

Fund Assure

Investment Report, July 2012



From the CIO's Desk
Fund Assure, Investment Report, July 2012



Dear Friends,

The month of July 2012 saw the benchmark indices, BSE Sensex and CNX Nifty shed 1.11% and 0.95% respectively even as the Mid-cap index CNX Midcap lost 2.49% during the same period.

The concerns of a possible full fledged bailout for Spain kept the global markets under pressure in the month of July 2012. There was an increasing evidence of a slowdown in global GDP growth led by the moderation in the GDP growth of the Euro area, US and China. Towards the end of the month, the ECB President, pledged that within its mandate "the ECB is ready to do whatever it takes to preserve the Euro" and assured that it would be enough. The confidence expressed by the ECB regarding the Euro and the Euro Area helped turnaround the weak investor sentiment.

The Index of Industrial Production (IIP) for the month of May 2012 showed a positive surprise as it came in at 2.4% as against the consensus of 1.8% even as the IIP for the month of April 2012 was revised down to a negative 0.9% from an already anemic 0.1%. In the medium term, market analysts expect some acceleration in the IIP growth through an improved export performance due to currency depreciation and lagged growth effects due to the policy rate cuts. However, in the near term, the IIP would continue to remain muted as indicated by the falling non-oil import growth.

Wholesale Price Index (WPI) inflation for June 2012 came in at 7.25% as against the consensus of 7.61% and lower than the May 2012 WPI inflation print of 7.55%. The provisional WPI inflation reading of April 2012 was revised upwards from 7.23% to 7.5%. The June 2012 WPI inflation print as well as the modest upward revision in the April 2012 WPI inflation number does offer some temporary relief on the inflation front even as below-normal monsoons could keep the food inflation levels elevated. The suppressed inflation in the system due to inadequate adjustment in diesel and kerosene prices as well as upside pressures on inflation from the depreciating INR would keep the subsequent core inflation prints in an upward trajectory.

The RBI in its first quarter monetary policy review kept the policy rates and the CRR unchanged, Repo rate: 8%, Reverse repo rate: 7% and CRR: 4.75%. This was largely on expected lines but the RBI did surprise the market as it decided to reduce the statutory liquidity ratio (SLR) by 100 bps, broadly in line with their objective of maintaining adequate liquidity for the productive sectors of the economy. Going forward, we could see rate cuts from the RBI only as a response to credible steps taken for fiscal consolidation and not solely on the basis of moderating economic activity.

The Brent crude oil has been trading around the USD 105 levels per barrel over the last month, down around 20% from the recent peak of around USD 125 levels scaled in March 2012. This drop of crude prices has been primarily driven by the muted global growth moderating demand and a reduction in the geo-political tensions leading to a decreasing possibility of supply disruptions. As India is a large consumer and importer of crude oil, the reduction in oil prices has a direct positive impact on trade deficit, government finances and headline inflation apart from acting as an enabler for growth.

The rainfall deficit is at around 20% deficit from long term average (LPA), with the concerns over monsoon having increased in the month of July. A weak monsoon has a direct impact on agri-production of Kharif (summer) crops and secondary impact on Rabi (winter) crops and hydro power generation. Weak agricultural growth will exert pressure on rural consumption even as higher farm incomes due to large increases in minimum support prices and continued government spending in rural employment schemes could cap the downside risks.

We 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, July 2012

The month of July 2012 saw the erstwhile benchmark 10 year Government security (G-sec) trading flat, opening at 8.38% levels and closing the month at around 8.36% levels post the RBI first quarter monetary policy. The new 10 year G-sec hardened by around 11 bps during the month to close around 8.25% levels.

The G-sec market had built up some gains during the month on a lesser than consensus June WPI inflation number but once the RBI kept the policy rates on hold even as it unexpectedly decreased the statutory liquidity ratio (SLR) by 100 bps in its first quarter monetary policy, the G-sec market gave up most of the monthly gains. The corporate bond yield eased by around 10 basis points during the month to close the month of July 2012 at 9.20-9.30% levels. As a consequence, the corporate bond spread over the new benchmark 10 year G-sec stood at 85-95 Bps.

On the liquidity front, the Liquidity Adjustment Facility -LAF continued to be the primary mode of liquidity injection, maintaining an average shortfall of around Rs.0.3-0.5 trillion during the month of July 2012, well within the RBIs comfort zone of 1% of the NDTL (Net demand and time liabilities).

On the GDP growth front the RBI revised the projected GDP growth for 2012-13 downwards from 7.3 % to 6.5% on the back of a deficient and uneven monsoon, weak industrial activity, reduced global growth & trade volume and a slowdown in the services sector growth. On the inflation front, the RBI increased the baseline projection of WPI inflation for March 2013 of 6.5 % to 7% due the adverse impact on food inflation on account of a deficient monsoon, high levels of suppressed inflation in the system and a possible increase in imported inflation due to INR depreciation.

The RBI clarified that keeping in view the slowdown in growth, they had front loaded the policy rate reduction in April 2012 with an unexpected cut of 50 basis points in the repo rate. Subsequent developments

suggested that even as growth moderated, inflation remained sticky, which was the main reason for the RBI to pause in the mid-quarter review of June 2012, even in the face of slowing growth.

The RBI guided that the primary focus of monetary policy remained inflation control in order to secure a sustainable growth path over the medium-term. They conceded that monetary actions over the past two years may have contributed to the growth slowdown, an unavoidable consequence of their fight against persistent inflation. The RBI opined that in the current circumstances, lowering policy rates would only aggravate inflationary impulses without necessarily stimulating growth. The RBI assured that as and when the multiple constraints to growth are addressed, they would stand ready to act appropriately.

