restrictions given in the investment policy from time to time.

Quantum Mutual Fund since inception is a Direct to investor Mutual Fund and does not charge / debit any distribution expenses to the schemes and does not pay any upfront or trail commission to distributors / intermediaries for investments routed through a distributor / intermediary whether empanelled with Ouantum Mutual Fund or not. In accordance with the SEBI Circular No. Cir /IMD/ DF/21/2012 dated September 13, 2012 SEBI allowed fund houses to launch direct plans with effect from January 01, 2013 wherein investor can invest directly in the Direct Plan and such Plan shall have lower expense ratio excluding distributor expense, commission etc and the Plan shall have a separate NAV. Quantum Mutual Fund has continued with existing plan and NAV and does not have separate plans for receiving any investment applications either through distributors or directly from investors.

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 the SEBI (Mutual Funds) Regulations, 1996 and amendments thereto as applicable.

(2.2) INVESTMENTS

ACCOUNTING OF 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 contract note.

VALUATION OF INVESTMENTS

SEBI has outlined investment valuation norms for the mutual funds to compute and carry out valuation of its investment in its portfolio under Regulation 47 and Eighth Schedule of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

SEBI vide its notification dated February 21, 2012 has amended Regulation 47 and Eighth Schedule and has mandated the mutual funds to value its investments on Principal of Fair Valuation to ensure fair treatment to all investors including existing investors as well as investors seeking to purchase or redeem units of mutual funds in all schemes at all points of time.

The Board of Directors of Quantum Asset Management Company Private Limited ("AMC") and Quantum Trustee Company Private Limited ("Trustee") has approved the Investment Valuation Policy and the framework for valuation of investments of Quantum Mutual Fund in accordance with SEBI Notification dated February 21, 2012 effective from July 1, 2012 in its meeting held on May 25, 2012 based on principles of fair valuation which is reflective of realizable value of securities/assets and the same has been reviewed in the Board meeting held on 23rd Oct 2012 and 18th March 2013. The said investment valuation policies reviewed by internal auditors and approved by the Board can be viewed at <u>www.quantummf.com</u>.

THE INVESTMENTS ARE VALUED AT MARK TO MARKET AS STATED BELOW:-

A. MUTUAL FUND UNITS

Mutual fund units will be valued at the same day NAV as available on AMFI website. If the same day NAV is not available it will be valued at latest available NAV.

B. DEBT AND MONEY MARKET INSTRUMENTS

a) Debt and Money Market Instruments (MMI) including Treasury Bills till 30th June 2012 are valued at the weighted average price at which they are traded on National Stock Exchange (NSE) on 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 from the last valuation price.

> With effect from 01st July, 2012, traded debt and MMI are valued at the weighted average price / yield reported on any reporting platform / exchange, subject to the traded criteria defined in the valuation policy. The trades reported on any reporting platform / exchange of similar maturity of same issuer is also considered, as outlined in the valuation policy. If traded price are not available, then valued at the benchmark yield / matrix of spread over the risk free benchmark yield obtained from CRISIL &/or ICRA or such other agencies entrusted for the said purpose by AMFI plus the spread determined based on the recent trade, which is reviewed based on the parameters defined in the policy.

> With effect from 1st Aug 2012 Quantum Asset Management Company Private Limited has obtained the services of ICRA Management Consulting Services Limited (IMACS) for valuation of debt and money market instruments/security held in Quantum Mutual fund Scheme's portfolio.

> With effect from 19th March, 2013, traded debt and MMI are valued at the weighted average price / yield reported on FIMMDA, subject to the traded criteria defined in the revised valuation policy. The trades reported on any reporting platform / exchange of similar maturity of same issuer is also considered, as outlined in the revised valuation policy. If traded price are not available, then valued at the benchmark yield / matrix as prepared by IMACS plus the spread determined based on the recent trade, which is reviewed based on the parameters defined in the policy.

- b) Treasury Bills are valued based on the security level valuation as provided by IMACS.
- c) CBLO, Repos and Fixed Deposits are valued on interest accrual/ amortization basis.

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. The net unrealised gain or loss in the value of investments is determined separately for each category of investments. The change in net unrealized loss, if any, between two balance sheet dates is recognized in the revenue account and net unrealised gain, if any, is adjusted in the unrealised appreciation reserve. The loss on investments sold / transferred during the year is charged to the revenue account instead of being first adjusted against the provision for depreciation, if already created in the previous year.

(2.3) REVENUE RECOGNITION

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.

Other income is accounted as and when realized.

(2.4) TOTAL EXPENSES

Expenses are accrued on daily basis within the limits specified under Regulation 52 of SEBI (Mutual Fund) Regulations.

(2.5) EXIT LOAD INCOME

Entire exit load amount collected from the investor is credited to the revenue account of the Scheme since inception. However on crossing of threshold limit as defined under relevant notification of Service tax, i.e., with effect from 06th February, 2013 exit load net off service tax is credited to revenue account.

(2.6) DETERMINATION OF NET ASSET VALUE (NAV)

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 CAPITAL

Unit Capital represents the net outstanding units at the balance sheet date, thereby reflecting all the transactions relating to the period ended on that date.

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 ACCOUNT

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.

3. NOTES TO ACCOUNTS

(1) MOVEMENT IN UNIT CAPITAL

Particulars	2012	2-13	2011	-12
Units of Rs 10 each fully paid up	Units	Amount	Units	Amount
Growth Option				
Opening at the beginning of the year	1,840,451.16	18,404,512	1,509,239.59	15,092,396
- Issued during the year	406,175.75	4,061,757	465,483.61	4,654,836
- Redeemed during the year	(346,094.67)	(3,460,947)	(134,272.04)	(1,342,720)
Closing at the end of the year	1,900,532.24	19,005,322	1,840,451.16	18,404,512
Dividend Option				
Opening at the beginning of the year	188,257.67	1,882,577	200,182.91	2,001,829
- Issued during the year	80,646.55	806,465	83,775.32	837,753
- Redeemed during the year	(70,410.63)	(704,106)	(95,700.56)	(957,006)
Closing at the end of the year	198,493.59	1,984,936	188,257.67	1,882,576
Grand Total				
Opening at the beginning of the year	2,028,708.83	20,287,089	1,709,422.47	17,094,225
- Issued during the year	486,822.30	4,868,222	549,258.93	5,492,589
- Redeemed during the year	(416,505.30)	(4,165,053)	(229,972.60)	(2,299,726)
Closing at the end of the year	2,099,025.83	20,990,258	2,028,708.83	20,287,088

(2) VALUE OF INVESTMENTS

The Cost and Market Value/Fair Value of Investments is given below:

Investments	March 31, 2013		March 31, 2012		
	Cost (₹)	Market Value (₹)	Cost (₹)	Market Value (₹)	
Mutual Fund Units	32,279,828	29,189,170	26,046,083	26,684,348	
Collateralised Borrowing & Lending Obligation (CBLO)	241,914	241,914	447,682	447,682	
TOTAL	32,521,742	29,431,084	26,493,765	27,132,030	

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

Particulars	March 31, 2013 (₹)	March 31, 2012 (₹)
Mutual Fund Units		
Unrealised Appreciation		1,207,385
Unrealised Depreciation	(3,090,658)	(569,121)
Net Appreciation/ (Depreciation)	(3,090,658)	638,264

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(4) NON PERFORMING INVESTMENTS

Year	Type of Investments	Carrying Value Amount (₹)	Market value Amount (₹)	Provisions
2012-13	NIL	NIL	NIL	NIL
2011-12	NIL	NIL	NIL	NIL

(5) AGGREGATE VALUE OF PURCHASE AND SALE OF INVESTMENTS

	2012-13		2011-12		
Particulars	Amount (in ₹)	% of daily average Net Assets	Amount (in ₹)	% of daily average Net Assets	
Purchases*	33,488,332	116.47%	7,685,500	30.35%	
Sales/Redemptions*	32,378,832	112.61%	3,807,755	15.04%	

(*Purchases & Sales is excluding CBLO & Fixed Deposits.)

(6) NET ASSET VALUE

Net Asset Value (NAV) per unit having Face Value of ₹ 10 is as given below:

Options	NAV (March 28, 2013)**	NAV (March 30, 2012)*
Growth Option	14.028	13.378
Dividend Option	14.029	13.380

* As 31st March, 2012 was a non business day NAV as of 30th March, 2012 has been shown.

** As 29th, 30th& 31st March, 2013 was a non business day, NAV as of 28th March, 2013 has been shown.

(7) INCOME AND EXPENDITURE

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

	2012-13		2011-12	
Particulars	Amount (in ₹) % of daily average		Amount (in ₹)	% of daily average
	Net Assets			Net Assets
Income*	5,171,925	17.99%	268,691	1.06%
Expenditure	149,555	0.52%	189,936	0.75%

(*Income is net off losses on sale of Investments and excluding unrealized appreciation)

(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 ₹ 28,752,256 & fees charged 0.52%, Management Fees accrued during the period is ₹ 149,555/- inclusive of statutory levies with service tax.

(9) TOTAL EXPENSE RATIO & INVESTMENT MANAGEMENT FEES

SEBI vide its Notification dated 26th September 2012 has recommended in case of a fund of funds Scheme, the total expenses of the Scheme including weighted average of charges levied by the underlying schemes shall not exceed 2.50% of the daily net assets of the Scheme. The Investment Management and Advisory fees charged by the AMC to the Scheme is within the total expense limit as prescribed by SEBI Regulations, as amended from time to time.

As the information on daily net assets and expense ratio of underlying schemes were not available Quantum mutual fund has monitored net assets and expense ratio of underlying schemes of Quantum equity fund of fund Scheme based on month end information.

