

Peer Group:

Indian Equities

Fund Manager/Adviser:

Sanjay Parekh (since November 2005)

Location:

Mumbai

Launch Date:

April 2004

Fund Size (January 2007):

US\$2m

Group Contact No:

+91 022 665 20 133

Website:

www.ieof.com

S&P ID Number:

EM221450

Share class screened:

Ord

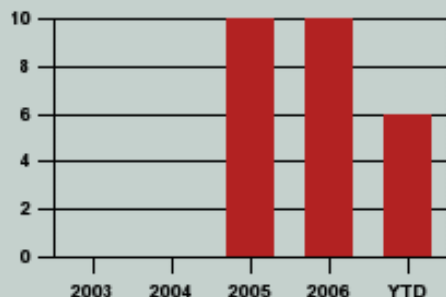


INVESTMENT STYLE

	Value	Blend	Growth
Large-Cap			
Mid-Cap			
Small-Cap			

AS THE FUND IS UNDER THREE YEARS OLD THERE IS INSUFFICIENT PERFORMANCE DATA FOR RISK/RETURN ANALYSIS.

CALENDAR YEAR DECILE RANKS



Decile ranking in discrete annual periods. 1st decile shown as rank 10, 2nd decile as rank 9, etc. to 10th decile as Rank 1.

Further information on S&P's fund coverage can be found at

www.funds.standardandpoors.com

Performance Data Source - © 2007 Morningstar, Inc. All Rights Reserved. All statistical data on this report has been run to 31/01/2007 on NAV to NAV basis, with gross income reinvested, in US Dollars.

STANDARD & POOR'S OPINION (MAY 2007)

I-Gain is a share class of India Emerging Opportunities Fund incorporated in Mauritius. ASK Investment Managers (ASKIM) is the investment adviser. It is a concentrated, all-cap India equity fund and managed in a rigorous, bottom-up driven Garp style. Protection of capital is paramount and is sought by investing in well-managed companies at a discount to fair value. Fund manager Sanjay Parekh draws on input from a team of 13, but he has final responsibility for portfolio decisions. He has run the fund since November 2005 and prior to this Bharat Shah (CEO) was in control. Between them they have delivered strong performance against our Indian equities peer group since launch in April 2004. This is a creditable performance, not least because this is Parekh's first responsibility as named manager and in 2006 the S&P/IFCI India index substantially

outperformed the median fund when large stocks did well. This was, however, achieved with considerable volatility. The fund performed strongly ahead of the May 2006 market correction but gave back much of the outperformance in the downturn before some relative recovery in October.

The portfolio is constructed without reference to a benchmark in an approach that aims to identify leading businesses, with good growth potential, trading at a discount to fair value. A relatively large team of analysts supports Parekh, who has 13 years' industry experience but a relatively limited two years as a fund manager at ASKIM. This and the performance record allow the fund to achieve an S&P A rating.

FACT FILE

Group: ASKIM is a joint venture between ASK Investment & Financial Consultants and Bharat Shah.

Team: CEO Bharat Shah heads a team of four fund managers supported by three senior analysts and six research associates.

Fund Manager: Sanjay Parekh joined ASKIM in 2005. He heads the investment team and is focused on GARP mandates. He has a total of 13 years' industry experience.

Style: The fund is run in a GARP style with stocks chosen bottom-up from a universe of around 600 and selected for good business potential, strong management and a discount to fair value.

Performance: Since launch to 31/01/2007, the fund has returned 225.5%, compared with 143.3% for the sector median and 159.5% for the index**, ranking 1/34.

FUND MANAGER & TEAM

Bharat Shah heads a team of 15 including Sanjay Parekh and three other portfolio managers. They are supported by three senior analysts and six research associates with varying levels of experience. Team members are responsible for specific sectors and do fundamental research on around 600 companies screened from a database tracking the results of 6,000 companies. New ideas are discussed in a collegial fashion.

Sanjay Parekh - commerce (ICAI, India), chartered accountant, began his career as a corporate analyst with Capital Market Magazine in 1994. From 1995, he worked as a senior analyst for several leading Indian stock brokers and wealth managers before joining ASKIM in 2005.