The RBIs decision to cut the statutory liquidity ratio (SLR) by 100 bps is broadly in line with their objective of maintaining adequate liquidity for the productive sectors. The immediate impact of the SLR cut will be limited as the credit pick up in the economy has been only modest of late but nevertheless, the RBI wanted to signal the shift in the direction of liquidity flow in the medium term.

The RBI expects the policy actions to anchor inflation expectations based on the commitment of monetary policy to inflation control as well as maintain liquidity to facilitate smooth flow of credit to productive sectors to support growth. Going forward, we could see rate cuts from the RBI only as a response to credible steps taken for fiscal consolidation and not solely on the basis of moderating economic activity.

Considering the measures taken by RBI on the liquidity front which may lead to a receding possibility of OMOs in the near term as well as a busy government borrowing calendar over the next four weeks, we could expect the new 10 year benchmark G-sec to be under pressure and trade in a range of 8.10-8.35% in the near term.

Market Outlook - Equity

Fund Assure, Investment Report, July 2012

The month of July 2012 saw the benchmark indices, BSE Sensex and CNX Nifty shed 1.11% and 0.95% respectively even as the Mid-cap index CNX Midcap lost 2.49% during the same period. MSCI India lost 0.7% in US dollar terms over the month and underperformed the MSCI EM index, which had notched up gains of 1.6% in the same period.

The FIIs were net buyers of Indian equity over the month of July 2012 to the tune of around USD 1.85 billion and have invested USD 10.3 billion in Indian equities, calendar year to date. The DIIs sold USD 952 million over the month with insurance companies and domestic mutual funds being net sellers to the tune of USD 617 million and USD 335 million respectively. The insurance companies and mutual funds have sold USD 3.3 billion and USD 1.6 billion respectively, this calendar year to date.

First quarter earnings season has been a mixed bag so far reflecting the reduced pricing power of corporate India on the back of the moderating demand in the economy. The EBITDA margins contracted on a year on year basis with the net profit margins under pressure due to higher borrowing costs. However, there are early indications of exporters benefiting from the INR depreciation. Consensus earnings estimates for the broad market (MSCI India) were revised down marginally over the month to an estimated earnings growth of 13% and 14% for FY13 (E) and FY14 (E) respectively.

The equity markets have been waiting for some policy actions from the government such as increasing diesel and urea prices, clearing key investment projects and increasing FDI in Retail and Aviation. These actions on the policy front are crucial for the

fiscal situation and balance of payments position to improve.

While the impact of weak monsoons on growth may not be substantial, food inflation could spike up due to lower agri-production. Cumulative rainfall deficit is at around 20% below normal for the months of June and July raising the possibility of a moderation in rural consumption, which to some extent can be offset by increased government spends on rural employment generation schemes and higher minimum support prices of Kharif crops.

Going forward, some credible fiscal consolidation efforts by the government and a modest decline in interest rates by RBI in response to the same, can offer some positive trigger for the equity markets. However, the possibility of fiscal slippage due to weak monsoons and higher subsidy bill can weigh on the Indian market in the near term. In the medium term, the lower policy interest rates, high savings rates, competitive exports and import substitution from the INR depreciation can help in putting a floor on the GDP growth.

The market has largely priced in the weak macro-fundamentals and does offer comfort of reasonable valuations at around 13 times one year forward price earnings. That said, the government's policy stance over the next few months would be crucial in determining market direction as the window for reforms has narrowed considerably given a packed state elections calendar in 2013.

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, July 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 July, 12 : ₹32.6387

Benchmark : BSE Sensex - 100%

Investment Style

| Investment Style | | | |
|------------------|-------|--------|-------|
| Value | Blend | Growth | Size |
| | | | Large |
| | | | Mid |
| | | | Small |

Portfolio

| Instrument | Industry/Rating | % Of NAV |
|------------------------------------|------------------------------|--------------|
| Equity | | 94.46 |
| ITC Ltd. | Tobacco Products | 8.72 |
| ICICI Bank Ltd | Banks | 8.12 |
| HDFC Bank Ltd | Banks | 7.44 |
| Reliance Industries Ltd | Refineries | 6.53 |
| Infosys Technologies Ltd. | IT - Software | 5.55 |
| Tata Consultancy Services Limited | IT - Software | 4.20 |
| State Bank of India | Banks | 3.39 |
| Oil and Natural Gas Corpn Ltd | Crude Oil & Natural Gas | 3.38 |
| Larsen and Toubro Limited | Capital Goods-Non Electrical | 3.12 |
| Sun Pharmaceuticals Industries Ltd | Pharmaceuticals | 2.87 |
| Bharti Airtel Limited | Telecomm-Service | 2.53 |
| Tata Motors Limited | Automobile | 2.29 |
| Bajaj Auto Limited | Automobile | 2.10 |
| Mahindra and Mahindra Ltd. | Automobile | 2.01 |
| Tata Steel Limited | Steel | 1.92 |
| IDFC Limited | Finance | 1.82 |
| Axis Bank Limited | Banks | 1.80 |