(10) OTHER EXPENSES

All other expenses of the Scheme are fully borne by the Quantum Asset Management Company Private Limited on behalf of Scheme.

(11) INVESTOR EDUCATION EXPENSES

SEBI vide its Circular no.CIR/IMD/DF/21/2012 dated September 13, 2012 has stipulated Mutual Funds/AMCs to annually set apart at least 2 basis points on daily net assets for investor education and awareness initiatives. Quantum Asset Management Company Private Ltd sets aside and incurs the amount for investor education expenses.

(12) TRUSTEE FEES

As per the Trust deed entered between Quantum Advisors Private Limited (Sponsor) and Quantum Trustee Company Private Limited (Trustee) on October 7, 2005, the fund is entitled to pay Trusteeship fees. During the year no trustee fee amount is charged to the Scheme, hence the entire amount of trustee fee is borne by the AMC.

(13) CUSTODY FEES

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

(14) 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.

(15) INCOME TAX

No Provision for taxation has been made since the income of the Scheme is exempt under section 10(23D) of the Income Tax Act, 1961.

(16) CONTRACTS PENDING DELIVERIES

Purchase of securities by the Scheme, the deliveries of which were pending as on 31st March 2013, amounted to ₹ 196,000/-. There were no contracts for Sale pending deliveries as on 31st March, 2013.

(17) DISCLOSURE UNDER REGULATION 25(11) OF THE SEBI (MUTUAL FUNDS) REGULATIONS, 1996 AS AMENDED – NIL (PREVIOUS YEAR – 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, 2013, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2013, as well as the aggregate investments in each investment category.

Name of the Instrument	Units	Market Value (₹ Lakhs)	% to Net Assets	% to Inv. Category
Mutual Fund Units		291.89	99.13	100.00
HDFC Top 200 Fund – Direct Plan-Growth Option	25,732.92	54.24	18.42	18.58
DSP Black Rock Equity Fund - Direct Plan - Growth	326,999.46	52.03	17.67	17.83
HDFC Equity Fund – Direct Plan-Growth Option	18,782.98	51.00	17.32	17.47
Birla Sun Life Frontline Equity Fund-Direct Plan-Growth	50,364.39	47.75	16.22	16.36
Canara Robeco Equity Diversified-Direct Plan- Growth Option	79,623.58	47.28	16.06	16.20
Sundaram Select Midcap-Direct Plan- Growth	25,533.49	39.59	13.45	13.56
Cash & cash Equivalent		2.55	0.87	
Collateralised Borrowing & Lending Obligation (CBLO)		2.42	0.82	
Net Receivables/ (Payables)		0.13	0.05	
GRAND TOTAL		294.44	100.00	

(19) BORROWINGS

The Scheme has not made any borrowing during the financial year (Previous Year – Nil).

(20) DERIVATIVES

The Scheme has no exposure to derivative products during the financial year (Previous Year- Nil).

(21) 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.

(22) CONTINGENT LIABILITIES

The Contingent Liabilities as on 31st March 2013 is Nil (Previous Year – Nil)

(23) UNCLAIMED DIVIDEND/REDEMPTION

Unclaimed dividend/redemptions outstanding for more than 3 months as of 31st March 2013 is Nil. (Previous Year-Nil)

(24) DISCLOSURE OF TRASANCTION IN ACCORDANCE WITH ACCOUNTING STANDARD 18 – RELATED PARTY TRASANCTIONS AND AS PER REGULATION 25(8) OF SEBI MUTUAL FUND REGULATION 1996.

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
Ajit Dayal	Associate
Menlo Oak Venture Investments	Associate
Primary Real Estate Advisors Private Limited	Associate
PREI Management Limited Mauritius	Associate
QIEF Management LLC	Associate
QACPI India Fixed Income Fund Limited, Mauritius *	Associate
G Corp Homes Private Limited	Associate

(* Ceased to be an associate with effect from October 5, 2012)

Other Schemes of the Fund

Quantum Long Term Equity Fund

Quantum Liquid Fund

Quantum Gold Fund

Quantum Index Fund

Quantum Tax Saving Fund

Quantum Gold Savings Fund

Quantum Multi Asset Fund

Transaction with the above mentioned related parties (in the nature of their independent investments) are provided below:

Name of the related party	Nature of transactions	Year ended March 2013	Balance as at March 31, 2013	Year ended March 2012	Balance as at March 31, 2012
Ajit Dayal	Subscription	-	-	-	-
	Redemption	-	-	-	-
M	Net Assets value of investment at balance sheet date	-	4,976,939	N D	4,746,328
Quantum Asset Management Co Pvt Ltd	Management Fees	149,555	6,105	189,936	15,388

Quantum Gold Savings fund and Quantum Multi Asset Fund are fund of fund Scheme which as per their investment objective invests in other schemes of Quantum Mutual Fund as disclosed in the Scheme's offer document, hence information on their investment transactions have not been shown above.

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:-

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Name of Associate company	Nature of Association/ Nature of relation	Period covered	Business given (₹ 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, 2011- March 31, 2012	0.01 cr. & 1.92%	Nil
Quantum Information Services Private Limited	Associate Company	April 01, 2012- March 31, 2013	0.02 cr. & 2.32%	Nil

DISCLOSURE UNDER REGULATIONS 25 (8) OF THE SEBI REGULATIONS

- a) Underwriting obligations taken by the Scheme in respect of issues of securities of Associate companies: Nil (Previous Year: Nil)
- b) Devolvement, if any: Nil (Previous Year: Nil)
- c) Subscriptions by the Schemes in the issues lead managed by Associate companies: Nil (Previous Year: Nil)
- d) Subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies has acted as arranger or manager: Nil (Previous Year: Nil)

(25) INVESTMENTS IN GROUP COMPANIES

Quantum Equity Fund of Funds has made Nil investment in group companies during the year ended March 31, 2013. (Previous Year – Nil)

(26) LARGE HOLDINGS

Unit holders holding over 25% of the Scheme's of NAV is Nil as at the end of the year March 31, 2013. (Previous Year – Nil)

(27) HISTORICAL PER UNIT STATISTICS

The Historical Per Unit statistics are given in Annexure I.

(28) PRIOR PERIOD COMPARATIVES

Previous year's figures have been regrouped/re-arranged wherever necessary.



MUTUAL FUND

For Quantum Trustee Company Pvt Ltd

sd/-Surjit Banga (Director)

sd/-Hormazdiyaar Vakil (Director) For Quantum Asset Management Company Pvt Ltd

sd/-Ajit Dayal (Chairman)

sd/-Jimmy A. Patel (Chief Executive Officer) sd/-C. Srinivasan (Director)

sd/-Arvind Chari (Fund Manager)

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ANNEXURE 1

QUANTUM EQUITY FUND OF FUNDS HISTORICAL PER UNIT STATISTICS

Sr.	Particulars	As of 31.03.2013	As of 31.03.2012	As of 31.03.2011
No.			_	
	Face Value	₹ 10/-	₹ 10/-	₹ 10/-
(a)	Net Assets Value			
i)	Growth Option	14.028	13.378	14.180
ii)	Dividend Option	14.029	13.380	14.182
(b)	Gross Income per-unit broken up into the following components			
(i)	income other than profit on sale of investment, per unit	0.0227	0.0246	0.0413
(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	2.4412	0.1078	0.9666
(iv)	transfer to revenue account from past years' reserve, per unit	-	-	-
(c)	Aggregate of expenses, write off, amortisation and charges, per-unit	0.0713	0.0936	0.0744
(d)	Net unrealized appreciation in value of investments	-1.4724	0.3146	1.2083
(e)	Net Income per unit (excluding unrealized appreciation)	2.3927	0.0388	0.9335
(f)				
i)	Highest sale price			
	Growth Option	15.591	14.537	15.792
	Dividend Option	15.593	14.539	15.794
ii)	Lowest sale price			
	Growth Option	12.311	11.319	12.138
	Dividend Option	12.312	11.321	12.139
iii)	Highest repurchase price			
	Growth Option	15.360	14.320	15.560
	Dividend Option	15.360	14.320	15.560
iv)	Lowest repurchase price			
	Growth Option	12.130	11.150	11.960
	Dividend Option	12.130	11.150	11.960
v)	Price Earning Ratio	NA	NA	NA
(g)	Ratio of expenses to average daily net assets by % (Excluding unrealized depreciation and amortization of deferred revenue expenditure)	0.52%	0.75%	0.75%
(h)	Ratio of income to Average daily net assets by % (excluding of unrealized appreciation)	17.99%	1.06%	10.16%

Profit with Process

INDEPENDENT AUDITORS' REPORT

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THE BOARD OF TRUSTEES OF QUANTUM MUTUAL FUND

Report on the Financial Statements

We have audited the accompanying financial statements of Quantum Gold Savings Fund (the "Scheme"), which comprise the Balance Sheet as at March 31, 2013, and the Revenue Account and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Trustees of **Quantum Mutual Fund** and Quantum Asset Management Company Private Limited are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Schemein accordance with the accounting policies and standards as specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto ("the Regulations"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Scheme's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Regulations as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2013;
- (b) in the case of the Revenue Account , of the surplus for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Profit with Process

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Report on Other Legal and Regulatory Requirements

As required under the Regulations, 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, Revenue Account, and Cash Flow Statement dealt with by this Report are in agreement with the books of account of the Scheme;
- 3. In our opinion, the Balance Sheet, Revenue Account, and Cash Flow Statement dealt with by this report have been prepared in accordance with the accounting policies and standards as specified in Ninth Schedule of the Regulations.
- 4. The methods used to value non traded securities, as determined by Quantum Asset Management Company Private Limited under procedures approved by the Trustees of Quantum Mutual Fund are in good faith and in accordance with the guidelines for valuation of securities for mutual funds as mentioned in the Eighth Schedule of the Regulations issued by the Securities and Exchange Board of India, are fair and reasonable.

