

Fund Assure

Investment Report, December 2012



From the CIO's Desk

Fund Assure, Investment Report, December 2012



Dear Friends,

The month of December 2012 saw the benchmark indices; BSE Sensex and CNX Nifty gain around 0.4%, even as the Mid-cap index, CNX Mid-cap surged close to 4.5% during the same period

In the US, the last minute agreement between the White House and Congressional lawmakers avoided the threat of a looming "fiscal cliff" as expected by a large section of the market experts. The US Federal reserve is expected to continue its loose monetary policy into 2013 and with inflation under control, it would focus on getting a real recovery in the economy by continuing to expand its balance sheet until the unemployment rate is stabilized at sub 7% levels. There was a semblance of normalcy in the Euro zone with the ECB's initiatives stabilizing the borrowing costs for Spain and Italy. However, these developments are not enough to increase the economic growth in the Euro zone as the region could be stuck in a shallow recession for a few more quarters. China has seen a soft landing in the last two quarters but the recent positive surprise in the manufacturing data indicates that China's short-term growth momentum may already be on the upturn.

On the domestic front, the winter session of Parliament saw the government winning the crucial vote on the FDI in multi brand retail. The markets cheered the passage of the Banking Laws (Amendment) Bill, 2011, whereby the RBI got more powers to supersede bank boards. Passage of this bill paves the way for the industrial houses to get licenses to operate banks and help in attracting more foreign and domestic investment in the sector. The winter session also saw the passage of the Companies Bill, 2011 which mandates a corporate social responsibility (CSR) spending and seeks to increase the standards of corporate governance and provides more statutory powers to tackle corporate fraud.

The RBI in its Mid-quarter monetary policy review in December 2012 kept the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 8% . The cash reserve ratio (CRR) of scheduled banks was unchanged at 4.25 % , even though there has been an increase in the systemic liquidity deficit. The RBI believed that the recent inflation patterns and projections provide a basis for reinforcing their October 2012 guidance about policy easing in the fourth quarter FY2012-13.

Index of industrial production (IIP) for the month of October 2012 came in at a 16 month high at 8.2 % , ahead of the consensus of 5.1%. The October 2012 IIP surge was on the back of a 5% contraction in the IIP in the same month last year, largely due to the shift in Diwali from October last year to November, this year. Historically, the month before Diwali sees a strong growth in manufacturing output due to restocking to meet the festival season demand. Going forward, a sustained recovery in industrial production requires a pick up in the investment cycle which in turn needs an enabling policy framework as well as faster implementation of big-ticket infrastructure projects.

Wholesale Price Index (WPI) Inflation came in at 7.24% in November 2012, lower than the consensus of around 7.6% and also lower than the October 2012 print of 7.45 % led by a decline in the core inflation. The WPI inflation is expected to peak in December 2012 and moderate over the fourth quarter FY 2013 as inflationary pressures in the food segment may reduce due to expectations of a robust Rabi (winter) crop.

The Indian macro fundamentals have remained weak as the Current account deficit (CAD) widened to USD 22.4 billion, an alltime high of 5.4% of GDP in the second quarter fiscal FY 2011-13 largely due to a sharp fall in exports and sticky imports. The CAD was offset by the increase in net capital flows of USD 22.2 billion , although NRI deposits eased off from their earlier elevated levels. The pressure on the current account is expected to sustain in the near term due to continued export slowdown and an up tick in gold imports. The fiscal deficit as on November 2012 stood at 80.4% of the budgeted estimates with a shortfall in the corporate, excise and customs duty collections even as the income and service tax collections remained buoyant. There could be some savings on the plan expenditure front even as the subsidies have remained at elevated levels. The Finance Minister has reiterated that the fiscal deficit would be contained at 5.3% for the fiscal FY2012-13.

Going forward, we expect the reforms momentum to sustain and 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

Market Outlook - Debt

Fund Assure, Investment Report, December 2012

The month of December 2012 saw the benchmark 10 year Government security (G-sec) rally by 12 bps ending the month at 8.05% levels.

December 2012 saw the G-sec market trading firm due to a better than expected November WPI inflation print, four OMOs conducted by the RBI to the tune of around Rs.39,000 crores as well as the unchanged government borrowing for fourth quarter. The yields of the 30 year G-sec over the 10 year G-sec contracted to around 25 bps in December 2012 as against the 28 bps, seen in the prior month.

The RBI's reiteration of their guidance on reducing policy rates in the fourth quarter as well as the Finance Minister's expectations of meeting the revised fiscal deficit target of 5.3% of GDP were seen as positive for the bond market sentiments.

The corporate bond market remained steady during the month on the back of muted supply, to close the month of December 2012 at around the 8.90% levels in the 5-10 year bonds, lower than November levels of 8.97%. As a consequence, the corporate bond spread over the benchmark 10 year G-sec stood at around 60 Bps in December 2012, similar to the prior month.

On the liquidity front, the Liquidity Adjustment Facility -LAF continued to be the primary mode of liquidity injection, maintaining a shortfall of around Rs.1-1.5 trillion levels for most of the month, largely due to the festival season cash demand as well as the advance tax payments, thereby necessitating the RBI shoring up the systemic liquidity through sustained OMOs.

The RBI in its mid-quarter monetary policy review in December 2012 kept the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 8% and the cash reserve ratio (CRR) of scheduled banks unchanged at 4.25%. In its assessment of the global macro situation, the RBI opined that the global economy had shown some signs of stabilization although the situation remained fragile.

On the domestic front, the RBI saw some early signs of a pick-up in economic activity, though the growth trajectory remained significantly below trend. The RBI was concerned about the stubborn consumer price inflation but the pace of moderation in wholesale price inflation had been faster than their expectation. The RBI hoped that food and manufacturing prices would edge down further to ease inflationary pressures somewhat in the coming months.