PORTFOLIO CHARACTERISTICS

No. of holdings	20
Turnover ratio (%)	N/A
% in top 10	53

TOP 10 HOLDINGS (01/01/07)

	%
Infosys Technologies	6.2
Reliance Industries	6.1
Maharashtra Seamless	5.5
Bharat Heavy Electronics	5.4
Shree Cement	5.3
Aditya Birla Nuvo	5.1
JSW Steel	5.0
Shasun Chemicals	5.0
Asian Paint *	4.8
Indian Hotel	4.6

* In top 10 holdings a year ago

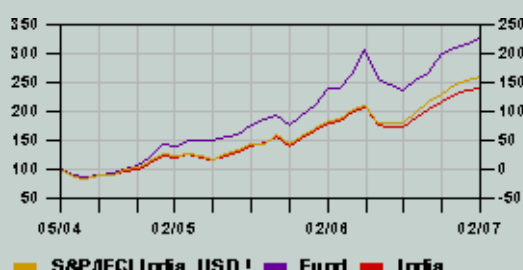
ALLOCATION BREAKDOWN (01/01/07)

	Fund %
Financials	-
Utilities	6
Automotive	3
Basic Materials	30
Construction	6
Consumer Goods	9
Engineering/machinery	9
Information Technology	9
Transport	-
Other	13
Cash	15

PERFORMANCE STATISTICS

	Launch
Fund	225.5%
Standard & Poor's Peer Median	143.3%
Index**	159.5%
Fund Rank	1/34
Standard Deviation	-
Relative Standard Deviation	-
Volatility Adjusted Ranking	-

CUMULATIVE PERFORMANCE



Units III permits net fund exposure to be less or greater than 100%.

I-GAIN FUND

Peer Group: Indian Equities



MANAGEMENT STYLE

- The fund is run in a Garp style, aiming to preserve capital and generate positive absolute returns. A bottom-up stockpicking approach is followed, targeting quality businesses, with good growth potential that are priced at a discount to fair value.
- Both absolute value and growth criteria are used to identify stocks worthy of deeper research. Stocks are then divided into three broad groupings according to the discount to estimated value. Most stocks are chosen from the group with the biggest discount and those with the smallest discount will only be selected if there is good potential for the price to double in three to four years.

- A concentrated portfolio of 20-25 stocks is preferred, with individual holdings selected from across the broad sector groupings and bought on a two- to three-year time horizon, but the holding period may be longer if the fundamental investment case remains in place. Sales are made when stocks hit fair value.

- Risk controls are pragmatic with usually no more than 25% invested in a sector and up to 10% in a stock. Cash is a residual and reflects conviction and buying opportunities. In uncertain markets cash may be raised significantly.

PORTFOLIO REVIEW

At review, the portfolio was concentrated in 20 holdings (at the bottom of the preferred range) with a top-10 concentration of 53%. Cash was relatively high at 15% reflecting inflows. Shortly after our review, cash was used to add to Reliance Industries, which has gradually been added to on increased conviction, and three new holdings were introduced.

Despite a general desire for broad diversification, there was no exposure to the financials sector, but 29% was invested in

basic materials reflecting stock-specific opportunities in cement, steel and energy - all of which are benefiting from domestic industrialisation.

Holdings were of generally high quality with companies such as Infosys being well established and with a market-leading position. Maharashtra Seamless (a high quality steel pipe business) was being added to for its growth potential as a market leading mid-cap business.

PERFORMANCE ANALYSIS (FEBRUARY 2007)

Since launch in April 2004, the fund has shown significant outperformance of both our Indian equities peer group and the S&P/IFCI India index. This performance appears to be broadly based. From launch to the end of December 2006, the fund returned growth of 218% compared with 152% for the index and 138% for the peer group. However, this strong outperformance was achieved with considerable volatility. Unusually, in 2006 the

S&P/IFCI India index substantially outperformed the median fund when large stocks did well. Under Parekh's management the fund performed strongly ahead of the May 2006 market correction but gave back much of the outperformance in the downturn before some relative recovery in October. In 2007 to date, fund performance has been closer to the sector median, largely from stock selection.

DISCRETE PERFORMANCE (CALENDAR YEARS)

	2003		2004		2005		2006		YTD 31/01/2007	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund		/		/	48.8	4/39	50.8	1/63	2.3	33/64
Index**	81.6		22.8		35.8		48.8		2.8	
Median	104.1		27.0		35.7		42.7		2.3	

** S&P/IFCI India USD

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