For HARIBHAKTI & CO.

Chartered Accountants Firm Registration No. – 103523W

sd/-

CHETAN DESAI

Membership No 17000

Place: Mumbai Date: 30th May, 2013

QUANTUM

MUTUAL FUND Profit with Process

QUANTUM GOLD SAVINGS FUND BALANCE SHEET AS AT 31st MARCH, 2013

	Schedule	31st March, 2013	31st March, 2012
		Amount (₹)	Amount (₹)
LIABILITIES Unit Capital	'Α'	56,529,780	32,659,358
Reserves and Surplus	А (В)	18,054,817	8,668,497
Current Liabilities and Provisions	с [,]	411,444	189,495
Total	-	74,996,041	41,517,350
ASSETS			
Investments	'D'	74,642,879	41,421,322
Other Current Assets	Έ'	353,162	96,028
Total		74,996,041	41,517,350
Significant accounting policies and			
notes forming part of Accounts	'F'		
For Quantum Trustee Company Pvt Ltd	For Quantum Asset N	Management Company	Pvt Ltd
sd/-	sd/-		sd/-
Surjit Banga (Director)	Ajit Dayal (Chairman)		inivasan rector)
sd/- Hormazdiyaar Vakil	sd/- Jimmy A. Patel		sd/- Ig Mehta
(Director)	(Chief Executive Officer)	(Fund	Manager)
As per our report of even date			
For Haribhakti & Co. Chartered Accountants			
FRN: 103523W			
sd/-			
Chetan Desai			
Partner Membership No: 17000			
Place : Mumbai			
Date :May 30, 2013			

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QUANTUM MUTUAL FUND

QUANTUM GOLD SAVINGS FUND REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2013

REVENUE ACCOUNT FOR THE YEAR ENDED 3				
Schedule	-	31st March, 2012		
	Amount (₹)	Amount (₹)		
INCOME				
Interest and Discount income	19,964	16,290		
Profit on sale / redemption of investments (Other than inter-scheme transfer / sale)	318,966	286,050		
Other Income (Load Income)	110,441	83,340		
Total	449,371	385,680		
EXPENSES AND LOSSES				
Custodian fees	59,589	22,931		
Registrar & Transfer Agent's Fees	79,638	33,883		
Other Operating Expenses	8,130	1,316		
Total	147,357	58,130		
Net Surplus / (Deficit)	302,014	327,550		
APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31s	t MARCH, 2013			
Net Surplus brought forward from previous period	436,768	-		
Net Surplus / (Deficit) for the year/period	302,014	327,550		
Transferred (to)/ from Equalisation Account	410,070	109,218		
Net Surplus / (Deficit) carried forward	1,148,852	436,768		
Significant accounting policies and F				
notes forming part of Accounts				
QUANT	UM			
For Quantum Trustee Company Pvt Ltd For Quantum Asset	n Asset Management Company Pvt Ltd			
sd/- sd/- Surjit Banga Ajit Dayal (Director) (Chairman)		sd/- C. Srinivasan (Director)		
sd/- Hormazdiyaar Vakil (Director) (Chief Executive Officer)	sd/- Chirag Mehta (Fund Manager)			
As per our report of even date For Haribhakti & Co. Chartered Accountants FRN: 103523W				
sd/- Chetan Desai Partner Membership No: 17000				
Place : Mumbai Date :May 30, 2013				

QUANTUM GOLD SAVINGS FUND SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2013

SCHEDULE 'A' <u>UNIT CAPITAL</u> Initial Capital Issued and Subscribed :	Units 621,444	31st March, 2013 Amount (₹) 	Units	31st March, 2012 Amount (₹)
SCHEDULE 'A' <u>UNIT CAPITAL</u> Initial Capital Issued and Subscribed : Units of ₹ 10 each fully paidup	621,444			
<u>UNIT CAPITAL</u> Initial Capital Issued and Subscribed : Units of ₹ 10 each fully paidup		6,214,438		
Initial Capital Issued and Subscribed : Units of ₹ 10 each fully paidup		6,214,438		
Units of ₹ 10 each fully paidup		6,214,438		
			621,444	6,214,438
Unit Capital (Opening Balance) 3,	,265,936	32,659,358	-	-
Add : Subscription during Initial Offer period	-	-	621,444	6,214,438
Add : Subscription during the year / period 3,	,337,325	33,373,248	3,094,158	30,941,577
Less : Redemption during the year / period	950,283	9,502,826	449,666	4,496,657
Unit Capital (Closing Balance) 5,	,652,978	56,529,780	3,265,936	32,659,358
SCHEDULE 'B'				
RESERVES & SURPLUS				
Unit Premium				
Opening Balance		4,039,436		-
Add\(Less) : Net Additions\(Deduction) during the year / period		8,497,618		4,148,654
Add\(Less):-Transferred (to) / from Equalisation Account		(410,070)		(109,218)
Closing Balance		12,126,984		4,039,436
Equalisation Account				
Transferred from / (to) Unit Premium Reserve		410,070		109,218
Add\(Less): Transferred (to) / from Revenue Account		(410,070)		(109,218)
Closing Balance				
Unrealised Appreciation in the value of investments				
<u>(Net)</u>				
Opening Balance		4,192,293		-
Add : Net change during the year / period		586,688		4,192,293
		4,778,981		4,192,293
Appropriation Account				
Surplus/(Deficit) carried forward		1,148,852		436,768
Total Reserves & Surplus		18,054,817		8,668,497
SCHEDULE 'C'				
CURRENT LIABILITIES & PROVISIONS				
Units pending Allotment		14,248		1,500
Purchase Contract Outstanding		294,508		162,051
Other Payables		191		-
Payable to schemes for switches		39,228		-
Redemption Payable		17,224		25,944
Payable to Quantum Asset Management Co. Pvt Ltd		46,045		-
Total		411,444		189,495

		31st March, 2013		31st March, 2012
	Units	Amount (₹)	Units	Amount (₹)
SCHEDULE 'D'				
<u>INVESTMENTS</u>				
Mutual Fund Units		74,266,013		41,213,470
Collateralised Borrowing & Lending Obligation*		376,866		207,852
Total		74,642,879		41,421,322
* CBLO investment are registered in the name of the Fund				
SCHEDULE 'E'				
OTHER CURRENT ASSETS				
Balances with Banks in Current Account**		249,245		70,757
Receivable from Quantum Asset Management Co. Pvt Ltd		-		3
Receivable from schemes for switches		2,324		-
Subscription Receivable		101,593		25,268
Total		353,162		96,028
** Certain bank a/c are in the name of the Fund				

1UTUAL FUND

Profit with Process

QUANTUM GOLD SAVINGS FUND CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

		2012-13	2011-12
		Amount (₹)	Amount (₹)
Α.	Cash flow from Operating Activities		
	Surplus for the year	302,014	327,550
	Adjustments for:-		
	(Increase)/Decrease in investments at cost (net)	(32,465,855)	(37,021,177)
	(Increase)/Decrease in other current assets	(2,322)	(3)
	Increase/(Decrease) in current liabilities	217,922	162,051
	Net cash generated/(used) in operations (A)	(31,948,241)	(36,531,579)
В.	Cash flow from Financing Activities		
	Increase/(Decrease) in unit capital	23,870,422	32,659,358
	Increase/(Decrease) in unit premium reserve	8,497,618	4,148,654
	Adjustments for:-		
	(Increase)/Decrease in subscription receivable for units issued to investors	(76,325)	(23,768)
	Increase/(Decrease) in redemption payable for units redeemed by investors	(8,720)	25,944
	Increase/(Decrease) in subscription received for units pending allotment to investors	12,748	-
	Dividend and tax thereon paid during the period		
	Net cash generated from /(used in) operations (B)	32,295,743	36,810,188
	Net Increase/(Decrease) in Cash and cash equivalents (A + B)	347,502	278,609
	Cash and cash equivalents, beginning of the year	278,609	
	Cash and cash equivalents, end of the year/period	626,111	278,609
	Components of cash and cash equivalents		
	Balances with banks in current accounts	249,245	70,757
	Collateralised borrowing & lending obligation	376,866	207,852
		626,111	278,609

For Quantum Trustee Company Pvt Ltd

sd/-Surjit Banga (Director)

sd/-Hormazdiyaar Vakil (Director)

As per our report of even date For Haribhakti & Co. Chartered Accountants FRN: 103523W

sd/-Chetan Desai Partner Membership No: 17000

Place : Mumbai Date :May 30, 2013 For Quantum Asset Management Company Pvt Ltd

sd/-Ajit Dayal (Chairman) sd/-C. Srinivasan (Director)

sd/-Jimmy A. Patel (Chief Executive Officer) sd/-Chirag Mehta (Fund Manager)

SCHEDULE 'F'

1. ORGANISATION

Quantum Gold Savings Fund ("the Scheme") is an openended growth scheme of Quantum Mutual Fund and was launched on April 28, 2011. 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 May 12, 2011 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 provide capital appreciation by predominantly investing in units of Quantum Gold Fund – Exchange Traded Fund. The Scheme offers its investors the Growth Option. The Benchmark for the Scheme is Domestic Price of Gold.

All investment decisions, relating to the Scheme are being undertaken by the Fund Manager / Portfolio team in accordance with the SEBI Regulations and Investment Objectives as specified in the Scheme Information Document. The AMC has two committees for enabling investment decisions i.e Board Investment Committee (BIC) and Key Employee Investment Committee (KIC). The Board of Directors of the AMC has the ultimate responsibilities of supervising investment activities. The Board of Directors has delegated its power with respect to approval / review of the investment activities to BIC and decision making authority with respect to the Investments to KIC except for the restrictions given in the investment policy from time to time.