The RBI was concerned at the step-up in oil imports despite the moderation in crude prices with the cumulative trade deficit for April-November 2012 widening from its level a year ago indicating significant risks to the balance of payments from the adverse external environment. The RBI noted the pressures on the Rupee stemming from the large trade and current account deficits even though there has been an improvement in capital flows in the third quarter.

The RBI stated that the GDP growth was evolving along its baseline projection of 5.8 % for 2012-13 set out in the Second quarter monetary policy review and hoped that the recent policy initiatives by the Government and further reforms would help boost business sentiment and improve the investment climate. As regards inflation, the RBI believed that the excess capacity in some sectors was working towards moderating core inflation. The RBI noted that the headline inflation had been below its projected levels over the past two months aided by the decline in core inflation. RBI stated that these emerging patterns reinforce the likelihood of steady moderation in inflation going into 2013-14, though inflation may edge higher over the next two months.

The RBI conceded that in view of inflation pressures reducing, monetary policy would need to increasingly shift focus and respond to the threats to growth from this point onwards. The RBI stated that the liquidity conditions would be managed with a view to support growth, thereby preparing the ground for shifting the policy stance towards a growth focus. The RBI believed that the recent inflation patterns and projections provide a basis for reinforcing their October guidance about policy easing in the fourth quarter FY2012-13.

The market watchers believe that this reinforcement of guidance points to a reduction in the policy rate in the third quarter monetary policy. The extent of further rate cuts beyond the third quarter policy will depend on the evolving inflation trajectory but the consensus is a 100 bps rate cut in the CY2013.

The G-secs rally could sustain if the RBI continues to favour the OMO route to offset liquidity pressures and the expected reduction in the policy rates to the extent of 50 bps become a reality in fourth quarter fiscal FY2012-13.

The 10-year yield G-sec may trade in the range of 7.90-8.10% in the near-term, waiting for the rate action from the RBI's third-quarter monetary policy review on January 29th 2012 and taking further cues from the RBI's commentary on the policy.

Market Outlook - Equity

Fund Assure, Investment Report, December 2012

The month of December 2012 saw the benchmark indices; BSE Sensex and CNXNifty gain around 0.4%, even as the Mid-cap index, CNX Mid-cap surged 4.5% during the same period.

The FIIs were net buyers of Indian equity over the month of December 2012 to the tune of USD 4.6 billion and have invested around USD 24.5 billion in Indian equities in CY 2012. The DIIs sold around USD 1.6 billion of Indian equity over the month with insurance companies and domestic mutual funds being net sellers to the tune of around USD 1.1 billion and USD 0.5 billion respectively. The insurance companies and mutual funds have sold USD 7 billion and USD 3.8 billion respectively in CY 2012. Consensus earnings estimates for the broad market (MSCI India) for FY13 and FY14 were revised down marginally over the month. The consensus earnings growth estimates stand at 11% and 15% for FY13(E) and FY14(E) respectively. Despite this earnings downgrade and the slowing corporate revenues PBT margins have shown signs of stabilizing and most of the earnings downgrade cycle seems to have already played itself out.

December 2012 saw the passage of the landmark bill of FDI in Multi-brand retail by both houses of Parliament. The winter session of Parliament saw the passage of the Banking Laws (Amendment) Bill, 2011 and the Companies Bill, 2011. The Union Cabinet announced the 'Cabinet Committee on Investments' (CCI) under the leadership of the Prime Minister in an attempt to fast track key large ticket infrastructure projects with an investment of at least Rs.1000 crores (approx. USD 185 million). Though it has been perceived as a diluted version of the National Investment Board proposed earlier by the Finance Minister, it would still help to speed up infra-project approvals and broadly seen as a key reform.

The Government announced the New Urea Policy to incentivise fertilizer companies to set up new plants and expand existing capacity guaranteeing a 12-20% post-tax return on fresh capital. The new Urea policy aims to attract fresh investment of about Rs 35,000 crores (approx. USD 6.5 billion) over the next 3 years.

Non-food credit growth for the last reported fortnight came in at 16% year on year as against 16.8% in corresponding period of last year. A sharp deceleration in growth, elevated interest rates and slowing capex has weighed down credit growth for FY2012-13. Deposit growth remains muted at 13-14% levels due to lower real interest rates and near double digit retail inflation.

Going forward, we could see a pick-up in investments due to the government's thrust on faster approvals for big ticket infra investments as well as higher business confidence of Indian corporate. The recovery in capex in the Initial phase could be led by the cash rich state owned entities. With the series of reform measures increasing the business confidence as well as improving the investment climate, the markets are bracing for the RBI to respond by lowering the interest rates. The passage of the proposed increase in the FDI limit in the insurance sector from 26% to 49%, the rollout of the Goods and Services Tax (GST) and the speedy construction of the Delhi-Mumbai freight corridor will further accelerate the reform momentum and raise the economic growth trajectory.

The Prime Minister has emphasized on faster GDP growth for sustainable job creation, lower fiscal deficit through higher fuel prices and early implementation of GST, agricultural reform and higher growth in manufacturing. Some concrete progress on these fronts could improve the macro-fundamentals leading to a positive re-rating of the India story.

