

From the desk of Rajen Shah

31st December 2010

Dear Value Investors,

New Year Greetings From Angel!!

Both our PMS schemes- Angel Oyster and Angel Lotus were doing reasonably well till November 10th outperforming the Sensex and Nifty by a decent margin. However the fall of about 9-10 % in the indices since then, saw our portfolios taking a significant hit. Infact for no reason our top quality stocks were hammered anywhere between 20-25 %. There has been certain damage, but as the World Famous French Author Alexandre Dumas says - ALL HUMAN WISDOM IS SUMMED UP IN TWO WORDS - WAIT & HOPE. The results of the same are very much reflected in the Performance of our ANGEL OYSTER fund (in existence for over 4 years now and where investors waited and hoped and finally got rewarded!!!) which continues to outperform the Sensex and Nifty by a decent (almost) 50%!!.

ABSOLUTE RETURNS* SINCE INCEPTION (24TH JUNE 2006)

ANGEL OYSTER	101 %
BSE SENSEX	67 %
NSE NIFTY	72 %

ABSOLUTE RETURNS* SINCE INCEPTION (24TH APRIL 2010)

ANGEL LOTUS	4%
BSE SENSEX	18 %
NSE NIFTY	17 %

**WEIGHTED AVERAGE OF ALL CLIENTS AS ON 30TH DECEMBER 2010*

As you all are aware, ANGEL LOTUS fund just completed 8 months and being a part of this fund, you own some of the finest names in their respective businesses. Companies like GODREJ INDUSTRIES, UNITED PHOSPHOROUS, ADITYA BIRLA NUVO, THOMAS COOK, INDIAN HOTELS, MAHINDRA UGINE, SHANTHI GEARS to share a few names with you. Class companies with Great Managements, top quality businesses, bright future prospects and decent valuations makes me reasonably believe that there is a very low probability of going wrong with these world class names in the long term!!.

Let me reassure you all that my confidence and conviction on this stocks is significantly high and probably, cannot be shattered by the kind of sharp correction we saw last month. I have reasons to believe that at the same time next year we have the potential to be sitting on decent profits !!.

So stay invested and expect probably the best from us.

Yours sincerely,

RAJEN SHAH

FUND MANAGER - ANGEL OYSTER / ANGEL LOTUS

Disclaimer: The sector allocation indicated above is on an aggregate portfolio basis for each strategy. Individual clients may witness variations in their portfolios depending on their entry/profit booking in each strategy. The sector allocation is dynamic and subject to change without any prior intimation. Investments in securities are subject to market risks and other related risks and there is no assurance or guarantee that the objectives/strategies of the portfolio management scheme shall be fulfilled/successful.