

Fund Assure

Investment Report, October 2012



From the CIO's Desk

Fund Assure, Investment Report, October 2012



Dear Friends,

The month of October 2012 saw the benchmark indices; BSE Sensex and CNX Nifty shed 1.37% and 1.47% respectively, even as the Mid-cap index, CNX Mid-cap closed lower 1% during the same period.

The global macro environment remained benign with the Euro zone showing some semblance of stability even though the uncertainty surrounding the continuation of funding for Greece persists. Chinese GDP growth continued to moderate as the Chinese economy seems poised for a soft landing. The US was ravaged by super storm Sandy accompanied by large scale disruptions in the US east coast states. The initial impact of the storm is pegged at around USD 20 billion in material losses and close to USD 30 billion in productivity losses. Meanwhile, the US presidential elections are round the corner and seem too close to call even as the campaigning draws to a close.

On the domestic front, the Union Cabinet cleared a series of big ticket reforms, including the crucial amendments to the pension and insurance bills. The Insurance Law Amendment Bill seeks to raise the FDI cap in private insurers to 49% from the current 26% and the Pension Fund Regulatory and Development Authority Bill aims to give statutory powers to the interim pension regulator, pegging the FDI limit in the Pension sector to be in line with the FDI limit in insurance. The market watchers expect that if the Insurance Bill proposing 49% FDI limit gets the Parliament's approval, the foreign joint venture partners in Indian insurance companies are likely to bring in as much as Rs. 30,000 crore (approx. USD 5.6 billion) in the next five years. The sector has seen the Indian promoters already investing Rs. 21,000 crore (approx. USD 4 billion) since the opening up of the sector while foreign investors have pumped in around Rs. 7,000 crore (approx. USD 1.3 billion) during the same period.

The Cabinet approved amendments to the Companies bill, amended the Competition Act aimed at giving more teeth to the competition regulator and approved the declaration of five airports as international airports, which could help attract more international traffic. The government also approved the 12th Five-Year Plan which focuses on big ticket infra creation with an aim to achieve an average economic growth rate of 8.2% during the plan period.

Some market experts believe that a breakthrough on the key Goods & Services Tax (GST) bill is on the anvil as there are increasing signs of a meeting ground between the Centre and the states on the contentious issues of compensation to states for loss in revenue, flexibility to alter the rates in GST, and fiscal autonomy. However, for this landmark legislation to see the light of the day, the GST bill will have to be framed and passed by the Parliament and the respective state assemblies. The GST would be a key enabler to raise the trajectory of the GDP growth and shore up the tax to GDP ratio.

During the month there was the much awaited Union cabinet reshuffle in an effort to speed up reform agenda, present a market friendly face and give an opportunity to younger Ministers to step up and play a key role in shaping the decision making of the government.

The RBI in its second quarter monetary policy review kept the policy rates unchanged even as it cut the cash reserve ratio (CRR) of scheduled banks by 25 Bps. This decision draws from the RBI's assessment of the evolving liquidity situation and the growth inflation dynamic. The RBI also raised banks' provisioning requirement to 2.75% as against the existing 2% on restructured standard loan accounts.

Wholesale Price Index (WPI) Inflation in September 2012 came in at a 10 month high at 7.81%, marginally above the consensus estimate of 7.7% and ahead of the August 2012 print of 7.55%. While the headline WPI inflation could stay elevated over the next few months, the RBI will be looking at further measures from the government towards fiscal consolidation, to justify a sustained easing of policy rates.

The Index of Industrial production (IIP) growth surprised on the upside as it recovered to a reasonable 2.7% on a year on year basis in August 2012 compared to -0.2% year on year in July 2012. Though it is too early to conclude the turnaround in industrial production, there is clearly an improvement in the market sentiment due to the recent policy action on part of the government, though most of the measures announced will have a meaningful impact on the ground, only in the medium term.

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, October 2012

The month of October 2012 saw the benchmark 10 year Government security (G-sec) trade range bound between 8.11% and 8.21%.

October 2012 saw the G-sec market holding on to gains built up in September due to the reform measures as well as the announcement of the unchanged government borrowing calendar for the second half FY 2012-13 before giving up almost all the gains post the disappointment of the RBI's second quarter monetary policy on October 30th 2012. The benchmark 10 year G-sec closed the month at 8.21%, 6 bps higher than the September close of 8.15%. The yields of the 30 year G-sec over the 10 year G-sec compressed to around 20 bps in October as against the 30 bps, seen in the prior month, mainly on account of inadequate supply of G-sec in the long end.

The corporate bond market remained steady during the month on the back of muted supply, to close the month of October 2012 at around the 9% levels in the 5-10 year segment, similar to the September levels of 8.90-8.95%. As a consequence, the corporate bond spread over the benchmark 10 year G-sec stood at around 60-65 Bps.

On the liquidity front, the Liquidity Adjustment Facility -LAF continued to be the primary mode of liquidity injection, maintaining a shortfall of around Rs.0.6-0.8 trillion from the second week of October with the liquidity deficit worsening further to near Rs.1 trillion levels towards the end of the month.

The RBI in its second quarter monetary policy review kept the policy rates unchanged even as it cut the cash reserve ratio (CRR) of scheduled banks by 25 Bps from 4.5% to 4.25% of their net demand and time liabilities (NDTL) effective the fortnight beginning November 3rd 2012. The reduction in the CRR is expected to inject around Rs.17,500 crores of primary liquidity into the banking system.