Ouantum Mutual Fund since inception is a Direct to investor Mutual Fund and does not charge / debit any distribution expenses to the schemes and does not pay any upfront or trail commission to distributors / intermediaries for investments routed through a distributor / intermediary whether empanelled with Quantum Mutual Fund or not. In accordance with the SEBI Circular No. Cir /IMD/DF/21/2012 dated September 13, 2012 SEBI allowed fund houses to launch direct plans w.e.f. January 01, 2013 wherein investor can invest directly in the Direct Plan and such Plan shall have lower expense ratio excluding distributor expense, commission etc and the Plan shall have a separate NAV. Quantum Mutual Fund has continued with existing plan and NAV and does not have separate plans for receiving any investment applications either through distributors or directly from investors.

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 the SEBI (Mutual Funds) Regulations, 1996 and amendments thereto as applicable.

(2.2) INVESTMENTS

ACCOUNTING OF 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 contract note.

As per SEBI Notification dated 26th September 2012 with effect from October 01, 2012 brokerage and transaction cost incurred for trades which is included in the cost of investments is not exceeded 0.12% (excluding STT) of the trade value. STT is added to the cost wherever applicable.

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

VALUATION OF INVESTMENTS

SEBI has outlined investment valuation norms for the mutual funds to compute and carry out valuation of its investment in its portfolio under Regulation 47 and Eighth Schedule of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

SEBI vide its notification dated February 21, 2012 has amended Regulation 47 and Eighth Schedule and has mandated the mutual funds to value its investments on Principal of Fair Valuation to ensure fair treatment to all investors including existing investors as well as investors seeking to purchase or redeem units of mutual funds in all schemes at all points of time.

The Board of Directors of Quantum Asset Management Company Private Limited ("AMC") and Quantum Trustee Company Private Limited ("Trustee") has approved the Investment Valuation Policy and the framework for valuation of investments of Quantum Mutual Fund in accordance with SEBI Notification dated February 21, 2012 effective from July 1, 2012 in its meeting held on May 25, 2012 based on principles of fair valuation which is reflective of realizable value of securities/assets and the same has been reviewed in the Board meeting held on 23rd Oct 2012 and 18th March 2013. The said investment valuation policies reviewed by internal auditors and approved by the Board can be viewed at <u>www.quantummf.com</u>.

The Investments are valued at Mark to Market as stated below:-

A. MUTUAL FUND UNITS

Mutual Fund Exchange Traded Fund units of Quantum Gold Fund is valued at closing prices available on the stock exchange i.e. NSE. If the price not available on NSE then the prices available on BSE will be considered. If price at both NSE and BSE are not available the latest NAV of the fund will be considered. In case of Freak trade, the valuation would happen on the NAV. Freak trade would be said to occur when the Gold ETF units trades at a deviation of more than 2.00% from the real time fair value that is unexplained by the prevailing premium / discount in the domestic gold market.

B. DEBT AND MONEY MARKET INSTRUMENTS

a) Debt and Money Market Instruments (MMI) including Treasury Bills till 30th June 2012 are valued at the weighted average price at which they are traded on National Stock Exchange (NSE) on 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 from the last valuation price.

> With effect from 01st July, 2012, traded debt and MMI are valued at the weighted average price / yield reported on any reporting platform / exchange, subject to the traded criteria defined in the valuation policy. The trades reported on any reporting platform / exchange of similar maturity of same issuer is also considered, as outlined in the valuation policy. If traded price are not available, then valued at the benchmark yield / matrix of spread over the risk free benchmark yield obtained from CRISIL &/or ICRA or such other agencies entrusted for the said purpose by AMFI plus the spread determined based on the recent trade, which is reviewed based on the parameters defined in the policy.

> With effect from 1st Aug 2012 Quantum Asset Management Company Private Limited has obtained the services of ICRA Management Consulting Services Limited (IMACS) for valuation of debt and money market instruments/security held in Quantum Mutual fund scheme's portfolio.

> With effect from 19th March, 2013, traded debt and MMI are valued at the weighted average price / yield reported on FIMMDA, subject to the traded criteria defined in the

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revised valuation policy. The trades reported on any reporting platform / exchange of similar maturity of same issuer is also considered, as outlined in the revised valuation policy. If traded price are not available, then valued at the benchmark yield / matrix as prepared by IMACS plus the spread determined based on the recent trade, which is reviewed based on the parameters defined in the policy.

- b) Treasury Bills are valued based on the security level valuation as provided by IMACS.
- c) CBLO, Repos and Fixed Deposits are valued on interest accrual/ amortization basis.

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.

The net unrealised gain or loss in the value of investments is determined separately for each category of investments. The change in net unrealized loss, if any, between two balance sheet dates is recognized in the revenue account and net unrealised gain, if any, is adjusted in the unrealised appreciation reserve. The loss on investments sold / transferred during the year is charged to the revenue account instead of being first adjusted against the provision for depreciation, if already created in the previous year.

(2.3) REVENUE RECOGNITION

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.

Other income is accounted as and when realized.

(2.4) TOTAL EXPENSES

Expenses are accrued on daily basis within the limits specified under Regulation 52 of SEBI (Mutual Fund) Regulations.

(2.5) EXIT LOAD INCOME

Entire exit load amount collected from the investor is credited to the revenue account of the Scheme since

inception. However on crossing of threshold limit as defined under relevant notification of Service tax, i.e., with effect from 06th February, 2013 exit load net off service tax is credited to revenue account.

(2.6) DETERMINATION OF NET ASSET VALUE (NAV)

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.

(2.7) UNIT CAPITAL

Unit Capital represents the net outstanding units at the balance sheet date, thereby reflecting all the transactions relating to the period ended on that date.

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 ACCOUNT

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.

3. NOTES TO ACCOUNTS

(1) MOVEMENT IN UNIT CAPITAL

Particulars	2012-13		2011-12	
Units of ₹ 10 each fully paid up	Units	Amount	Units	Amount
Growth Option				
Opening at the beginning of the year	3,265,935.84	32,659,358	NIL	NIL
- New Fund Offer	-	-	621,443.83	6,214,438
- Issued during the year/period	3,337,324.80	33,373,248	3,094,157.73	30,941,577
- Redeemed during the year/period	(950,282.58)	(9,502,826)	(449,665.72)	(4,496,657)
Closing at the end of the year/period	5,652,978.06	56,529,780	3,265,935.84	32,659,358

(2) VALUE OF INVESTMENTS

The Cost and Market Value/Fair Value of Investments is given below:

	March 3	31, 2013	March 31, 2012		
Investments	Cost (₹)	Market Value (₹)	Cost (₹)	Market Value (₹)	
Mutual Fund ETF Units	69,487,032	74,266,013	37,021,176	41,213,470	
Collateralised Borrowing & Lending Obligation (CBLO)	376,866	376,866	207,852	207,852	
Total	69,863,898	74,642,879	37,229,028	41,421,322	

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

Particulars	March 31, 2013	March 31, 2012
Mutual Fund ETF Units	KARAC	8
Unrealised Appreciation	4,778,981	4,192,293
Unrealised Depreciation	-	-
Net Unrealised Appreciation/ (Depreciation)	4,778,981	4,192,293

(4) NON PERFORMING INVESTMENTS.

Year	Type of Investment	Carrying Value Amount (₹)	Market value Amount (₹)	Provisions
2012-13	NIL	NIL	NIL	NIL
2011-12	NIL	NIL	NIL	NIL

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

	2012-13		2011-12	
Particulars	Amount (in ₹)	% of daily average Net Assets	Amount (in ₹)	% of daily average Net Assets
Purchases*	35,107,493	59.56%	38,844,362	145.04%
Sales/Redemptions*	2,963,203	5.03%	2,091,451	7.81%

(*Purchases & Sales is excluding CBLO & Fixed Deposits.)

(6) NET ASSET VALUE

Net Asset Value (NAV) per unit having Face Value of ₹ 10/- is as given below:

Option	NAV (March 28, 2013)**	NAV (March 30, 2012)*
Growth Option	13.1941	12.6542

* As 31st Mar, 2012 was Non business day NAV as of 30th March, 2012 has been shown.

** As 29th, 30th& 31st March, 2013 is a Non-business day NAV as of 28th March, 2013 has been shown.

(7) INCOME AND EXPENDITURE

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

	2012-13		2011-12	
Particulars	Amount (in ₹)	% of daily aver- age Net Assets	Amount (in ₹)	% of daily aver- age Net Assets
Income*	449,371	0.76%	385,680	1.44%
Expenditure	147,357	0.25%	58,130	0.25%

(*Income is net off losses on sale of Investments and excluding unrealized appreciation)

(8) INVESTMENT MANAGEMENT FEES - Nil

(9) OTHER EXPENSES

Other expenses only to the extent of 0.25% are borne by Scheme and rests of the expenses are borne by the Asset Management Company.

(10) TOTAL EXPENSE RATIO AND INVESTMENT MANAGEMENT FEES

SEBI vide it's Notification dated 26th September 2012 has recommended in case of a fund of funds Scheme, the total expenses of the Scheme including weighted average of charges levied by the underlying schemes shall not exceed 2.50% of the daily net assets of the Scheme. The Investment Management and Advisory fees charged by the AMC to the Scheme is within the total expense limit as prescribed by SEBI Regulations, as amended from time to time.

As per Scheme information document no investment management fees is charged to the Scheme.

