

# FundAssure

*Investment Report, March 2011*



## From the CIO's Desk

FundAssure, Investment Report, March 2011

**TATA**  
**AIG**  
**L I F E**

A new look at life



Dear Friends,

The Indian markets put up a creditable performance in March 2011 with the benchmark indices BSE Sensex and CNX Nifty gaining around 9.1% and 9.3% respectively. This was on the back of increased geo-political tensions in the Middle East and North Africa as well as the aftermath of an unfortunate human tragedy caused by earthquake and tsunami in Japan followed by a radiation leak scare.

On the domestic front, the budget session passed off smoothly as the government cleared projects of around USD 30 billion. After an acrimonious winter session, there was a perception that the government was in a state of policy drift. The government seemed committed to creating an enabling environment to revive the investment cycle and putting together a framework for increased fiscal discipline.

The government is lining up a slew of far reaching reforms in the form of bills to be passed in parliament. The bills on Land-acquisition and Mining will bring in much needed transparency and create headroom for more investment and a framework for all-round development. The financial sector reforms such as Banking bill, Pension Bill and insurance bill can act as a catalyst in attracting the much sought after FDI. The Tax reforms through GST and DTC as well as pilot projects on targeting subsidies to the intended beneficiaries through direct cash transfer could raise additional tax revenues, streamline tax laws & improve compliance and plug delivery leakages.

These reforms could create headroom for more growth as the government seeks to maintain the current GDP growth trajectory in FY 2012. The consensus GDP growth for FY 2012 sees moderation to 8.3% levels as the transmission effects of the aggressive monetary tightening measures of the RBI take over in the backdrop of elevated commodity prices. The composition is also likely to be different than before, with a weaker recovery in investment being offset by continued strength in consumer spending and a stronger upturn in exports.

The muted growth in Industrial production (IIP) for January 2011 at 3.6% was better than consensus expectations but shows signs of growth moderation. The IIP numbers have been extremely volatile over the past few months on account of volatility in the capital goods segment.

Headline WPI inflation for February 2011 clocked 8.3%. on the back of a surprisingly high core inflation number, indicating a pass-through of high commodity prices to the end consumers by the manufacturers, a measure of strong demand and pricing power.

The government is planning to borrow ₹2,50,000 crores in the first half of FY2012, 60% of the gross borrowing target of ₹4,17,000 crores for the full year. This amount is lower than the market expectation of around 67% given the fact that nearly 80% of the ₹74,100 crores redemptions for FY2012 fall in the first half. These lower borrowings in the first half triggered a slight temporary softening of Government security yields.

The news from the Euro zone points to lingering debt concerns of the periphery as S&P lowered Portugal from BBB to BBB - (second downgrade in 4 days) and Greece from BB+ to BB -. Portugal needs to repay USD 6.3 billion in April 2011 and USD 7 billion in June 2011 and may need to be bailed out.

Indian equities now trade at around 15 times FY2012 earnings and 13 times FY2013 earnings close to the medium term average of 16 times one-year forward price earnings. The consensus earnings for FY 2012 have been moderated to a growth of around 19% as against the previous consensus of 24%. With long-term valuations appearing reasonable on forward PE basis; we look at current market levels offering an attractive entry point over 3-5 years.

**Saravana Kumar**

Chief Investment Officer



**Pension Schemes**

## Market Outlook - Debt

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The benchmark 10 year Government security (G-sec) has been in a tight range around 8% mark in March 2011. The debt markets reacted positively to the lower than expected government's first half borrowing of ₹2, 50,000 crores, 60 % of the total borrowing of ₹4, 17,000 crores. The 10 year G-sec does not reflect the true measure of the bond market rally as the rally was led by the long end Government securities, which rallied by around 15-18 bps in the month on consistent demand from PFs and insurance companies.

It was widely expected that the borrowing calendar would be substantially front loaded, as the government may exceed the year's borrowing due to under-provisioning of the oil subsidy bill in the budget. This lower than expected first half borrowing can be interpreted as an intent of the govt. to deregulate diesel prices sometime after the state assembly elections in a more favorable oil price scenario and cut down the burgeoning subsidy to rein in the fiscal deficit. Pilot surveys being conducted to ascertain the rural coverage under food security are indicating that close to 30% of the rural population gets out of the food security entitlements for below poverty line (BPL) population. This could reduce the impact of the food subsidy bill on the government's finances and moderate the excess government borrowing in FY 2012.

It should be understood that the excess borrowing over the budgeted number is not a foregone conclusion. This is highlighted by the fact that with the exception of FY09, the deviation of the actual borrowing program over the budget has been marginal and in fact lower than the budgeted number in six of the past 10 years. Expenditure management to deliver the budgeted 3% nominal increase and a reasonable oil price scenario are key to the borrowing number.

The Corporate bond yields did not move in relation to the Government security yields and the 10 year corporate bond was trading at 9.16 - 9.25% levels with

spreads over the 10 year Government security widening in the range of 100-110 bps during the month. The corporate bond yields were flat through March 2011 on the back of an abating tight liquidity environment on the back of government's year end spending. We could expect the tight liquidity to ease substantially in April 2011, as the higher year end government spending would provide additional liquidity in the system.

Aggregate Credit (food+ nonfood credit) during the fortnight ending 11th March 2011 grew by 23.2% year on year and the Deposit growth continues to lag credit growth growing by 16.6% year on year. Credit growth year to date currently stands at 19% and the year to date deposit growth is at 14.6%. The credit to deposit ratio currently stands at 75.0% similar to the 74.95%, a fortnight back. The incremental credit to deposit ratio continues its downward trend; the ratio currently stands at 94% vs. 95% in the previous fortnight.

