



July 20, 2011

Dear Friends,

The Crescendo Model Portfolio had a return of 0.2% versus a return of -8.1 % for the BSE Sensex and a return of -16.2% for the BSE Small Cap Index for the period from January 1 to June 30, 2011.

While we beat the index, this is not our objective. Our objective remains to

- 1) Protect the downside – which we were able to meet.
- 2) Provide a significant outperformance to the deposit rate – which we have not yet met for the year.

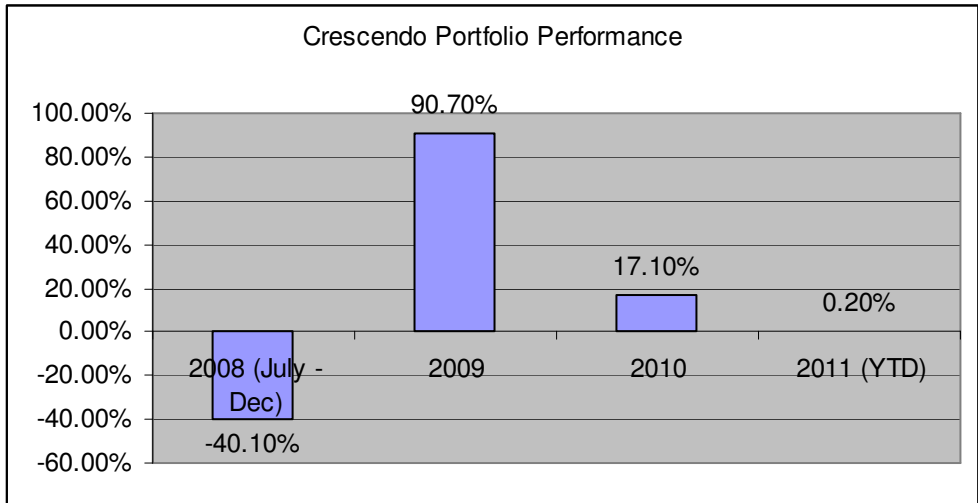
We believe we cannot meet the second objective over a short period of time and one should not make any inferences based on our short term performance.

The vehicle we use to meet these objectives is the equity market which is subject to significant fluctuation. As we had noted in January 2011, we were beginning to see bargains emerge in the market and we have been pulling the trigger on several opportunities. Our equity allocation has grown from 25% in January 2011 to approx 60% of the portfolio value. If the market falls further, we will not hesitate to deploy the cash completely.

Our portfolio consists of excellent businesses that are run by professional, ethical business people, that are growing steadily. Buying such companies at bargain prices and letting go when they achieve a fair value is our model. Our recommendation to clients is also aligned with the principles noted above.

Performance figures for the model portfolio is below :-

Time Period	Crescendo Model Portfolio	BSE Sensex
2011 (YTD)	0.2%	-8.1%
2010	17.1%	17.3%
2009	90.7%	81%
2008 (July-Dec)	-40.1%	-31.6%
Cumulative	34.1%	33.6%
Annualized	11.4%	11.2%



The minimum investment for new clients remains at INR 5 lacs while existing clients can invest in INR 1 lac increments. We plan to raise the minimum amount to 8 lacs, beginning January 2012. Our investment values continue to be aligned wherein performance based fees are applicable only after annual returns of 10% to clients.

We would appreciate your referrals, interest and support and look forward to a long term relationship with you. We will write to you again in Jan 2012.

If you have any questions, please email us at info@crescendo.co.in

Warm Regards,

Crescendo Capital Advisors