

# Fund Assure

*Investment Report, August 2012*



## From the CIO's Desk

Fund Assure, Investment Report, August 2012



**Dear Friends,**

**The month of August 2012 saw the benchmark indices; BSE Sensex and CNX Nifty gaining 1.12% and 0.56% respectively even as the Mid-cap index, CNX Mid-cap shed 1.43% during the same period.**

August 2012 was a relatively quiet month in terms of global news flow with the ECB and US Federal reserve making the right noises in an effort to shore up market sentiment. The month of September 2012 may not necessarily be as quiet with the market spotlight clearly on the ECB to detail its bond purchase program. Moreover, the negotiations of the troika with the Greek government on the release of the next tranche of its bailout funds is expected to be long drawn. The global markets are also factoring-in the possibility of quantitative easing from the US Federal reserve, sooner than later.

On the domestic front, the GDP growth for the first quarter FY 2012-13 came in at 5.5% on a year on year basis, marginally better than the consensus of 5.2%, aided by a better than expected agriculture growth number of 2.9% and a robust construction growth of 10.9% on a year on year basis. Going forward, the economic growth trajectory would show a sustainable up tick only if there are meaningful steps taken to consolidate the fiscal deficit, ease supply side bottlenecks and implement structural reforms- all of which could facilitate the RBI to bring down interest rates in the economy.

The Index of Industrial Production (IIP) for June 2012 came in at a disappointing negative 1.8% as against a consensus of 0.4% growth. The muted June 2012 IIP print is a confirmation of the continued weakness in the economic activity. Going forward, we could expect some support to the IIP numbers due to favorable base effects but that could be offset to a large extent by the weak industrial momentum, as seen by the fall in the exports new orders index and a contraction in non-oil imports.

The Wholesale Price Index (WPI) inflation for the month of July 2012 showed a positive surprise by clocking 6.87%, lower than the consensus of 7.2%. Optically the July 2012 inflation can be seen as a positive but there are concerns visible if one were to analyze beyond the headline number as there are significant upside risks to inflation in the near term.

There has been some optimism on the monsoon situation in recent weeks as there has been a visible all-round pick up in the South west monsoons with the cumulative rainfall till August 29<sup>th</sup> 2012 improving to 12% below normal. An improvement in monsoons is a clear positive for the Indian economy as the monsoon rains are a key for the agricultural production which accounts for around 15% of the GDP. It also keeps a lid on the food inflation levels and helps in maintaining a buoyant rural demand.

The monsoon session of Parliament has largely been a non-starter as little business has been transacted following the CAG's report on coal block sanctions. The window for much needed reforms has narrowed considerably with optimists still expecting the Government to push through the diesel price hike; FDI in Aviation sector and revive the investment cycle through speedy clearances of key infra projects between the conclusion of the monsoon session of Parliament and the state elections in Gujarat.

We continue to believe that the equity markets trade at reasonable valuations and offer an attractive entry point for a long-term investor with a 3-5 year view.

**Saravana Kumar**  
Chief Investment Officer

Pension Schemes

**TATA AIA**  
L I F E

## Market Outlook - Debt

Fund Assure, Investment Report, August 2012

The month of August 2012 saw the benchmark 10 year Government security (G-sec) trading range bound between 8.13% to 8.27%.

The month of August started on a positive note, with the G-sec market cheering the statements by the Finance minister on fiscal consolidation, addressing supply concerns, reviewing ambiguous tax proposals as well as raising investment levels. The 10 year benchmark eased by around 10 basis points in a knee jerk reaction and this largely helped the first few auctions for the month to sail through. The gains in the G-sec market could not sustain as there were a series of statements from the RBI which emphasized that inflation mitigation was still their key priority in the current macro-environment. The heavy borrowing calendar of Rs.75,000 crores also added pressure in the market, especially in the second half of the month.

The corporate bond yield eased by around 5 basis points during the month to close the month of August 2012 at 9.15%-9.25% levels. As a consequence, the corporate bond spread over the new benchmark 10 year G-sec stood at 80-85 Bps.

The WPI inflation for the month of July 2012 softened to 6.87%, lower than the June 2012 WPI inflation reading of 7.25%. Another positive on the headline inflation front was the fact that the provisional May 2012 WPI inflation did not see any upward revisions as was the norm in the past. However, much of the moderation in the headline WPI inflation was due to a sharp decline in the level of fuel and power inflation, which came in at 5.98% in July 2012 as against the 10.27% registered in the month of June. Going forward, we could see the fuel inflation back to elevated levels as the international price of crude oil has hardened over the last few weeks. The favorable base effect could also vanish in the near future as the government would need to raise the prices of diesel and kerosene to contain the ballooning subsidy bill in an effort to rein in the fiscal deficit. Thus, the muted fuel inflation in the month of July 2012, reflects the suppressed inflation in oil, electricity and coal on account of incomplete or delayed pass-through in prices in the economy. Hence the electricity tariff revisions coupled with the expected fuel price hike would result in the elevated fuel price inflation prints in the near future.

On the liquidity front, the Liquidity Adjustment Facility -LAF continued to be the primary mode of liquidity injection, maintaining a shortfall of around

Rs.0.3-0.5 trillion during the month of August 2012, well within the RBIs comfort zone of 1% of the NDTL(Net demand and time liabilities).

The GDP growth for the first quarter FY 2012-13 came in at 5.5%, marginally better than the consensus estimate of 5.2%. Manufacturing sector grew by a tepid 0.2% year on year as compared to a robust 7.3% in the same quarter last year, reflecting a broad based industrial slowdown. Services sector was powered by a robust 10.8% growth registered in the heavyweight financing, insurance, real estate & business services sector as against an equally impressive 9.4% growth in this segment the same quarter last year.

Going forward, we could expect the GDP growth to remain weak, lower than RBI's GDP growth projection of 6.5% for FY 2012-13. Apart from a slowdown in investments and problems of large twin deficits, there are significant upside risks to headline inflation. Despite the slowdown in the GDP growth, the RBI would not be able to bring down interest rates at a rapid pace as the inflation has tended to be sticky at elevated levels.