The RBI expressed concern that the systemic liquidity deficit had been high because of several factors: the wedge between deposit and credit growth, the build-up of Government's cash balances from mid-September and the drainage of liquidity on account of festival-related step-up in currency demand. This high systemic deficit would have had adverse implications for the flow of credit to the productive sectors of the economy as well as for the overall growth of the economy going forward and hence had to be addressed through the cut in the CRR.

The RBI was concerned on the inflation front as it has trended higher in September 2012, reflecting the partial pass-through of adjustment of diesel and

electricity prices, and elevated core inflation. The RBI cautioned that even as the monetary policy stance shifts further towards addressing growth risks, the objective of containing inflation cannot be de-emphasized.

In reducing the CRR, the RBI intended to pre-empt a prospective tightening of liquidity conditions, thereby keeping liquidity comfortable to facilitate a turnaround in credit growth to productive sectors so as to support growth. The policy stance anticipates that the inflation trajectory would rise over the next few months before easing in the last quarter. The baseline scenario does suggest a reasonable likelihood of further policy easing in the fourth quarter of this fiscal year.

In its Macro-economic report, the RBI believed that despite recent measures aimed at lowering the fiscal deficit, there was a risk of fiscal slippage in 2012-13 reinforcing the need for further measures for fiscal consolidation. The announcement of the reform measures in themselves may not ensure recovery as their impact would be felt only on successful implementation. The key to the economic recovery lies in laying out an enabling policy framework and removing structural bottlenecks to speed up infrastructure projects.

The Finance minister (FM) announced the much anticipated fiscal consolidation plan during the month with the fiscal deficit for FY 2013 to be restated to 5.3% as against the budgeted estimate of 5.1% and aiming towards a progressive reduction to 3% by FY 2017. The FM was confident of meeting revenue targets from disinvestment, 2G & tax receipts and effect meaningful cuts in non-plan expenditure while protecting flagship social sector programs aimed at the poor.

A key challenge in meeting the fiscal deficit number is the marked slowdown in economic activity resulting in net direct & indirect tax collection growth lower than the target at 16.3% & 15.6% respectively in the first half of the current fiscal. India's fiscal deficit during the first half came in at 65.6% of the full fiscal year 2012-13 target. Apart from the challenges on the revenue front as a result of a moderating economy there is the added risk of higher slippages on the subsidy front.

In the medium term, the prospect of extra second half borrowing beyond the budgeted number would keep the G-secs under pressure, especially as the policy rate cut is unlikely till the fourth quarter. On the other hand, the possibility of the RBI injecting liquidity through the Open market operations (OMOs) will offer some respite to the G-sec yields.

The 10-year yield G-sec may trade in the range of 8.10-8.30% in the near-term, on the back of increased supply of G-sec due to a heavy auction calendar in November.

Market Outlook - Equity

Fund Assure, Investment Report, October 2012

The month of October 2012 saw the benchmark indices, BSE Sensex and CNX Nifty shed 1.37% and 1.47% respectively even as the Mid-cap index, CNX Mid cap closed lower 1 % during the same period.

The FIIs were net buyers of Indian equity over the month of October 2012 to the tune of USD 1.9 billion and have invested around USD 17.8 billion in Indian equities, calendar year to date. The DIIs sold around USD 0.9 billion of Indian equity over the month with insurance companies and domestic mutual funds being net sellers to the tune of around USD 0.4 billion and USD 0.5 billion respectively. The insurance companies and mutual funds have sold USD 5.3 billion and USD 2.9 billion respectively, this calendar year to date. The divergence between the FII and DII flows can be seen from the fact that FII holding in the Nifty increased to 19.5% in September 2012, just a tad below its record high of around 20% even as the DIIs have reduced their holding to around 13% in September 2012.

The FY 2013 second quarter earnings season started on a positive note as the 18 Sensex companies that have declared the second quarter results thus far, registered a sales growth of 14.5% on a year on year basis, broadly in line with the consensus. There has been a positive surprise on the earnings growth of 13.5% on a year on year basis, much above consensus. The operating margins have been at around 18% even as the PAT margins are at around 12%.

Going forward, we could see the stabilization of both the operating margins and the interest costs as a percentage of earnings. The earnings downward revisions have played out over the last 2 years

and we may be nearing the end of the downgrade cycle. That said, the Sensex consensus EPS growth estimates for FY 2013 and FY 2014 have declined by around 130 bps and around 75 bps respectively in the September 2012 quarter. Over the last six months the FY 2013E EPS growth has seen a decline from 14% to 10% even as the FY14 estimates has increased from 12% to 13%.

On the ground, the positive sentiments due to the government's reform agenda could improve the environment for raising capital for mid-tier corporate and this could act as a key growth enabler. The global liquidity due to the unlimited Quantitative Easing (QE) III from the US Federal Reserve will find its way into asset classes including emerging market equities and it is likely that India could be a disproportionate beneficiary of the same, extending the robust USD 17.8 billion FII in-flows seen in this calendar year to date. However, the positive impact of the reforms announced as well as the improved sentiment would take some time to reflect in order inflows (and hence earnings) on the back of an expected revival in capital investment plans of India Inc.

With the government signaling its commitment to reforms, the market is expecting an acceleration of the reforms process, especially speeding up big ticket infrastructure projects, kick starting capex cycle with the PSUs taking the lead and de-bottlenecking supply constraints such as the issues of coal availability plaguing the power sector.

