

FundAssure

Investment Report, October 2011



From the CIO's Desk

FundAssure, Investment Report, October 2011

TATA
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L I F E

A new look at life



Dear Friends,

The month of October 2011 witnessed a massive rally in global equity markets with the Indian benchmark indices, BSE Sensex and CNX Nifty surging 7.6% and 7.8% respectively even as the CNX Midcap index put in a relatively modest performance, gaining 2.4% for the month.

With an improving global macro triggered by key decisions taken by the 17 Euro zone countries in the EU summit and some positive domestic cues coming in from the RBI, as they virtually signaled the end of the current rate hike cycle, the Indian equity markets put in a stellar performance in the month of October 2011.

The FII's bought around USD 480 million in October 2011, taking their net buys for the calendar year to date to a modest USD 535 million. The Insurance companies were net sellers to the tune of USD 423 million in October 2011, their overall net buy for the calendar year standing at USD 3.68 billion even as the domestic mutual funds were marginal net sellers at USD 43 million, their overall net inflows for the calendar year standing at USD 1.02 billion.

On October 25th 2011, the RBI raised the repo rate by 25 bps along expected lines to 8.50% but the market was positively surprised by its explicit guidance for a pause in rate hikes in the medium term, subject to some caveats. The RBI made it clear in the policy statement that they were concerned about the lower growth trajectory and that the growth would start to take predominance over inflation. In an unexpected move, the RBI also deregulated the savings rate, thus triggering a rate war in the banking sector, which would eventually benefit the end consumer.

The European Union summit came up with some far reaching outcomes as the leaders focused on the sustainability of Greek debt to around 120% of GDP by 2020, proposing a 50% haircut on Greek debt held by private holders, as against the 21% agreed earlier. The leaders proposed to increase the European Financial Stability Fund (EFSF) to €1 trillion, to take care of contagion risks to the other peripheral European nations as well as mandated the banks to boost their capital ratios to 9.0% by early 2012, bank recapitalization costs pegged at around €106 billion.

India's exports for the first half of financial year April-September 2011 registered a robust performance clocking an impressive growth of 52% at USD 160 billion while imports jumped 32% to total USD 233.5 billion over the same period resulting in a first half trade deficit of USD 73.5 billion. The export numbers are particularly impressive, given the sharp slowdown in the global PMIs and moderating growth in most trading partner economies.

Wholesale Price Index (WPI) inflation for the month of September 2011 clocked 9.72% close to the consensus of 9.8% and marginally below the August 2011 reading of 9.78%. Inflation is expected to remain at an uncomfortable 9% plus levels for October 2011 and November 2011 before trending to 8% levels in December 2011, primarily due to base effects.

The Index of Industrial Production (IIP) for August 2011 came in at a muted 4.1% year on year, below the consensus of 4.8%, despite a favorable base effect as the IIP growth in August 2010 was a low 4.5%. The economic growth is clearly on a decelerating trajectory on the back of a slew of rate hikes by the RBI as well as a weakening global growth outlook.

In what could well be a far reaching policy, the government approved the revised proposal on the national manufacturing policy in a bid to increase the share of manufacturing to 25% in the Indian GDP by 2022 from the current share of just 16%. This policy seeks to add 100 million jobs in the manufacturing sector as against 16 million jobs created over the past 5 years. The policy also focuses on the key enablers seeking to "enhance global competitiveness, domestic value addition, technological depth and environmental sustainability of growth".

The equity markets have continued to witness earnings downgrades as the consensus earnings estimates for MSCI India has been further reduced over the month by around 1% and around 2% for financial year ending March 2012 and March 2013 respectively to 16% for each of the financial years. However, the equity markets continue to trade at reasonable valuations in spite of the October 2011 rally and present an attractive entry point for a long term investor.

Saravana Kumar
Chief Investment Officer



Pension Schemes

The month of October 2011 saw the benchmark 10 year Government security (G-sec) climbing to a 3 year high, starting the month at 8.44% and hardening by 44 bps to close the month at 8.88%, at the highest yield levels for the month. This extraordinary hardening can be largely attributed to the announcement in the last week of September of additional government borrowing of close to ₹52,900 crores in the second half of FY 2012, whose full impact was felt in the month of October. The yields on the G-sec had eased off to 8.68% during the month soon after the RBI guidance in the second quarter review of the monetary policy, signaling a near term pause in the rate hike cycle.

The corporate bond yield hardening was comparatively muted at 17 bps in October 2011 from 9.58% to 9.75%, primarily due to a lack of supply of PSU bonds in the long end, during the month. As a consequence, the corporate bond spread over the 10 year G-sec, which was in the range of around 95-100 bps over the month of September, came off sharply to just 70 bps in October.

The systemic liquidity deficit remained in the RBIs comfort zone of within 1% of banks' net demand and time liabilities (NDTL), consistent with the anti-inflationary stance of monetary policy. This year so far, the money supply (M3) and credit growth have been above the indicative trajectories of the Reserve Bank but going forward, the RBI expects the monetary aggregates to evolve along the earlier projected trajectory at M3 growth projection for 2011-12 at 15.5% and non-food credit growth at 18%.

The Government borrowings for October 2011 stood at ₹43,000 crores in three auctions, out of the revised second half borrowing of ₹2,20,000 crores. On October 31st, there was an announcement of the launch of a new 10 year G-sec, to be traded a week afterwards, which would become the new benchmark G-sec due its higher liquidity.