We could expect some slippage in the government's budgeted fiscal deficit due to a slowing domestic growth and slippages on both revenues and expenditure number and this would inevitable mean a higher than budgeted borrowings for the second half of FY 2013. The spectre of a large fiscal deficit reduces the possibility of a policy push for investments as it could easily fuel inflationary pressures. Additionally, higher quantum of government borrowings have a tendency to crowd out private investment demand and raise the borrowing costs for more productive sectors of the economy.

The market expects the RBI to hold the policy rates in their September 17<sup>th</sup> mid-quarter monetary policy review as the headline and retail inflation is clearly above the RBIs comfort zone and unless credible steps are initiated for fiscal consolidation, the RBI has little space for further monetary action in response to the sharply moderating economic activity.

Considering the measures taken by RBI on the liquidity front which has lead to a receding possibility of OMOs in the near term, as well as clear indications of a possible slippage in the budgeted fiscal deficit of 5.1% of the GDP, we could expect the 10 year benchmark G-sec to be under pressure and trade in a range of 8.15-8.35% in the near term.

Pension Schemes

## Market Outlook - Equity

Fund Assure, Investment Report, August 2012

The month of August 2012 saw the benchmark indices, BSE Sensex and CNX Nifty gaining 1.12% and 0.56% respectively even as the Mid-cap index, CNX Mid cap shed 1.43% during the same period.

The FIIs were net buyers of Indian equity over the month of August 2012 to the tune of USD 1.80 billion and have invested around USD 12 billion in Indian equities, calendar year to date. The DIIs sold around USD 780 million of Indian equity over the month, with insurance companies and domestic mutual funds being net sellers to the tune of around USD 500 million and USD 280 million respectively. The insurance companies and mutual funds have sold USD 3.8 billion and USD 1.9 billion respectively, this calendar year to date.

There has been some reason to cheer on the monsoon situation in recent weeks, as the South west monsoons have finally picked up momentum, with the cumulative rainfall till August 29<sup>th</sup> 2012 improving to 12% below normal as compared to 29% below normal at end-June and 19% below normal as of July end. The improvement in monsoons has replenished the water stock in 84 major reservoirs, standing at around 100% of the 10 year average. Monsoon rains are a key for a robust farm output and help in maintaining a buoyant rural demand.

The July 2012 exports saw a sharp decline by 14.8% on a year on year basis and the imports declined by 7.6%, year on year. Monthly trade deficit widened to USD 15.5 billion as the decline in exports was much sharper than imports. Going forward, the muted global economic environment would weigh down India's

exports even as the INR depreciation could cushion the impact of the global slowdown to some extent. The moderation in domestic demand, import substitution in certain sectors and falling gold imports is expected to slow the non-oil imports.

The GDP growth for the first quarter FY2012-13 came in at 5.5% on a year on year basis, aided by a better than expected agriculture growth as well as robust performance of the construction segment. The gross fixed capital formation has been a concern in recent quarters due to a steep fall in the investment cycle resulting in muted capacity creation. The investment cycle has been stalled due to weak investor sentiment and a drop in business confidence as well as an increase in cost of capital due to high interest rates. In addition, the investment cycle has suffered due to global uncertainties and hindrances to key large ticket infra projects.

We could expect some reforms such as FDI in aviation sector and a diesel price hike, post the closure of the Monsoon session of parliament but the current political gridlock would mean that the market expectations of big ticket reforms such as FDI in multi-brand retail and raising FDI limits in the insurance sector may not be met. However, the weak global macro-environment does throw up the possibility of more quantitative easing from the US Federal reserve and the ECB and the flood of liquidity as a result, could support the equity markets in the near term.

The market offers the comfort of reasonable valuations at around 13 times one year forward price earnings. We believe that the Indian equities offer an attractive entry point for a long term investor with a 3-5 year view.

**Equity Fund**

**Short Term Fixed  
Income Fund**

**Income Fund**

**Liquid Fund**

**Bond Fund**

**Balanced Fund**

**Growth Fund**

**Maxima Fund**

**Pension Schemes**

# Equity Fund

ULGF 001 02/03/04 E1 110

FundAssure, Investment Report, August 2012

## Fund Details

**Investment Objective** : The primary investment objective of the fund is to generate long term capital appreciation from a portfolio that is invested predominantly in equity and equity linked securities.

**Fund Manager** : Mr. Saravana Kumar

**NAV as on 31 August, 12** : ₹32.6493

**Benchmark** : BSE Sensex - 100%

## Investment Style

Investment Style			
Value	Blend	Growth	Size
			Large
			Mid
			Small

## Portfolio

Instrument	Industry/Rating	% Of NAV
<b>Equity</b>		<b>96.23</b>
ITC Ltd.	Tobacco Products	9.38
HDFC Bank Ltd.	Banks	7.82
ICICI Bank Ltd.	Banks	7.11
Reliance Industries Ltd	Refineries	6.98
Infosys Technologies Ltd.	IT - Software	5.38
Tata Consultancy Services Ltd.	IT - Software	4.71
Oil and Natural Gas Corpn Ltd.	Crude Oil & Natural Gas	3.38
State Bank of India	Banks	3.22
Larsen and Toubro Ltd	Capital Goods-Non Electrical	3.18
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	3.05
HDFC Ltd.	Finance	2.96
Tata Motors Ltd.	Automobile	2.46
Mahindra and Mahindra Ltd.	Automobile	2.27
Coal India Ltd	Mining & Mineral Products	2.16
Nestle India Ltd.	FMCG	2.03
Dr. Reddys Laboratories Ltd.	Pharmaceuticals	1.91
IDFC Ltd.	Finance	1.88