The market offers the comfort of reasonable valuations at around 14 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, October 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 Oct, 12 : ₹34.9484

Benchmark : BSE Sensex - 100%

Investment Style

Investment Style			
Value	Blend	Growth	Size
			Large
			Mid
			Small

Portfolio

Instrument	Industry/Rating	% Of NAV
Equity		96.99
ITC Ltd.	Tobacco Products	7.80
HDFC Bank Ltd.	Banks	7.72
Reliance Industries Ltd.	Refineries	7.71
ICICI Bank Ltd.	Banks	7.67
Infosys Technologies Ltd.	IT - Software	4.60
HDFC Ltd.	Finance	4.39
Tata Consultancy Services Ltd.	IT - Software	3.84
State Bank of India	Banks	3.42
Larsen and Toubro Ltd.	Capital Goods-Non Electrical	3.17
Tata Motors Ltd.	Automobile	3.10
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	2.70
Oil and Natural Gas Corpn Ltd.	Crude Oil & Natural Gas	2.61
Mahindra and Mahindra Ltd.	Automobile	2.44
Bharti Airtel Ltd.	Telecomm-Service	2.19
IDFC Ltd.	Finance	2.11
Coal India Ltd.	Mining & Mineral Products	1.97

Instrument	Industry/Rating	% Of NAV
Nestle India Ltd.	FMCG	1.91
Dr. Reddys Laboratories Ltd.	Pharmaceuticals	1.85
Tata Steel Ltd.	Steel	1.75
Maruti Suzuki India Ltd.	Automobile	1.40
Power Grid Corporation of India Ltd.	Power Generation & Distribution	1.33
Cipla Ltd.	Pharmaceuticals	1.30
Hero Motocorp Ltd.	Automobile	1.22
Bajaj Auto Ltd.	Automobile	1.18
MCX of India Ltd.	Other Financial Activities	1.12
Cairn India Ltd.	Crude Oil & Natural Gas	1.09
Sterlite Industries (India) Ltd.	Non Ferrous Metals	1.05
Jindal Steel and Power Ltd.	Steel	1.04
Axis Bank Ltd.	Banks	1.00
Other Equity below 1% corpus		12.30
Unit Funds		2.92
Reliance Liquid Fund-Treasury Plan -Growth Option		2.92
Cash Bank & Others		0.09
Total		100.00

Fund Performance

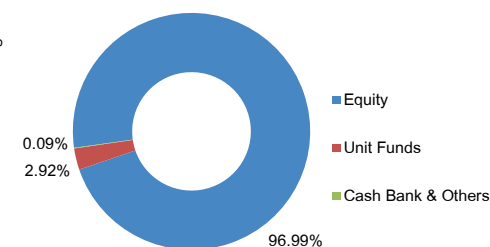
PERIOD	DATE	NAV	BSE Sensex	NAV Change	INDEX Change
Last 6 Months	30-Apr-12	32.3846	17318.81	7.92%	6.85%
Last 1 Year	31-Oct-11	32.8198	17705.01	6.49%	4.52%
Last 2 Years	29-Oct-10	37.8737	20032.34	-3.94%	-3.89%
Last 3 Years	30-Oct-09	29.0589	15896.28	6.34%	5.20%
Last 4 Years	31-Oct-08	17.6718	9788.06	18.59%	17.26%
Last 5 Years	31-Oct-07	40.0897	19837.99	-2.71%	-1.38%
Since Inception	29-Mar-04	10.0000	5571.37	15.67%	14.98%

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, October 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 Oct, 12 : ₹15.0783

Benchmark : CRISIL India Short Term Bond Index -100%

Investment Style

Credit Quality			Interest Rate Sensivity
High	Mid	Low	
			High
			Mid
			Low

Portfolio

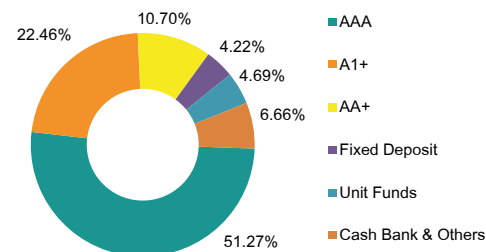
Instrument	Industry/Rating	% of NAV
CD/CP's		22.46
Cholamandalam Invest & Fin. Co. Ltd CP 10-Oct-13	A1+	9.01
Kotak Mahindra Prime Ltd. CP 07-MAR-13	A1+	7.25
Indiabulls Fin. Services Ltd. CP 17-JUL-13	A1+	4.38
Bank of Baroda CD 27-Feb-13	A1+	0.45
State Bank of Hyderabad CD 27-Feb-13	A1+	0.45
Allahabad Bank CD 27-Feb-13	A1+	0.45
Vijaya Bank CD 04-Mar-13	A1+	0.45
Corporate Bonds		61.97
9.75% IDFC Ltd. 11-Jul-14	AAA	8.07
9.40% NHB 10-Jan-15	AAA	7.10
8.25% Britannia Industries Ltd. 22-Mar-13	AAA	6.93
7.76% LIC Housing Finance Ltd. 06-Nov-12	AAA	6.56
9.25% Dr Reddy's Lab Ltd. 24-Mar-14	AA+	5.93
10.20% Sundaram Finance Ltd. 21-Jul-14	AA+	4.77
9.63% PFC Ltd. 15-Dec-14	AAA	4.75
10.40% ICICI Sec Prim Deal Ltd. 27-Jun-13	AAA	4.73
9.55% HDFC Ltd. 11-Apr-13	AAA	4.70
9.20% PGC Ltd. 12-Mar-13	AAA	4.69
8.40% HDFC Ltd. 08-Dec-14	AAA	2.79
11.40% PFC Ltd. 28-Nov-13	AAA	0.96
Fixed Deposit		4.22
9.50% State Bank Of Hyderabad FD 04-Jan-14		4.22
Unit Funds		4.69
Reliance Liquid Fund-Treasury Plan -Growth Option		4.69
Cash Bank & Others		6.66
Total		100.00