The inflation has remained sticky and clocked 8.31% for February 2011 even as the RBI hiked the policy rates by another 25 bps and indicated its continued anti-inflationary stance. Due to increases in the prices of key raw materials such as crude oil and coal, the core inflation as depicted by the non-food manufacturing inflation increased by more than 100 bps in February indicating that the inflationary pressures have become more generalized. As core inflation is a component of inflation most amenable to rate action, the RBI could increase rates by another 25 bps rate hike when it meets for the fourth quarter monetary policy review on May 3rd 2011.

The sticky oil prices led inflation into the first quarter of FY 2012 and the inevitable rate hikes by the RBI, would keep the 10 year G-sec yields under pressure.



**Pension Schemes**

## Market Outlook - Equity

FundAssure, Investment Report, March 2011

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*A new look at life*

The Indian equity markets shrugged off a sticky inflation figure, elevated oil prices and moderating IIP numbers and a further 25 bps monetary tightening by the RBI and posted handsome gains in March 2011. The benchmark indices, BSE Sensex and CNX Nifty gained 9.1% and 9.3% respectively, while the CNX Midcap clocked a return of around 9.1%.

Despite the recent headwinds created due to geo-political tensions leading to higher oil prices, the investor sentiment appears to be more positive. After selling Indian equities over January-February 2011 to the tune of USD 2 billion, FIIs have been buyers to the extent of USD 320 million of equities as of 24th March as were the DIIs, with insurance companies and mutual funds buying USD 300 million and USD 120 million respectively.

The markets have been enthused by the expectation that the government would push a series of reforms once the crucial elections to the five states get over, around mid-May. This would be possible as there could be enough policy leg room available to the Government till the next bunch of state elections in FY 2013.

The drivers of the Indian growth story have moved from investments in capex and infrastructure to the performance of key export sectors, which have seen a strong recovery from November 2010 onwards. This has complimented the robust private consumption and rural demand themes, which are generally resilient to interest rate hikes.

The concerns on corporate earnings are due to run-away increases in key raw materials such as crude, petrochemicals, coal, steel and aluminum over the last 6

months. Double digit food and wage inflation have further increased pressures on corporate margins. The cost of financing has increased owing to a tight liquidity situation and further accentuates the pressure on margins. These factors have been largely factored in as the consensus FY 2012 earnings have been scaled down to 19% as against 24%, previously expected. Though the breadth of the earnings downgrades has been wider than the upgrades, the overall earnings are still expected to be robust as there are could be upsides from some of the commodity heavyweights.

Although the IIP numbers show signs of moderation in growth, the Manufacturing PMI in February 2011, the passenger car production as well as cement dispatches indicates a strong underlying demand in the economy.

The Indian market is trading at a reasonable valuation on a Price to book basis as it is marginally lower than the long-term mean level. With a revival in earnings growth forecast over FY2012, the return on equity (RoEs) is expected to improve over the next two years to about 20%. Valuations in terms of forward PE are lower than the medium-term average level, since the abolition of long term capital gains tax in 2004 and marginally higher than the long-term average level.

The market offers the comfort of reasonable valuations for a long term investor and could be at an attractive entry level for an investor with a 3-5 year view.



**Pension Schemes**

**Pension Equity Fund**

**Pension Liquid Fund**

**Pension  
Income Fund**

**Pension Short Term  
Income Fund**

**Pension Bond Fund**

**Pension  
Balance Fund**

**Pension  
Growth Fund**



**Pension Equity Fund**

FundAssure, Investment Report, March 2011

**Fund Details**

**Investment Objective** : To deliver medium to long-term capital appreciation through a portfolio essentially comprising of large cap stocks that can perform well through market and economic cycles.

**Fund Manager** : Mr. Saravana Kumar

**NAV as on 31 Mar, 2011** : ₹35.91

**Benchmark** : BSE Sensex - 100%

**Investment Style**

Investment Style			Size
Value	Blend	Growth	
			Large
			Mid
			Small

**Portfolio**

Instrument	Industry	% of NAV
<b>Equity</b>		
Infosys Technologies Ltd	IT - Software	8.01
Reliance Industries Ltd	Refineries	7.49
ITC Ltd	Tobacco Products	6.16
ICICI Bank Ltd	Banks	6.13
HDFC Bank	Banks	5.58
State Bank Of India	Banks	5.57
Larsen And Toubro Ltd	Capital Goods- Non Electrical Equipment	3.63
Oil & Natural Gas Corp Ltd	Crude Oil & Natural Gas	2.98
Tata Consultancy Services Ltd	IT - Software	2.71
Bharat Heavy Electricals Ltd	Capital Goods - Electrical Equipment	2.64
Mahindra And Mahindra Ltd	Automobile	2.43
Bharti Airtel Ltd	Telecomm-Service	2.09
Axis Bank Ltd	Banks	2.05
Tata Steel Ltd	Steel	2.05
Tata Motors Ltd	Automobile	1.94
HDFC Ltd	Finance	1.92
Sterlite Industries (India) Ltd	Non Ferrous Metals	1.84
Crompton Greaves Ltd	Capital Goods - Electrical Equipment	1.80
Sun Pharmaceutical Industries	Pharmaceuticals	1.78

Instrument	Industry	% of NAV
Asian Paints (India) Ltd	Paints/Varnish	1.73
Bank Of Baroda	Banks	1.70
Gail India Ltd	Gas Distribution	1.57
Jindal Steel & Power Ltd	Steel	1.53
Hindalco Industries Ltd	Non Ferrous Metals	1.45
Voltas Limited	Diversified	1.34
NTPC Ltd	Power Generation & Distribution	1.24
Cipla Ltd	Pharmaceuticals	1.18
Exide Industries Ltd	Auto Ancillaries	1.18
United Phosphorus Ltd	Agro Chemicals	1.12
Wipro Ltd	IT - Software	1.05
Tata Power Co Ltd	Power Generation & Distribution	0.98
Sintex Industries Ltd	Diversified	0.97
Bajaj Auto Ltd - New Shs	Automobile	0.94
Mphasis Ltd	IT - Software	0.91
United Spirits Ltd	Alcoholic Beverages	0.66
Cesc Ltd	Power Generation & Distribution	0.57
Jaiprakash Associates Ltd	Realty	0.51
IVRCL Infrastructures & Projects Ltd	Realty	0.14
<b>Cash Bank &amp; Others</b>		<b>10.43</b>
<b>Total</b>		<b>100.00</b>