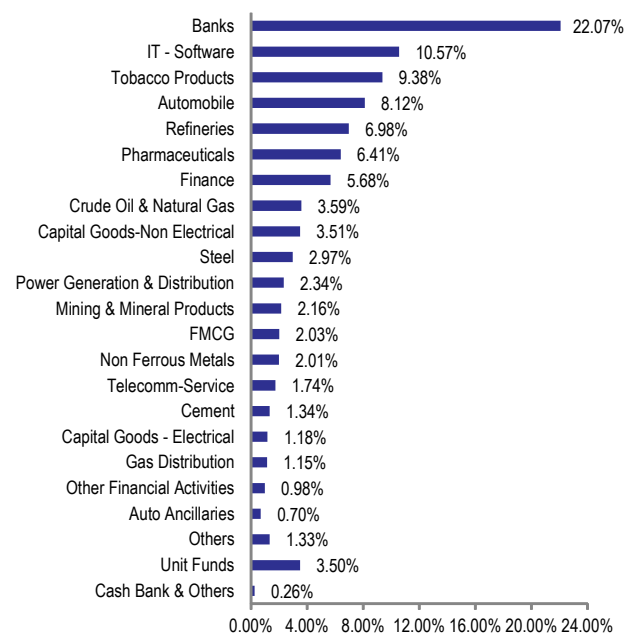
Instrument	Industry/Rating	% Of NAV
Axis Bank Ltd.	Banks	1.78
Tata Steel Ltd.	Steel	1.74
Bharti Airtel Ltd.	Telecomm-Service	1.74
Bajaj Auto Ltd.	Automobile	1.56
Cipla Ltd.	Pharmaceuticals	1.45
Jindal Steel and Power Ltd.	Steel	1.23
Maruti Suzuki India Ltd.	Automobile	1.20
GAIL (India) Ltd.	Gas Distribution	1.15
Sterlite Industries ( India ) Ltd.	Non Ferrous Metals	1.10
Power Grid Corporation of India Ltd.	Power Generation & Distribution	1.05
NTPC Ltd.	Power Generation & Distribution	1.03
Kotak Mahindra Bank Ltd.	Banks	1.01
Other Equity below 1% corpus		10.31
<b>Unit Funds</b>		<b>3.50</b>
Reliance Liquid Fund-Treasury Plan-Inst Gr Option		3.50
<b>Cash Bank &amp; Others</b>		<b>0.26</b>
<b>Total</b>		<b>100.00</b>

## Fund Performance

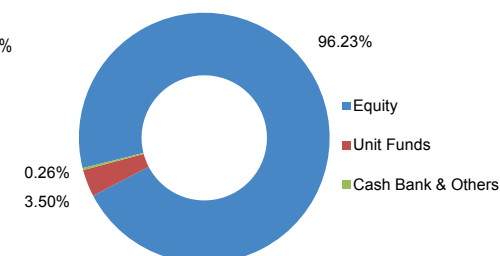
PERIOD	DATE	NAV	BSE Sensex	NAV Change	INDEX Change
Last 6 Months	29-Feb-12	33.4592	17752.68	-2.42%	-1.82%
Last 1 Year	30-Aug-11	31.3364	16676.75	4.19%	4.51%
Last 2 Years	31-Aug-10	34.6518	17971.12	-2.93%	-1.52%
Last 3 Years	31-Aug-09	28.4279	15666.64	4.72%	3.62%
Last 4 Years	29-Aug-08	26.4956	14564.53	5.36%	4.59%
Last 5 Years	31-Aug-07	29.9021	15318.60	1.77%	2.62%
Since Inception	29-Mar-04	10.0000	5571.37	15.07%	14.49%

**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 Schemes

# Short Term Fixed Income Fund

ULGF 004 01/07/06 S1 110

FundAssure, Investment Report, August 2012

## Fund Details

**Investment Objective** : Short Term Fixed Income Fund is a unit linked fund devised with the objective of generating stable returns by investing in fixed income securities having shorter maturity periods. Under normal circumstances, the average maturity of the fund may be in the range of 1-3 years.

**Fund Manager** : Mr. Saravana Kumar

**NAV as on 31 August, 12** : ₹14.8352

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

## Investment Style

Credit Quality			Interest Rate Sensivity
High	Mid	Low	
			High
			Mid
			Low

## Portfolio

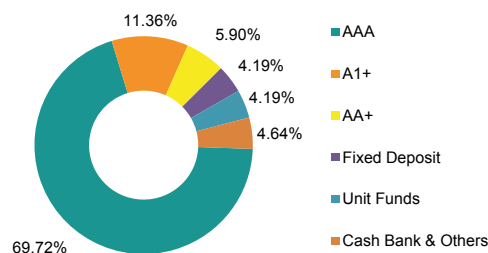
Instrument	Industry/Rating	% of NAV
<b>CD/CP's</b>		<b>11.36</b>
Kotak Mahindra Prime Ltd. CP 07-Mar-13	A1+	7.08
Indiabulls Fin. Services Ltd. CP 17-Jul-13	A1+	4.28
<b>Corporate Bonds</b>		<b>75.62</b>
7.90% REC Ltd. 06-Oct-12	AAA	9.29
9.75% IDFC Ltd. 11-Jul-14	AAA	7.98
2.00% Tata Motors Ltd. 31-Mar-14	AAA	7.36
9.40% NHB 10-Jan-15	AAA	7.00
8.25% Britannia Industries Ltd. 22-Mar-13	AAA	6.87
7.76% LIC Housing Finance Ltd. 06-Nov-12	AAA	6.49
9.25% Dr Reddy's Lab Ltd. 24-Mar-14	AA+	5.90
10.40% ICICI Sec Prim Deal Ltd. 27-Jun-13	AAA	4.70
9.63% PFC Ltd. 15-Dec-14	AAA	4.69
9.55% HDFC Ltd. 11-Apr-13	AAA	4.66
9.20% PGC Ltd. 12-Mar-13	AAA	4.65
8.40% HDFC Ltd. 08-Dec-14	AAA	2.75
9.50% NABARD 15-Oct-12	AAA	2.33
11.40% PFC Ltd. 28-Nov-13	AAA	0.95
<b>Fixed Deposit</b>		<b>4.19</b>
9.50% State Bank Of Hyderabad FD 04-Jan-14		4.19
<b>Unit Funds</b>		<b>4.19</b>
Kotak Liquid Inst Premium-Growth		4.19
<b>Cash Bank &amp; Others</b>		<b>4.64</b>
<b>Total</b>		<b>100.00</b>