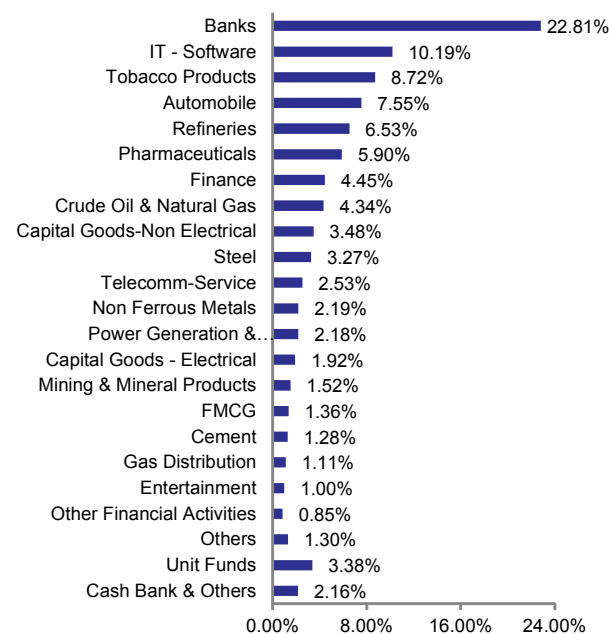
| Instrument | Industry/Rating | % Of NAV |
|--|---------------------------------|---------------|
| Dr. Reddys Laboratories Ltd | Pharmaceuticals | 1.77 |
| HDFC Ltd. | Finance | 1.75 |
| Coal India Ltd | Mining & Mineral Products | 1.52 |
| Nestle India Limited | FMCG | 1.36 |
| Jindal Steel and Power Ltd. | Steel | 1.34 |
| Bharat Heavy Electricals Ltd | Capital Goods - Electrical | 1.27 |
| Cipla Ltd. | Pharmaceuticals | 1.26 |
| Sterlite Industries (India) Limited | Non Ferrous Metals | 1.18 |
| Maruti Suzuki India Limited | Automobile | 1.15 |
| GAIL (India) Limited | Gas Distribution | 1.11 |
| Hindalco Industries Ltd. | Non Ferrous Metals | 1.01 |
| Power Grid Corporation of India Ltd | Power Generation & Distribution | 1.00 |
| Zee Entertainment Enterprises Ltd | Entertainment | 1.00 |
| Other Equity below 1% corpus | | 9.95 |
| Unit Funds | | 3.38 |
| UTI- Liquid Fund-Cash Plan-Inst Growth | | 3.38 |
| Cash Bank & Others | | 2.16 |
| Total | | 100.00 |

Fund Performance

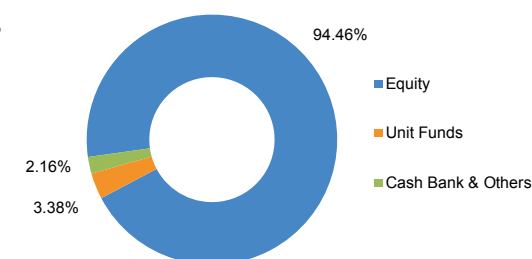
| PERIOD | DATE | NAV | BSE Sensex | NAV Change | INDEX Change |
|-----------------|-----------|---------|------------|------------|--------------|
| Last 6 Months | 31-Jan-12 | 32.1354 | 17193.55 | 1.57% | 0.25% |
| Last 1 Year | 29-Jul-11 | 34.4359 | 18197.20 | -5.22% | -5.28% |
| Last 2 Years | 30-Jul-10 | 34.2366 | 17868.29 | -2.36% | -1.78% |
| Last 3 Years | 31-Jul-09 | 27.8609 | 15670.31 | 5.42% | 3.23% |
| Last 4 Years | 31-Jul-08 | 25.9190 | 14355.75 | 5.93% | 4.68% |
| Last 5 Years | 31-Jul-07 | 30.0373 | 15550.99 | 1.68% | 2.08% |
| Since Inception | 29-Mar-04 | 10.0000 | 5571.37 | 15.23% | 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, July 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 July, 12 : ₹14.7213

Benchmark : CRISIL India Short Term Bond Index -100%

Investment Style

| Credit Quality | | | Interest Rate Sensivity |
|----------------|-----|-----|-------------------------|
| High | Mid | Low | |
| | | | High |
| | | | Mid |
| | | | Low |

Portfolio

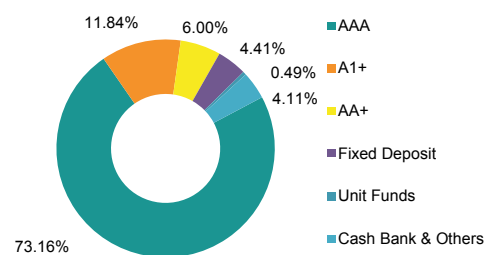
| Instrument | Industry/Rating | % of NAV |
|-------------------------------------|-----------------|---------------|
| CD/CP's | | 11.84 |
| Kotak Mahindra Prime Ltd 2013 - CP | A1+ | 7.38 |
| Indiabulls Financial Serv 2013- CP | A1+ | 4.46 |
| Corporate Bonds | | 79.16 |
| 7.90% RECL 2012 | AAA | 9.75 |
| 9.75% IDFC LTD 2014 | AAA | 8.38 |
| 2.00% Tata Motors Ltd 2014 | AAA | 7.69 |
| 9.40% National Housing Bank 2015 | AAA | 7.35 |
| 8.25% Britannia Industries Ltd 2013 | AAA | 7.20 |
| 7.76% LIC Housing 2012 | AAA | 6.82 |
| 9.25% Dr Reddys Lab Ltd 2014 | AA+ | 6.00 |
| 10.40% ICICI SEC Prim 2013 | AAA | 4.94 |
| 9.63% PFC 2014 | AAA | 4.92 |
| 9.55% HDFC Ltd 2013 | AAA | 4.90 |
| 9.20% Power Grid 2013 | AAA | 4.89 |
| 8.40% HDFC 2014 | AAA | 2.88 |
| 9.50% NABARD 2012 | AAA | 2.45 |
| 11.40% PFC LTD 2013 | AAA | 1.00 |
| Fixed Deposit | | 4.41 |
| 9.50% State Bank of Hyderabad 2014 | | 4.41 |
| Unit Funds | | 0.49 |
| Kotak Liquid Insttit Premium-Growth | | 0.49 |
| Cash Bank & Others | | 4.11 |
| Total | | 100.00 |