**Fund Performance**

PERIOD	DATE	NAV	BSE Sensex	NAV Change	INDEX Change
Last 1 Month	28-Feb-11	33.28	17823.40	7.93%	9.10%
Last 3 Months	31-Dec-10	38.45	20509.09	-6.59%	-5.19%
Last 6 Months	30-Sep-10	37.98	20069.12	-5.45%	-3.11%
Last 1 Year	31-Mar-10	32.17	17527.77	11.62%	10.94%
Last 3 Years	31-Mar-08	30.48	15644.44	5.62%	7.52%
Since Inception	29-Mar-04	10.00	5571.37	20.01%	19.53%

**Note** : The investment income and prices may go down as well as up. "Since Inception" and "3-years" period returns are calculated as per CAGR.

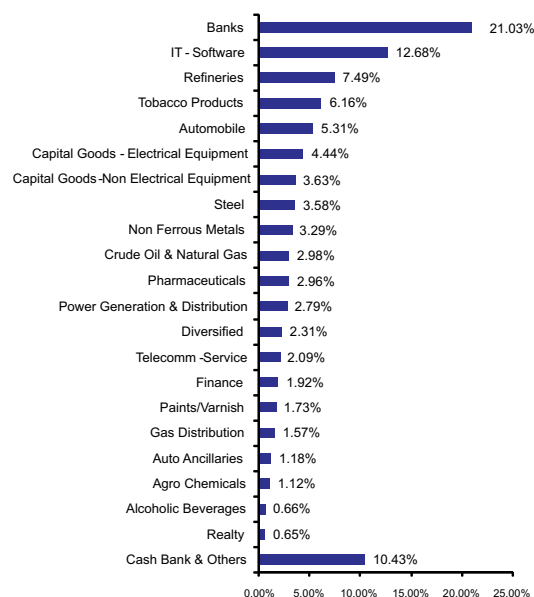
**Asset Mix**

Instrument	Asset Mix As Per F&U	Actual Asset Mix
Equity	Upto 100%	90%
Debt *	0	10%
Cash & Money Market **	up to 100%	10%

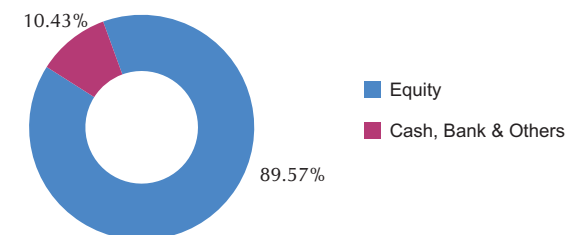
\* Actual Asset Mix % includes Cash & Money Market

\*\* Cash & Money Market includes current assets

**Sector Allocation**



**Asset Allocation**



**Pension Liquid Fund**

FundAssure, Investment Report, March 2011

**Fund Details**

**Investment Objective** : To provide safety of funds, liquidity and return on investments, in that order.

**Fund Manager** : Mr. Saravana Kumar

**NAV as on 31 Mar, 11** : ₹15.07

**Benchmark** : CRISIL Liquid Fund Index -100%

**Investment Style**

Credit Quality			Interest Rate Sensitivity
High	Mid	Low	
			High
			Mid
			Low

**Portfolio**

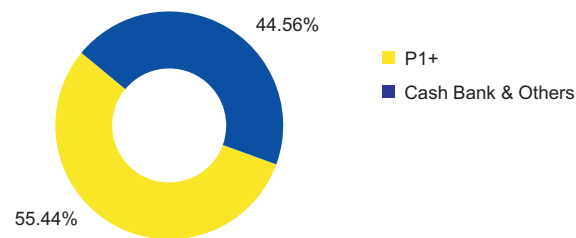
Instrument	Rating	% of NAV
<b>CD/CP's</b>		<b>55.44</b>
Federal Bank 2012 - CD	P1+	8.88
Vijaya Bank 2012 - CD	P1+	8.86
ICICI Bank 2012 - CD	P1+	6.46
Bank of India 2012 - CD	P1+	3.39
Punjab National Bank 2012 - CD	P1+	3.31
Oriental Bank Of Commerce 2012 - CD	P1+	3.03
State Bank of Mysore 2011 - CD	P1+	3.01
Andhra Bank 2011 - CD	P1+	2.92
Aditya Birla Finance Ltd 2011- CP	P1+	2.86
IDBI Bank 2011 - CD	P1+	2.85
Canara Bank 2011 - CD	P1+	2.84
Axis Bank 2012 - CD	P1+	2.81
ICICI Bank 2012 - CD	P1+	2.81
State Bank of Patiala 2011 - CD	P1+	1.42
<b>Cash Bank &amp; Others</b>		<b>44.56</b>
<b>Total</b>		<b>100.00</b>

**Fund Performance**

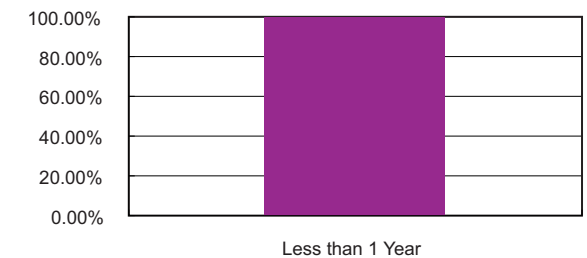
PERIOD	DATE	NAV	Crisil Liquid Fund Index	NAV Change	INDEX Change
Last 1 Month	28-Feb-11	14.99	1645.33	0.57%	0.71%
Last 3 Months	31-Dec-10	14.83	1625.13	1.66%	1.96%
Last 6 Months	30-Sep-10	14.63	1597.83	3.03%	3.71%
Last 1 Year	31-Mar-10	14.28	1560.20	5.58%	6.21%
Last 3 Years	31-Mar-08	12.40	1382.85	6.72%	6.22%
Since inception	25-May-04	10.00	1113.63	6.17%	5.97%

**Note** : The investment income and prices may go down as well as up. "Since Inception" and "3-years" period returns are calculated as per CAGR.