## Fund Performance

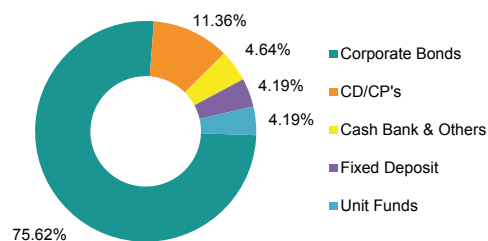
PERIOD	DATE	NAV	CRISIL Short-Term Bond Index	NAV Change	INDEX Change
Last 6 Months	29-Feb-12	14.1397	1847.91	4.92%	4.54%
Last 1 Year	30-Aug-11	13.6055	1774.44	9.04%	8.87%
Last 2 Years	31-Aug-10	12.7741	1662.57	7.77%	7.79%
Last 3 Years	31-Aug-09	12.0594	1583.39	7.15%	6.85%
Last 4 Years	29-Aug-08	10.6863	1431.80	8.55%	7.78%
Last 5 Years	31-Aug-07	10.1014	1341.94	7.99%	7.56%
Since Inception	3-Jul-06	10.0000	1242.33	6.60%	7.42%

**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.

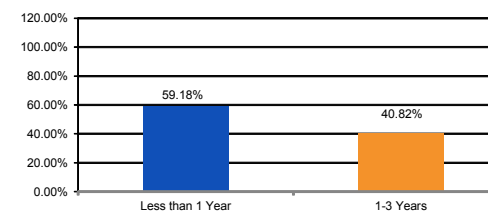
## Rating Profile



## Asset Allocation



## Maturity Profile



Pension Schemes

# Income Fund

ULGF 002 02/03/04 11 110

FundAssure, Investment Report, August 2012

## Fund Details

**Investment Objective** : The primary investment objective of the fund is to generate income through investing in a range of debt and money market instruments of various maturities with a view to maximizing the optimal balance between yield, safety and liquidity. The fund will have no investments in equity or equity linked instruments at any point in time.

**Fund Manager** : Mr. Saravana Kumar

**NAV as on 31 August, 12** : ₹16.8449

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

## Investment Style

Credit Quality			Interest Rate Sensivity
High	Mid	Low	
			High
			Mid
			Low

## Portfolio

Instrument	Industry/Rating	% of NAV
<b>CD/CP's</b>		
Corporation Bank CD 15-Mar-13	A1+	4.49
Canara Bank CD 28-Mar-13	A1+	3.06
Bank of Baroda CD 27-Feb-13	A1+	0.62
State Bank of Hyderabad CD 27-Feb-13	A1+	0.62
Vijaya Bank CD 04-Mar-13	A1+	0.62
<b>Government Securities</b>		
8.83% GOI 12-Dec-41	Sovereign	8.09
8.15% GOI 11-Jun-22	Sovereign	5.32
8.19% GOI 16-Jan-20	Sovereign	4.20
8.33% GOI 09-Jul-26	Sovereign	3.47
8.33% GOI 07-Jun-36	Sovereign	0.73
8.79% GOI 08-Nov-21	Sovereign	0.38
7.38% GOI 03-Sep-15	Sovereign	0.33
<b>Corporate Bonds</b>		
2.00% Tata Steel Ltd. 23-Apr-22	AA	3.90
9.70% HDFC Ltd. 07-Jun-17	AAA	3.54
8.80% Tata Sons Ltd. 21-Sep-15	AAA	2.96
9.35% PGC Ltd. 29-Aug-16	AAA	2.50
9.5% United Phosphorus Ltd. 12-Jan-15	AA+	2.50
7.95% IDFC Ltd. 04-May-14	AAA	2.44
9.57% IRFC Ltd. 31-May-21	AAA	2.31
9.30% SAIL 23-Aug-21	AAA	2.25
9.30% PGC Ltd. 28-Jun-21	AAA	2.25
9.40% LIC Housing Finance Ltd. 20-12-13	AAA	2.24
0.00% HDFC Ltd. 30-Aug-13	AAA	2.15
<b>Total</b>		<b>100.00</b>

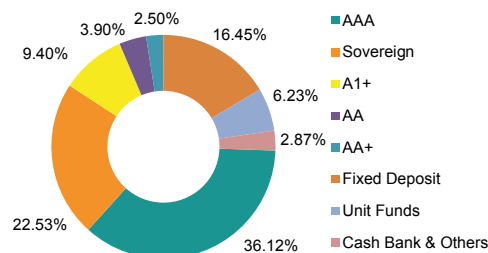
Instrument	Industry/Rating	% of NAV
9.48% REC Ltd. 10-Aug-21	AAA	1.77
9.40% NABARD 31-Jul-15	AAA	1.75
7.2% REC Ltd. 17-Sep-12	AAA	1.49
9.30% PGC Ltd. 28-Jun-22	AAA	1.25
9.00% NTPC Ltd. 25-Jan-23	AAA	1.22
8.25% Britannia Industries Ltd. 22-Mar-13	AAA	0.99
8.50% PFC Ltd. 15-Dec-14	AAA	0.98
10.75% REC Ltd. 24-Jul-13	AAA	0.76
9.64% PGC Ltd. 31-May-21	AAA	0.64
9.64% PGC Ltd. 31-May-18	AAA	0.63
9.64% PGC Ltd. 31-May-16	AAA	0.63
9.64% PGC Ltd. 31-May-15	AAA	0.63
8.80% SAIL 26-Oct-15	AAA	0.49
9.40% NABARD 30-Mar-14	AAA	0.25
<b>Fixed Deposit</b>		
10.70% Punjab National Bank FD 29-Mar-13		4.99
9.50% State Bank Of Hyderabad FD 04-Jan-14		3.49
10.70% Bank of Baroda FD 26-Mar-13		2.74
10.80% Canara Bank FD 22-Mar-13		2.74
10.70% Bank of Baroda FD 22-Mar-13		2.49
<b>Unit Funds</b>		
Kotak Liquid Inst Premium-Growth		4.88
Reliance Liquid Fund-Treasury Plan-Inst Gr Option		1.35
<b>Cash Bank &amp; Others</b>		
<b>Total</b>		<b>100.00</b>