Fund Performance

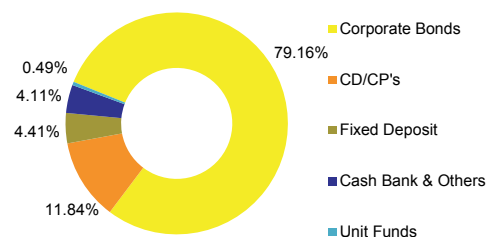
| PERIOD | DATE | NAV | CRISIL Short-Term Bond Index | NAV Change | INDEX Change |
|-----------------|-----------|---------|------------------------------|------------|--------------|
| Last 6 Months | 31-Jan-12 | 14.0502 | 1835.31 | 4.78% | 4.47% |
| Last 1 Year | 29-Jul-11 | 13.5034 | 1760.21 | 9.02% | 8.93% |
| Last 2 Years | 30-Jul-10 | 12.7173 | 1655.29 | 7.59% | 7.62% |
| Last 3 Years | 31-Jul-09 | 12.0632 | 1585.10 | 6.86% | 6.55% |
| Last 4 Years | 31-Jul-08 | 10.6039 | 1422.08 | 8.55% | 7.76% |
| Last 5 Years | 31-Jul-07 | 10.1879 | 1343.89 | 7.64% | 7.37% |
| Since Inception | 3-Jul-06 | 10.0000 | 1242.33 | 6.56% | 7.40% |

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.

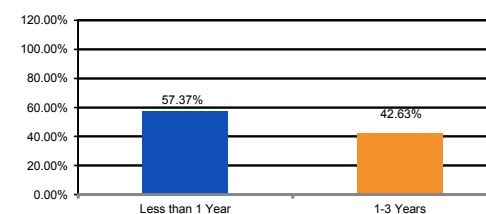
Rating Profile



Asset Allocation



Maturity Profile



Pension Schemes

Income Fund

ULGF 002 02/03/04 11 110

FundAssure, Investment Report, July 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 July, 12 : ₹16.7088

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 | | 9.39 |
| Corporation Bank 2013 - CD | A1+ | 4.49 |
| Canara Bank 2013 - CD | A1+ | 3.05 |
| Bank of Baroda 2013 - CD | A1+ | 0.62 |
| State Bank of Hyderabad 2013 - CD | A1+ | 0.62 |
| Vijaya Bank 2013 - CD | A1+ | 0.62 |
| Corporate Bonds | | 42.71 |
| 2.00% TATA STEEL LTD 2022 | AA | 3.89 |
| 9.70% HDFC LTD 2017 | AAA | 3.56 |
| 8.80% Tata Sons 2015 | AAA | 2.97 |
| 9.50% United Phosphorus Ltd 2015 | AA+ | 2.51 |
| 9.35% PGC 2016 | AAA | 2.51 |
| 7.95% IDFC 2014 | AAA | 2.46 |
| 9.57% IRFC 2021 | AAA | 2.32 |
| 9.40% LIC Housing Finance Ltd 2013 | AAA | 2.26 |
| 9.30% SAIL 2021 | AAA | 2.26 |
| 9.30% PGC LTD 2021 | AAA | 2.26 |
| HDFC Ltd 2013 | AAA | 2.15 |
| 9.48% RECL 2021 | AAA | 1.78 |
| 9.40% NABARD 2015 | AAA | 1.76 |
| 7.20% Rural Elect Corp. 2012 | AAA | 1.50 |
| 9.30% PGC LTD 2022 | AAA | 1.25 |
| 9.00% NTPC Ltd 2023 | AAA | 1.23 |
| 8.25% Britannia Industries Ltd 2013 | AAA | 1.00 |
| 8.50% PFC 2014 | AAA | 0.99 |

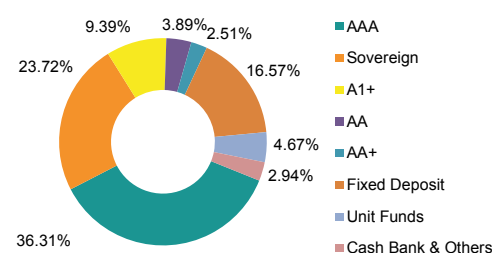
| Instrument | Industry/Rating | % of NAV |
|------------------------------------|-----------------|---------------|
| 10.75% Rural Elect Corp. 2013 | AAA | 0.76 |
| 9.64% PGC 2021 | AAA | 0.64 |
| 9.64% PGC 2018 | AAA | 0.64 |
| 9.64% PGC 2016 | AAA | 0.63 |
| 9.64% PGC 2015 | AAA | 0.63 |
| 8.80% SAIL 2015 | AAA | 0.50 |
| 9.40% NABARD 2014 | AAA | 0.25 |
| Fixed Deposit | | 16.57 |
| 10.70% Punjab National Bank 2013 | | 5.03 |
| 9.50% State Bank of Hyderabad 2014 | | 3.51 |
| 10.70% Bank of Baroda 2013 | | 2.76 |
| 10.80% Canara Bank 2013 | | 2.76 |
| 10.70% Bank of Baroda 2013 | | 2.51 |
| Government Securities | | 23.72 |
| 8.83% GOI 2041 | Sovereign | 9.66 |
| 9.15% GOI 2024 | Sovereign | 4.50 |
| 8.19% GOI 2020 | Sovereign | 4.24 |
| 8.15% GOI 2022 | Sovereign | 3.87 |
| 8.33% GOI 2036 | Sovereign | 0.73 |
| 8.79% GOI 2021 | Sovereign | 0.39 |
| 7.38% GOI 2015 | Sovereign | 0.33 |
| Unit Funds | | 4.67 |
| Kotak Liquid Instit Premium-Growth | | 4.67 |
| Cash Bank & Others | | 2.94 |
| Total | | 100.00 |