Wholesale Price Index (WPI) inflation for the month of September 2011 clocked 9.72%, close to the consensus of 9.8% and marginally below the August 2011 reading of 9.78%. The headline WPI inflation

is expected to remain elevated at 9% plus levels in October and November, before trending lower.

The Reserve Bank of India (RBI) in its second quarter review of the monetary policy for FY 2012 has increased the repo rate by 25 basis points from 8.25% to 8.5% along expected lines. The RBI sees the inflation declining, starting December 2011, as indicated by the moderation in the inflation momentum indicators, particularly the de-seasonalised quarter-on-quarter headline and core inflation measures. The RBI was concerned about the moderating growth, mainly due to the cumulative impact of its past monetary policy actions and expects to give due consideration to growth risks, as inflation trends down in the medium term and stabilizes at a lower level.

The RBI has maintained the inflation target of 7% by March 2012 and expects further moderation in the first half of 2012-13 due to the combined effect of downward commodity price movements and the cumulative impact of monetary tightening. RBI opines that due to the expected lower trajectory for inflation, further rate hikes may not be warranted, almost signaling the end of the current rate hike cycle in the near term.

There would be some easing of yields in the medium term due the explicit signaling of a pause in the policy rate hike cycle by the RBI, though in the near term, the increased second half borrowing would put pressure on the benchmark 10 year G-sec and keep the new 10 year G-sec in a range of 8.65-8.90% for the month.



Market Outlook - Equity

FundAssure, Investment Report, October 2011

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A new look at life

The global equity markets rallied over the month of October 2011, with the MSCI Emerging markets index surging 13% even as the MSCI India gained 8% over the month in US dollar terms. The benchmark indices, BSE Sensex and CNX Nifty gained 7.6% and 7.8% respectively even as the CNX Midcap index put on a relatively modest 2.4% over the month.

Globally, the rally in risk assets can be best described as a relief rally, post the EU summit, on expectations of some near term solution to the sovereign credit crises as well as the receding possibility of US recession, as the US third quarter GDP growth came in at a reasonable 2.5%. On the domestic front, the RBI guidance of signaling a pause in monetary tightening cycle acted as a catalyst for investor sentiment.

The month of October 2011 saw FIIs resume their net purchases of Indian equities after a two month lull, as they bought around USD 480 million in October 2011 even as Insurance companies were net sellers to the tune of USD 423 million in October 2011, domestic mutual funds being marginal net sellers at USD 43 million.

As the second quarter earnings season gathers momentum, it is apparent that the interest rate increases pushed through by the RBI over the last 18 months have dented corporate margins, even as they have managed robust top line growth, on the back of high inflation. Of the 90 companies among the BSE 200 companies that have announced their second quarter results so far, the sales growth (ex Banking and financial services companies) has been a robust 25.6% year on year and 1.6% quarter on quarter. Profits for the overall universe have meanwhile climbed by 8% year on year but are down 7% quarter on quarter. There is clearly evidence of a year on year fall in operating margins, indicating continued stress to earnings faced by corporate India, though it is too early to discern sectoral trends.

Overall, the quarterly earnings performance reflects the underlying macro trend of a strong rural consumption on the back of good

monsoons, high MSPs and increased rural led government spending. It also reflects a weak capex cycle due to high interest rates and muted business confidence of corporate India to undertake significant expansion in an environment of high policy uncertainty.

The equity markets have continued to witness earnings downgrades as the consensus earnings estimates for MSCI India has been further reduced over the month by around 1% and around 2% for financial year ending March 2012 and March 2013 respectively to 16% for each of the financial years.

In the near term, the Indian markets could witness bouts of volatility, primarily from the developments in the Euro zone. The European nations are striving towards preventing contagion risks to large economies like Italy and Spain, on the back of increasing uncertainty in Greece, triggered by the Greek Prime minister's call of a referendum on the EU summit deal.

We believe that the equity markets are reasonably priced at around 13 times one year forward price earnings, lesser than the 5 year averages of one year forward price earnings, offering an attractive entry point for a long term investor.



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

ULGF 001 02/03/04 E1 110

FundAssure, Investment Report, October 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 Oct, 2011 : ₹32.82

Benchmark : BSE Sensex - 100%

Investment Style

Investment Style			Size
Value	Blend	Growth	
			Large
			Mid
			Small

Portfolio

Instrument	Industry	% of NAV
Equity		91.69
Infosys Ltd	IT - Software	8.21
Reliance Industries Ltd	Refineries	7.82
ITC Ltd	Tobacco Products	7.79
HDFC Bank	Banks	6.99
ICICI Bank Ltd	Banks	5.98
State Bank of India	Banks	4.25
Tata Consultancy Services Ltd	IT - Software	3.98
Larsen And Toubro Ltd	Capital Goods-Non	
	Electrical Equipment	3.40
Bharti Airtel Ltd	Telecomm-Service	3.14
Oil & Natural Gas Corp Ltd	Crude Oil & Natural Gas	2.97
Mahindra And Mahindra Ltd	Automobile	2.70
Sun Pharmaceutical		
	Pharmaceuticals	2.61
Axis Bank Ltd	Banks	2.11
Bharat Heavy Electricals Ltd	Capital Goods -	
	Electrical Equipment	1.98
Bajaj Auto Ltd - New Shs	Automobile	1.85
Tata Motors Ltd	Automobile	1.77
Tata Steel Ltd	Steel	1.72
Jindal Steel & Power Ltd	Steel	1.70
Sterlite Industries (India) Ltd	Non Ferrous Metals	1.59
Dr Reddys Laboratories Ltd	Pharmaceuticals	1.49
Power Finance Corp Ltd	Finance	1.47