**Rating Profile**



**Maturity Profile**



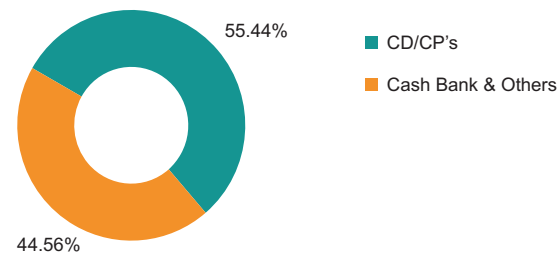
**Asset Mix**

Instrument	Asset Mix As Per F&U	Actual Asset Mix
Equity	0	0%
Debt *	0	100%
Cash & Money Market **	up to 100%	100%

\* Actual Asset Mix % includes Cash & Money Market

\*\* Cash & Money Market includes current assets

**Asset Allocation**



**Pension Income Fund**

FundAssure, Investment Report, March 2011

**Fund Details**

**Investment Objective** : To provide long-term capital appreciation by investing in high credit quality fixed-income instruments. Stability of return and protection of principal over a long-term investment horizon will be the prime driver for investment management.

**Fund Manager** : Mr. Saravana Kumar

**NAV as on 31 Mar, 11** : ₹14.83

**Benchmark** : CRISIL Composite Bond Index -100%

**Investment Style**

Credit Quality			Interest Rate Sensitivity
High	Mid	Low	
			High
			Mid
			Low

**Portfolio**

Instrument	Rating	% of NAV
<b>Government Securities</b>		<b>3.82</b>
7.17% GOI 2015	Sovereign	1.34
9.39% GOI 2011	Sovereign	1.34
8.32% GOI 2032	Sovereign	0.68
7.38% GOI 2015	Sovereign	0.45
<b>Corporate Bonds</b>		<b>58.87</b>
9.95% State Bank Of India 2026	AAA	6.87
8.80% Tata Sons 2015	AAA	4.06
8.60% PFC 2014	AAA	4.04
HDFC LTD 2013	AAA	3.89
9.50% United Phosphorus Ltd 2015	AA+	3.44
7.95% IDFC 2014	AAA	3.32
9.40% LIC Housing Finance Ltd 2013	AAA	3.10
9.09% IRFC 2026	AAA	2.51
9.80% PFC 2012	AAA	2.42
7.35% HPCL 2012	AAA	2.34
10.75% RECL 2013	AAA	2.12
7.40% Tata Chemicals 2011	AA+	2.04
7.45% LIC Housing 2012	AAA	2.02
7.20% RECL 2012	AAA	2.00
10.95% RECL 2011	AAA	1.73
9.80% ICICI Bank 2013	AAA	1.38
9.50% Exim Bank 2013	AAA	1.38

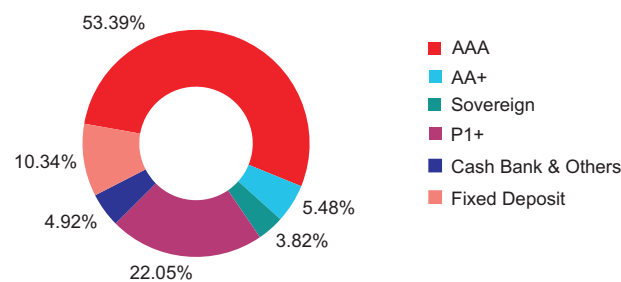
Instrument	Rating	% of NAV
9.45% REC 2013	AAA	1.38
9.20% Larsen & Toubro 2012	AAA	1.37
9.20% Power Grid 2013	AAA	1.37
8.46% IRFC 2014	AAA	1.36
8.50% PFC 2014	AAA	1.34
8.40% HDFC 2014	AAA	1.34
10.00% IDFC 2012	AAA	0.69
8.5% Exim Bank 2011	AAA	0.68
8.80% SAIL 2015	AAA	0.68
<b>CD/CP's</b>		<b>22.05</b>
State Bank of Patiala 2011 - CD	P1+	5.51
Indian Overseas Bank Ltd 2011 - CD	P1+	4.67
ICICI Bank 2012 - CD	P1+	4.54
Bank of Baroda 2011 - CD	P1+	2.28
Canara Bank 2011 - CD	P1+	2.26
Canara Bank 2011 - CD	P1+	1.94
IDBI Bank 2011 - CD	P1+	0.51
State Bank of Mysore 2011 - CD	P1+	0.34
<b>Fixed Deposit</b>		<b>10.34</b>
10.20 % HSBC Bank 2012		5.51
9.50% State Bank of Hyderabad 2014		4.82
<b>Cash Bank &amp; Others</b>		<b>4.92</b>
<b>Total</b>		<b>100.00</b>