(11) INVESTOR EDUCATION EXPENSES

SEBI vide its Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 has suggested Mutual Funds/AMCs to annually set apart at least 2 basis points on daily net assets for investor education and awareness initiatives. Quantum Asset Management Company Private Ltd sets aside and incurs the amount for investor education expenses.

(12) TRUSTEE FEES

As per the Trust deed entered between Quantum Advisors Private Limited (Sponsor) and Quantum Trustee Company Private Limited (Trustee) on October 7, 2005, the fund is entitled to pay Trusteeship fees. During the year no trustee fee amount is charged to the Scheme, thus entire amount of trustee fee is borne by the AMC.

(13) CUSTODY FEES

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

(14) 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.

(15) INCOME TAX

No Provision for taxation has been made since the income of the Scheme is exempt under section 10(23D) of the Income Tax Act, 1961.

(16) CONTRACTS PENDING DELIVERIES

Purchase of securities by the Scheme, the deliveries of which were pending as on March 31, 2013 amounted to ₹ 294,508/-. There were no contracts for Sale pending deliveries as on March 31, 2013.

(17) DISCLOSURE UNDER REGULATION 25(11) OF THE SEBI (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, 2013 are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2013 as well as the aggregate investments in each investment category.

Name of Instrument	Quantity	Amount (₹ in lakhs)	% to Net Assets	% to Investment category
EXCHANGE TRADED FUND				
Listed /Awaiting listing on the Stock Exchange				
Units of Quantum Gold Fund	52,802	742.66	99.57	100.00
Cash & Cash Equivalent				
Collateralised Borrowing & Lending Obligation (CBLO)		3.77	0.51	
Net Receivable / (Payables)		(0.58)	-0.08	
Grand Total		745.85	100.00	

(19) BORROWINGS

The Scheme has not made any borrowing during the current financial year. (Previous Year-Nil)

(20) DERIVATIVES

The Scheme has no exposure to derivative products during the current financial period. (Previous Year - Nil)

(21) 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.

(22) CONTINGENT LIABILITIES

The Contingent Liabilities as on 31st March 2013 is Nil.

(23) UNCLAIMED REDEMPTION

Unclaimed redemptions outstanding for more than 3 months as of 31st March 2013 is Nil (Previous Year-Nil).

(24) DISCLOSURE OF TRASANCTION IN ACCORDANCE WITH ACCOUNTING STANDARD 18 – RELATED PARTY TRASANCTIONS AND AS PER REGULATION 25(8) OF SEBI MUTUAL FUND REGULATION 1996.

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
Ajit Dayal	Associate
Menlo Oak Venture Investments	Associate
Primary Real Estate Advisors Private Limited	Associate
PREI Management Limited Mauritius	Associate
QIEF Management LLC	Associate
QACPI India Fixed Income Fund Limited, Mauritius*	Associate
G Corp Homes Private Limited	Associate

(* Ceased to be an associate with effect from October 5, 2012)

Other Schemes of the Fund

Quantum Long Term Equity Fund

Quantum Liquid Fund

Quantum Gold Fund

Quantum Index Fund

Quantum Tax Saving Fund

Quantum Equity Fund of Fund

Quantum Multi Asset Fund

Transaction with the above mentioned related parties (in the nature of their independent investments) are provided below:

Name of the related party	Nature of trans- actions	Period ended March 31, 2013	Balance as at March 31, 2013	Period ended March 31, 2012	Balance as at March 31, 2012
Quantum Assets Management Co Pvt Ltd.	Subscription	-	-	1,000,000	-
	Redemption	-	-	-	-
	Net Assets value of investment at balance sheet date		1,319,410		1,265,420
Ajit Dayal	Subscription	-		2,000,000	-
	Redemption	-			-
	Net Assets value of investment at balance sheet date	-	2,589,033	-	2,483,090

QUANTUM MUTUAL FUND

Quantum Gold Savings fund and Quantum Multi Asset Fund are fund of fund Scheme which as per their investment objective invests in other schemes of Quantum Mutual Fund as disclosed in the Scheme's offer document, hence information on their investment transactions have not been shown above.

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 current financial year: Nil
- b) Commission paid to Associate Companies during current financial year:-

Name of Associate company	Nature of Association/ Nature of relation	Period covered	(₹ Cr. & % of total business received by the fund)	
Quantum Information Services Private Limited	Associate Com- pany	May 19, 2011 - March 31, 2012	0.08 cr. & 1.82%	Nil
Quantum Information Services Private Limited	Associate Com- pany	April 01, 2012- March 31, 2013	0.20 cr. & 4.44%	Nil

DISCLOSURE UNDER REGULATIONS 25 (8) OF THE SEBI REGULATIONS

- a) Underwriting obligations taken by the Scheme in respect of issues of securities of Associate companies: Nil (Previous Year: Nil)
- b) Devolvement, if any: Nil (Previous Year: Nil)
- c) Subscriptions by the Schemes in the issues lead managed by Associate companies: Nil (Previous Year: Nil)
- d) Subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies has acted as arranger or manager: Nil (Previous Year: Nil)

(25) INVESTMENTS IN GROUP COMPANIES

Quantum Gold Savings Fund has made Nil investment in group companies during the period ended March 31, 2013. (Previous Year – Nil)

(26) LARGE HOLDINGS

Unit holders holding over 25% of the Scheme's NAV is Nil as at the end of the period March 31, 2013. (Previous Year – Nil)

(27) HISTORICAL PER UNIT STATISTICS

The Historical Per Unit statistics are given in Annexure I

(28) PRIOR PERIOD COMPARATIVES

Previous year's figures have been regrouped /re-arranged wherever necessary.

MUTUAL FUND

For Quantum Trustee Company Pvt Ltd

sd/-Surjit Banga (Director)

sd/-Hormazdiyaar Vakil (Director) For Quantum Asset Management Company Pvt Ltd

sd/-Ajit Dayal (Chairman)

sd/-Jimmy A. Patel (Chief Executive Officer) sd/-C. Srinivasan (Director)

sd/-Chirag Mehta (Fund Manager)

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ANNEXURE 1

QUANTUM GOLD SAVINGS FUND HISTORICAL PER UNIT STATISTICS

Sr.			
No.	Particulars	As of 31.03.2013	As of 31.03.2012
	Face Value	₹10/-	₹10/-
(a)	Net Asset Value		
i)	Growth Option	13.1941	12.6542
(b)	Gross Income broken up into the following components		
i)	income other than profit on sale of investment	0.0231	0.0305
ii)	income from profit on inter-scheme sales/transfer of investments	-	-
iii)	income from profit on sale of investment to third party	0.0564	0.0876
iv)	transfer to revenue account from past years reserve	-	-
(c)	Aggregate of expenses, write-off, amortization and charges	0.0261	0.0356
(d)	Net Unrealised appreciation in value of investments	0.8454	1.2836
(e)	Net Income per unit (excluding unrealized appreciation)	0.0534	0.0825
(f)			
i)	Highest sale price		
	Growth Option	14.4723	13.1167
ii)	Lowest sale price		
	Growth Option	12.5417	9.8664
iii)	Highest repurchase price		
	Growth Option	14.2552	12.9199
iv)	Lowest repurchase price		
	Growth Option	12.3536	9.7184
(v)	Price earnings Ratio	N.A	N.A
(g)	Ratio of expenses to average net assets (excluding unrealized deprecia- tion and amortization of deferred revenue expenditure)	0.25%	0.25%
(y)	Ratio of gross income to average daily net assets	0.2370	0.2370
(h)	(excluding unrealized appreciation/depreciation)	0.76%	1.44%

MUTUAL FUND Profit with Process

INDEPENDENT AUDITORS' REPORT

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THE BOARD OF TRUSTEES OF QUANTUM MUTUAL FUND Report on the Financial Statements

We have audited the accompanying financial statements of Quantum Multi Asset Fund (the "Scheme"), which comprise the Balance Sheet as at March 31, 2013, and the Revenue Account and Cash Flow Statement for the period then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Trustees of **Quantum Mutual Fund** and Quantum Asset Management Company Private Limited are responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Schemein accordance with the accounting policies and standards as specified in the Ninth Schedule of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto ("the Regulations"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Scheme's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Regulations as applicable and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Scheme as at March 31, 2013;
- (b) in the case of the Revenue Account , of the deficit for the period ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Profit with Process

Report on Other Legal and Regulatory Requirements

As required under the Regulations, 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, Revenue Account, and Cash Flow Statement dealt with by this Report are in agreement with the books of account of the Scheme;
- 3. In our opinion, the Balance Sheet, Revenue Account, and Cash Flow Statement dealt with by this report have been prepared in accordance with the accounting policies and standards as specified in Ninth Schedule of the Regulations.
- 4. The methods used to value non traded securities, as determined by Quantum Asset Management Company Private Limited under procedures approved by the Trustees of Quantum Mutual Fund are in good faith and in accordance with the guidelines for valuation of securities for mutual funds as mentioned in the Eighth Schedule of the Regulations issued by the Securities and Exchange Board of India, are fair and reasonable.

For HARIBHAKTI & CO.