The market offers the comfort of reasonable valuations at around 15 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, December 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 Dec, 12 : ₹37.0561

Benchmark : BSE Sensex - 100%

Investment Style

Investment Style			
Value	Blend	Growth	Size
			Large
			Mid
			Small

Portfolio

Instrument	Industry/Rating	% Of NAV
Equity		97.64
Reliance Industries Ltd.	Refineries	8.09
ICICI Bank Ltd.	Banks	7.72
HDFC Bank Ltd.	Banks	7.67
ITC Ltd.	Tobacco Products	6.26
Infosys Technologies Ltd.	IT - Software	4.89
HDFC Ltd.	Finance	4.43
State Bank of India	Banks	3.95
Tata Motors Ltd.	Automobile	3.53
Tata Consultancy Services Ltd.	IT - Software	3.40
Larsen and Toubro Ltd.	Capital Goods-Non Electrical	2.90
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	2.66
Oil and Natural Gas Corpn Ltd.	Crude Oil & Natural Gas	2.62
Bharti Airtel Ltd.	Telecomm-Service	2.39
Mahindra and Mahindra Ltd.	Automobile	1.96
Coal India Ltd	Mining & Mineral Products	1.87
Dr. Reddys Laboratories Ltd.	Pharmaceuticals	1.79
Tata Steel Ltd.	Steel	1.77
Hindustan Unilever Ltd.	FMCG	1.58

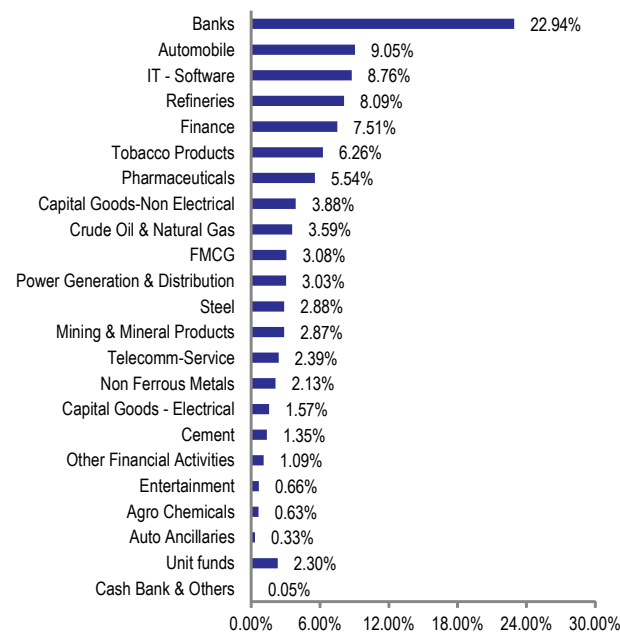
Instrument	Industry/Rating	% Of NAV
Nestle India Ltd.	FMCG	1.50
IDFC Ltd.	Finance	1.29
Bajaj Auto Ltd.	Automobile	1.28
Power Grid Corporation of India Ltd.	Power Generation & Distribution	1.25
Hero Motocorp Ltd.	Automobile	1.15
Sterlite Industries (India) Ltd.	Non Ferrous Metals	1.14
Maruti Suzuki India Ltd.	Automobile	1.12
Jindal Steel and Power Ltd.	Steel	1.11
Cipla Ltd.	Pharmaceuticals	1.09
MCX of India Ltd.	Other Financial Activities	1.09
Axis Bank Ltd.	Banks	1.07
Other Equity below 1% corpus		15.05
Unit funds		2.30
ICICI Prudential Liquid Plan - Growth Option		2.30
Cash Bank & Others		0.05
Total		100.00

Fund Performance

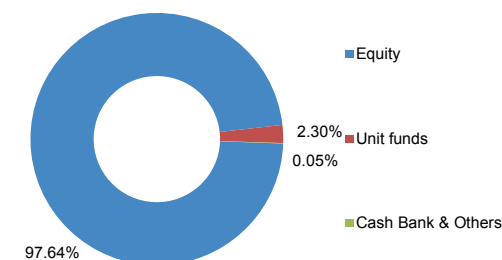
PERIOD	DATE	NAV	BSE Sensex	NAV Change	INDEX Change
Last 6 Months	29-Jun-12	32.7793	17429.98	13.05%	11.46%
Last 1 Year	30-Dec-11	28.6279	15454.92	29.44%	25.70%
Last 2 Years	31-Dec-10	38.4450	20509.09	-1.82%	-2.67%
Last 3 Years	31-Dec-09	31.6961	17464.81	5.35%	3.61%
Last 4 Years	31-Dec-08	17.7374	9647.31	20.22%	19.12%
Last 5 Years	31-Dec-07	43.1375	20286.99	-2.99%	-0.86%
Since Inception	29-Mar-04	10.0000	5571.37	16.12%	15.32%

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, December 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 Dec, 12 : ₹15.2718

Benchmark : CRISIL India Short Term Bond Index -100%

Investment Style

Credit Quality			Interest Rate Sensivity
High	Mid	Low	
			High
			Mid
			Low

Portfolio

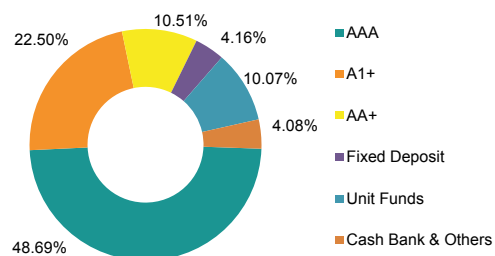
Instrument	Industry/Rating	% of NAV
CD/CP's		22.50
Cholamandalam Invest & Fin. Co. Ltd CP 10-Oct-13	A1+	9.03
Kotak Mahindra Prime Ltd. CP 07-MAR-13	A1+	7.26
Indiabulls Fin. Services Ltd. CP 17-JUL-13	A1+	4.39
Bank of Baroda CD 27-Feb-13	A1+	0.46
State Bank of Hyderabad CD 27-Feb-13	A1+	0.46
Allahabad Bank CD 27-Feb-13	A1+	0.46
Vijaya Bank CD 04-Mar-13	A1+	0.45
Corporate Bonds		59.20
9.75% IDFC Ltd. 11-Jul-14	AAA	7.94
9.40% NHB 10-Jan-15	AAA	6.99
8.25% Britannia Industries Ltd. 22-Mar-13	AAA	6.83
9.25% Dr Reddy's Lab Ltd. 24-Mar-14	AA+	5.83
10.20% Sundaram Finance Ltd. 21-Jul-14	AA+	4.68
9.63% PFC Ltd. 15-Dec-14	AAA	4.68
9.655% NABARD 18-Oct-14	AAA	4.67
10.40% ICICI Sec Prim Deal Ltd. 27-Jun-13	AAA	4.65
9.55% HDFC Ltd. 11-Apr-13	AAA	4.63
9.20% PGC Ltd. 12-Mar-13	AAA	4.62
8.40% HDFC Ltd. 08-Dec-14	AAA	2.75
11.40% PFC Ltd. 28-Nov-13	AAA	0.94
Fixed Deposit		4.16
9.50% State Bank Of Hyderabad FD 04-Jan-14		4.16
Unit Funds		10.07
HDFC Liquid Fund -Direct Plan - Growth Option		4.20
ICICI Prudential Liquid Plan - Growth Option		4.20
Reliance Liquid Fund-Treasury Plan -Growth Option		1.66
Cash Bank & Others		4.08
Total		100.00