**Fund Performance**

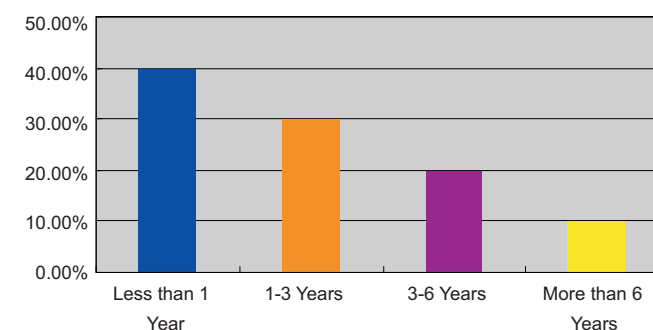
PERIOD	DATE	NAV	Crisil Composite Bond Index	NAV Change	INDEX Change
Last 1 Month	28-Feb-11	14.67	1653.11	1.06%	0.85%
Last 3 Months	31-Dec-10	14.59	1644.23	1.62%	1.39%
Last 6 Months	30-Sep-10	14.46	1628.02	2.57%	2.40%
Last 1 Year	31-Mar-10	14.03	1586.80	5.74%	5.06%
Last 3 Years	31-Mar-08	11.83	1402.21	7.84%	5.94%
Since Inception	2-Mar-04	10.00	1193.20	5.72%	4.84%

**Note** : The investment income and prices may go down as well as up. "Since Inception" and "3-years" period returns are calculated as per CAGR.

**Rating Profile**



**Maturity Profile**



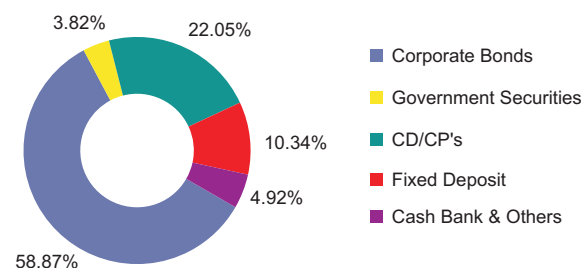
**Asset Mix**

Instrument	Asset Mix As Per F&U	Actual Asset Mix
Equity	0	0%
Debt *	60% - 100%	100%
Cash & Money Market **	up to 100%	37%

\* Actual Asset Mix % includes Cash & Money Market

\*\* Cash & Money Market includes current assets

**Asset Allocation**





**Pension Short Term Income Fund**

FundAssure, Investment Report, March 2011

**Fund Details**

**Investment Objective** : The primary objective is to generate stable returns by investing in fixed-income securities having maturities between 1 & 3 years.

**Fund Manager** : Mr. Saravana Kumar

**NAV as on 31 Mar, 11** : ₹13.12

**Benchmark** : CRISIL India Short Term Bond Index -100%

**Investment Style**

Credit Quality			Interest Rate Sensitivity
High	Mid	Low	
			High
			Mid
			Low

**Portfolio**

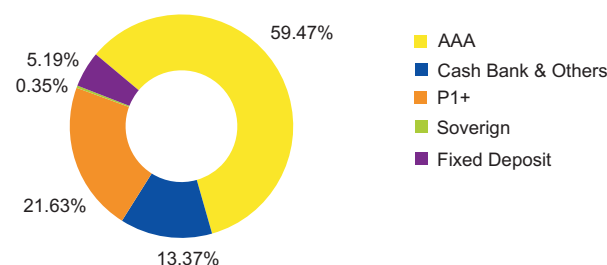
Instrument	Rating	% of NAV
<b>Government Securities</b>		<b>0.35</b>
9.39% GOI 2011	Sovereign	0.35
<b>Corporate Bonds</b>		<b>59.47</b>
7.76% LIC Housing 2012	AAA	13.47
6.84% HDFC 2011	AAA	11.51
7.90% RECL 2012	AAA	11.26
7.40% Infrastructure 2012	AAA	10.11
9.68% IRFC 2012	AAA	4.05
7.35% HPCL 2012	AAA	3.91
9.50% NABARD 2012	AAA	2.88
7.74% Tata Communication Ltd 2012	AAA	2.27
<b>CD/CP's</b>		<b>21.63</b>
State Bank of Patiala 2011 - CD	P1+	8.13
Canara Bank 2011 - CD	P1+	8.12
IDBI Bank 2011 - CD	P1+	5.39
<b>Fixed Deposit</b>		<b>5.19</b>
9.50% State Bank of Hyderabad 2014		5.19
<b>Cash Bank &amp; Others</b>		<b>13.37</b>
<b>Total</b>		<b>100.00</b>

**Fund Performance**

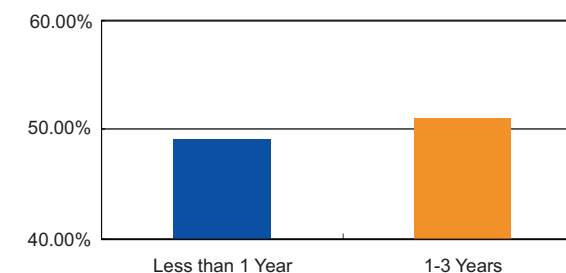
PERIOD	DATE	NAV	Crisil India Short Term Bond Index	NAV Change	INDEX Change
Last 1 Month	28-Feb-11	13.02	1701.47	0.78%	0.86%
Last 3 Months	31-Dec-10	12.91	1688.32	1.59%	1.64%
Last 6 Months	30-Sep-10	12.84	1670.28	2.19%	2.74%
Last 1 Year	31-Mar-10	12.54	1632.46	4.66%	5.12%
Last 3 Years	31-Mar-08	10.56	1404.31	7.52%	6.91%
Since Inception	3-Jul-06	10.00	1242.33	5.89%	7.04%

**Note** : The investment income and prices may go down as well as up. "Since Inception" and "3-years" period returns are calculated as per CAGR.