Fund Performance

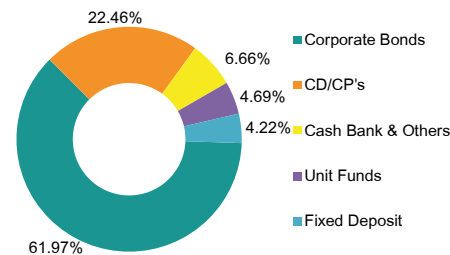
PERIOD	DATE	NAV	CRISIL Short-Term Bond Index	NAV Change	INDEX Change
Last 6 Months	30-Apr-12	14.3805	1874.26	4.85%	4.65%
Last 1 Year	31-Oct-11	13.7702	1795.08	9.50%	9.27%
Last 2 Years	29-Oct-10	12.8443	1675.18	8.35%	8.21%
Last 3 Years	30-Oct-09	12.1889	1597.95	7.35%	7.07%
Last 4 Years	31-Oct-08	10.9556	1449.61	8.31%	7.85%
Last 5 Years	31-Oct-07	10.3479	1365.88	7.82%	7.51%
Since Inception	3-Jul-06	10.0000	1242.33	6.70%	7.48%

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.

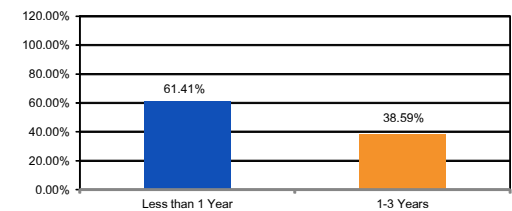
Rating Profile



Asset Allocation



Maturity Profile



Pension Schemes

Income Fund

ULGF 002 02/03/04 11 110

FundAssure, Investment Report, October 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 Oct, 12 : ₹17.1905

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		0.60
State Bank of Hyderabad CD 27-Feb-13	A1+	0.60
Government Securities		37.68
8.15% GOI 11-Jun-22	Sovereign	12.87
8.83% GOI 12-Dec-41	Sovereign	10.10
8.19% GOI 16-Jan-20	Sovereign	5.43
8.33% GOI 09-Jul-26	Sovereign	3.33
8.91% Gujarat SDL 22-Aug-22	Sovereign	1.52
8.84% Maharashtra SDL 17-Oct-22	Sovereign	1.52
8.79% Gujarat SDL 25-Oct-22	Sovereign	1.51
8.33% GOI 07-Jun-36	Sovereign	0.70
8.79% GOI 08-Nov-21	Sovereign	0.37
7.38% GOI 03-Sep-15	Sovereign	0.31
Corporate Bonds		40.54
9.57% IRFC Ltd. 31-May-21	AAA	4.95
2.00% Tata Steel Ltd. 23-Apr-22	AA	3.82
9.70% HDFC Ltd. 07-Jun-17	AAA	3.40
8.80% Tata Sons Ltd. 21-Sep-15	AAA	2.84
9.75% HDFC Ltd. 07-Dec-16	AAA	2.43
9.35% PGC Ltd. 29-Aug-16	AAA	2.40
9.5% United Phosphorus Ltd. 12-Jan-15	AA+	2.40
7.95% IDFC Ltd. 04-May-14	AAA	2.34
9.30% SAIL 23-Aug-21	AAA	2.17
9.40% LIC Housing Finance Ltd. 20-12-13	AAA	2.15
0.00% HDFC Ltd. 30-Aug-13	AAA	2.09

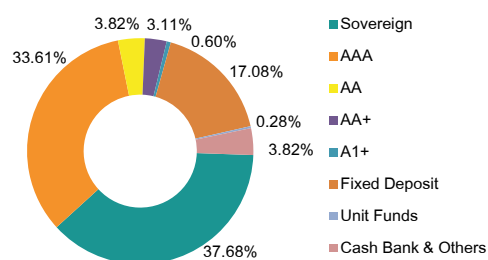
Instrument	Industry/Rating	% of NAV
9.40% NABARD 31-Jul-15	AAA	1.68
9.00% NTPC Ltd. 25-Jan-23	AAA	1.19
8.25% Britannia Industries Ltd. 22-Mar-13	AAA	0.95
8.50% PFC Ltd. 15-Dec-14	AAA	0.94
10.75% REC Ltd. 24-Jul-13	AAA	0.72
9.40% Sterlite Industries Ltd. 25-Oct-22	AA+	0.72
9.64% PGC Ltd. 31-May-21	AAA	0.61
9.64% PGC Ltd. 31-May-18	AAA	0.61
9.64% PGC Ltd. 31-May-16	AAA	0.60
9.64% PGC Ltd. 31-May-15	AAA	0.60
8.80% SAIL 26-Oct-15	AAA	0.47
9.35% REC Ltd. 15-Jun-22	AAA	0.24
9.40% NABARD 30-Mar-14	AAA	0.24
Fixed Deposit		17.08
10.70% Punjab National Bank FD 29-Mar-13		4.75
9.50% State Bank Of Hyderabad FD 04-Jan-14		3.32
10.70% Bank of Baroda FD 26-Mar-13		2.61
10.80% Canara Bank FD 22-Mar-13		2.61
10.70% Bank of Baroda FD 22-Mar-13		2.37
9.50% State Bank of Hyderabad FD 10-Feb-2014		1.42
Unit Funds		0.28
Reliance Liquid Fund-Treasury Plan -Growth Option		0.28
Cash Bank & Others		3.82
Total		100.00

