

August 31, 2010

Dear Friends,

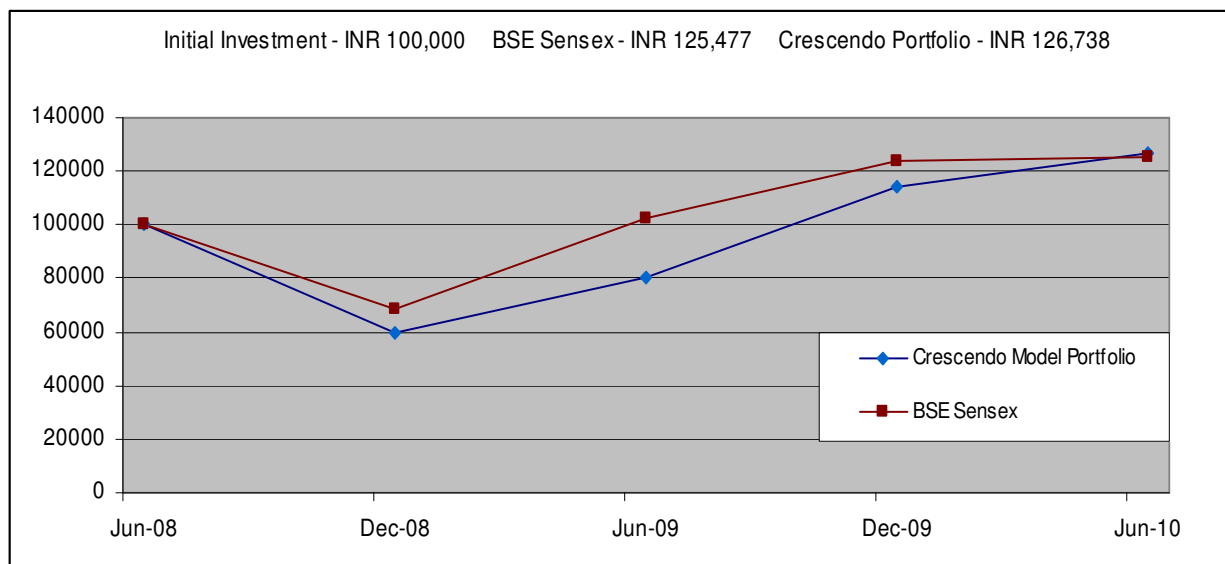
Hope all is well. The Indian equity markets stayed in a holding pattern for most of the first half of 2010 while we have been net sellers of equities in this period as prices of our shareholdings reached our target valuations. We have been somewhat pessimistic in our outlook and feel that the market reflects optimism around earnings growth of companies that may not bear fruit in the ensuing quarters. In addition to that, we have not found many investment opportunities in businesses that we understand, that are run by efficient promoters and at a price that we like.

**The Crescendo Model Portfolio (CMP) gave a return of +10.9% versus the Sensex return of +1.4% in the first half of 2010.** As at end of June 2010, we are in a high cash position. We do not enjoy this because returns on cash are meager, but when the market offers us bargains, you can be sure that we will swing all the way as we did in the early part of 2009.

We understand that you have entrusted us your hard earned assets and we take that duty seriously. We want to grow your money while protecting the downside and we will make decisions with that in mind. We hope you will remain a steadfast partner with us and bear with temporary periods of inactivity.

The CMP usually contains the same equities as our client accounts. The performance for the CMP is shown below. This return may differ from our clients' accounts due to timing of purchases. This time period is too short to analyze and we ask that you look at this from a 3 to 5 year time period.

Period	Crescendo Model Portfolio	BSE Sensex
25/06/2008 to 31/12/2008	-40.1%	-31.6%
01/01/2009 to 31/12/2009	+90.7%	+81.0%
01/01/2010 to 30/06/2010	+10.9%	+1.4%
Cumulative	+26.7%	+25.5%
Annualized	+13.4%	+12.7%



On a corporate front, we are happy to report that we now have 10 clients registered with us and our total Capital under Advice is INR 80.4 lacs.

The minimum investment for new individual clients remains at INR 5 lacs while existing clients can invest in INR 1 lac increments. Our investment values continue to be aligned wherein performance based fee is applicable only after annual returns of 10% to our clients.

We thank you for your continued referrals, interest and support and look forward to a long term relationship with you. We will write to you again in January 2011.

If you have any questions, please email us at [info@crescendo.co.in](mailto:info@crescendo.co.in) or call us at +91 98199 87077.

Warm Regards,

Ajit Singh Dua    and    Pradeep Vaswani

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[www.crescendo.co.in](http://www.crescendo.co.in)