**Rating Profile**



**Maturity Profile**



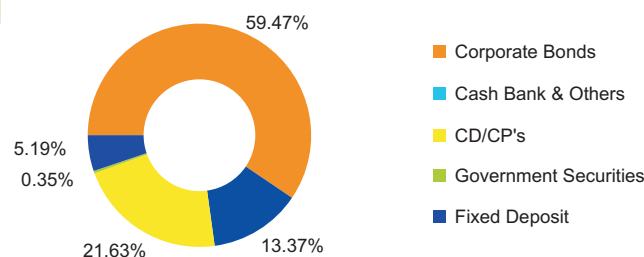
**Asset Mix**

Instrument	Asset Mix As Per F&U	Actual Asset Mix
Equity	0	0%
Debt *	60% - 100%	100%
Cash & Money Market **	up to 100%	40%

\* Actual Asset Mix % includes Cash & Money Market

\*\* Cash & Money Market includes current assets

**Asset Allocation**



**Pension Bond Fund**

FundAssure, Investment Report, March 2011

**Fund Details**

**Investment Objective** : To generate income through investing in a range of debt and money market instruments of various maturities with a view to maximising the optimal balance between yield, safety and liquidity.

**Fund Manager** : Mr. Saravana Kumar

**NAV as on 31 Mar, 11** : ₹12.66

**Benchmark** : CRISIL Composite Bond Index -100%

**Investment Style**

Credit Quality			Interest Rate Sensitivity
High	Mid	Low	
			High
			Mid
			Low

**Portfolio**

Instrument	Rating	% of NAV
<b>Government Securities</b>		
7.00% GOI 2012	Sovereign	1.80
7.17% GOI 2015	Sovereign	0.71
8.32% GOI 2032	Sovereign	2.41
<b>Corporate Bonds</b>		
9.95% State Bank Of India 2026	AAA	8.01
10.00% PFC 2012	AAA	5.84
2.00% Indian Hotels Company Ltd 2014	AA+	5.28
9.50% HDFC Ltd. 2013	AAA	5.09
7.45% LIC Housing 2012	AAA	4.73
9.50% United Phosphorus LTD 2015	AA+	4.24
9.50% Exim Bank 2013	AAA	3.65
9.20% Power Grid 2013	AAA	3.61
8.80% Tata Sons Ltd 2015	AAA	3.57
8.10% Exim Bank 2015	AAA	3.49
7.35% HPCL 2012	AAA	2.94
11.75% Rural Electric Corp Ltd 2011	AAA	2.45
9.80% ICICI Bank 2013	AAA	2.43
9.09% IRFC 2026	AAA	2.08
9.30% Sundaram Finance Ltd 2013	AA+	1.81

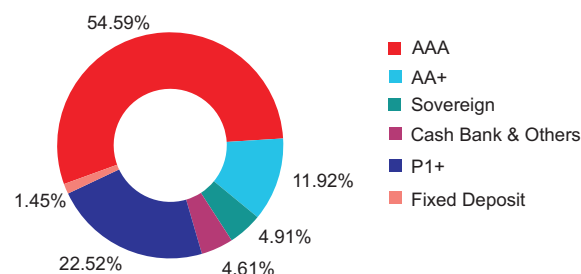
Instrument	Rating	% of NAV
6.98% IRFC 2012	AAA	1.66
9.30% Tata Sons Ltd 2015	AAA	1.21
9.20% Larsen & Toubro 2012	AAA	1.21
8.46% IRFC 2014	AAA	1.19
7.76% LIC Housing 2012	AAA	0.94
7.40% Tata Chemical 2011	AA+	0.60
9.45% LIC Housing 2012	AAA	0.48
<b>CD/CP's</b>		
ICICI Bank 2012 - CD	P1+	4.79
Indian Overseas Bank Ltd. 2011 - CD	P1+	3.52
State Bank of Patiala 2011 - CD	P1+	3.42
Canara Bank 2011 - CD	P1+	3.41
Canara Bank 2011 - CD	P1+	2.27
Axis Bank 2012 - CD	P1+	2.26
Bank of Baroda 2011 - CD	P1+	1.72
Bank of Baroda 2011 - CD	P1+	1.14
<b>Fixed Deposit</b>		
9.50% State Bank of Hyderabad 2014		1.45
<b>Cash Bank &amp; Others</b>		
		<b>4.61</b>
<b>Total</b>		<b>100.00</b>

**Fund Performance**

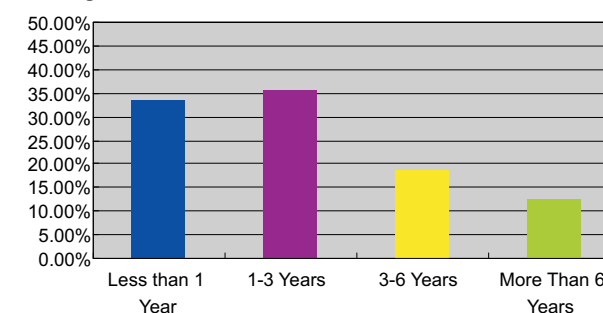
PERIOD	DATE	NAV	Crisil Composite Bond Index	NAV Change	INDEX Change
Last 1 Month	28-Feb-11	12.52	1653.11	1.08%	0.85%
Last 3 Months	31-Dec-10	12.45	1644.23	1.67%	1.39%
Last 6 Months	30-Sep-10	12.35	1628.02	2.53%	2.40%
Last 1 Year	31-Mar-10	11.98	1586.80	5.67%	5.06%
Last 3 Years	31-Mar-08	10.34	1402.21	6.97%	5.94%
Since Inception	17-Aug-07	10.00	1339.53	6.73%	6.23%

**Note** : The investment income and prices may go down as well as up. "Since Inception" and "3-years" period returns are calculated as per CAGR.