Fund Performance

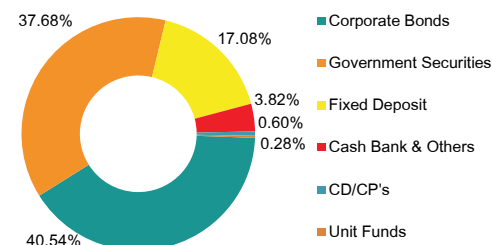
PERIOD	DATE	NAV	Crisil Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	30-Apr-12	16.2454	1810.70	5.82%	4.59%
Last 1 Year	31-Oct-11	15.4064	1725.98	11.58%	9.72%
Last 2 Years	29-Oct-10	14.4727	1630.21	8.99%	7.78%
Last 3 Years	30-Oct-09	13.6632	1548.15	7.96%	6.95%
Last 4 Years	31-Oct-08	11.8905	1409.09	9.65%	7.67%
Last 5 Years	31-Oct-07	11.5225	1368.14	8.33%	6.72%
Since Inception	2-Mar-04	10.0000	1193.20	6.45%	5.47%

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.

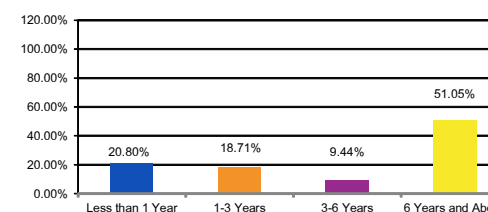
Rating Profile



Asset Allocation



Maturity Profile



Pension Schemes

Liquid Fund

ULGF 003 02/03/04 L1 110

FundAssure, Investment Report, October 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 Oct, 12 : ₹17.2495

Benchmark : CRISIL Liquid Fund Index -100%

Investment Style

Credit Quality			Interest Rate Sensitivity
High	Mid	Low	
			High
			Mid
			Low

Portfolio

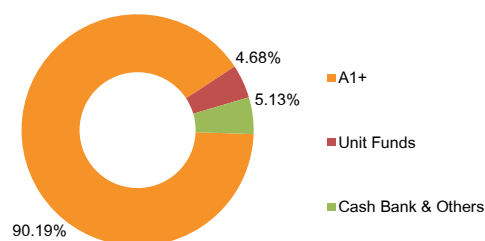
Instrument	Industry/Rating	% of NAV
CD/CP's		90.19
Bank of Baroda CD 27-Feb-13	A1+	9.54
State Bank of Hyderabad CD 27-Feb-13	A1+	9.54
Allahabad Bank CD 27-Feb-13	A1+	9.54
Vijaya Bank CD 04-Mar-13	A1+	9.51
Punjab National Bank CD 04-Feb-13	A1+	9.14
Kotak Mahindra Prime Ltd. CP 07-MAR-13	A1+	9.05
Cholamandalam Invest & Fin. Co. Ltd CP 10-Oct-13	A1+	9.00
Canara Bank CD 12-Feb-13	A1+	8.67
Indian Bank CD 04-Feb-13	A1+	5.94
Indiabulls Fin. Services Ltd. CP 17-JUL-13	A1+	5.69
AXIS Bank CD 18-Jan-13	A1+	4.59
Unit Funds		4.68
Reliance Liquid Fund-Treasury Plan -Growth Option		4.68
Cash Bank & Others		5.13
Total		100.00

Fund Performance

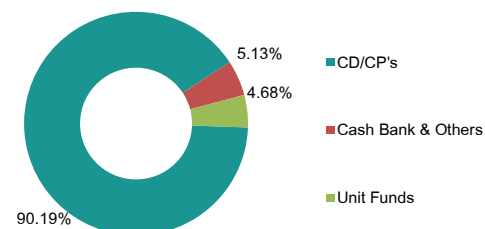
PERIOD	DATE	NAV	Crisil Liquid Fund Index	NAV Change	INDEX Change
Last 6 Months	30-Apr-12	16.4992	1810.56	4.55%	4.03%
Last 1 Year	31-Oct-11	15.8228	1733.71	9.02%	8.64%
Last 2 Years	29-Oct-10	14.6894	1605.61	8.36%	8.31%
Last 3 Years	30-Oct-09	13.9835	1539.04	7.25%	6.96%
Last 4 Years	31-Oct-08	13.0001	1448.67	7.33%	6.78%
Last 5 Years	31-Oct-07	11.9818	1344.93	7.56%	6.97%
Since inception	25-May-04	10.0000	1113.63	6.67%	6.42%

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.