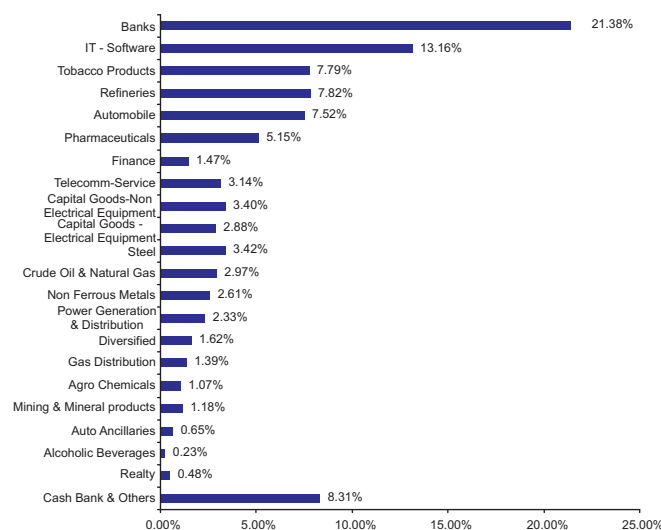
Instrument	Industry	% of NAV
GAIL India Ltd	Gas Distribution	1.39
Maruti Suzuki India Ltd	Automobile	1.20
Coal India Ltd	Mining & Mineral products	1.18
NTPC Ltd	Power Generation & Distribution	1.12
Bank of Baroda	Banks	1.10
United Phosphorus Ltd	Agro Chemicals	1.07
Cipla Ltd	Pharmaceuticals	1.05
Hindalco Industries Ltd	Non Ferrous Metals	1.02
Punjab National Bank	Banks	0.96
Crompton Greaves Ltd	Capital Goods -	
	Electrical Equipment	0.90
Grasim Industries Ltd	Diversified	0.88
Sintex Industries Ltd	Diversified	0.73
Tata Power Co Ltd	Power Generation & Distribution	0.72
Exide Industries Ltd	Auto Ancillaries	0.65
Mphasis Ltd	IT - Software	0.58
CESC Ltd	Power Generation & Distribution	0.49
Jaiprakash Associates Ltd	Realty	0.41
HCL Technologies Ltd	IT - Software	0.40
United Spirits Ltd	Alcoholic Beverages	0.23
IVRCL Ltd	Realty	0.07
Cash Bank & Others		8.31
Total		100.00

Fund Performance

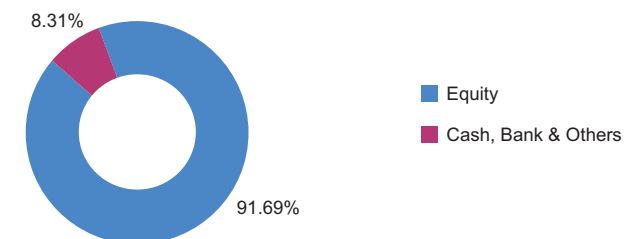
PERIOD	DATE	NAV	BSE Sensex	NAV Change	INDEX Change
Last 6 Months	29-Apr-11	35.72	19130.00	-8.11%	-7.45%
Last 1 Year	29-Oct-10	37.87	20032.34	-13.34%	-11.62%
Last 2 Years	30-Oct-09	29.06	15896.28	6.27%	5.54%
Last 3 Years	31-Oct-08	17.67	9788.06	22.92%	21.84%
Last 4 Years	31-Oct-07	40.09	19837.99	-4.88%	-2.80%
Last 5 Years	31-Oct-06	22.75	12961.90	7.60%	6.44%
Since Inception	29-Mar-04	10.00	5571.37	16.94%	16.44%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

Sector Allocation



Asset Allocation



Pension Income Fund

ULGF 002 02/03/04 11 110

FundAssure, Investment Report, October 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 Oct, 2011 : ₹15.41

Benchmark : CRISIL Composite Bond Index -100%

Investment Style

Credit Quality			Interest Rate Sensitivity
High	Mid	Low	
			High
			Mid
			Low

Portfolio

Instrument	Rating	% of NAV
Government Securities		22.11
7.83% GOI 2018	Sovereign	10.77
7.80% GOI 2021	Sovereign	9.33
6.35% GOI 2024	Sovereign	1.59
7.38% GOI 2015	Sovereign	0.43
Corporate Bonds		48.58
HDFC Ltd 2013	AAA	3.95
8.60% PFC 2014	AAA	3.90
8.80% Tata Sons 2015	AAA	3.89
9.50% United Phosphorus Ltd 2015	AA+	3.30
9.35% PGC 2016	AAA	3.29
7.95% IDFC 2014	AAA	3.21
9.40% LIC Housing Finance Ltd 2013	AAA	2.99
9.95% State Bank of India 2026	AAA	2.15
10.75% RECL 2013	AAA	2.03
7.45% LIC Housing 2012	AAA	1.97
9.48% RECL 2021	AAA	1.97
7.20% RECL 2012	AAA	1.96
9.25% DR Reddy's Lab Ltd 2014	AA+	1.66
9.80% ICICI Bank 2013	AAA	1.34
9.20% Larsen & Toubro 2012	AAA	1.33
9.35% PGC 2017	AAA	1.31
8.50% PFC 2014	AAA	1.29