Fund Performance

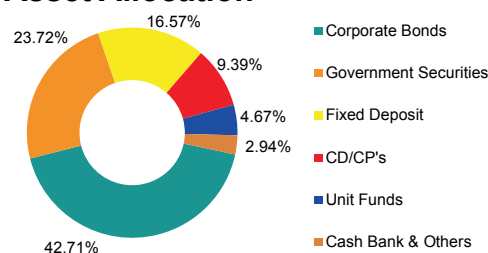
| PERIOD | DATE | NAV | Crisil Composite Bond Fund Index | NAV Change | INDEX Change |
|-----------------|-----------|---------|----------------------------------|------------|--------------|
| Last 6 Months | 31-Jan-12 | 16.0057 | 1776.42 | 4.39% | 4.14% |
| Last 1 Year | 29-Jul-11 | 15.1974 | 1699.88 | 9.95% | 8.83% |
| Last 2 Years | 30-Jul-10 | 14.3119 | 1613.57 | 8.05% | 7.08% |
| Last 3 Years | 31-Jul-09 | 13.5525 | 1543.10 | 7.23% | 6.23% |
| Last 4 Years | 31-Jul-08 | 11.6806 | 1382.84 | 9.36% | 7.55% |
| Last 5 Years | 31-Jul-07 | 11.2960 | 1349.23 | 8.14% | 6.52% |
| Since Inception | 2-Mar-04 | 10.0000 | 1193.20 | 6.29% | 5.35% |

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.

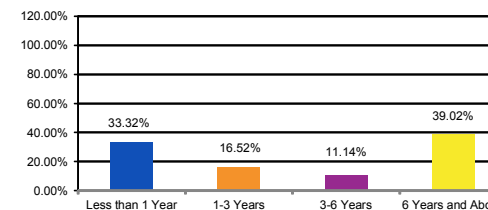
Rating Profile



Asset Allocation



Maturity Profile



Pension Schemes

Liquid Fund

ULGF 003 02/03/04 L1 110

FundAssure, Investment Report, July 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 July, 12 : ₹16.8676

Benchmark : CRISIL Liquid Fund Index -100%

Investment Style

| Credit Quality | | | Interest Rate Sensivity |
|----------------|-----|-----|-------------------------|
| High | Mid | Low | |
| | | | High |
| | | | Mid |
| | | | Low |

Portfolio

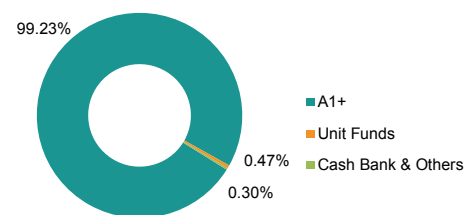
| Instrument | Industry/Rating | % of NAV |
|------------------------------------|-----------------|---------------|
| CD/CP's | | 99.23 |
| Canara Bank 2013 - CD | A1+ | 9.42 |
| Bank of India 2013 - CD | A1+ | 9.40 |
| Bank of Baroda 2013 - CD | A1+ | 9.37 |
| State Bank of Hyderabad 2013 - CD | A1+ | 9.37 |
| Allahabad Bank 2013 - CD | A1+ | 9.37 |
| Vijaya Bank 2013 - CD | A1+ | 9.33 |
| Corporation Bank 2013 - CD | A1+ | 9.18 |
| Punjab National Bank 2013 - CD | A1+ | 8.98 |
| Kotak Mahindra Prime Ltd 2013 - CP | A1+ | 8.87 |
| Indian Bank 2013 - CD | A1+ | 5.84 |
| Indiabulls Financial Serv 2013- CP | A1+ | 5.58 |
| Axis Bank 2013 - CD | A1+ | 4.51 |
| Unit Funds | | 0.47 |
| Kotak Liquid Instit Premium-Growth | | 0.47 |
| Cash Bank & Others | | 0.30 |
| Total | | 100.00 |

Fund Performance

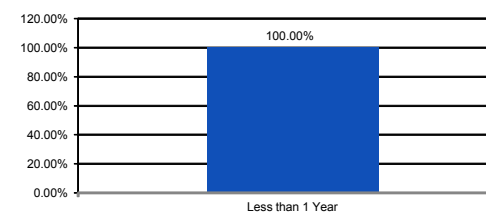
| PERIOD | DATE | NAV | Crisil Liquid Fund Index | NAV Change | INDEX Change |
|-----------------|-----------|---------|--------------------------|------------|--------------|
| Last 6 Months | 31-Jan-12 | 16.1519 | 1770.66 | 4.43% | 4.37% |
| Last 1 Year | 29-Jul-11 | 15.4904 | 1698.62 | 8.89% | 8.80% |
| Last 2 Years | 30-Jul-10 | 14.5060 | 1582.48 | 7.83% | 8.07% |
| Last 3 Years | 31-Jul-09 | 13.7638 | 1528.54 | 7.01% | 6.53% |
| Last 4 Years | 31-Jul-08 | 12.7398 | 1416.92 | 7.27% | 6.87% |
| Last 5 Years | 31-Jul-07 | 11.6980 | 1325.05 | 7.59% | 6.88% |
| Since inception | 25-May-04 | 10.0000 | 1113.63 | 6.59% | 6.38% |

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.