Fund Performance

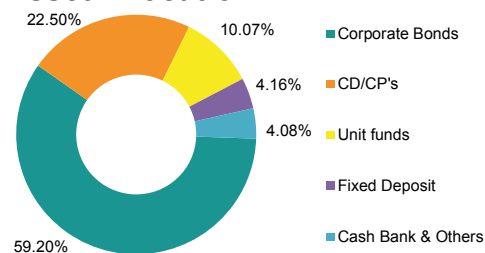
PERIOD	DATE	NAV	CRISIL Short-Term Bond Index	NAV Change	INDEX Change
Last 6 Months	29-Jun-12	14.5847	1900.63	4.71%	4.56%
Last 1 Year	30-Dec-11	13.9533	1820.74	9.45%	9.15%
Last 2 Years	31-Dec-10	12.9149	1688.32	8.74%	8.49%
Last 3 Years	31-Dec-09	12.3490	1612.52	7.34%	7.21%
Last 4 Years	31-Dec-08	11.2314	1513.01	7.99%	7.05%
Last 5 Years	31-Dec-07	10.4383	1381.37	7.91%	7.55%
Since Inception	3-Jul-06	10.0000	1242.33	6.73%	7.49%

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.

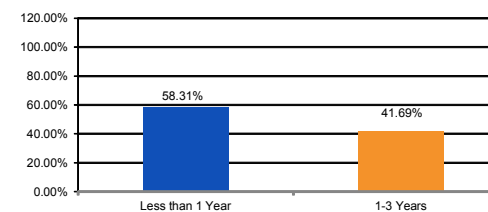
Rating Profile



Asset Allocation



Maturity Profile



Pension Schemes

Income Fund

ULGF 002 02/03/04 11 110

FundAssure, Investment Report, December 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 Dec, 12 : ₹17.4789

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
CD/CP's		
State Bank of Hyderabad CD 27-Feb-13	A1+	0.75
Punjab National Bank CD 04-Feb-13	A1+	0.22
Canara Bank CD 12-Feb-13	A1+	0.19
Bank of Baroda CD 27-Feb-13	A1+	0.19
Allahabad Bank CD 27-Feb-13	A1+	0.19
Vijaya Bank CD 04-Mar-13	A1+	0.19
Kotak Mahindra Prime Ltd. CP 07-MAR-13	A1+	0.19
Cholamandalam Invest & Fin. Co. Ltd CP 10-Oct-13	A1+	0.18
Government Securities		
8.15% GOI 11-Jun-22	Sovereign	11.91
8.83% GOI 12-Dec-41	Sovereign	9.37
8.19% GOI 16-Jan-20	Sovereign	5.02
8.20% GOI 24-Sep-25	Sovereign	3.05
8.91% Gujarat SDL 22-Aug-22	Sovereign	1.40
8.79% Gujarat SDL 25-Oct-22	Sovereign	1.40
8.84% Maharashtra SDL 17-Oct-22	Sovereign	1.39
8.33% GOI 09-Jul-26	Sovereign	0.66
8.79% GOI 08-Nov-21	Sovereign	0.34
7.38% GOI 03-Sep-15	Sovereign	0.29
Corporate Bonds		
9.57% IRFC Ltd. 31-May-21	AAA	9.92
2.00% Tata Steel Ltd. 23-Apr-22	AA	3.51
9.70% HDFC Ltd. 07-Jun-17	AAA	3.21
8.80% Tata Sons Ltd. 21-Sep-15	AAA	2.60
9.75% HDFC Ltd. 07-Dec-16	AAA	2.23
9.35% PGC Ltd. 29-Aug-16	AAA	2.20
Total		41.98

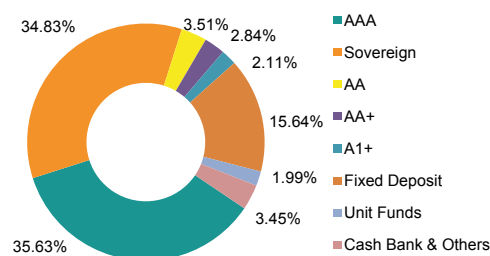
Instrument	Industry/Rating	% of NAV
9.5% United Phosphorus Ltd. 12-Jan-15	AA+	2.19
7.95% IDFC Ltd. 04-May-14	AAA	2.15
9.40% LIC Housing Finance Ltd. 20-12-13	AAA	1.96
0.00% HDFC Ltd. 30-Aug-13	AAA	1.94
9.40% NABARD 31-Jul-15	AAA	1.54
9.00% NTPC Ltd. 25-Jan-23	AAA	1.09
8.25% Britannia Industries Ltd. 22-Mar-13	AAA	0.87
8.50% PFC Ltd. 15-Dec-14	AAA	0.86
8.45% NABARD 18-May-16	AAA	0.86
10.75% REC Ltd. 24-Jul-13	AAA	0.66
9.40% Sterlite Industries Ltd. 25-Oct-22	AA+	0.66
9.64% PGC Ltd. 31-May-21	AAA	0.56
9.64% PGC Ltd. 31-May-18	AAA	0.56
9.64% PGC Ltd. 31-May-16	AAA	0.55
9.64% PGC Ltd. 31-May-15	AAA	0.55
9.95% SBI 16-Mar-26	AAA	0.46
8.80% SAIL 26-Oct-15	AAA	0.43
9.35% REC Ltd. 15-Jun-22	AAA	0.22
9.40% NABARD 30-Mar-14	AAA	0.22
Fixed Deposit		
10.70% Punjab National Bank FD 29-Mar-13		4.35
9.50% State Bank Of Hyderabad FD 04-Jan-14		3.04
10.70% Bank of Baroda FD 26-Mar-13		2.39
10.80% Canara Bank FD 22-Mar-13		2.39
10.70% Bank of Baroda FD 22-Mar-13		2.17
9.50% State Bank of Hyderabad FD 10-Feb-2014		1.30
Unit funds		
ICICI Prudential Liquid Plan - Growth Option		1.99
Cash Bank & Others		
Total		100.00