Chartered Accountants Firm Registration No. – 103523W

sd/-

CHETAN DESAI

Membership No 17000

Place: Mumbai Date: 30th May, 2013



MUTUAL FUND Profit with Process

QUANTUM MULTI ASSET FUND BALANCE SHEET AS AT 31st MARCH 2013

	Schedu	ule 31st March, 2 Amoun	
LIABILITIES			
Unit Capital	'A'	23,957	,291
Reserves and Surplus	'B'	1,405	,135
Current Liabilities and Provisions	'C'	210),913
Total		25,573	,339
ASSETS			
Investments	יםי	25,532	,294
Other Current Assets	'E'	41	,045
Total		25,573	,339
Significant accounting policies and			
notes forming part of Accounts	'F'		
5.			
For Quantum Trustee Company Pvt Ltd	For Quantum Asset Management	Company Pvt Ltd	
sd/- Surjit Banga	sd/- Ajit Dayal	sd/- C. Srinivasan	
(Director)	(Chairman)	(Director)	
sd/- Hormazdiyaar Vakil (Director)	sd/- Jimmy A. Patel (Chief Executive Officer)	sd/- Chirag Mehta (Fund Manager)	
As per our report of even date For Haribhakti & Co. Chartered Accountants FRN: 103523W			
sd/- Chetan Desai Partner Membership No: 17000			
Place : Mumbai Date :May 30, 2013			
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QUANTUM MULTI ASSET FUND REVENUE ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2013

	Schedule	31st March, 2013 Amount (₹)
INCOME		
Interest & Discount income		25,114
Other Income (Load Income)		9,163
Total		34,277
EXPENSES AND LOSSES		
Custodian fees		13,798
Registrar & Transfer Agent's Fees		19,401
Other Operating Expenses		5,084
Total		38,283
Net Surplus / (Deficit)		(4,006)
	THE PERIOD ENDED 31st MARCH, 2013	
Net Surplus brought forward from previous year	·	-
Net Surplus / (Deficit) for the period		(4,006)
Transferred (to)/ from Equalisation Account		(8,216)
Net Surplus / (Deficit) carried forward		(12,222)
Significant accounting policies and	F	
notes forming part of Accounts		
For Quantum Trustee Company Pvt Ltd	For Quantum Asset Management Com	pany Pvt Ltd
sd/-	sd/-	sd/-
Surjit Banga	Ajit Dayal	C. Srinivasan
(Director)	(Chairman)	(Director)
sd/- Hormazdiyaar Vakil (Director)		sd/- Chirag Mehta Fund Manager)
As per our report of even date For Haribhakti & Co. Chartered Accountants FRN: 103523W		
sd/- Chetan Desai Partner Membership No: 17000		
Place : Mumbai Date :May 30, 2013		

QUANTUM MULTI ASSET FUND SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2013

		31st March, 2013
	Units	Amount (₹)
SCHEDULE 'A'		
UNIT CAPITAL		
Initial Capital Issued and Subscribed :		
Units of ₹ 10 each fully paidup	12 15 610	12,156,102
Unit Capital (Opening Balance)	_	_
Add : Subscription during Initial Offer period	1,215,610	12,156,102
Add : Subscription during the period	1,239,222	12,392,216
Less : Redemption during the period	59,103	591,027
Unit Capital (Closing Balance)	2,395,729	23,957,291
SCHEDULE 'B'		
RESERVE & SURPLUS		
Unit Premium		
Opening Balance		-
Add\(Less) : Net Additions/(Deduction) during the period		452,225
Add\(Less):-Transferred (to) / from Equalisation Account		(8,216)
Closing Balance		460,441
Equalisation Account		
Transferred from / (to) Unit Premium Reserve		(8,216)
Add\(Less): Transferred (to) / from Revenue Account		8,216
Closing Balance		-
Unrealised Appreciation in the value of investments		
Opening Balance		-
Add : Net change during the period		956,916
		956,916
APPROPRIATION ACCOUNT		
Surplus/(Deficit) carried forward		(12,222)
Total Reserves & Surplus		1,405,135

MUTUAL FUND Profit with Process

ANNUAL REPORT 2012-2013

SCHEDULE 'C' CURRENT LIABILITIES & PROVISIONS	
Purchase Contract Outstanding	188,520
Redemption Payable	6,473
Units pending Allotment	500
Payable to Quantum Asset Management Co. Pvt. Ltd.	15,420
Total	210,913
SCHEDULE 'D'	
INVESTMENTS	
Mutual Fund Units	25,276,385
Collateralised Borrowing & Lending Obligation*	255,909
Total	25,532,294
* CBLO investment are registered in the name of the Fund	
SCHEDULE 'E'	
OTHER CURRENT ASSETS	
Balances with Banks in Current Account**	26,394
Receivable from schemes for switches	500
Subscription Receivable	14,151
Total	41,045
** Certain bank a/c are in the name of the Fund	

QUANTUM

MUTUAL FUND Profit with Process

QUANTUM MULTI ASSET FUND CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

		2012-13 Amount (₹)
A. Cash flo	w from Operating Activities	
Surplus fo	or the year/period	(4,006)
Adjustme	nts for:-	
(Increase)	/Decrease in investments at cost (net)	(24,319,469)
(Increase)	/Decrease in other current assets	(500)
Increase/	Decrease) in current liabilities	203,940
Net cash	generated from /(used in) operations (A)	(24,120,035)
B. Cash flo	w from Financing Activities	
Increase/	Decrease) in unit capital	23,957,291
Increase/	Decrease) in unit premium reserve	452,225
Adjustme	ints for:-	
(Increase)	/Decrease in subscription receivable for units issued to investors	(14,151)
Increase/	Decrease) in redemption payable for units redeemed by investors	6,473
Increase/	Decrease) in subscription received for units pending allotment to investors	500
Net cash	generated from /(used in) operations (B)	24,402,338
Net Incre	ease/(Decrease) in Cash and cash equivalents (A + B)	282,303
Cash and	cash equivalents, beginning of the period	-
Cash and	d cash equivalents, end of the year/period	282,303
Compon	ents of cash and cash equivalents	
Balances	with banks in current accounts	26,394
Collatera	ised borrowing & lending obligation	255,909
		282,303

For Quantum Trustee Company Pvt Ltd

sd/-Surjit Banga (Director)

sd/-Hormazdiyaar Vakil (Director)

As per our report of even date For Haribhakti & Co. Chartered Accountants FRN: 103523W

sd/-Chetan Desai Partner Membership No: 17000

Place : Mumbai Date :May 30, 2013 sd/-Ajit Dayal (Chairman)

sd/-

Jimmy A. Patel

(Chief Executive Officer)

For Quantum Asset Management Company Pvt Ltd

sd/-C. Srinivasan (Director)

sd/-Chirag Mehta (Fund Manager)

SCHEDULE 'F'

1. ORGANISATION

Quantum Multi Asset Fund ("the Scheme") is an openended growth Scheme of Quantum Mutual Fund and was launched on June 22, 2012. 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 July 05, 2012 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 modest capital appreciation while trying to reduce risk (by diversifying risks across asset classes) from a combined portfolio of equity, debt/money markets and Gold schemes of Quantum Mutual Fund.

The Scheme may invest in the units of debt/money market schemes of other mutual funds to gain exposure to debt as an asset class to manage any investment and regulatory constraints that arise /that prevent the Scheme from increasing investments in the schemes of Quantum Mutual Fund. There can be no assurance of positive returns from following the stated investment strategy. The Scheme offers its investors a Growth Option. The Benchmark for the Scheme is Crisil Composite Bond Fund Index (40%)+S&P BSE Total return Index (40%)+Domestic price of gold (20%).

SEBI vide it's letter dated May 02, 2012 has advised Quantum Mutual Fund that the Quantum Multi Asset Fund Scheme garners the minimum amount of ₹ 10 Crores within one year of the launch of the Scheme. If the Fund as advised by SEBI is not able to garner the minimum amount of ₹ 10 Crores within one year of the launch of the Scheme,(within 21st June 2013) then the Fund shall request SEBI to provide appropriate directions in this regard. The Fund shall then follow the directions as suggested by SEBI which may also extend to winding up of the Scheme if so directed by SEBI. As of 31st March 2013 the corpus of Quantum Multi Asset Scheme was ₹ 2.54 Crores.

All investment decisions, relating to the Scheme are being undertaken by the Fund Manager / Portfolio team in accordance with the SEBI Regulations and Investment Objectives as specified in the Scheme Information Document. The AMC has two committees for enabling investment decisions i.e Board Investment Committee (BIC) and Key Employee Investment Committee (KIC). The Board of Directors of the AMC has the ultimate responsibilities of supervising investment activities. The Board of Directors has delegated its power with respect to approval / review of the investment activities to BIC and decision making authority with respect to the Investments to KIC except for the restrictions given in the investment policy from time to time.

Quantum Mutual Fund since inception is a Direct to investor Mutual Fund and does not charge / debit any distribution expenses to the schemes and does not pay any upfront or trail commission to distributors / intermediaries for investments routed through a distributor / intermediary whether empanelled with Quantum Mutual Fund or not. In accordance with the SEBI Circular No. Cir /IMD/ DF/21/2012 dated September 13, 2012 SEBI allowed fund houses to launch direct plans with effect from January 01, 2013 wherein investor can invest directly in the Direct Plan and such Plan shall have lower expense ratio excluding distributor expense, commission etc and the Plan shall have a separate NAV. Quantum Mutual Fund has continued with existing plan and NAV and does not have separate plans for receiving any investment applications either through distributors or directly from investors.

SIGNIFICANT ACCOUNTING POLICIES

(2.1) BASIS OF ACCOUNTING

2.

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 the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto as applicable.

(2.2) INVESTMENTS

Accounting of 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 contract note.

As per SEBI Notification dated 26th September 2012 with effect from October 01, 2012 brokerage and transaction cost incurred for trades which is included in the cost of investments is not exceeded 0.12% (excluding STT) of the trade value. STT is added to the cost wherever applicable.

Valuation of Investments

The Securities and Exchange Board of India (SEBI) has outlined investment valuation norms for the mutual funds to compute and carry out valuation of its investment in its portfolio under Regulation 47 and Eighth Schedule of SEBI (Mutual Funds) Regulations, 1996 as amended from time to time.

