

# Fund Assure

*Investment Report, September 2012*



## From the CIO's Desk

Fund Assure, Investment Report, September 2012



**Dear Friends,**

**The month of September 2012 saw the benchmark indices; BSE Sensex and CNX Nifty gaining 7.64% and 8.46% respectively, even as the Mid-cap index, CNX Mid-cap surged 10.96% during the same period.**

*There was a global market rally on the back of the Quantitative easing from the US Federal Reserve and the announcements of Outright Monetary Transactions from the ECB, primarily driven by liquidity.*

*Over the last month, the Indian government announced several long awaited reforms such as hike in diesel price, opening up of FDI in many sectors including multi-brand retail and approving the divestment in a clutch of Public sector units. The duty re-jigs and the fuel price hike reduced the difference between petrol and diesel prices in an effort to rein in diesel consumption growth to an extent. While the impact on the fiscal deficit would not be substantial, it is a clear signal that the government wants to keep the fiscal deficit as close to the budgeted 5.1% of the GDP as possible.*

*The recent statements from the PM and the FM clearly reflect a resolve to support the reforms and to put the moderating economy back on the path of higher growth trajectory. The draft 12 Five Year Plan has targeted growth at 8.2% for the plan period, if the government undertakes bold reforms. However, insufficient action with weak implementation could slow down growth to 6 to 6.5% and a complete policy logjam could easily collapse growth to about 5% annum, with very poor outcomes on inclusion.*

*The FM has emphasized that there would be further fiscal consolidation efforts to reduce the slippage in the budgeted fiscal deficit with a clear fiscal consolidation roadmap factoring in the Kelkar committee recommendations. There would be progress on the direct cash transfer mechanisms for subsidies in food, fertilizer, and petroleum to target subsidies to the intended beneficiaries and reduce leakages. The FM has also proposed that the authority to take the final decisions on key large ticket infrastructure projects should be vested in a National Investment Board to be chaired by the PM to enable faster clearances of these projects.*

*The impact of the reforms announced has been positive for the INR as the revival in sentiments could attract fresh global capital flows into India, FIIs having already invested USD 15.9 billion in CY 12 year to date. This could also boost business confidence among India Inc and spur the investment cycle. The market experts are now seeing a decreasing possibility of what looked to be an imminent sovereign downgrade from S&P and are now bracing for a more comprehensive second round of reforms such as Goods and Services Tax (GST) implementation, Pension and banking sector reforms and rolling out the Direct Tax code (DTC) in a bid to raise the GDP growth trajectory further. That said, some of these reforms require parliamentary approval and may not be easy to push through.*

*The RBI in its Mid-quarter monetary policy review reduced the cash reserve ratio (CRR) of scheduled banks by 25 basis points even as it kept the policy repo rate unchanged at 8%. Overall, the RBI's monetary policy document clearly reveals a shift in language and can be seen as an intention from the RBI to do more on the monetary policy front. Going forward, the policy rates could be nudged downwards in the coming months though the exact timing of the interest rate cuts would depend on the continuing consolidation efforts on the fiscal front.*

*The Index of Industrial Production (IIP) for July 2012 came in at a disappointing 0.1% as against equally modest consensus expectation of 0.5%. The IIP has registered an anemic negative growth of around 0.1% in the first four months of the current fiscal as against a robust 6.2% in the same period last year.*

*The broad based slowdown in the economy was reflected by the muted growth seen in the heavyweight manufacturing sector, as it registered a negative growth of 0.2%, still better than the severe contraction of a negative 3.1% seen in June 2012. Based on two-digit industry breakdown, components such as basic metals, non-metallic mineral products and furniture contributed to this decline. In the month of July 2012, on an annual basis, 14 out of the 22 industrial segments printed negative growth.*

*For the country as a whole, seasonal rainfall till September 26<sup>th</sup> was just 7% below the long period average. Out of 36 meteorological subdivisions, the rainfall has been excess/normal in 24 and deficient in 12 subdivisions. In area-wise distribution, 70% area of the country received excess/normal rainfall while 30% area received deficient rainfall. The sowing data from the Ministry of Agriculture as of September 21<sup>st</sup> indicate that rice sowing was higher than normal even as there was some shortfall in coarse cereals coverage, 16% less than normal and pulses coverage was 3% below normal. Oilseeds coverage was at normal levels while cotton and sugarcane coverage was 5.8% and 11.8% above normal, respectively.*

*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

The month of September 2012 saw the benchmark 10 year Government security (G-sec) trade range bound between 8.11% and 8.25%.

September 2012 saw the G-sec market cheering the actions taken by the government on the fiscal front, thereby creating more space for the RBI to act in the October 30<sup>th</sup> monetary policy to shore up the moderating GDP growth. The G-sec market was cautiously optimistic, post the announcement of the government borrowing calendar for the second half FY2012-13.

The corporate bond market saw a stellar rally during the month on the back of heavy demand and inadequate supply, to close the month of September 2012 at 8.90-8.95% levels. As a consequence, the corporate bond spread over the benchmark 10 year G-sec compressed to 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.0.3-0.6 trillion during the month of September 2012, barring a couple of days of higher liquidity deficit due to advance tax inflows. It was generally within the RBI's comfort zone of 1% of the NDTL (Net demand and time liabilities).

The RBI in its Mid-quarter monetary policy review reduced the cash reserve ratio (CRR) of scheduled banks by 25 basis points from 4.75% to 4.50% of their net demand and time liabilities (NDTL), effective the fortnight beginning September 22, 2012. Consequently, around Rs.17,000 crores (approx. USD 3.2 billion) of primary liquidity has been injected into the banking system. The RBI kept the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 8%.