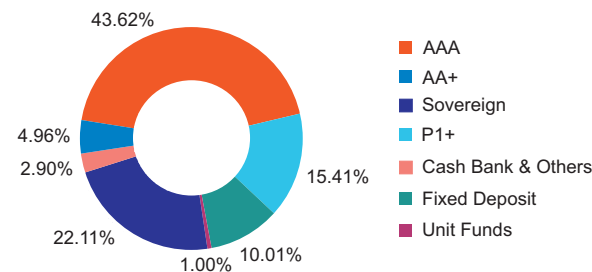
Instrument	Rating	% of NAV
8.40% HDFC 2014	AAA	1.29
9.64% PGC 2015	AAA	0.83
9.64% PGC 2016	AAA	0.83
9.64% PGC 2018	AAA	0.83
9.64% PGC 2021	AAA	0.83
10.00% IDFC 2012	AAA	0.67
8.80% SAIL 2015	AAA	0.65
9.09% IRFC 2026	AAA	0.58
9.40% NABARD 2014	AAA	0.33
8.70% PFC 2020	AAA	0.19
CD/CP's		15.41
State Bank of Patiala 2011 - CD	P1+	5.62
ICICI Bank 2012 - CD	P1+	4.66
Bank of Baroda 2011 - CD	P1+	2.32
Canara Bank 2011 - CD	P1+	1.97
Punjab National Bank 2012 - CD	P1+	0.84
Fixed Deposit		10.01
10.20 % Federal Bank 2012		5.34
9.50% State Bank of Hyderabad 2014		4.67
Unit Fund's		1.00
HDFC Cash Management Fund - Savings Plan-Gr		1.00
Cash Bank & Others		2.90
Total		100.00

Fund Performance

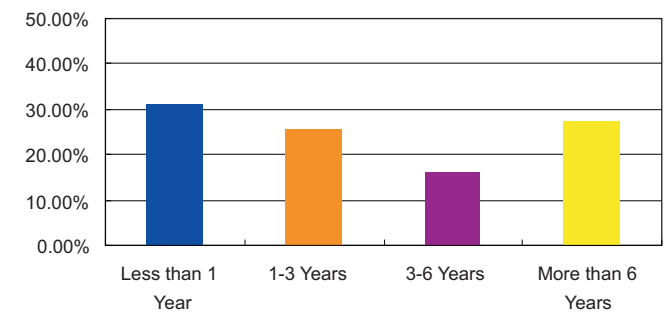
PERIOD	DATE	NAV	Cril Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	29-Apr-11	14.90	1672.95	3.39%	3.17%
Last 1 Year	29-Oct-10	14.47	1630.21	6.45%	5.87%
Last 2 Years	30-Oct-09	13.66	1548.15	6.19%	5.59%
Last 3 Years	31-Oct-08	11.89	1409.09	9.02%	7.00%
Last 4 Years	31-Oct-07	11.52	1368.14	7.53%	5.98%
Last 5 Years	31-Oct-06	10.66	1290.27	7.65%	5.99%
Since Inception	2-Mar-04	10.00	1193.20	5.80%	4.93%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

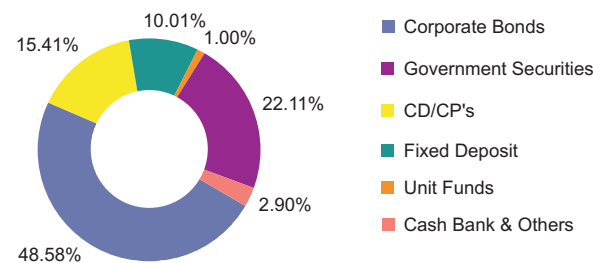
Rating Profile



Maturity Profile



Asset Allocation



Pension Liquid Fund

ULGF 003 02/03/04 L1 110

FundAssure, Investment Report, October 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 Oct, 2011 : ₹15.82