## Fund Performance

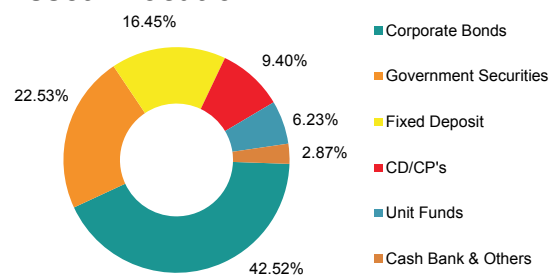
PERIOD	DATE	NAV	Crisil Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	29-Feb-12	16.1186	1790.26	4.51%	4.06%
Last 1 Year	30-Aug-11	15.3406	1713.36	9.81%	8.73%
Last 2 Years	31-Aug-10	14.3586	1618.71	8.31%	7.28%
Last 3 Years	31-Aug-09	13.5079	1530.92	7.64%	6.76%
Last 4 Years	29-Aug-08	11.7567	1393.70	9.41%	7.52%
Last 5 Years	31-Aug-07	11.2337	1341.12	8.44%	6.79%
Since Inception	2-Mar-04	10.0000	1193.20	6.32%	5.38%

**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.

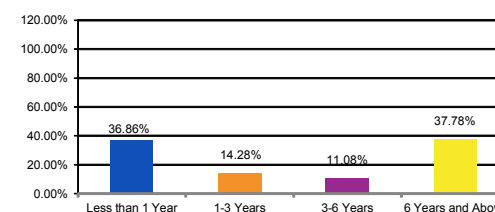
## Rating Profile



## Asset Allocation



## Maturity Profile



Pension Schemes



# Liquid Fund

ULGF 003 02/03/04 L1 110

FundAssure, Investment Report, August 2012

## Fund Details

**Investment Objective** : The primary investment objective of the fund is to provide reasonable returns, commensurate with low risk while providing a high level of liquidity, through investments made primarily in money market and debt securities. The fund will have no investments in equity or equity linked instruments at any point in time.

**Fund Manager** : Mr. Saravana Kumar

**NAV as on 31 August, 12** : ₹16.9925

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

## Investment Style

Credit Quality			Interest Rate Sensivity
High	Mid	Low	
			High
			Mid
			Low

## Portfolio

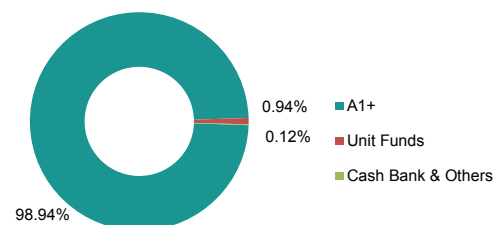
Instrument	Industry/Rating	% of NAV
<b>CD/CP's</b>		<b>98.94</b>
Bank of India CD 15-Feb-13	A1+	9.46
Bank of Baroda CD 27-Feb-13	A1+	9.43
State Bank of Hyderabad CD 27-Feb-13	A1+	9.43
Allahabad Bank CD 27-Feb-13	A1+	9.42
Vijaya Bank CD 04-Mar-13	A1+	9.39
Corporation Bank CD 15-Feb-13	A1+	9.24
Punjab National Bank CD 04-Feb-13	A1+	9.04
Kotak Mahindra Prime Ltd. CP 07-Mar-13	A1+	8.93
Canara Bank CD 12-Feb-13	A1+	8.57
Indian Bank CD 04-Feb-13	A1+	5.87
Indiabulls Fin. Services Ltd. CP 17-Jul-13	A1+	5.62
AXIS Bank CD 18-Jan-13	A1+	4.54
<b>Unit Funds</b>		<b>0.94</b>
Kotak Liquid Inst Premium-Growth		0.94
<b>Cash Bank &amp; Others</b>		<b>0.12</b>
<b>Total</b>		<b>100.00</b>

## Fund Performance

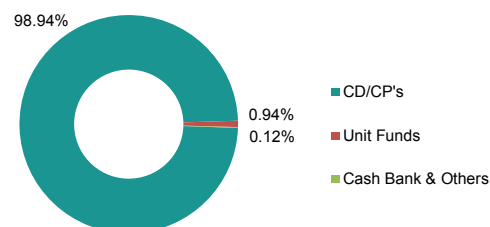
PERIOD	DATE	NAV	Crisil Liquid Fund Index	NAV Change	INDEX Change
Last 6 Months	29-Feb-12	16.2583	1782.95	4.52%	4.33%
Last 1 Year	30-Aug-11	15.6030	1710.36	8.91%	8.76%
Last 2 Years	31-Aug-10	14.5710	1590.19	7.99%	8.16%
Last 3 Years	31-Aug-09	13.8448	1532.04	7.07%	6.68%
Last 4 Years	29-Aug-08	12.8219	1426.33	7.29%	6.87%
Last 5 Years	31-Aug-07	11.7869	1329.00	7.59%	6.96%
Since inception	25-May-04	10.0000	1113.63	6.62%	6.40%

**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.

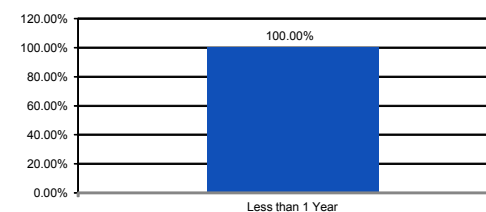
## Rating Profile



## Asset Allocation



## Maturity Profile



Pension Schemes

# Bond Fund

ULGF 005 17/08/07 BO 110

FundAssure, Investment Report, August 2012

## Fund Details

**Investment Objective** : The primary investment objective of the fund is to generate income through investing in a range of debt and money market instruments of various maturities with a view to maximizing the optimal balance between yield, safety and liquidity. The fund will have no investments in equity or equity linked instruments at any point in time.