**Rating Profile**



**Maturity Profile**



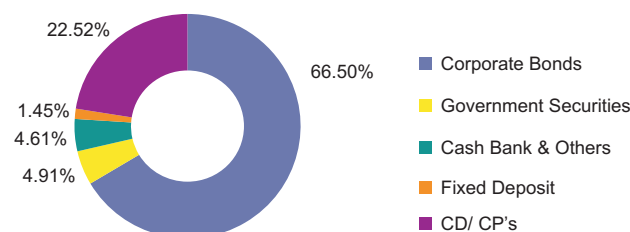
**Asset Mix**

Instrument	Asset Mix As Per F&U	Actual Asset Mix
Equity	0	0%
Debt *	60% - 100%	100%
Cash & Money Market **	up to 100%	29%

\* Actual Asset Mix % includes Cash & Money Market

\*\* Cash & Money Market includes current assets

**Asset Allocation**



**Pension Balance Fund**

FundAssure, Investment Report, March 2011

**Fund Details**

**Investment Objective** : To supplement the income generation from the fixed income instruments with capital appreciation of the equity assets.

**Fund Manager** : Mr. Saravana Kumar

**NAV as on 31 Mar, 11** : ₹12.53

**Benchmark** : Nifty - 10%  
CRISIL Composite Bond Index - 90%

**Debt Investment Style**

Credit Quality			Interest Rate Sensitivity
High	Mid	Low	
			High
			Mid
			Low

**Equity Investment Style**

Investment Style			Size
Value	Blend	Growth	
			Large
			Mid
			Small

**Fund Performance**

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 1 Month	28-Feb-11	12.25	2.28%	1.70%
Last 3 Months	31-Dec-10	12.52	0.09%	0.76%
Last 6 Months	30-Sep-10	12.39	1.13%	1.84%
Last 1 Year	31-Mar-10	11.81	6.09%	5.67%
Last 3 Years	31-Mar-08	10.28	6.84%	6.06%
Since Inception	17-Aug-07	10.00	6.43%	6.62%

**Note** : The investment income and prices may go down as well as up. "Since Inception" and "3-years" period returns are calculated as per CAGR.

**Asset Mix**

Instrument	Asset Mix As Per F&U	Actual Asset Mix
Equity	Upto 20%	17%
Debt *	80% - 100%	83%
Cash & Money Market **	up to 100%	18%

\* Actual Asset Mix % includes Cash & Money Market

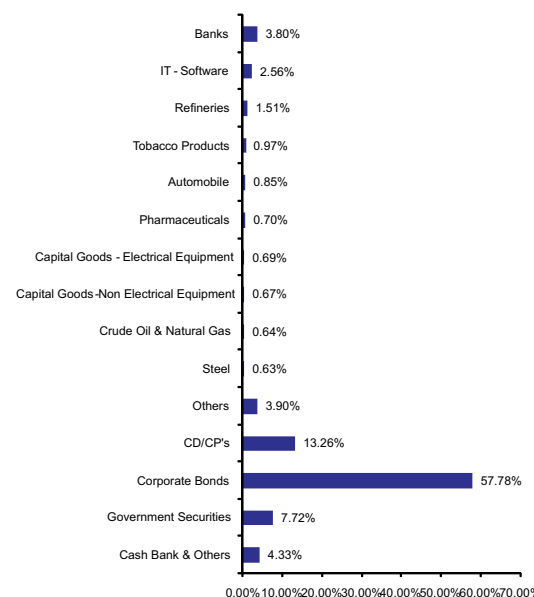
\*\* Cash & Money Market includes current assets

**Portfolio**

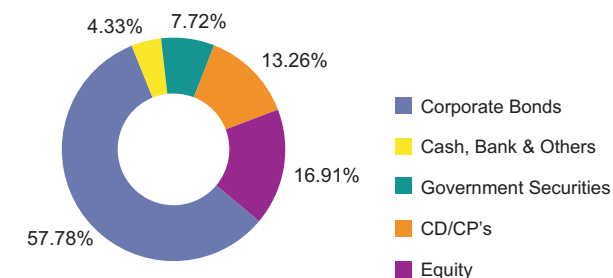
Instrument	Industry	% of NAV
<b>Equity</b>		
Infosys Technologies Ltd	IT - Software	1.41
Reliance Industries Ltd	Refineries	1.37
ICICI Bank Ltd	Banks	1.04
ITC Ltd	Tobacco Products	0.97
State Bank Of India	Banks	0.74
HDFC Bank	Banks	0.72
Larsen And Toubro Ltd	Capital Goods-Non Electrical Equipment	0.66
Tata Consultancy Services Ltd	IT - Software	0.47
Oil & Natural Gas Corp Ltd	Crude Oil & Natural Gas	0.47
Asian Paints (India) Ltd	Paints/Varnish	0.42
Other Equities		8.63
<b>Corporate Bonds</b>		
8.28% LIC Housing 2015	AAA	9.03
9.95% State Bank Of India 2026	AAA	7.44
7.75% RECL 2012	AAA	5.46
8.80% Power Grid 2015	AAA	4.92
8.70% PFC 2015	AAA	4.59
8.35% HDFC 2015	AAA	3.88
9.20% HDFC 2012	AAA	3.33
7.40% Tata Chemical 2011	AA+	3.03

Instrument	Industry	% of NAV
7.90% RECL 2012	AAA	3.00
9.30% Tata Sons 2015	AAA	2.67
9.20% Power Grid 2015	AAA	2.67
8.40% HDFC 2014	AAA	1.95
7.35% HPCL 2012	AAA	1.94
10.75% Reliance Ind 2018	AAA	1.45
9.50% NABARD 2012	AAA	1.33
9.80% PFC 2012	AAA	0.67
8.83% IRFC 2012	AAA	0.27
10.00% PFC 2012	AAA	0.13
9.25% DR Reddy's LAB Ltd 2014	AA+	0.00
<b>CD/CP's</b>		<b>13.26</b>
Bank of Baroda 2011 - CD	P1+	4.42
PNB 2012 - CD	P1+	3.74
Indian Overseas Bank 2011 - CD	P1+	2.59
Bank of Baroda 2011 - CD	P1+	2.51
<b>Government Securities</b>		<b>7.72</b>
7.17% GOI 2015	Sovereign	5.73
8.30% GOI 2040	Sovereign	1.33
8.32% GOI 2032	Sovereign	0.66
<b>Cash Bank &amp; Others</b>		<b>4.33</b>
<b>Total</b>		<b>100.00</b>

**Sector Allocation**



**Asset Allocation**



# Pension Growth Fund

FundAssure, Investment Report, March 2011

## Fund Details

**Investment Objective** : The objective of this fund is to generate long term capital appreciation and income by investing a considerable percentage of the fund in equity and equity linked instruments and the balance in Government Bonds and high quality fixed income instruments.