SEBI vide its notification dated February 21, 2012 has

amended Regulation 47 and Eighth Schedule and has mandated the mutual funds to value its investments on Principal of Fair Valuation to ensure fair treatment to all investors including existing investors as well as investors seeking to purchase or redeem units of mutual funds in all schemes at all points of time.

The Board of Directors of Quantum Asset Management Company Private Limited ("AMC") and Quantum Trustee Company Private Limited ("Trustee") has approved the Investment Valuation Policy and the framework for valuation of investments of Quantum Mutual Fund in accordance with SEBI Notification dated February 21, 2012 effective from July 1, 2012 in its meeting held on May 25, 2012 based on principles of fair valuation which is reflective of realizable value of securities/assets and the same has been reviewed in the Board meeting held on 23rd Oct 2012 and 18th March 2013. The said investment valuation policies reviewed by internal auditors and approved by the Board can be viewed at www.guantummf.com.

THE INVESTMENTS ARE VALUED AT MARK TO MARKET AS STATED BELOW:-

A. MUTUAL FUND UNITS

- a) Mutual fund units including Quantum Long Term Equity Fund and Quantum Liquid Fund will be valued at the same day NAV as available on AMFI website. If the same day NAV is not available it will be valued at latest available NAV.
- b) Exchange Traded Quantum Index fund units are valued at closing prices available on the stock exchange i.e. NSE. If the price not available on NSE then the prices available on BSE will be considered. If price at both NSE and BSE are not available the latest NAV of the fund will be considered. In case of Freak trade, the valuation would happen on the NAV. Freak trade would be said to occur in units of Quantum Index fund when the closing market price on exchanges of Quantum Index Fund ETF units is premium/ discount by 1% to its NAV for that day. In such cases Quantum Index ETF fund units will be valued at closing NAV of the day.
- c) Exchange Traded Quantum Gold fund units are valued at closing prices available on the stock exchange i.e. NSE. If the price not available on NSE then the prices available on BSE will be considered. If price at both NSE and BSE are not available the latest NAV of the fund will be considered. Freak trade would be said to occur when the Gold ETF units trades at a deviation of more than 2.00% from the real time fair value that is unexplained by the prevailing premium / discount in the domestic gold market. In case of Freak trade, the valuation would happen on the NAV.

B. DEBT AND MONEY MARKET INSTRUMENTS

a) Debt and Money Market Instruments (MMI) till 30th June 2012 are valued at the weighted average price at which they are traded on National Stock Exchange (NSE) on 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 from the last valuation price.

> With effect from 01st July, 2012, traded debt and MMI are valued at the weighted average price / yield reported on any reporting platform / exchange, subject to the traded criteria defined in the valuation policy. The trades reported on any reporting platform / exchange of similar maturity of same issuer is also considered, as outlined in the valuation policy. If traded price are not available, then valued at the benchmark yield / matrix of spread over the risk free benchmark yield obtained from CRISIL &/or ICRA or such other agencies entrusted for the said purpose by AMFI plus the spread determined based on the recent trade, which is reviewed based on the parameters defined in the policy.

> With effect from 1st Aug 2012 Quantum Asset Management Company Private Limited has obtained the services of ICRA Management Consulting Services Limited (IMACS) for valuation of debt and money market instruments/security held in Quantum Mutual fund Scheme's portfolio.

> With effect from 19th March, 2013, traded debt and MMI are valued at the weighted average price / yield reported on FIMMDA, subject to the traded criteria defined in the revised valuation policy. The trades reported on any reporting platform / exchange of similar maturity of same issuer is also considered, as outlined in the revised valuation policy. If traded price are not available, then valued at the benchmark yield / matrix as prepared by IMACS plus the spread determined based on the recent trade, which is reviewed based on the parameters defined in the policy.

b) Treasury Bills are valued based on the security level valuation as provided by IMACS.

c)

CBLO, Repos and Fixed Deposits are valued on interest accrual/ amortization basis.

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.

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The net unrealised gain or loss in the value of investments is determined separately for each category of investments. The change in net unrealized loss, if any, between two balance sheet dates is recognized in the revenue account and net unrealised gain, if any, is adjusted in the unrealised appreciation reserve. The loss on investments sold / transferred during the year is charged to the revenue account instead of being first adjusted against the provision for depreciation, if already created in the previous year.

(2.3) **REVENUE RECOGNITION**

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.

Other income is accounted as and when realized.

(2.4) TOTAL EXPENSES

Expenses are accrued on daily basis within the limits specified under Regulation 52 of SEBI (Mutual Fund) Regulations.

(2.5) EXIT LOAD INCOME

Entire exit load amount collected from the investor is credited to the revenue account of the Scheme since inception. However on crossing of threshold limit as defined under relevant notification of Service tax, i.e., with effect from 06th February, 2013 exit load net off service tax is credited to revenue account.

(2.6) DETERMINATION OF NET ASSET VALUE (NAV)

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.

(2.7) UNIT CAPITAL

Unit Capital represents the net outstanding units at the balance sheet date, thereby reflecting all the transactions relating to the period ended on that date.

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 ACCOUNT

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.

3. NOTES TO ACCOUNTS

(1) MOVEMENT IN UNIT CAPITAL

Particulars	2012-13	
Units of ₹10 each fully paid up	Units	Amount
Growth Option		
Opening at the beginning of the period	NIL	NIL
Issued		
- New Fund Offer	1,215,610.23	12,156,102
- during the period	1,239,221.60	12,392,216
- Redeemed during the period	(59,102.73)	(591,027)
Closing at the end of the period	2,395,729.10	23,957,291

(2) VALUE OF INVESTMENTS

The Cost and Market Value/Fair Value of Investments is given below:

	March 31, 2013		
Investments	Cost (₹)	Market Value (₹)	
Mutual Fund Units	16,133,502	16,899,132	
Mutual Fund ETF Units	8,185,967	8,377,253	
Collateralised Borrowing & Lending Obligation (CBLO)	255,909	255,909	
Total	24,575,378	25,532,294	

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

Particulars	March 31, 2013
Mutual Fund & ETF Units	
Unrealised Appreciation	1,010,074
Unrealised Depreciation	(53,158)
Net Unrealised Appreciation/ (Depreciation)	956,916

(4) NON PERFORMING INVESTMENTS

Year	Type of Investment	Carrying Value Amount (₹)	Market value Amount (₹)	Provisions
2012-13	NIL	NIL	NIL	NIL

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

		2012-13		
Particulars		Amount (in ₹)	% of daily average Net Assets	
Purchases*		24,319,366	114.87%	
Sales/Redempti	ons*	-	-	

(*Purchases & Sales is excluding CBLO & Fixed Deposits)

(6) NET ASSET VALUE

Net Asset Value (NAV) per unit having Face Value of ₹ 10 is as given below:

Option	NAV (March 28, 2013)*	
Growth Option	10.5866	

*As 29th, 30th & 31st March, 2013 is a Non-business day NAV of 28th March, 2013 has been shown.

(7) INCOME AND EXPENDITURE

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

Drotit v	2012-13		
Particulars	Amount (in ₹)	% of daily average Net Assets	
Income*	34,277	0.22%	
Expenditure	38,283	0.25%	

(*Income is net off losses on sale of Investments and excluding unrealized appreciation)

(8) INVESTMENT MANAGEMENT FEES - Nil

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(9) TOTAL EXPENSE RATIO AND INVESTMENT MANAGEMENT FEES

SEBI vide it's Notification dated 26th September 2012 has recommended in case of a fund of funds Scheme, the total expenses of the Scheme including weighted average of charges levied by the underlying schemes shall not exceed 2.50% of the daily net assets of the Scheme. The Investment Management and Advisory fees charged by the AMC to the Scheme is within the total expense limit as prescribed by SEBI Regulations, as amended from time to time.

As per Scheme information document no investment management fees is charged to the Scheme.

(10) OTHER EXPENSES

Other expenses only to the extent of 0.25% are borne by Scheme and rests of the expenses are borne by the AMC.

(11) INVESTOR EDUCATION EXPENSES

SEBI vide its Circular no. CIR/IMD/DF/21/2012 dated September 13, 2012 has suggested Mutual Funds/AMCs to annually set apart at least 2 basis points on daily net assets for investor education and awareness initiatives. Quantum Asset Management Company Private Ltd sets aside and incurs the amount for investor education expenses.

(12) TRUSTEE FEES

As per the Trust deed entered between Quantum Advisors Private Limited (Sponsor) and Quantum Trustee Company Private Limited (Trustee) on October 7, 2005, the fund is entitled to pay Trusteeship fees. During the year no trustee fee amount is charged to the Scheme, thus entire amount of trustee fee is borne by the AMC.

(13) CUSTODY FEES

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

(14) 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.

(15) INCOME TAX

No Provision for taxation has been made since the income of the Scheme is exempt under section 10(23D) of the Income Tax Act, 1961.

(16) CONTRACTS PENDING DELIVERIES

Purchase of securities by the Scheme, the deliveries of which were pending as on March 31st, 2013, amounted to ₹ 188,520. There were no contracts for Sale pending as on March 31st, 2013.

(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, 2013, are presented below. The industry and company exposures are stated as a percentage of the Scheme's net assets as at March 31, 2013, as well as the aggregate investments in each investment category.