Benchmark : CRISIL Liquid Fund Index -100%

Investment Style

Credit Quality			Interest Rate Sensitivity
High	Mid	Low	
			High
			Mid
			Low

Portfolio

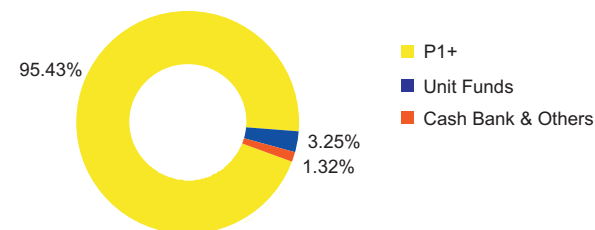
Instrument	Rating	% of NAV
CD/CP's		95.43
Corporation Bank 2012 - CD	P1+	9.14
State Bank of India 2012 - CD	P1+	8.99
IDBI Bank 2011 - CD	P1+	8.55
Oriental Bank Of Commerce 2012 - CD	P1+	7.73
Punjab National Bank 2012 - CD	P1+	7.73
Syndicate Bank 2012 - CD	P1+	6.92
Federal Bank 2012 - CD	P1+	6.73
Vijaya Bank 2012 - CD	P1+	6.70
ICICI Bank 2012 - CD	P1+	5.32
Axis Bank 2012 - CD	P1+	4.90
Canara Bank 2012 - CD	P1+	4.59
State Bank of Hyderabad 2012 - CD	P1+	4.11
Bank of India 2012 - CD	P1+	3.20
Axis Bank 2012 - CD	P1+	2.77
State Bank of Travancore 2012 - CD	P1+	2.70
Aditya Birla Finance Ltd 2011 - CP	P1+	2.15
ICICI Bank 2012 - CD	P1+	2.13
State Bank of Patiala 2011 - CD	P1+	1.07
Unit Fund's		3.25
HDFC Cash Management Fund - Savings Plan-Gr		3.25
Cash Bank & Others		1.32
Total		100.00

Fund Performance

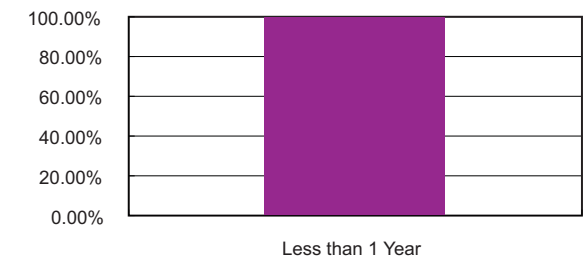
PERIOD	DATE	NAV	Crisil Liquid Fund Index	NAV Change	INDEX Change
Last 6 Months	29-Apr-11	15.17	1666.56	4.29%	4.03%
Last 1 Year	29-Oct-10	14.69	1605.61	7.72%	7.98%
Last 2 Years	30-Oct-09	13.98	1539.04	6.37%	6.14%
Last 3 Years	31-Oct-08	13.00	1448.67	6.77%	6.17%
Last 4 Years	31-Oct-07	11.98	1344.93	7.20%	6.55%
Last 5 Years	31-Oct-06	11.05	1252.09	7.44%	6.73%
Since inception	25-May-04	10.00	1113.63	6.36%	6.13%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

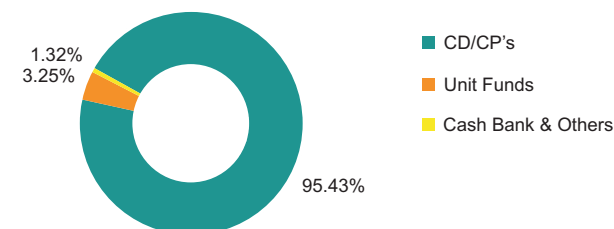
Rating Profile



Maturity Profile



Asset Allocation



Pension Short Term Income Fund

ULGF 004 01/07/06 S1 110

FundAssure, Investment Report, October 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 Oct, 2011 : ₹13.77

Benchmark : CRISIL India Short Term Bond Index -100%

Investment Style

Credit Quality			Interest Rate Sensitivity
High	Mid	Low	
			High
			Mid
			Low

Portfolio

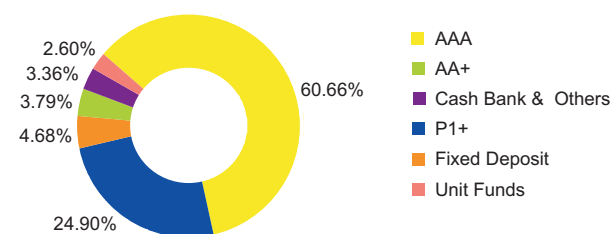
Instrument	Rating	% of NAV
Corporate Bonds		64.45
7.76% LIC Housing Finance Ltd. 2012	AAA	12.28
7.90% RECL 2012	AAA	10.25
7.40% Infrastructure 2012	AAA	9.23
2% Tata Motors Ltd 2014	AAA	7.69
10.40% ICICI Sec Prim Deal Ltd 2013	AAA	5.26
9.20% Power Grid 2013	AAA	5.17
9.25% DR Reddy's Lab Ltd 2014	AA+	3.79
9.68% IRFC 2012	AAA	3.65
9.50% NABARD 2012	AAA	2.60
8.25% Britannia Industries Ltd 2013	AAA	2.47
7.74% Tata Communications Ltd 2012	AAA	2.07
CD/CP's		24.90
State Bank of Patiala 2011 - CD	P1+	7.74
IDBI Bank 2011 - CD	P1+	5.13
Oriental Bank of Commerce 2012 - CD	P1+	5.02
Syndicate Bank CD - 2012	P1+	4.54
State Bank of Hyderabad 2012 - CD	P1+	2.47
Fixed Deposit		4.68
9.50% State Bank of Hyderabad 2014		4.68
Unit Fund's		2.60
HDFC Cash Management Fund - Savings Plan-Gr		2.60
Cash Bank & Others		3.36
Total		100.00