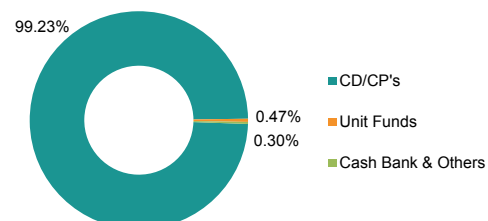
Rating Profile



Maturity Profile



Asset Allocation



Pension Schemes

Bond Fund

ULGF 005 17/08/07 BO 110

FundAssure, Investment Report, July 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 July, 12 : ₹14.2571

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 | | |
| 13.77 | | |
| Corporation Bank 2013 - CD | A1+ | 5.82 |
| Canara Bank 2013 - CD | A1+ | 5.26 |
| Punjab National Bank 2013 - CD | A1+ | 2.68 |
| Corporate Bonds | | |
| 42.48 | | |
| 2.00% Indian Hotels Company Ltd 2014 | AA+ | 5.40 |
| 8.25% Britannia Industries Ltd 2013 | AAA | 4.47 |
| 9.50% United Phosphorus Ltd 2015 | AA+ | 3.94 |
| 8.80% Tata Sons 2015 | AAA | 3.33 |
| 9.30% SAIL 2021 | AAA | 2.81 |
| 9.57% IRFC 2021 | AAA | 2.31 |
| 9.35% PGC 2021 | AAA | 2.26 |
| 9.30% SAIL LTD 2021 | AAA | 2.25 |
| 9.70% PFC 2018 | AAA | 1.83 |
| 10.70% Sundaram Finance 2014 | AA+ | 1.72 |
| 9.48% RECL 2021 | AAA | 1.71 |
| 9.64% PGC 2021 | AAA | 1.43 |
| 9.64% PGC 2018 | AAA | 1.42 |
| 9.64% PGC 2016 | AAA | 1.42 |
| 9.64% PGC 2015 | AAA | 1.42 |
| 9.40% NABARD 2015 | AAA | 1.13 |

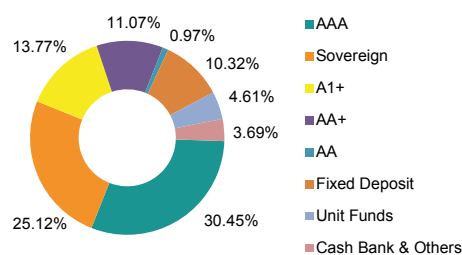
| Instrument | Industry/Rating | % of NAV |
|--------------------------------------|-----------------|---------------|
| 9.30% Tata Sons 2015 | AAA | 1.12 |
| 2.00% Tata Steel Ltd 2022 | AA | 0.97 |
| 7.76% LIC Housing 2012 | AAA | 0.90 |
| 9.30% PGC LTD 2021 | AAA | 0.56 |
| 9.75% SBI Series 2021 | AAA | 0.08 |
| Fixed Deposit | | 10.32 |
| 10.70% Bank of Baroda 2013 | | 3.38 |
| 10.00% State Bank of Travancore 2013 | | 3.34 |
| 10.70% Bank of Baroda 2013 | | 2.25 |
| 9.50% State Bank of Hyderabad 2014 | | 1.35 |
| Government Securities | | 25.12 |
| 8.19% GOI 2020 | Sovereign | 10.61 |
| 8.83% GOI 2041 | Sovereign | 8.70 |
| 9.15% GOI 2024 | Sovereign | 3.56 |
| 7.00% GOI 2012 | Sovereign | 1.68 |
| 8.15% GOI 2022 | Sovereign | 0.56 |
| Unit Funds | | 4.61 |
| Kotak Liquid Insttit Premium-Growth | | 4.61 |
| Cash Bank & Others | | 3.69 |
| Total | | 100.00 |

Fund Performance

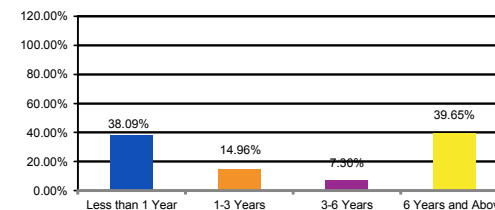
| PERIOD | DATE | NAV | Crisil Composite Bond Fund Index | NAV Change | INDEX Change |
|-----------------|-----------|---------|----------------------------------|------------|--------------|
| Last 6 Months | 31-Jan-12 | 13.6348 | 1776.42 | 4.56% | 4.14% |
| Last 1 Year | 29-Jul-11 | 12.9709 | 1699.88 | 9.92% | 8.83% |
| Last 2 Years | 30-Jul-10 | 12.2277 | 1613.57 | 7.98% | 7.08% |
| Last 3 Years | 31-Jul-09 | 11.5575 | 1543.10 | 7.25% | 6.23% |
| Last 4 Years | 31-Jul-08 | 10.2241 | 1382.84 | 8.67% | 7.55% |
| Since Inception | 17-Aug-07 | 10.0000 | 1339.53 | 7.41% | 6.73% |

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.

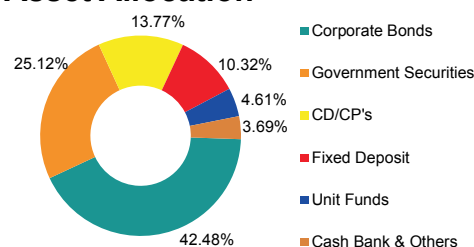
Rating Profile



Maturity Profile



Asset Allocation



Pension Schemes

Balanced Fund

ULGF 006 17/08/07 BL 110

FundAssure, Investment Report, July 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 July, 12 : ₹13.449

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 | 31-Jan-12 | 12.9736 | 3.66% | 3.78% |
| Last 1 Year | 29-Jul-11 | 12.6616 | 6.22% | 7.49% |
| Last 2 Years | 30-Jul-10 | 12.1170 | 5.35% | 6.24% |
| Last 3 Years | 31-Jul-09 | 11.4018 | 5.66% | 6.02% |
| Last 4 Years | 31-Jul-08 | 10.0013 | 7.69% | 7.28% |
| Since Inception | 17-Aug-07 | 10.0000 | 6.16% | 6.56% |

