

FOR PRIVATE CIRCULATION ONLY

Introduction

India Emerging Opportunity Fund Limited (IEOF), is a multi-share class fund domiciled in Mauritius.

Habib Fund is an open-ended India dedicated offshore fund offered by IEOF.

Launched in May 2004, Habib Fund is structured as a net asset value (NAV) based, US dollar denominated co-mingled fund that offers investing options for the clients of Habib Investment Corporation to benefit from the India opportunity.

Investment objective

To achieve medium to long-term capital appreciation through investments in Indian companies with a proven track record.

Investment philosophy

Focused and disciplined long-term investing into undervalued businesses, run by people of integrity, vision and competence.

The three most important attributes that the fund seeks are: quality business, quality people and attractive valuation with a significant margin of safety.

Website

www.ieof.com

Latest NAV (AUGUST 31, 2011)

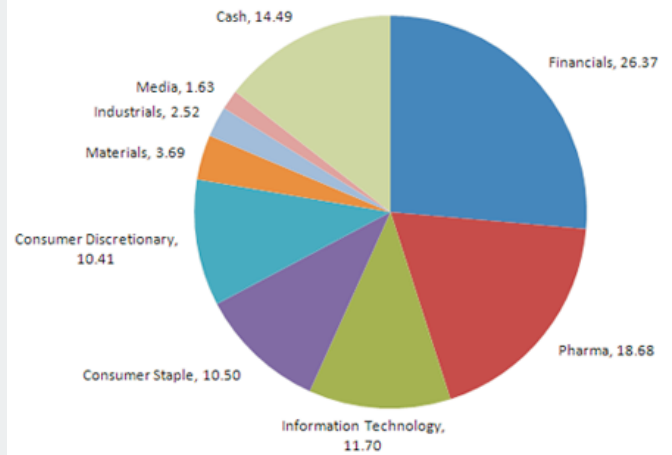
USD 1.71

Top holdings (as on AUGUST 31, 2011)

Stock	% of NAV
ITC Ltd.	8.15
HDFC Bank Ltd.	7.14
Sun Pharmaceuticals	6.67
HDFC Ltd.	6.66
Infosys Technologies Ltd.	6.58
Opto Circuits (India) Ltd.	6.50
ICICI Bank	5.80
Bajaj Auto Ltd	5.51
Tata Consultancy Services Ltd	5.12
Exide Industries Ltd.	4.90

Total 63.02

Sector allocation - % (as on AUGUST 31, 2011)



Investment Performance

Calendar year-wise returns

Investment Performance in (% USD) as on AUGUST 31, 2011

Figures	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	January-August
HABIB	(9.91)	(7.50)	(1.16)	(2.81)	(6.23)	(1.81)	(12.72)
Benchmark							
NIFTY	(12.47)	(11.99)	(7.94)	(5.30)	2.96	8.18	(20.62)

FOR PRIVATE CIRCULATION ONLY

Key Portfolio changes

NEW ENTRY

The rationale for buying HUL was 1) HUL generates high ROEs/ROCEs of over 80%, has high payouts, strong balance sheet and cash flow generation, 2) Strong volume growth as seen in past 5 qtrs, expected to continue in the near future on the back of healthy consumer spend outlook in India, 3) 45% of business (Soaps & detergent) have margins of 9% which are at the bottom and expected to improve from here on, 3) Personal products segment which contribute 30% of revenues is expected to continue to grow at 15%, 4) Expect overall EBIDTA to compound at 15% over next few years with valuations at around 26x 1 yr fwd. Valuations are expected to sustain in the current environment given the strength of its business franchise.

Dr Reddys pipeline of exclusive product for the US market is expected to unfold in the coming months. This pipeline has the potential to create value of around 10% of the current market price. Dr Reddys core operating performance is expected to be of steady growth. The stock trades at around 18 x 1 yr fwd on its core earnings with an earnings growth expectation of around 20% for each of the next two years. The core business is expected to steadily compound in the future. Dr Reddys, had seen a correction in the last few days even as core operations are on track and approvals from the US market are on the anvil. A healthy positive appreciation from the purchase price is expected. During the month the Fund also added to our initial purchase in Dish TV.