Fund Performance

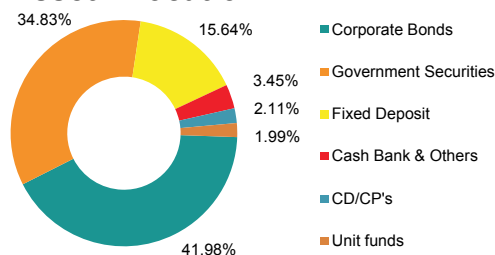
PERIOD	DATE	NAV	Crisil Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	29-Jun-12	16.5526	1834.39	5.60%	4.81%
Last 1 Year	30-Dec-11	15.7561	1757.68	10.93%	9.38%
Last 2 Years	31-Dec-10	14.5939	1644.23	9.44%	8.13%
Last 3 Years	31-Dec-09	13.8522	1566.53	8.06%	7.07%
Last 4 Years	31-Dec-08	12.8734	1513.49	7.95%	6.16%
Last 5 Years	31-Dec-07	11.6853	1387.81	8.39%	6.74%
Since Inception	2-Mar-04	10.0000	1193.20	6.52%	5.55%

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.

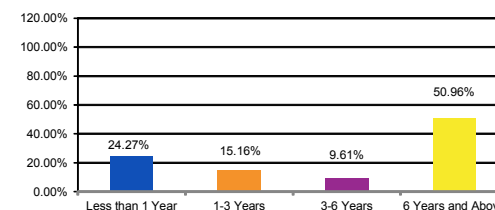
Rating Profile



Asset Allocation



Maturity Profile



Pension Schemes

Liquid Fund

ULGF 003 02/03/04 L1 110

FundAssure, Investment Report, December 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 Dec, 12 : ₹17.4947

Benchmark : CRISIL Liquid Fund Index -100%

Investment Style

Credit Quality			Interest Rate Sensivity
High	Mid	Low	
			High
			Mid
			Low

Portfolio

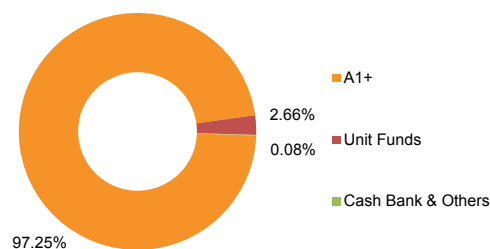
Instrument	Industry/Rating	% of NAV
CD/CP's		97.25
Punjab National Bank CD 04-Feb-13	A1+	9.31
Indian Bank CD 04-Feb-13	A1+	9.31
Indiabulls Fin. Services Ltd. CP 17-JUL-13	A1+	9.29
Bank of Baroda CD 27-Feb-13	A1+	9.26
State Bank of Hyderabad CD 27-Feb-13	A1+	9.26
Allahabad Bank CD 27-Feb-13	A1+	9.26
Vijaya Bank CD 04-Mar-13	A1+	9.24
Kotak Mahindra Prime Ltd. CP 07-MAR-13	A1+	9.23
Cholamandalam Invest & Fin. Co. Ltd CP 10-Oct-13	A1+	9.11
AXIS Bank CD 18-Jan-13	A1+	7.79
Canara Bank CD 12-Feb-13	A1+	6.20
Unit funds		2.66
ICICI Prudential Liquid Plan - Growth Option		2.66
Cash Bank & Others		0.08
Total		100.00

Fund Performance

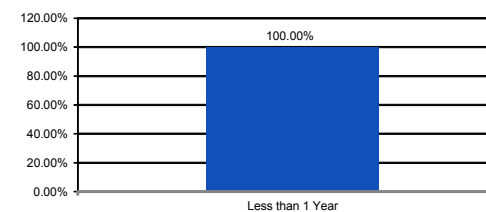
PERIOD	DATE	NAV	Crisil Liquid Fund Index	NAV Change	INDEX Change
Last 6 Months	29-Jun-12	16.7389	1835.48	4.52%	3.93%
Last 1 Year	30-Dec-11	16.0366	1757.55	9.09%	8.54%
Last 2 Years	31-Dec-10	14.8271	1625.13	8.62%	8.35%
Last 3 Years	31-Dec-09	14.1111	1545.98	7.43%	7.26%
Last 4 Years	31-Dec-08	13.1721	1474.26	7.35%	6.66%
Last 5 Years	31-Dec-07	12.1528	1359.57	7.56%	7.01%
Since inception	25-May-04	10.0000	1113.63	6.71%	6.45%

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.