**Fund Manager** : Mr. Saravana Kumar

**NAV as on 31 August, 12** : ₹14.3688

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

## Investment Style

Credit Quality			Interest Rate Sensivity
High	Mid	Low	
			High
			Mid
			Low

## Portfolio

Instrument	Industry/Rating	% of NAV
<b>CD/CP's</b> <b>13.32</b>		
Corporation Bank CD 15-Mar-13	A1+	5.63
Canara Bank CD 28-Mar-13	A1+	5.09
Punjab National Bank CD 04-Feb-13	A1+	2.59
<b>Government Securities</b> <b>22.80</b>		
8.19% GOI 16-Jan-20	Sovereign	10.17
8.83% GOI 12-Dec-41	Sovereign	6.72
8.33% GOI 09-Jul-26	Sovereign	2.15
8.15% GOI 11-Jun-22	Sovereign	2.14
7.00% GOI 09-Sep-12	Sovereign	1.62
<b>Corporate Bonds</b> <b>40.86</b>		
2.00% Indian Hotels Ltd. 09-Dec-14	AA+	5.22
8.25% Britannia Industries Ltd. 22-Mar-13	AAA	4.29
9.5% United Phosphorus Ltd. 12-Jan-15	AA+	3.79
8.80% Tata Sons Ltd. 21-Sep-15	AAA	3.20
9.30% SAIL 23-Aug-21	AAA	2.70
9.57% IRFC Ltd. 31-May-21	AAA	2.22
9.35% PGC Ltd. 29-Aug-21	AAA	2.17
9.30% SAIL 25-May-21	AAA	2.16
9.70% PFC Ltd. 15-Dec-18	AAA	1.76
10.70% Sundaram Finance Ltd. 06-Jun-14	AA+	1.65
9.48% REC Ltd. 10-Aug-21	AAA	1.64

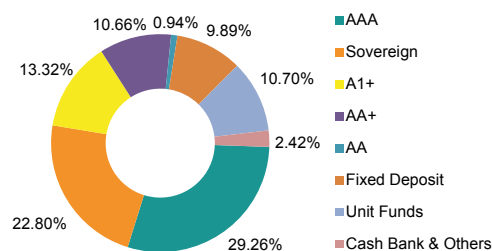
Instrument	Industry/Rating	% of NAV
9.64% PGC Ltd. 31-May-21	AAA	1.38
9.64% PGC Ltd. 31-May-18	AAA	1.37
9.64% PGC Ltd. 31-May-16	AAA	1.36
9.64% PGC Ltd. 31-May-15	AAA	1.36
9.40% NABARD 31-Jul-15	AAA	1.08
9.30% Tata Sons Ltd. 24-Dec-15	AAA	1.08
2.00% Tata Steel Ltd. 23-Apr-22	AA	0.94
7.76% LIC Housing Finance Ltd. 06-Nov-12	AAA	0.86
9.30% PGC Ltd. 28-Jun-21	AAA	0.54
9.75% SBI Series 3 Lower Tier II 16-Mar-21	AAA	0.08
<b>Fixed Deposit</b>		<b>9.89</b>
10.70% Bank of Baroda FD 22-Mar-13		3.24
10.00% State Bank Of Travancr FD 01-Mar-13		3.20
10.70% Bank of Baroda FD 26-Mar-13		2.16
9.50% State Bank Of Hyderabad FD 04-Jan-14		1.29
<b>Unit Funds</b>		<b>10.70</b>
Reliance Liquid Fund-Treasury Plan-Inst Gr Option		4.75
Kotak Liquid Inst Premium-Growth		4.75
UTI- Liquid Fund-Cash Plan-Inst Growth		1.21
<b>Cash Bank &amp; Others</b>		<b>2.42</b>
<b>Total</b>		<b>100.00</b>

## Fund Performance

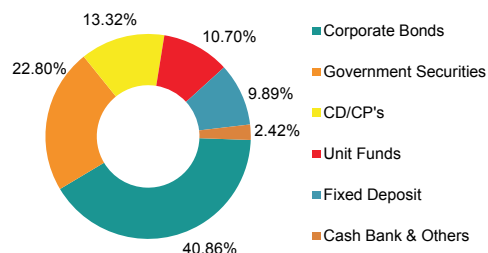
PERIOD	DATE	NAV	Crisil Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	29-Feb-12	13.7478	1790.26	4.52%	4.06%
Last 1 Year	30-Aug-11	13.0960	1713.36	9.72%	8.73%
Last 2 Years	31-Aug-10	12.2677	1618.71	8.23%	7.28%
Last 3 Years	31-Aug-09	11.5028	1530.92	7.70%	6.76%
Last 4 Years	29-Aug-08	10.2748	1393.70	8.75%	7.52%
Last 5 Years	31-Aug-07	10.0000	1341.12	7.52%	6.79%
Since Inception	17-Aug-07	10.0000	1339.53	7.45%	6.76%

**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.

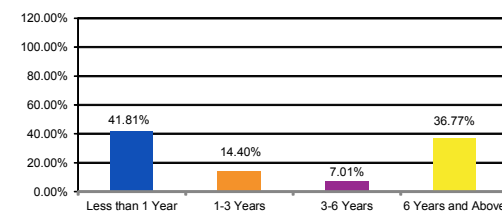
## Rating Profile



## Asset Allocation



## Maturity Profile



Pension Schemes

# Balanced Fund

ULGF 006 17/08/07 BL 110

FundAssure, Investment Report, August 2012

## Fund Details

**Investment Objective** : The objective of the fund is 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 August, 12** : ₹13.5302

**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			
Value	Blend	Growth	Size
			Large
			Mid
			Small

## Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	29-Feb-12	13.1486	2.90%	3.42%
Last 1 Year	30-Aug-11	12.5649	7.68%	8.37%
Last 2 Years	31-Aug-10	12.1709	5.43%	6.42%
Last 3 Years	31-Aug-09	11.4007	5.87%	6.49%
Last 4 Years	29-Aug-08	10.0475	7.71%	7.25%
Last 5 Years	31-Aug-07	10.0093	6.21%	6.44%
Since Inception	17-Aug-07	10.0000	6.18%	6.59%