Fund Performance

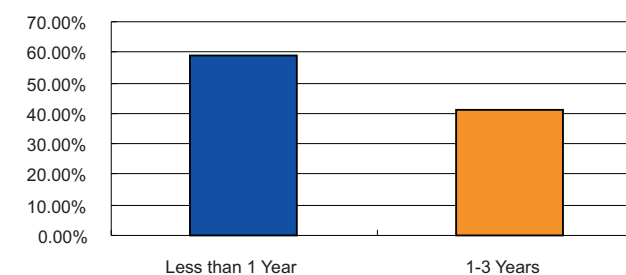
PERIOD	DATE	NAV	CRISIL Short-Term Bond Index	NAV Change	INDEX Change
Last 6 Months	29-Apr-11	13.21	1725.16	4.22%	4.05%
Last 1 Year	29-Oct-10	12.84	1675.18	7.21%	7.16%
Last 2 Years	30-Oct-09	12.19	1597.95	6.29%	5.99%
Last 3 Years	31-Oct-08	10.96	1449.61	7.92%	7.39%
Last 4 Years	31-Oct-07	10.35	1365.88	7.40%	7.07%
Last 5 Years	31-Oct-06	9.98	1271.06	6.66%	7.15%
Since Inception	3-Jul-06	10.00	1242.33	6.18%	7.15%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

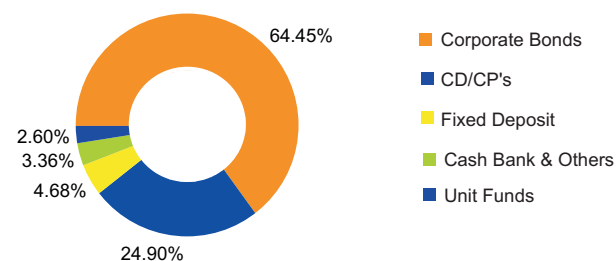
Rating Profile



Maturity Profile



Asset Allocation



Pension Bond Fund

ULGF 005 17/08/07 BO 110

FundAssure, Investment Report, October 2011



A new look at life

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 Oct, 2011 : ₹13.14

Benchmark : CRISIL Composite Bond Index -100%

Investment Style

Credit Quality			Interest Rate Sensitivity
High	Mid	Low	
			High
			Mid
			Low

Portfolio

Instrument	Rating	% of NAV
Government Securities		
7.83% GOI 2018	Sovereign	14.78
7.80% GOI 2021	Sovereign	5.91
6.35% GOI 2024	Sovereign	1.83
7.00% GOI 2012	Sovereign	1.70
Corporate Bonds		
2.00% Indian Hotels Company Ltd 2014	AA+	5.19
9.50% HDFC Ltd. 2013	AAA	4.83
7.45% LIC Housing 2012	AAA	4.54
9.48% RECL 2021	AAA	4.53
9.50% United Phosphorus LTD 2015	AA+	4.00
9.25% DR Reddy's Lab Ltd 2014	AA+	3.81
8.80% Tata Sons 2015	AAA	3.36
9.95% State Bank of India 2026	AAA	2.88
9.80% ICICI Bank 2013	AAA	2.31
9.35% PGC Ltd 2021	AAA	2.25
10.70% Sundaram Finance Ltd 2014	AA+	1.76
6.98% IRFC 2012	AAA	1.60
9.64% PGC Ltd 2015	AAA	1.44
9.64% PGC Ltd 2016	AAA	1.44
9.64% PGC Ltd 2018	AAA	1.44%

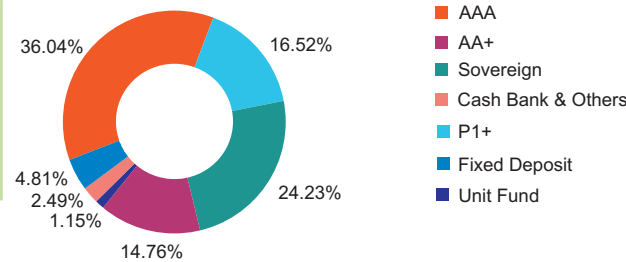
Instrument	Rating	% of NAV
9.64% PGC Ltd 2021	AAA	1.43
9.20% Larsen & Toubro 2012	AAA	1.15
9.30% Tata Sons 2015	AAA	1.14
7.76% LIC Housing 2012	AAA	0.91
9.45% LIC Housing 2012	AAA	0.46
9.09% IRFC 2026	AAA	0.33
CD/CP's		
16.52		
ICICI Bank 2012 - CD	P1+	4.83
State Bank of Patiala 2011 - CD	P1+	3.43
Bank of Baroda 2011 - CD	P1+	2.58
Canara Bank 2011 - CD	P1+	2.28
Axis Bank 2012 - CD	P1+	2.27
Bank of Baroda 2011 - CD	P1+	1.14
Fixed Deposit		
4.81		
10.00% State Bank of Travancore 2013		3.42
9.50% State Bank of Hyderabad 2014		1.38
Unit Fund		
1.15		
HDFC Cash Management Fund - Savings Plan-Gr		1.15
Cash Bank & Others		
2.49		
Total		100.00