Investments and Security	Quantity	Amount (₹ in lacs)	% to Net Assets	% to Investment category
EXCHANGE TRADED FUND UNITS				
Listed /Awaiting listing on the Stock Exchange				
Quantum Index Fund	9,039	52.54	20.72%	62.72%
Quantum Gold Fund	2,220	31.23	12.31%	37.28%
MUTUAL FUND UNITS				
Quantum Liquid Fund – Growth option	648,536.10	107.45	42.37%	63.58%
Quantum Long Term Equity Fund-Growth Option	253,242.66	61.54	24.26%	36.42%
Cash & Cash Equivalent				
Collateralised Borrowing & Lending Obligation (CBLO)		2.56	1.01%	
Net Receivable / (Payables)		(1.70)	(0.67%)	
Grand Total		253.62	100.00	

(19) INITIAL ISSUE EXPENSES

Initial Issue Expenses charged to the Scheme – Nil.

(20) BORROWINGS

The Scheme has not made any borrowing during the current period.

(21) DERIVATIVES

The Scheme has no exposure to derivative products during the current financial period.

(22) 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.

(23) CONTINGENT LIABILITIES

The Contingent Liabilities as on 31st March 2013 is Nil.

(24) UNCLAIMED REDEMPTION

Unclaimed redemptions outstanding for more than 3 months as of 31st March 2013 is Nil.

(25) DISCLOSURE OF TRASANCTION IN ACCORDANCE WITH ACCOUNTING STANDARD 18 – RELATED PARTY TRASANCTIONS AND AS PER REGULATION 25(8) OF SEBI MUTUAL FUND REGULATION 1996.

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
Ajit Dayal	Associate
Menlo Oak Venture Investments	Associate
Primary Real Estate Advisors Private Limited	Associate
PREI Management Limited Mauritius	Associate
QIEF Management LLC	Associate
QACPI India Fixed Income Fund Limited, Mauritius *	Associate
G Corp Homes Private Limited	Associate

(* Ceased to be an associate with effect from October 5, 2012)

Other Schemes of the Fund

Quantum Long Term Equity Fund

- Quantum Liquid Fund
- Quantum Gold Fund

Quantum Index Fund

Quantum Tax Saving Fund

Quantum Equity Fund of Fund

Quantum Gold Savings Fund

Transaction with the above mentioned related parties (in the nature of their independent investments) are provided below:

Name of the related party	Nature of transactions	For the Period ended March 31, 2013	Balance as at March 31, 2013
Quantum Advisors Pvt Ltd.	Subscription	2,500,000	-
	Redemption	-	-
	Net Assets value of investment at balance sheet date	-	2,530,186
Ajit Dayal	Subscription	5,000,000	-
	Redemption	-	-
	Net Assets value of investment at balance sheet date	-	5,293,300
Quantum Assets Management Co Pvt Ltd.	Subscription	1,000,000	-
	Redemption	-	-
	Net Assets value of investment at balance sheet date	-	1,012,074

Quantum Gold Savings fund and Quantum Multi Asset Fund are fund of fund Scheme which as per their investment objective invests in other schemes of Quantum Mutual Fund as disclosed in the Scheme's offer document, hence information on their investment transactions have not been shown above.

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 current financial year: Nil
- b) Commission paid to Associate Companies during current financial year:-

Name of Associate company	Nature of Association/ Nature of relation	Period covered	Business given (₹ Cr. & % of total business received by the fund)	Commission paid (₹& % of total commission paid by the fund)
Quantum Information Services Private Limited	Associate Company	July 11, 2012 - March 31, 2013	* & 0.10%	Nil

(*Figure less than 0.01 cr.)

DISCLOSURE UNDER REGULATIONS 25 (8) OF THE SEBI REGULATIONS

- a) Underwriting obligations taken by the Scheme in respect of issues of securities of Associate companies: Nil
- b) Devolvement, if any: Nil
- c) Subscriptions by the Schemes in the issues lead managed by Associate companies: Nil
- d) Subscription to any issue of equity or debt on private placement basis where the sponsor or its associate companies has acted as arranger or manager : Nil

(26) INVESTMENTS IN GROUP COMPANIES Quantum Multi Asset Fund has made Nil investment in group companies during the period ended March 31, 2013. (27) LARGE HOLDINGS

Unit holders holding over 25% of the Scheme's NAV is Nil as at the end of the period March 31, 2013.

(28) HISTORICAL PER UNIT STATISTICS

The Historical Per Unit statistics are given in Annexure I

(29) PRIOR PERIOD COMPARATIVES

Previous year figures are not available as the Scheme was launched during current financial year.



MUTUAL FUND

For Quantum Trustee Company Pvt Ltd

sd/-Surjit Banga (Director)

sd/-Hormazdiyaar Vakil (Director) For Quantum Asset Management Company Pvt Ltd

sd/-Ajit Dayal (Chairman)

sd/-Jimmy A. Patel (Chief Executive Officer) sd/-C. Srinivasan (Director)

sd/-Chirag Mehta (Fund Manager)

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ANNEXURE 1

QUANTUM MULTI ASSET FUND HISTORICAL PER UNIT STATISTICS

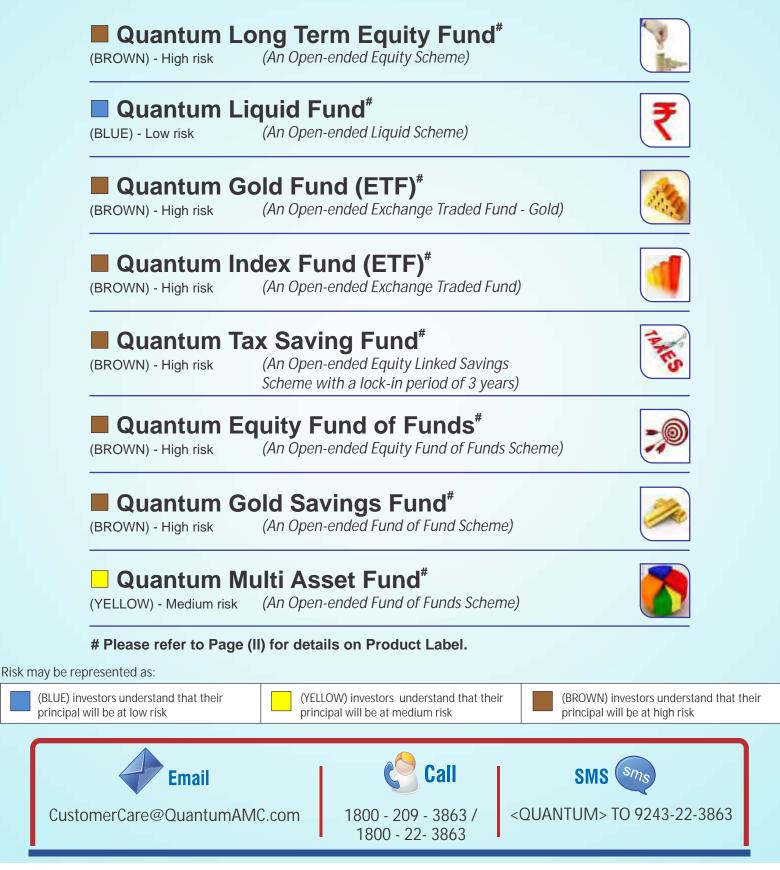
Sr. No.	Particulars	As of 31.03.2013
	Face Value	₹10/-
(a)	Net Asset Value	
i)	Growth Option	10.5866
(b)	Gross Income broken up into the following components	
i)	income other than profit on sale of investment	0.0143
ii)	income from profit on inter-scheme sales/transfer of investments	-
iii)	income from profit on sale of investment to third party	-
iv)	transfer to revenue account from past years reserve	-
(c)	Aggregate of expenses, write-off, amortization and charges	0.0160
(d)	Net Unrealised appreciation in value of investments	0.3994
(e)	Net Income per unit (excluding unrealized appreciation)	(0.0017)
(f)		
i)	Highest sale price	
	Growth Option	10.9177
ii)	Lowest sale price	
	Growth Option	9.8688
iii)	Highest repurchase price	
	Growth Option	10.7539
iv)	Lowest repurchase price	
	Growth Option	9.7208
(v)	Price earnings ratio	N.A
(g)	Ratio of expenses to average net assets (excluding unrealized depreciation and amortization of deferred revenue expenditure)	0.25%
(h)	Ratio of gross income to average daily net assets	0.22%

MUTUAL FUND Profit with Process



Schemes of Quantum Mutual Fund

www.QuantumMF.com



Mutual Fund investments are subject to market risks, read all scheme related documents carefully.



Three Different Asset Classes,

One Fund



Liquid

Quantum Multi Asset Fund[#]

(YELLOW) - Medium risk

(An Open-Ended Fund of Funds Scheme)

Why invest in Quantum Multi Asset Fund?

While Quantum Multi Asset Fund allows you to simplify your investment process by opting for a single diversified portfolio of equity, debt / money markets and gold, it also gives you the opportunity to invest through a Systematic Investment Plan (SIP).

SIP is a risk mitigation strategy that helps you in averaging cost and reduce risk associated with lump sum investments. So whether the markets move up or down, you stay invested and reap the benefits of both worlds as it helps you buy more units when the NAV is down and fewer units when the NAV is up.

You can invest in Quantum Multi Asset Fund through SIP on a daily, weekly, fortnightly, monthly and quarterly basis and can make a purchase through both online and offline modes.

(YELLOW) - Medium risk: Quantum Multi Asset Fund (An Open-ended Fund of Funds Scheme)

This product is suitable for investors who are seeking to achieve long term capital appreciation and current income by investing in a portfolio of schemes of Quantum Mutual Fund whose underlying investments are in equity and equity related securities of companies, debt and money market instruments and physical gold. Investors should consult their financial advisers if in doubt whether the product is suitable for them.

Risk may be represented as:

#

(BLUE) investors understand that their principal will be at low risk

(YELLOW) investors understand that their principal will be at medium risk

(BROWN) investors understand that their principal will be at high risk







Mutual Fund investments are subject to market risks, read all scheme related documents carefully.