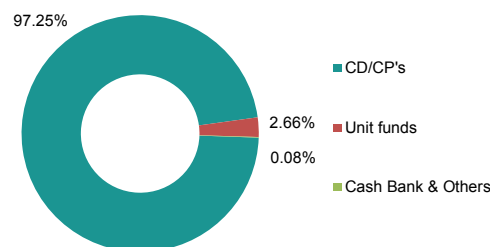
Rating Profile



Maturity Profile



Asset Allocation



Pension Schemes

Bond Fund

ULGF 005 17/08/07 BO 110

FundAssure, Investment Report, December 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 Dec, 12 : ₹14.9199

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
CD/CP's		
2.46		
Punjab National Bank CD 04-Feb-13	A1+	2.46
Government Securities		
37.16		
8.15% GOI 11-Jun-22	Sovereign	11.50
8.83% GOI 12-Dec-41	Sovereign	10.19
8.19% GOI 16-Jan-20	Sovereign	8.98
8.20% GOI 24-Sep-25	Sovereign	1.99
8.91% Gujarat SDL 22-Aug-22	Sovereign	1.50
8.79% Gujarat SDL 25-Oct-22	Sovereign	1.50
8.84% Maharashtra SDL 17-Oct-22	Sovereign	1.50
Corporate Bonds		
42.50		
9.57% IRFC Ltd. 31-May-21	AAA	7.81
9.75% HDFC Ltd. 07-Dec-16	AAA	7.14
2.00% Indian Hotels Ltd. 09-Dec-14	AA	4.93
9.5% United Phosphorus Ltd. 12-Jan-15	AA+	3.50
8.80% Tata Sons Ltd. 21-Sep-15	AAA	2.97
9.30% SAIL 25-May-21	AAA	2.02
8.25% Britannia Industries Ltd. 22-Mar-13	AAA	1.98
8.19% IRFC Ltd. 27-Apr-19	AAA	1.93
9.64% PGC Ltd. 31-May-21	AAA	1.29

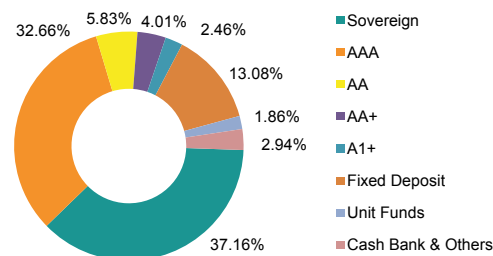
Instrument	Industry/Rating	% of NAV
9.64% PGC Ltd. 31-May-18	AAA	1.28
9.64% PGC Ltd. 31-May-16	AAA	1.27
9.64% PGC Ltd. 31-May-15	AAA	1.26
9.48% REC Ltd. 10-Aug-21	AAA	1.02
9.40% NABARD 31-Jul-15	AAA	1.00
9.30% Tata Sons Ltd. 24-Dec-15	AAA	1.00
2.00% Tata Steel Ltd. 23-Apr-22	AA	0.89
9.95% SBI 16-Mar-26	AAA	0.61
10.70% Sundaram Finance Ltd. 06-Jun-14	AA+	0.51
9.75% SBI Series 3 Lower Tier II 16-Mar-21	AAA	0.07
Fixed Deposit		
13.08		
9.50% State Bank of Hyderabad FD 10-Feb-2014		3.97
10.70% Bank of Baroda FD 22-Mar-13		2.98
10.00% State Bank Of Travancr FD 01-Mar-13		2.95
10.70% Bank of Baroda FD 26-Mar-13		1.99
9.50% State Bank Of Hyderabad FD 04-Jan-14		1.19
Unit funds		
1.86		
ICICI Prudential Liquid Plan - Growth Option		1.86
Cash Bank & Others		
2.94		
Total		
100.00		

Fund Performance

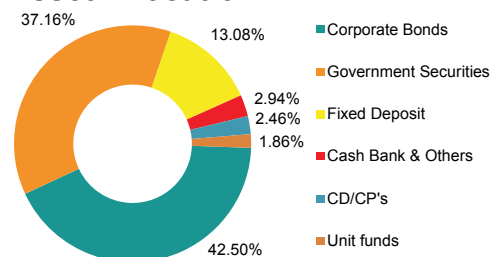
PERIOD	DATE	NAV	Crisil Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	29-Jun-12	14.1357	1834.39	5.55%	4.81%
Last 1 Year	30-Dec-11	13.4411	1757.68	11.00%	9.38%
Last 2 Years	31-Dec-10	12.4508	1644.23	9.47%	8.13%
Last 3 Years	31-Dec-09	11.8092	1566.53	8.11%	7.07%
Last 4 Years	31-Dec-08	11.2140	1513.49	7.40%	6.16%
Last 5 Years	31-Dec-07	10.1965	1387.81	7.91%	6.74%
Since Inception	17-Aug-07	10.0000	1339.53	7.72%	6.95%

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.

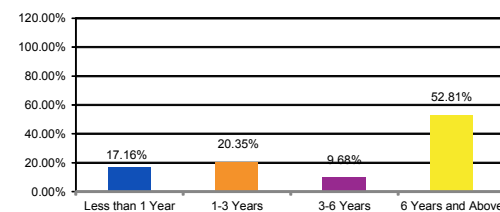
Rating Profile



Asset Allocation



Maturity Profile



Pension Schemes

Balanced Fund

ULGF 006 17/08/07 BL 110

FundAssure, Investment Report, December 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 Dec, 12 : ₹14.2118

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-Jun-12	13.3580	6.39%	5.51%
Last 1 Year	30-Dec-11	12.6376	12.46%	11.21%
Last 2 Years	31-Dec-10	12.5211	6.54%	7.13%
Last 3 Years	31-Dec-09	11.6780	6.76%	6.79%
Last 4 Years	31-Dec-08	10.5865	7.64%	7.43%
Last 5 Years	31-Dec-07	10.3482	6.55%	5.99%
Since Inception	17-Aug-07	10.0000	6.75%	6.95%