Fund Performance

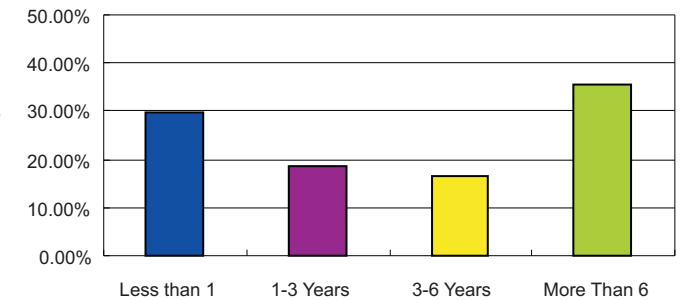
PERIOD	DATE	NAV	Crisil Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	29-Apr-11	12.73	1672.95	3.24%	3.17%
Last 1 Year	29-Oct-10	12.36	1630.21	6.33%	5.87%
Last 2 Years	30-Oct-09	11.64	1548.15	6.26%	5.59%
Last 3 Years	31-Oct-08	10.36	1409.09	8.25%	7.00%
Last 4 Years	31-Oct-07	10.07	1368.14	6.88%	5.98%
Since Inception	17-Aug-07	10.00	1339.53	6.70%	6.21%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

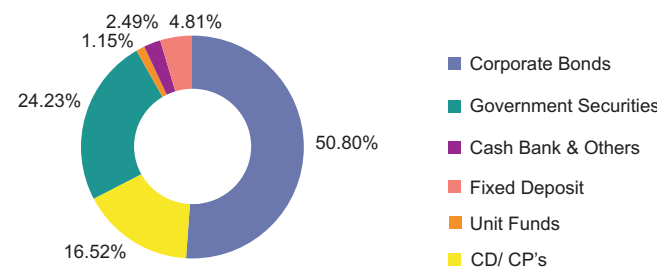
Rating Profile



Maturity Profile



Asset Allocation



Pension Schemes

Pension Balance Fund

ULGF 006 17/08/07 BL 110

FundAssure, Investment Report, October 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 Oct, 2011 : ₹12.71

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 6 Months	29-Apr-11	12.57	1.12%	2.12%
Last 1 Year	29-Oct-10	12.41	2.46%	4.14%
Last 2 Years	30-Oct-09	11.51	5.08%	5.66%
Last 3 Years	31-Oct-08	9.98	8.42%	8.56%
Last 4 Years	31-Oct-07	10.20	5.65%	5.13%
Since Inception	17-Aug-07	10.00	5.87%	6.22%

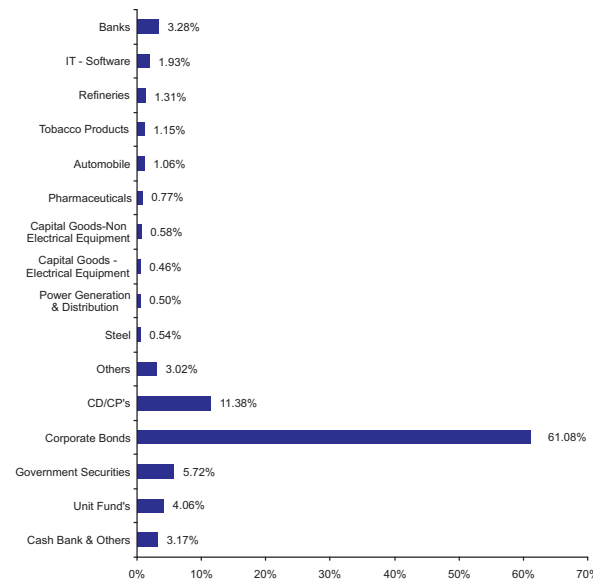
Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

Portfolio

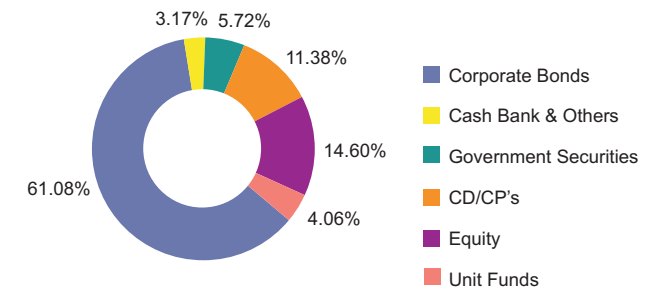
Instrument	Industry	% of NAV
Equity		14.60
Infosys Ltd	IT - Software	1.17
Reliance Industries Ltd	Refineries	1.16
ITC Ltd	Tobacco Products	1.15
ICICI Bank Ltd	Banks	0.88
Housing Development Finance Corp Bank	Banks	0.83
Larsen And Toubro Ltd	Capital Goods-Non Electrical Equipment	0.57
State Bank Of India	Banks	0.52
Tata Consultancy Services Ltd	IT - Software	0.50
Oil & Natural Gas Corp Ltd	Crude Oil & Natural Gas	0.45
Mahindra And Mahindra Ltd	Automobile	0.41
Other Equity		6.96
Corporate Bonds		61.08
8.28% LIC Housing 2015	AAA	9.08
9.95% State Bank Of India 2026	AAA	5.74
7.75% RECL 2012	AAA	5.58
8.80% Power Grid 2015	AAA	4.93
8.70% PFC 2015	AAA	4.60
9.97% IL&FS 2016	AAA	4.10
8.35% HDFC 2015	AAA	3.90
9.20% HDFC 2012	AAA	3.38
7.90% RECL 2012	AAA	3.07
9.40% NABARD 2016	AAA	2.68