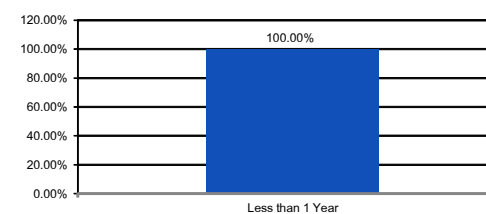
Rating Profile



Asset Allocation



Maturity Profile



Pension Schemes

Bond Fund

ULGF 005 17/08/07 BO 110

FundAssure, Investment Report, October 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 Oct, 12 : ₹14.6632

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		38.40
8.15% GOI 11-Jun-22	Sovereign	11.56
8.83% GOI 12-Dec-41	Sovereign	10.22
8.19% GOI 16-Jan-20	Sovereign	10.05
8.33% GOI 09-Jul-26	Sovereign	2.02
8.91% Gujarat SDL 22-Aug-22	Sovereign	1.52
8.84% Maharashtra SDL 17-Oct-22	Sovereign	1.51
8.79% Gujarat SDL 25-Oct-22	Sovereign	1.51
Corporate Bonds		42.16
9.75% HDFC Ltd. 07-Dec-16	AAA	7.24
2.00% Indian Hotels Ltd. 09-Dec-14	AA	4.97
9.57% IRFC Ltd. 31-May-21	AAA	4.21
9.5% United Phosphorus Ltd. 12-Jan-15	AA+	3.57
8.80% Tata Sons Ltd. 21-Sep-15	AAA	3.02
9.30% SAIL 23-Aug-21	AAA	2.56
9.30% SAIL 25-May-21	AAA	2.05
8.25% Britannia Industries Ltd. 22-Mar-13	AAA	2.01
10.70% Sundaram Finance Ltd. 06-Jun-14	AA+	1.55
9.95% SBI 16-Mar-26	AAA	1.48
9.64% PGC Ltd. 31-May-21	AAA	1.30

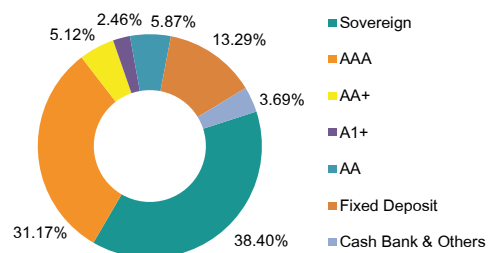
Instrument	Industry/Rating	% of NAV
9.64% PGC Ltd. 31-May-18	AAA	1.29
9.64% PGC Ltd. 31-May-16	AAA	1.29
9.64% PGC Ltd. 31-May-15	AAA	1.28
9.40% NABARD 31-Jul-15	AAA	1.02
9.30% Tata Sons Ltd. 24-Dec-15	AAA	1.02
2.00% Tata Steel Ltd. 23-Apr-22	AA	0.90
7.76% LIC Housing Finance Ltd. 06-Nov-12	AAA	0.81
9.48% REC Ltd. 10-Aug-21	AAA	0.52
9.75% SBI Series 3 Lower Tier II 16-Mar-21	AAA	0.07
Fixed Deposit		13.29
9.50% State Bank of Hyderabad FD 10-Feb-2014		4.04
10.70% Bank of Baroda FD 22-Mar-13		3.03
10.00% State Bank Of Travancr FD 01-Mar-13		3.00
10.70% Bank of Baroda FD 26-Mar-13		2.02
9.50% State Bank Of Hyderabad FD 04-Jan-14		1.21
Cash Bank & Others		3.69
Total		100.00

Fund Performance

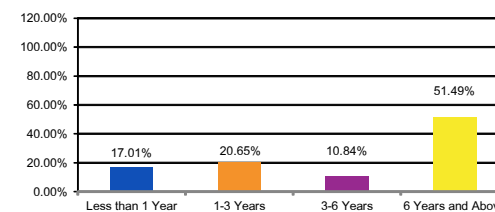
PERIOD	DATE	NAV	Crisil Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	30-Apr-12	13.8853	1810.70	5.60%	4.59%
Last 1 Year	31-Oct-11	13.1377	1725.98	11.61%	9.72%
Last 2 Years	29-Oct-10	12.3557	1630.21	8.94%	7.78%
Last 3 Years	30-Oct-09	11.6360	1548.15	8.01%	6.95%
Last 4 Years	31-Oct-08	10.3573	1409.09	9.08%	7.67%
Last 5 Years	31-Oct-07	10.0693	1368.14	7.81%	6.72%
Since Inception	17-Aug-07	10.0000	1339.53	7.62%	6.87%

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.