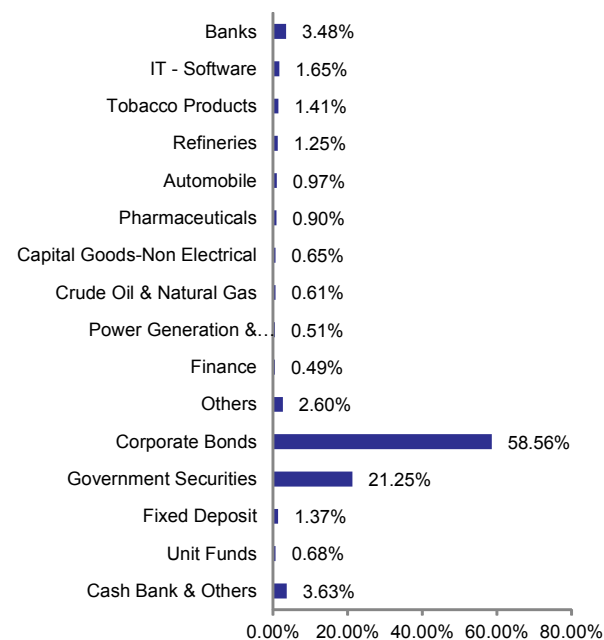
Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

Portfolio

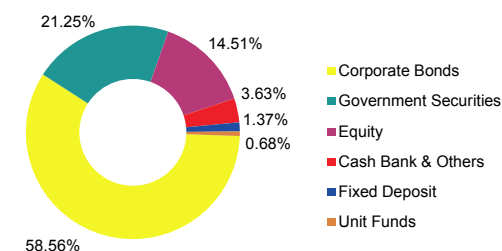
| Instrument | Industry/Rating | % Of NAV |
|------------------------------------|------------------------------|--------------|
| Equity | | 14.51 |
| ITC Ltd. | Tobacco Products | 1.41 |
| Reliance Industries Ltd | Refineries | 1.07 |
| ICICI Bank Ltd | Banks | 1.05 |
| HDFC Bank Ltd | Banks | 1.01 |
| Infosys Technologies Ltd. | IT - Software | 0.82 |
| Larsen and Toubro Limited | Capital Goods-Non Electrical | 0.56 |
| State Bank of India | Banks | 0.55 |
| Tata Consultancy Services Limited | IT - Software | 0.51 |
| Oil and Natural Gas Corpn Ltd | Crude Oil & Natural Gas | 0.47 |
| Sun Pharmaceuticals Industries Ltd | Pharmaceuticals | 0.45 |
| Other Equity | | 6.60 |
| Corporate Bonds | | 58.56 |
| 8.28% LIC Housing Fin 2015 | AAA | 9.34 |
| 9.95% SBI 2026 | AAA | 5.96 |
| 7.75% RECL 2012 | AAA | 5.71 |
| 8.80% Power Grid 2015 | AAA | 5.07 |
| 8.70% PFC 2015 | AAA | 4.72 |
| 9.97% IL&FS 2016 | AAA | 4.19 |
| 8.35% HDFC 2015 | AAA | 4.01 |

| Instrument | Industry/Rating | % Of NAV |
|-------------------------------------|-----------------|---------------|
| 9.655% NABARD 2014 | AAA | 3.44 |
| 7.90% RECL 2012 | AAA | 3.14 |
| 9.30% Tata Sons 2015 | AAA | 2.74 |
| 9.20% Power Grid 2015 | AAA | 2.73 |
| 8.40% HDFC 2014 | AAA | 2.01 |
| 9.25% Dr Reddys Lab Ltd 2014 | AA+ | 1.78 |
| 10.40% ICICI SEC Prim 2013 | AAA | 1.38 |
| 9.50% NABARD 2012 | AAA | 1.37 |
| 9.80% PFC 2012 | AAA | 0.68 |
| 8.83% IRFC 2012 | AAA | 0.27 |
| Fixed Deposit | | 1.37 |
| 10.70% Bank of Baroda 2013 | | 1.37 |
| Government Securities | | 21.25 |
| 8.79% GOI 2021 | Sovereign | 9.84 |
| 9.15% GOI 2024 | Sovereign | 7.23 |
| 8.83% GOI 2041 | Sovereign | 4.18 |
| Unit Funds | | 0.68 |
| Kotak Liquid Insttit Premium-Growth | | 0.68 |
| Cash Bank & Others | | 3.63 |
| Total | | 100.00 |

Sector Allocation



Asset Allocation



Pension Schemes

Growth Fund

ULGF 007 17/08/07 G2 110

FundAssure, Investment Report, July 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 July, 12 : ₹13.0369

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

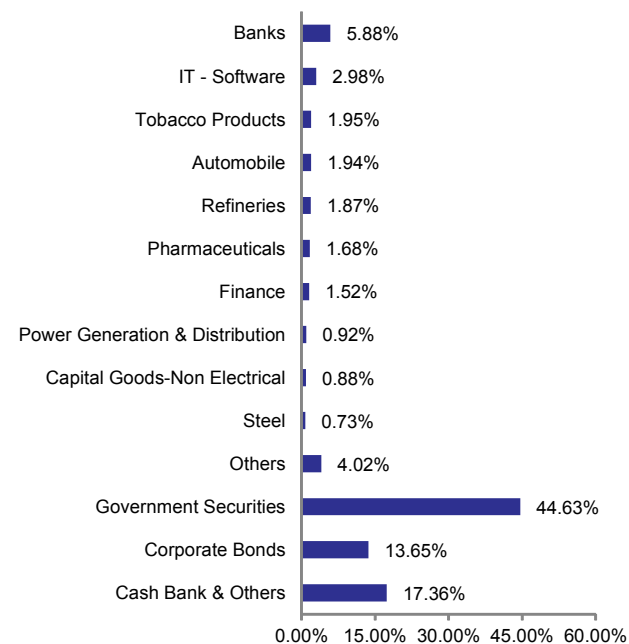
| PERIOD | DATE | NAV | NAV Change | INDEX Change |
|-----------------|-----------|---------|------------|--------------|
| Last 6 Months | 31-Jan-12 | 12.6814 | 2.80% | 3.07% |
| Last 1 Year | 29-Jul-11 | 12.6348 | 3.18% | 4.80% |
| Last 2 Years | 30-Jul-10 | 12.3100 | 2.91% | 4.57% |
| Last 3 Years | 31-Jul-09 | 11.3381 | 4.76% | 5.59% |
| Last 4 Years | 31-Jul-08 | 10.0468 | 6.73% | 6.73% |
| Since Inception | 17-Aug-07 | 10.0000 | 5.49% | 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.