Instrument	Industry	% of NAV
9.30% Tata Sons 2015	AAA	2.67
9.20% Power Grid 2015	AAA	2.67
8.40% HDFC 2014	AAA	1.96
9.25% DR Reddy's LAB Ltd 2014	AA+	1.74
10.40% ICICI Sec Prim		
Deal Ltd 2013	AAA	1.37
9.50% NABARD 2012	AAA	1.35
9.09 % IRFC Ltd 2026	AAA	1.31
9.80% PFC 2012	AAA	0.68
8.83% IRFC 2012	AAA	0.27
CD/CP's		11.38
Bank of Baroda 2011 - CD	P1+	4.71
PNB 2012 - CD	P1+	4.00
Bank of Baroda 2011 - CD	P1+	2.68
Government Securities		5.72
7.83% GOI 2018	Sovereign	2.57
7.80% GOI 2021	Sovereign	1.89
8.30% GOI 2040	Sovereign	1.26
Unit Fund's		4.06
HDFC Cash Management Fund - Savings Plan-Gr		4.06
Cash Bank & Others		3.17
Total		100.00

Sector Allocation



Asset Allocation



Pension Growth Fund

ULGF 007 17/08/07 G2 110

FundAssure, Investment Report, October 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 Oct, 2011 : ₹12.60

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

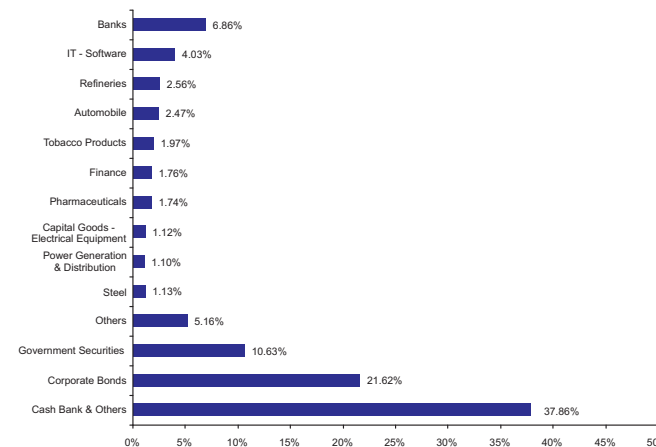
PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	29-Apr-11	12.66	-0.51%	0.01%
Last 1 Year	29-Oct-10	12.71	-0.91%	0.67%
Last 2 Years	30-Oct-09	11.55	4.43%	5.81%
Last 3 Years	31-Oct-08	9.49	9.89%	11.70%
Last 4 Years	31-Oct-07	10.00	5.94%	3.43%
Since Inception	17-Aug-07	10.00	5.64%	6.26%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

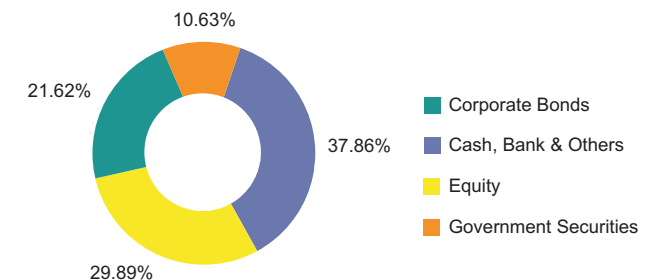
Portfolio

Instrument	Industry	% of NAV
Equity		29.89
Infosys Ltd	IT - Software	2.42
Reliance Industries Ltd	Refineries	2.21
ICICI Bank Ltd	Banks	2.09
HDFC Bank	Banks	2.06
ITC Ltd	Tobacco Products	1.97
State Bank of India	Banks	1.33
Tata Consultancy Services Ltd	IT - Software	1.06
HDFC Ltd	Finance	1.06
Larsen And Toubro Ltd	Capital Goods-Non	0.99
	Electrical Equipment	0.88
Bharti Airtel Ltd	Telecomm-Service	0.88
Other Equity		13.83
Government Securities		10.63
7.83% GOI 2018	Sovereign	10.63
Corporate Bonds		21.62
8.28% LIC Housing 2015	AAA	10.73
7.40% Infrastructure 2012	AAA	5.52
8.30% HDFC Ltd 2015	AAA	5.37
Cash Bank & Others		37.86
Total		100.00

Sector Allocation



Asset Allocation



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Peninsula Corporate Park,
Ganpatrao Kadam Marg,
Lower Parel, Mumbai 400 013

Disclaimer

1. The fund is managed by Tata AIG Life Insurance Company Ltd. (hereinafter the "Company").
2. Past performance is not indicative of future performance. Returns are calculated on an absolute basis for a period of less than (or equal to) a year, with reinvestment of dividends (if any).
3. All investments made by the Company are subject to market risks. The Company does not guarantee any assured returns. The investment income and price may go down as well as up depending on several factors influencing the market.
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7. Various funds offered under this contract are the names of funds and do not, in any way, indicate the quality of the plans, their future prospects & returns.
8. Premium paid in ULIPs are subject to Investment risks associated with capital markets & the NAV of the units may go up or down based on the performance of the fund and factors influencing capital markets & the insured is responsible for his/her decision.
9. ULIP products are different from traditional Life Insurance products and are subject to risk factors.
10. Interest Rate Sensitivity
Less than 3 year duration - Low
3 to 10 years duration - Medium
more than 10 years duration - High
11. Shading indicates the general representative nature of the portfolio to a particular style or cap".
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