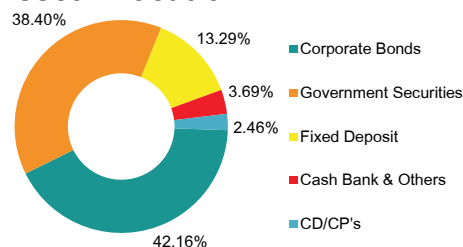
Rating Profile



Maturity Profile



Asset Allocation



Pension Schemes

Balanced Fund

ULGF 006 17/08/07 BL 110

FundAssure, Investment Report, October 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 Oct, 12 : ₹13.8857

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	30-Apr-12	13.1262	5.79%	4.84%
Last 1 Year	31-Oct-11	12.7148	9.21%	9.30%
Last 2 Years	29-Oct-10	12.4092	5.78%	6.67%
Last 3 Years	30-Oct-09	11.5143	6.44%	6.86%
Last 4 Years	31-Oct-08	9.9763	8.62%	8.72%
Last 5 Years	31-Oct-07	10.2041	6.36%	5.95%
Since Inception	17-Aug-07	10.0000	6.50%	6.80%

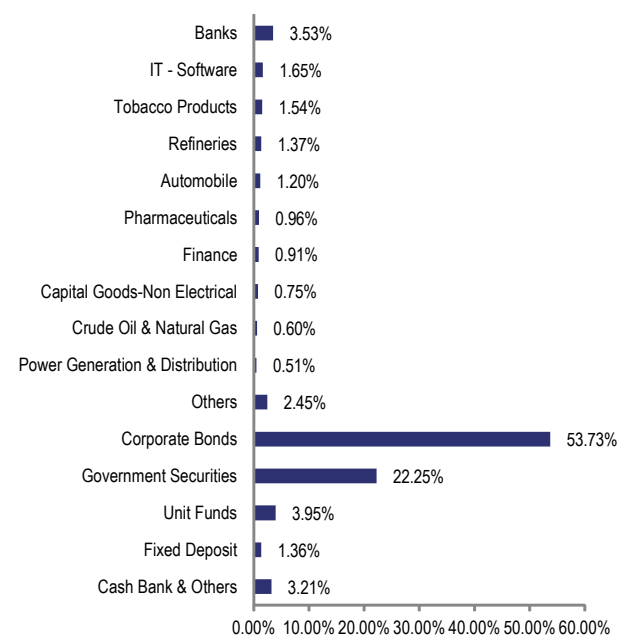
Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

Portfolio

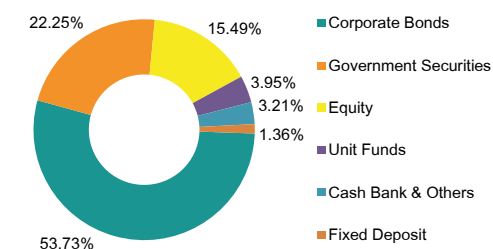
Instrument	Industry/Rating	% Of NAV
Equity		15.49
ITC Ltd.	Tobacco Products	1.54
Reliance Industries Ltd.	Refineries	1.21
ICICI Bank Ltd.	Banks	1.14
HDFC Bank Ltd.	Banks	1.08
Infosys Technologies Ltd.	IT - Software	0.87
Larsen and Toubro Ltd.	Capital Goods-Non Electrical	0.66
State Bank of India	Banks	0.57
Tata Consultancy Services Ltd.	IT - Software	0.54
HDFC Ltd.	Finance	0.52
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	0.47
Other Equity		6.88
Government Securities		22.25
8.79% GOI 08-Nov-21	Sovereign	9.81
8.33% GOI 09-Jul-26	Sovereign	6.82
8.83% GOI 12-Dec-41	Sovereign	4.27
8.15% GOI 11-Jun-22	Sovereign	1.36
Corporate Bonds		53.73
8.28% LIC Housing Finance Ltd. 29-Jun-15	AAA	9.38

Instrument	Industry/Rating	% Of NAV
9.95% SBI 16-Mar-26	AAA	6.01
7.75% REC Ltd. 17-Nov-12	AAA	5.71
8.70% PFC Ltd. 14-May-15	AAA	4.74
9.97% IL&FS 28-Sep-16	AAA	4.21
8.25% Britannia Industries Ltd. 22-Mar-13	AAA	4.08
8.35% HDFC Ltd. 19-Jul-15	AAA	4.03
9.655% NABARD 18-Oct-14	AAA	3.45
9.30% Tata Sons Ltd. 24-Dec-15	AAA	2.75
9.20% PGC Ltd. 12-Mar-15	AAA	2.74
8.40% HDFC Ltd. 08-Dec-14	AAA	2.02
8.84% NTPC Ltd. 04-Oct-22	AAA	2.02
10.40% ICICI Sec Prim Deal Ltd. 27-Jun-13	AAA	1.37
9.25% Dr Reddy's Lab Ltd. 24-Mar-14	AA+	1.22
Fixed Deposit		1.36
10.70% Bank of Baroda FD 26-Mar-13		1.36
Unit Funds		3.95
Reliance Liquid Fund-Treasury Plan -Growth Option		3.95
Cash Bank & Others		3.21
Total		100.00

Sector Allocation



Asset Allocation



Pension Schemes

Growth Fund

ULGF 007 17/08/07 G2 110

FundAssure, Investment Report, October 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 Oct, 12 : ₹13.4584