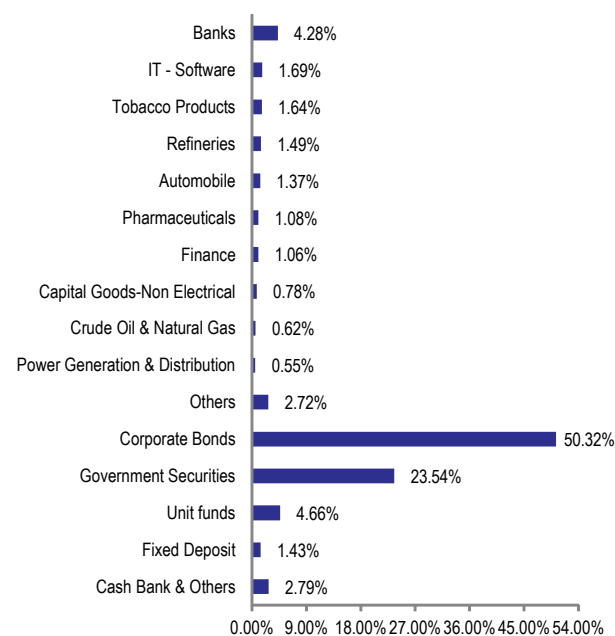
Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

Portfolio

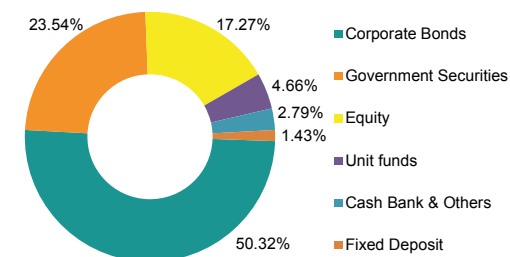
Instrument	Industry/Rating	% Of NAV
Equity		17.27
ITC Ltd.	Tobacco Products	1.64
Reliance Industries Ltd.	Refineries	1.32
ICICI Bank Ltd.	Banks	1.30
HDFC Bank Ltd.	Banks	1.21
Infosys Technologies Ltd.	IT - Software	0.89
Larsen and Toubro Ltd.	Capital Goods-Non Electrical	0.69
State Bank of India	Banks	0.68
HDFC Ltd.	Finance	0.59
Tata Consultancy Services Ltd.	IT - Software	0.54
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	0.52
Other Equity		7.90
Government Securities		23.54
8.79% GOI 08-Nov-21	Sovereign	10.36
8.33% GOI 09-Jul-26	Sovereign	7.22
8.83% GOI 12-Dec-41	Sovereign	4.52
8.15% GOI 11-Jun-22	Sovereign	1.43
Corporate Bonds		50.32
8.28% LIC Housing Finance Ltd. 29-Jun-15	AAA	9.83
9.95% SBI 16-Mar-26	AAA	6.32

Instrument	Industry/Rating	% Of NAV
8.70% PFC Ltd. 14-May-15	AAA	4.96
9.97% IL&FS 28-Sep-16	AAA	4.41
8.25% Britannia Industries Ltd. 22-Mar-13	AAA	4.27
8.35% HDFC Ltd. 19-Jul-15	AAA	4.22
9.655% NABARD 18-Oct-14	AAA	3.60
9.30% Tata Sons Ltd. 24-Dec-15	AAA	2.88
9.20% PGC Ltd. 12-Mar-15	AAA	2.87
8.84% NTPC Ltd. 04-Oct-22	AAA	2.13
8.40% HDFC Ltd. 08-Dec-14	AAA	2.12
10.40% ICICI Sec Prim Deal Ltd. 27-Jun-13	AAA	1.43
9.25% Dr Reddy's Lab Ltd. 24-Mar-14	AA+	1.27
Fixed Deposit		1.43
10.70% Bank of Baroda FD 26-Mar-13		1.43
Unit Funds		4.66
ICICI Prudential Liquid Plan - Growth Option		4.23
HDFC Liquid Fund -Direct Plan - Growth Option		0.43
Cash Bank & Others		2.79
Total		100.00

Sector Allocation



Asset Allocation



Pension Schemes

Growth Fund

ULGF 007 17/08/07 G2 110

FundAssure, Investment Report, December 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 Dec, 12 : ₹13.8134

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

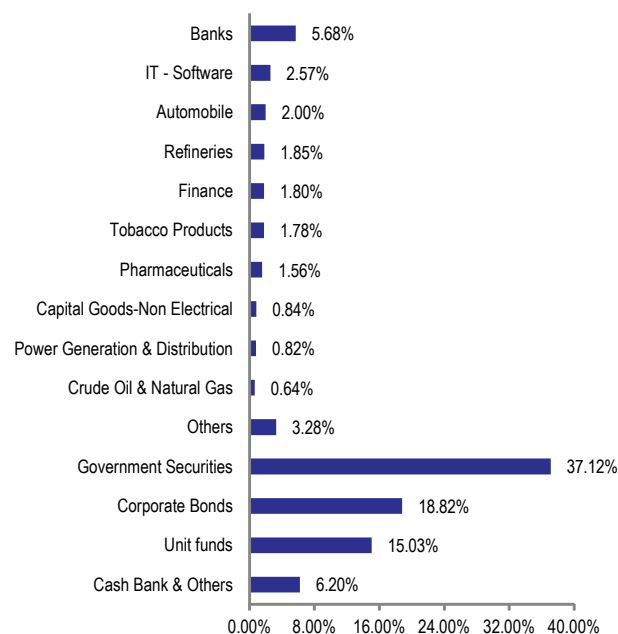
PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	29-Jun-12	13.0063	6.21%	6.93%
Last 1 Year	30-Dec-11	12.2185	13.05%	14.88%
Last 2 Years	31-Dec-10	12.7751	3.98%	5.13%
Last 3 Years	31-Dec-09	11.8452	5.26%	6.24%
Last 4 Years	31-Dec-08	9.7892	8.99%	9.97%
Last 5 Years	31-Dec-07	10.0000	6.67%	4.48%
Since Inception	17-Aug-07	10.0000	6.19%	6.96%

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.