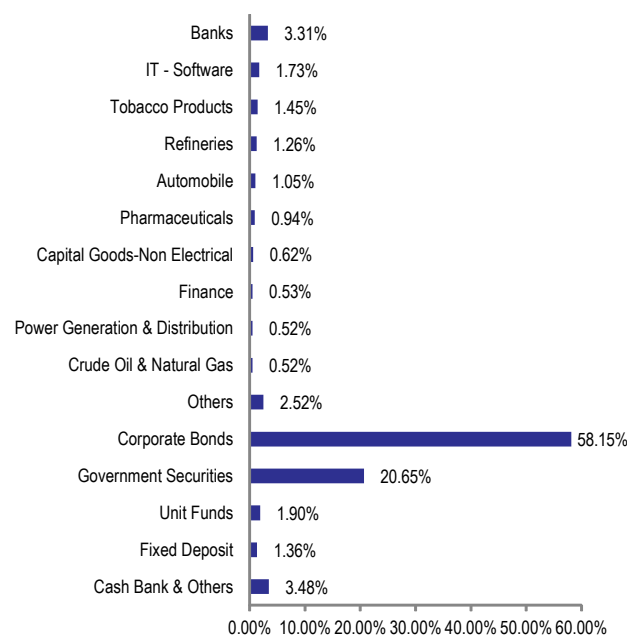
**Note** : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

## Portfolio

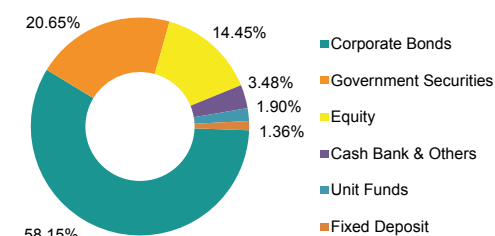
Instrument	Industry/Rating	% Of NAV
<b>Equity</b>		<b>14.45</b>
ITC Ltd.	Tobacco Products	1.45
Reliance Industries Ltd	Refineries	1.10
HDFC Bank Ltd.	Banks	1.01
ICICI Bank Ltd.	Banks	0.98
Infosys Technologies Ltd.	IT - Software	0.87
Tata Consultancy Services Ltd.	IT - Software	0.55
Larsen and Toubro Ltd	Capital Goods-Non Electrical	0.55
State Bank of India	Banks	0.50
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	0.45
Oil and Natural Gas Corpn Ltd.	Crude Oil & Natural Gas	0.45
Other Equity		6.55
<b>Government Securities</b>		<b>20.65</b>
8.79% GOI 08-Nov-21	Sovereign	9.75
8.33% GOI 09-Jul-26	Sovereign	6.75
8.83% GOI 12-Dec-41	Sovereign	4.16
<b>Corporate Bonds</b>		<b>58.15</b>
8.28% LIC Housing Finance Ltd. 29-Jun-15	AAA	9.28
9.95% SBI 16-Mar-26	AAA	5.92
7.75% REC Ltd. 17-Nov-12	AAA	5.68

Instrument	Industry/Rating	% Of NAV
8.80% PGC Ltd. 29-Sep-15	AAA	5.03
8.70% PFC Ltd. 14-May-15	AAA	4.69
9.97% IL&FS 28-Sep-16	AAA	4.17
8.35% HDFC Ltd. 19-Jul-15	AAA	3.98
9.655% NABARD 18-Oct-14	AAA	3.42
7.90% REC Ltd. 06-Oct-12	AAA	3.12
9.30% Tata Sons Ltd. 24-Dec-15	AAA	2.72
9.20% PGC Ltd. 12-Mar-15	AAA	2.71
8.40% HDFC Ltd. 08-Dec-14	AAA	2.00
9.25% Dr Reddy's Lab Ltd. 24-Mar-14	AA+	1.76
10.40% ICICI Sec Prim Deal Ltd. 27-Jun-13	AAA	1.37
9.50% NABARD 15-Oct-12	AAA	1.36
9.80% PFC Ltd. 20-Sep-12	AAA	0.68
8.83% IRFC Ltd. 29-Oct-12	AAA	0.27
<b>Fixed Deposit</b>		<b>1.36</b>
10.70% Bank of Baroda FD 26-Mar-13		1.36
<b>Unit Funds</b>		<b>1.90</b>
Kotak Liquid Inst Premium-Growth		1.90
<b>Cash Bank &amp; Others</b>		<b>3.48</b>
<b>Total</b>		<b>100.00</b>

## Sector Allocation



## Asset Allocation



Pension Schemes

# Growth Fund

ULGF 007 17/08/07 G2 110

FundAssure, Investment Report, August 2012

## Fund Details

**Investment Objective** : The objective of this fund is to grow the portfolio by generating capital appreciation alongwith a steady income stream.

**Fund Manager** : Mr. Saravana Kumar

**NAV as on 31 August, 12** : ₹13.0982

**Benchmark** : Nifty - 30%  
CRISIL Composite Bond 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

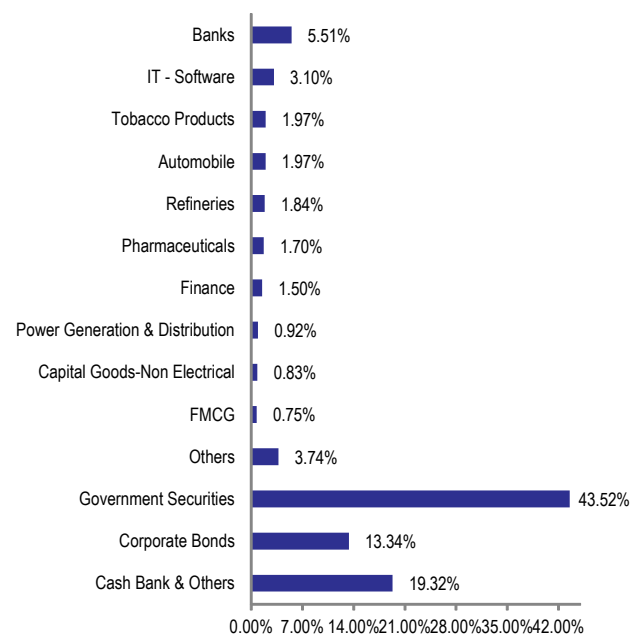
PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	29-Feb-12	12.9125	1.44%	2.14%
Last 1 Year	30-Aug-11	12.3806	5.80%	7.66%
Last 2 Years	31-Aug-10	12.3715	2.90%	4.69%
Last 3 Years	31-Aug-09	11.3991	4.74%	5.96%
Last 4 Years	29-Aug-08	10.1426	6.60%	6.70%
Last 5 Years	31-Aug-07	10.0000	5.54%	5.75%
Since Inception	17-Aug-07	10.0000	5.50%	6.24%