COMPLETE EXIT

The Fund exited from Reliance as there was no clear visible trigger in the next few quarters. The major trigger would be announcements on the ramp up of gas production from the KG basin, especially after the farm out to BP. However recent communication from both RIL and BP indicate that a ramp up of production is 8-10 quarters away. Similarly, with global growth uncertainty the Fund also exited out of Tata Steel.

The Fund exited from BHEL due concerns about the continual delay on major order flow announcement from various government entities which have been expected for a while.

Profile of Investment Advisor

ASK Investment Managers Private Limited, the investment advisor to IEOF, is a venture of the ASK Group in partnership with Mr. Bharat Shah.

Contact details

India Emerging Opportunities Fund Limited

Suite 450, 4th floor, Barkly Wharf East, Le Caudan Waterfront, Port Louis, Mauritius
Tel: +230 20207881/202 7812 Fax: +230 202 7906
Email: mru_csd@list.db.com

Fund Administrator

Deutsche International Trust Corporation (Mauritius) Limited
Suite 450, 4th floor, Barkly Wharf East, Le Caudan Waterfront, Port Louis, Mauritius
Tel: +230 20207881/202 7812 Fax: +230 202 7906
Email: mru_csd@list.db.com

Investment Manager

Enterprise Investment Managers Limited
C/o Halifax Management Ltd, 5th floor, C&R court,
49 labourdonnais street, Port Louis, Mauritius
Tel: +230 2070600/0602 Fax: +230 210 7878

Investment Advisor

ASK Investment Managers Private Limited

Corporate office

No. 254, Bandbox house, Dr. Annie Besant Road, Worli, Mumbai - 400025, India.
Ph: 91-22-66520000 Fax: 91-22-24985665. Website: www.askinvestmentmanagers.com

Dubai Office

Ph: 9714-3554770, Fax: 9714-3556476

NOT INSURED BY ANY AGENCY
MAY LOSE VALUE
NO BANK GUARANTEE
NOT A DEPOSIT

Manager details

Investment Advisor	ASK Investment Managers Private Limited
Investment Manager	Enterprise Investment Managers Limited, Mauritius

Board of Directors

Mark Sebastian Law
Thomas Hamilton

Fund details

Foreign Institutional Investor (FII)	CIM Asset Management Ltd, Mauritius
Investment style	Long only
Investment geography	India
Fund size (USD in mil.)	0.99 (Habib Fund) - 31.08.11 150 (Mother Fund) - 31.08.11
Inception date	MAY-04
Domicile	Mauritius
Base currency	US Dollars
Minimum investment size	USD 50,000
Dividend policy	None
Higher water mark	Yes
Fund (open/closed)	Open-ended
NAV available on	www.ieof.com
ISIN code	MU0185S00175

Fees and redemption structure

Subscription frequency	Tuesday/ Friday
Redemption frequency	Tuesday/ Friday
Subscription charge	Nil
Redemption charge	Year one - 3% Year two - 2% Year three - 1%
Management fees	1.25% per annum
Performance fees	15% with higher water mark

Service providers

Fund Administrator	Deutsche International Trust Corporation (Mauritius) Limited
Auditor	Ernst & Young, Mauritius
Global Custodian	Deutsche Bank, (Mauritius) Limited
Indian Custodian	Deutsche Bank, India

Important information: Past performance is not indicative of future results. Shares of the Fund are offered only pursuant to the Fund's current Information Memorandum and this summary should not be construed as an offer to sell or for solicitation of an offer to buy or a recommendation for the securities of the Fund. Any information contained in this fact sheet shall not be deemed to constitute an advice, an offer to sell/purchase or as an invitation or solicitation to do so for security of any entity and further India Emerging Opportunities Fund (IEOF), Habib Fund and its employees/ directors shall not be liable for any loss, damage, liability whatsoever for any direct or indirect loss arising from the use of this information. Recipients of this information should exercise due care and caution and read the offer document (if necessary obtaining the advice of finance/ other professionals) prior to taking any decision on the basis of this information. IEOF has not independently verified all the information and opinions given in this fact sheet. Accordingly, no representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this fact sheet.