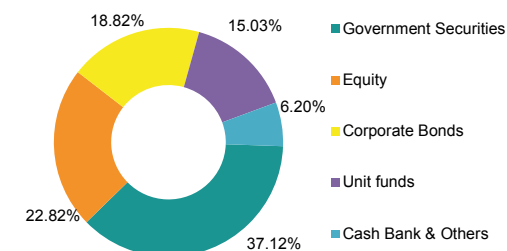
Portfolio

Instrument	Industry/Rating	% Of NAV
Equity 22.82		
HDFC Bank Ltd.	Banks	1.91
ITC Ltd.	Tobacco Products	1.78
ICICI Bank Ltd.	Banks	1.71
Reliance Industries Ltd.	Refineries	1.58
Infosys Technologies Ltd.	IT - Software	1.31
HDFC Ltd.	Finance	1.17
State Bank of India	Banks	1.12
Other Equity below 1% corpus		12.24
Government Securities 37.12		
9.15% GOI 14-Nov-24	Sovereign	12.03
8.79% GOI 08-Nov-21	Sovereign	11.71
7.83% GOI 11-04-2018	Sovereign	7.42
8.83% GOI 12-Dec-41	Sovereign	5.96
Corporate Bonds 18.82		
8.84% NTPC Ltd. 04-Oct-22	AAA	7.47
9.57% IRFC Ltd. 31-May-21	AAA	3.94
8.30% HDFC Ltd. 23-Jun-15	AAA	3.71
8.28% LIC Housing Finance Ltd. 29-Jun-15	AAA	3.70
Unit Funds 15.03		
Reliance Liquid Fund-Treasury Plan -Growth Option		3.76
ICICI Prudential Liquid Plan - Growth Option		3.76
HDFC Liquid Fund -Direct Plan - Growth Option		3.76
UTI- Liquid Fund-Cash Plan-Inst Growth		3.76
Cash Bank & Others		6.20
Total		100.00

Sector Allocation



Asset Allocation



Pension Schemes

Maxima Fund

ULGF 008 17/08/07 M1 110

FundAssure, Investment Report, December 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 Dec, 12 : ₹10.8747

Benchmark : -

Debt Investment Style

Credit Quality			Interest Rate Sensitivity
High	Mid	Low	
			High
			Mid
			Low

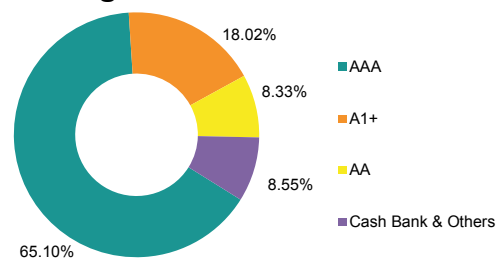
Equity Investment Style

Investment Style			
Value	Blend	Growth	Size
			Large
			Mid
			Small

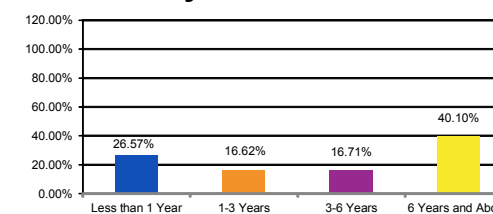
Portfolio

Instrument	Industry/Rating	% of NAV
CD/CP's		18.02
Bank of Baroda CD 27-Feb-13	A1+	9.01
State Bank of Hyderabad CD 27-Feb-13	A1+	9.01
Corporate Bonds		73.43
9.70% GE Shipping 02-Feb-21	AAA	8.57
9.48% REC Ltd. 10-Aug-21	AAA	8.47
9.43% LIC Housing Finance Ltd. 10-Feb-22	AAA	8.46
9.60% HDFC Ltd. 07-Apr-16	AAA	8.37
9.90% Indian Hotels Ltd. 24-Feb-17	AA	8.33
9.00% EXIM Bank 10-Jan-19	AAA	8.32
9.40% NABARD 31-Jul-15	AAA	8.32
9.40% NHB 10-Jan-15	AAA	8.30
9.95% SBI 16-Mar-26	AAA	6.27
Cash Bank & Others		8.55
Total		100.00

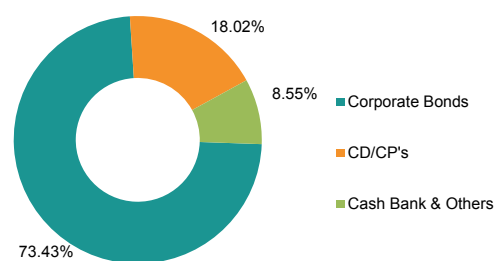
Rating Profile



Maturity Profile



Asset Allocation



Pension Schemes

Contact Us

Choose a convenient contact option from the following:



For any enquiries
Call our 24-hour Helpline no's
1-860-266-9966
1-800-119-966



Just SMS '**SERVICE**' to **58888**
or to get the summary of all
short codes within 2 minutes,
please send **HELP** to **5676799**



Write to Us
Customer Services Team
Tata AIA Life Peninsula Tower, 6th Floor,
Peninsula Corporate Park, Ganpatrao Kadam Marg,
Lower Parel, Mumbai 400 013.

Disclaimer

1. The fund is managed by Tata AIA 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.
4. Every effort is made to ensure that all information contained in this publication is accurate at the date of publication, but no responsibility or liability in respect of any error or omission is accepted by the Company.
5. Income Tax benefits would be available as per the prevailing income tax laws, subject to fulfillment of conditions stipulated therein. Tata AIA Life Insurance Company Ltd. does not assume responsibility on tax implication mentioned anywhere in this document. Please consult your own tax consultant to know the tax benefits available to you.
6. Please know the associated risks and the applicable charges from your Insurance agent or the intermediary or policy document of the Insurer.
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 AIA Life Insurance Company Ltd. (Reg. No. 110)
Registered and Corporate Office 14th Floor, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel, Mumbai 400013

Pension Schemes

TATA AIA
L I F E