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

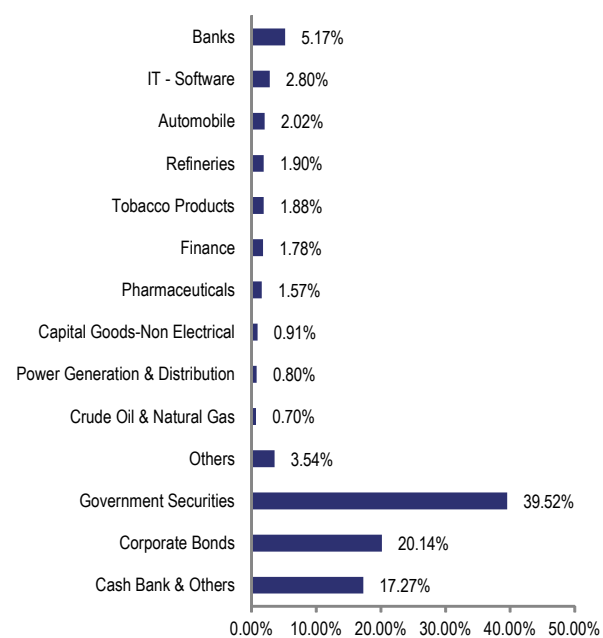
PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	30-Apr-12	12.7482	5.57%	5.34%
Last 1 Year	31-Oct-11	12.5974	6.83%	8.45%
Last 2 Years	29-Oct-10	12.7125	2.89%	4.44%
Last 3 Years	30-Oct-09	11.5509	5.23%	6.68%
Last 4 Years	31-Oct-08	9.4919	9.12%	10.81%
Last 5 Years	31-Oct-07	10.0000	6.12%	4.41%
Since Inception	17-Aug-07	10.0000	5.87%	6.67%

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.

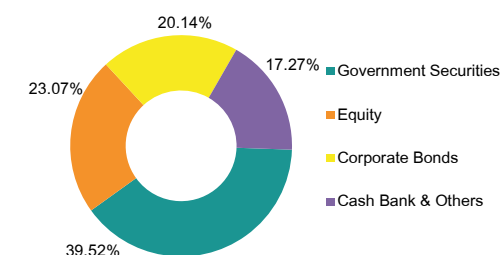
Portfolio

Instrument	Industry/Rating	% Of NAV
Equity		23.07
HDFC Bank Ltd.	Banks	1.92
ITC Ltd.	Tobacco Products	1.88
ICICI Bank Ltd.	Banks	1.70
Reliance Industries Ltd	Refineries	1.63
Infosys Technologies Ltd.	IT - Software	1.43
HDFC Ltd.	Finance	1.15
State Bank of India	Banks	1.06
Other Equity below 1% corpus		12.30
Government Securities		39.52
9.15% GOI 14-Nov-24	Sovereign	12.82
8.79% GOI 08-Nov-21	Sovereign	12.46
7.83% GOI 11-04-2018	Sovereign	7.92
8.83% GOI 12-Dec-41	Sovereign	6.32
Corporate Bonds		20.14
8.84% NTPC Ltd. 04-Oct-22	AAA	7.99
9.57% IRFC Ltd. 31-May-21	AAA	4.21
8.30% HDFC Ltd. 23-Jun-15	AAA	3.97
8.28% LIC Housing Finance Ltd. 29-Jun-15	AAA	3.97
Cash Bank & Others		17.27
Total		100.00

Sector Allocation



Asset Allocation



Pension Schemes

Maxima Fund

ULGF 008 17/08/07 M1 110

FundAssure, Investment Report, October 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 Oct, 12 : ₹10.7174

Benchmark : -

Debt Investment Style

Credit Quality			Interest Rate Sensitivity
High	Mid	Low	
			High
			Mid
			Low

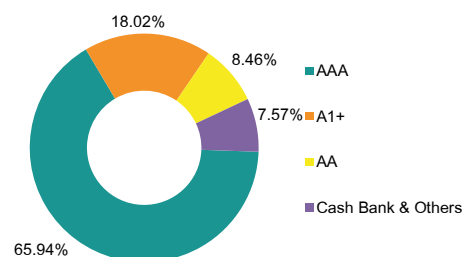
Equity Investment Style

Investment Style			Size
Value	Blend	Growth	
			Large
			Mid
			Small

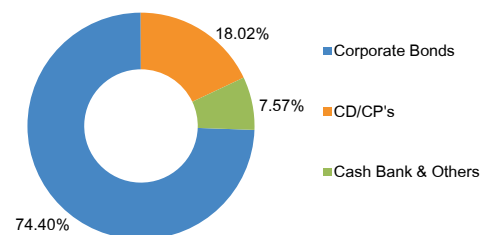
Portfolio

Instrument	Industry/Rating	% of NAV
CD/CP's		18.02
Bank of Baroda CD 27-Feb-13	A1+	9.01
State Bank of Hyderabad CD 27-Feb-13	A1+	9.01
Corporate Bonds		74.40
9.70% GE Shipping 02-Feb-21	AAA	8.66
9.48% REC Ltd. 10-Aug-21	AAA	8.57
9.43% LIC Housing Finance Ltd. 10-Feb-22	AAA	8.55
9.60% HDFC Ltd. 07-Apr-16	AAA	8.51
9.90% Indian Hotels Ltd. 24-Feb-17	AA	8.46
9.40% NABARD 31-Jul-15	AAA	8.45
9.40% NHB 10-Jan-15	AAA	8.44
9.00% EXIM Bank 10-Jan-19	AAA	8.43
9.95% SBI 16-Mar-26	AAA	6.34
Cash Bank & Others		7.57
Total		100.00

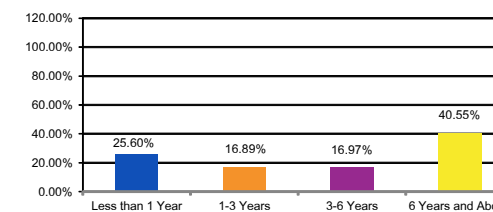
Rating Profile



Asset Allocation



Maturity Profile



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.

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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).
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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.

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