**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.

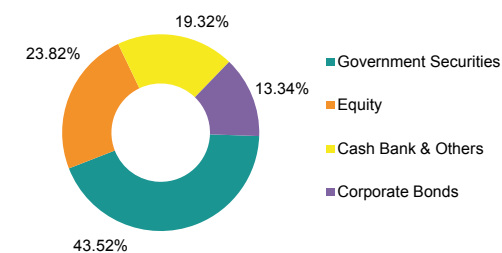
## Portfolio

Instrument	Industry/Rating	% Of NAV
<b>Equity</b>		<b>23.82</b>
HDFC Bank Ltd.	Banks	2.00
ITC Ltd.	Tobacco Products	1.97
ICICI Bank Ltd.	Banks	1.61
Infosys Technologies Ltd.	IT - Software	1.58
Reliance Industries Ltd	Refineries	1.54
State Bank of India	Banks	1.03
Tata Consultancy Services Ltd.	IT - Software	1.02
Other Equity below 1% corpus		13.07
<b>Government Securities</b>		<b>43.52</b>
9.15% GOI 14-Nov-24	Sovereign	14.15
8.79% GOI 08-Nov-21	Sovereign	13.75
7.83% GOI 11-04-2018	Sovereign	8.77
8.83% GOI 12-Dec-41	Sovereign	6.85
<b>Corporate Bonds</b>		<b>13.34</b>
9.57% IRFC Ltd. 31-May-21	AAA	4.61
8.30% HDFC Ltd. 23-Jun-15	AAA	4.37
8.28% LIC Housing Finance Ltd. 29-Jun-15	AAA	4.37
<b>Cash Bank &amp; Others</b>		<b>19.32</b>
<b>Total</b>		<b>100.00</b>

## Sector Allocation



## Asset Allocation



Pension Schemes

# Maxima Fund

ULGF 008 17/08/07 M1 110

FundAssure, Investment Report, August 2012

## Fund Details

**Investment Objective** : The objective of the fund is to generate superior returns by taking active asset allocation calls between equity, Corporate Bonds/PSU Bonds/Securitized paper and government securities and other assets depending upon market conditions

**Fund Manager** : Mr. Saravana Kumar

**NAV as on 31 August, 12** : ₹10.5080

**Benchmark** : -

## Debt Investment Style

Credit Quality			Interest Rate Sensitivity
High	Mid	Low	
			High
			Mid
			Low

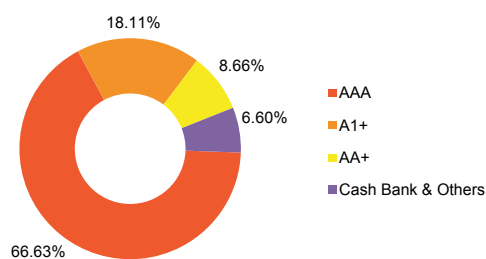
## Equity Investment Style

Investment Style			Size
Value	Blend	Growth	
			Large
			Mid
			Small

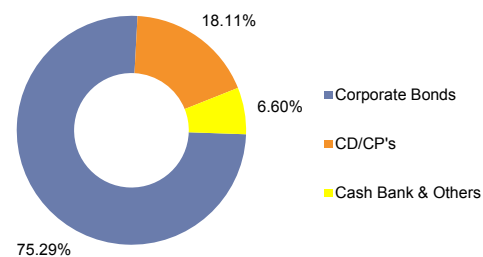
## Portfolio

Instrument	Industry/Rating	% of NAV
<b>CD/CP's</b>		<b>18.11</b>
Bank of Baroda CD 27-Feb-13	A1+	9.06
State Bank of Hyderabad CD 27-Feb-13	A1+	9.06
<b>Corporate Bonds</b>		<b>75.29</b>
9.70% GE Shipping 02-Feb-21	AAA	8.74
9.90% Indian Hotels Ltd. 24-Feb-17	AA+	8.66
9.48% REC Ltd. 10-Aug-21	AAA	8.64
9.60% HDFC Ltd. 07-Apr-16	AAA	8.62
9.43% LIC Housing Finance Ltd. 10-Feb-22	AAA	8.61
9.40% NABARD 31-Jul-15	AAA	8.57
9.40% NHB 10-Jan-15	AAA	8.55
9.00% EXIM Bank 10-Jan-19	AAA	8.51
9.95% SBI 16-Mar-26	AAA	6.40
<b>Cash Bank &amp; Others</b>		<b>6.60</b>
<b>Total</b>		<b>100.00</b>

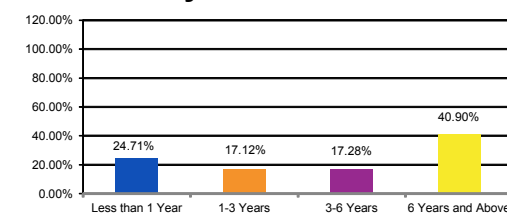
## Rating Profile



## Asset Allocation



## Maturity Profile



Pension Schemes

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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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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.

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Registered and Corporate Office Delphi-B Wing, 2nd Floor, Orchard  
Avenue Hiranandani Business Park, Powai, Mumbai - 400076

Pension Schemes

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