**Fund Manager** : Mr. Saravana Kumar

**NAV as on 31 Mar, 11** : ₹12.65

**Benchmark** : Nifty - 30%  
CRISIL Composite Bond Fund Index - 70%

## Debt Investment Style

Credit Quality			Interest Rate Sensitivity
High	Mid	Low	
			High
			Mid
			Low

## Equity Investment Style

Investment Style			Size
Value	Blend	Growth	
			Large
			Mid
			Small

## Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 1 Month	28-Feb-11	12.34	2.53%	3.41%
Last 3 Months	31-Dec-10	12.78	-0.95%	-0.50%
Last 6 Months	30-Sep-10	12.73	-0.56%	0.71%
Last 1 Year	31-Mar-10	12.00	5.44%	6.88%
Last 3 Years	31-Mar-08	9.98	8.23%	6.32%
Since Inception	17-Aug-07	10.00	6.71%	7.41%

**Note** : The investment income and prices may go down as well as up. "Since Inception" and "3-years" period returns are calculated as per CAGR.

## Asset Mix

Instrument	Asset Mix As Per F&U	Actual Asset Mix
Equity	20% - 40%	24%
Debt *	60% - 80%	76%
Cash & Money Market **	up to 80%	48%

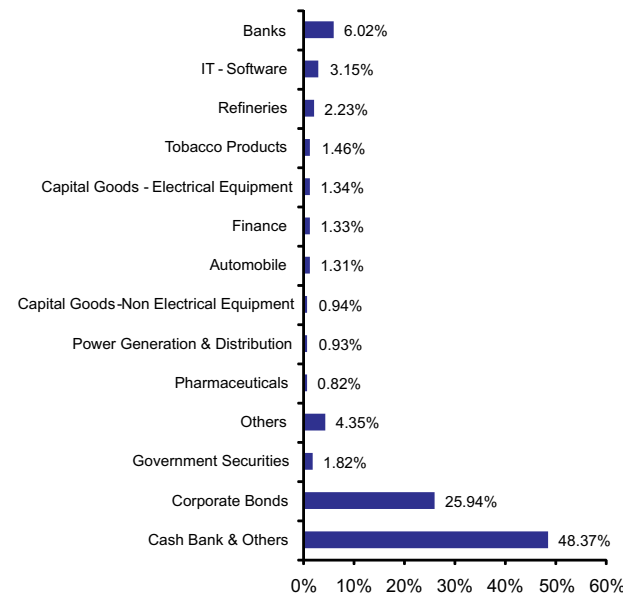
\* Actual Asset Mix % includes Cash & Money Market

\*\* Cash & Money Market includes current assets

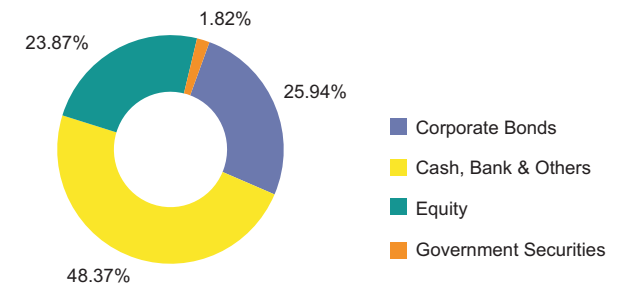
## Portfolio

Instrument	Industry	% of NAV
<b>Equity</b>		<b>23.87</b>
Infosys Technologies Ltd	IT - Software	1.95
Reliance Industries Ltd	Refineries	1.95
HDFC Bank	Banks	1.57
ITC Ltd	Tobacco Products	1.46
ICICI Bank Ltd	Banks	1.38
HDFC Ltd	Finance	1.17
State Bank Of India	Banks	1.11
Larsen And Toubro Ltd	Capital Goods- Non Electrical Equipment	0.94
Axis Bank Ltd	Banks	0.94
Exide Industries Ltd	Auto Ancillaries	0.72
Other Equities		10.66
<b>Government Securities</b>		<b>1.82</b>
9.39% GOI 2011	Sovereign	1.82
<b>Corporate Bonds</b>		<b>25.94</b>
8.28% LIC Housing 2015	AAA	12.94
7.40% Infrastructure 2012	AAA	6.53
8.30% HDFC Ltd 2015	AAA	6.47
<b>Cash Bank &amp; Others</b>		<b>48.37</b>
<b>Total</b>		<b>100.00</b>

## Sector Allocation



## Asset Allocation



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Malad (East), Mumbai - 400 097.

**Disclaimer**

1. The fund is managed by Tata AIG Life Insurance Company Ltd. (hereinafter the "Company").
2. Past performance is not indicative of future results. Returns are calculated on an absolute basis for a period of less than (or equal to) a year, with reinvestment of dividends (if any).
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10. Interest Rate Sensitivity  
Less than 3 year duration - Low  
3 to 10 years duration - Medium  
more than 10 years duration - High
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12. Whilst every care has been taken in the preparation of this document, it is subject to correction and markets may not perform in a similar fashion based on factors influencing the capital and debt markets; hence this review note does not individually confer any legal rights or duties.

Insurance is the subject matter of the solicitation

Tata AIG Life Insurance Company Ltd. (Reg. No. 110)  
Registered and Corporate Office  
Delphi-B Wing, 2nd Floor, Orchard Avenue  
Hiranandani Business Park, Powai, Mumbai - 400076

Pension Schemes