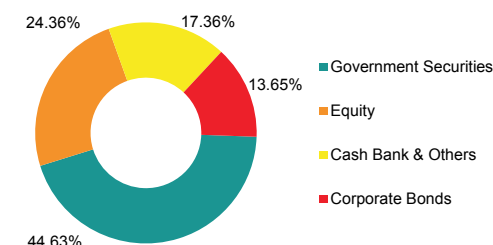
Portfolio

| Instrument | Industry/Rating | % Of NAV |
|-------------------------------|------------------|---------------|
| Equity | | 24.36 |
| HDFC Bank Ltd | Banks | 2.02 |
| ITC Ltd. | Tobacco Products | 1.95 |
| ICICI Bank Ltd | Banks | 1.76 |
| Reliance Industries Ltd | Refineries | 1.53 |
| Infosys Technologies Ltd. | IT - Software | 1.53 |
| State Bank of India | Banks | 1.15 |
| Other Equity below 1% corpus | | 14.41 |
| Corporate Bonds | | 13.65 |
| 9.57% IRFC 2021 | AAA | 4.71 |
| 8.30% HDFC 2015 | AAA | 4.47 |
| 8.28% LIC Housing Fin 2015 | AAA | 4.47 |
| Government Securities | | 44.63 |
| 9.15% GOI 2024 | Sovereign | 14.51 |
| 8.79% GOI 2021 | Sovereign | 14.11 |
| 7.83% GOI 2018 | Sovereign | 9.00 |
| 8.83% GOI 2041 | Sovereign | 7.00 |
| Cash Bank & Others | | 17.36 |
| Total | | 100.00 |

Sector Allocation



Asset Allocation



Pension Schemes

Maxima Fund

ULGF 008 17/08/07 M1 110

FundAssure, Investment Report, July 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 July, 12 : ₹10.4214

Benchmark : -

Debt Investment Style

| Credit Quality | | | Interest Rate Sensitivity |
|----------------|-----|-----|---------------------------|
| High | Mid | Low | |
| | | | High |
| | | | Mid |
| | | | Low |

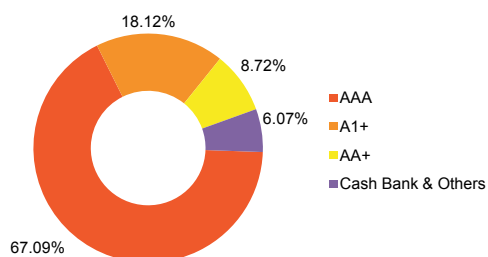
Equity Investment Style

| Investment Style | | | Size |
|------------------|-------|--------|-------|
| Value | Blend | Growth | |
| | | | Large |
| | | | Mid |
| | | | Small |

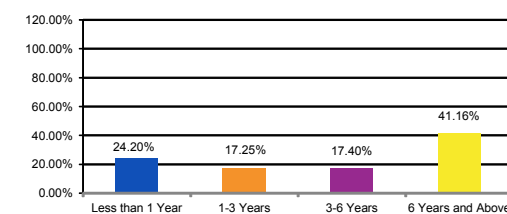
Portfolio

| Instrument | Industry/Rating | % of NAV |
|------------------------------------|-----------------|---------------|
| CD/CP's | | 18.12 |
| Bank of Baroda 2013 - CD | A1+ | 9.06 |
| State Bank of Hyderabad 2013 - CD | A1+ | 9.06 |
| Corporate Bonds | | 75.80 |
| 9.70% GE Shipping 2021 | AAA | 8.80 |
| 9.90% Indian Hotels Ltd 2017 | AA+ | 8.72 |
| 9.48% RECL 2021 | AAA | 8.70 |
| 9.60% HDFC Ltd 2016 | AAA | 8.68 |
| 9.43% LIC Housing Finance Ltd 2022 | AAA | 8.67 |
| 9.40% NABARD 2015 | AAA | 8.63 |
| 9.40% National Housing Bank 2015 | AAA | 8.62 |
| 9.00% Exim Bank 2019 | AAA | 8.56 |
| 9.95% SBI 2026 | AAA | 6.44 |
| Cash Bank & Others | | 6.07 |
| Total | | 100.00 |

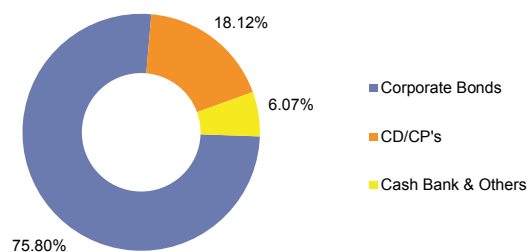
Rating Profile



Maturity Profile



Asset Allocation



Pension Schemes

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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.
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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 Delphi-B Wing, 2nd Floor, Orchard
Avenue Hiranandani Business Park, Powai, Mumbai - 400076

Pension Schemes

TATA AIA
L I F E