The RBI noted that growth continued to be weak amidst a negative investment climate but acknowledged the recent turnaround in sentiments due to a slew of reform measures undertaken by the Government towards fiscal consolidation, such as reducing fuel subsidies and selling stakes in public enterprises. They believe that the increase in foreign direct investment (FDI) announced in key sectors would contribute to both greater capital inflows and, over the long run, higher productivity, particularly in the food supply chain. However, they opined that there were strong inflationary pressures, both at wholesale and retail levels.

The RBI conceded that though the economic activity picked up modestly in Q1 of 2012-13, the sluggish momentum was evident across all sectors of the economy, particularly in industry. This was borne out by the weak Industrial production as it grew by just 0.1% in July. In recent weeks, there has been some positive news

due to a fall in the rainfall deficit as kharif sowing (summer crop) had improved and the late rains had augmented storage in reservoirs improving the prospects for the rabi (winter crop).

On inflation front, the RBI opined that the demand-supply imbalances in respect of protein-rich items persist and the fuel price inflation picked up in August, largely reflecting the upward revision in electricity prices. While the recent upward revision in diesel prices and rationalization of subsidy for LPG is a significant achievement, in the short-term, there will be pressures on headline inflation. Over the longer run, holding down subsidies to under 2% of GDP as indicated in the Union Budget for 2012-13 was crucial to manage demand-side pressures on inflation.

The Wholesale Price Index (WPI) inflation for the month of August 2012 came in at a disappointing 7.55%, as against the consensus of 7.1%. The provisional WPI inflation reading of June 2012 was revised upwards from 7.25% to 7.58%.

The elevated August 2012 WPI inflation print was driven by the sharp increase in the fuel and power index to 8.32% as against the 5.98% seen in the previous month, as the electricity price hike effected over the last few months got updated in the fuel and power index. The non-food manufactured products inflation, a proxy for core inflation and closely tracked by the RBI, inched up to 5.58% in the month of August 2012 as compared to 5.4% in the previous month, reflecting the higher output price pressures in the manufacturing chain.

Going forward, apart from the expected surge in fuel inflation, there are other inflationary pressures in the system such as a possible spike in global commodity prices, especially crude oil, on the back of the quantitative easing (QE) announced by the US Federal reserve. There will be added pressures on food inflation due to delayed sowing of crops on account of the initial sluggishness of monsoons, even though the recent recovery monsoons could limit the adverse impact on food inflation.

The Government's borrowing calendar for H2 of 2012-13 was announced at Rs 2,00,000 crore (approx. USD 38 billion), quantum same as the budgeted borrowings. The issuance in the second half is concentrated in the shorter segments of 5 year – 9 year and 10 year – 14 year segment, which accounts for around 75% of the borrowing program as against a smaller quantum of issuances in the long tenor segments. As expected, the government's borrowing calendar is front loaded with a heavy third quarter and is scheduled for completion in February 2013.

The 10-year yield G-sec may trade in the range of 8.05-8.25% in the near-term, expecting a rate cut in the October 30<sup>th</sup> Second quarter monetary policy review.

## Market Outlook - Equity

Fund Assure, Investment Report, September 2012

The month of September 2012 saw the benchmark indices, BSE Sensex and CNX Nifty gaining and 7.64% and 8.46% respectively even as the Mid-cap index, CNX Mid cap surged 10.96 % during the same period.

The FIIs were net buyers of Indian equity over the month of September 2012 to the tune of USD 3.6 billion and have invested around USD 15.9 billion in Indian equities, calendar year to date. The DIIs sold around USD 1.7 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 0.6 billion respectively. The insurance companies and mutual funds have sold USD 4.9 billion and USD 2.4 billion respectively, this calendar year to date.

In a landmark move, 51% FDI has been permitted in Multi-brand retail, subject to states approval, through an enabling clause, which allows the states, the freedom to decide on the opening up of FDI in multi-brand retail in their respective states. The states of Delhi, Assam, Maharashtra, Andhra Pradesh, Rajasthan, Uttarakhand and Haryana have already agreed to implement FDI in multibrand retail. The opening up of FDI comes with some riders on minimum investment size, investment focus in backend infrastructure and retail sales outlets restricted to cities with a population of more than 1 million as per 2011 census.

The government also tweaked the single brand retail norms in sourcing where, in cases involving FDI beyond 51%, sourcing of 30%, of the value of goods purchased, will be done from India, preferably from small and medium scale industries, village and cottage industries, artisans and craftsmen, in all sectors, where it is feasible.

The government approved 49% FDI in Civil Aviation Sector in scheduled and non-scheduled air transport services. So far foreign airlines were allowed to participate only in the cargo space, helicopter and seaplane services but not in air transport. This could bring in much needed international funding for some select players in this beleaguered sector and improve the credit quality of the aviation sector. In addition, 49% FDI in Power Exchanges and 74% FDI

in Teleports, mobileTV, and sky broadcasting services also got the government approval.

The government has cleared stake sales in a clutch of PSU undertakings which could help in meeting the FY2012-13 budgeted disinvestment target of Rs.30,000 crores (approx.USD 5.6 billion).

The Cabinet Committee on Economic Affairs (CCEA) approved the scheme for financial restructuring of state distribution companies (SEBs) wherein 50% of the short term debt would be initially converted into bonds (to be issued by distribution companies), guaranteed by the respective state governments and the remaining 50% of the short term debt would be rescheduled and serviced by the SEBs with principal moratorium and extension of repayment duration.

Other reform measures in the anvil include the setting up of National Investment Board under the Prime Minister to speed up infra project approvals, activating the Railway tariff board, floating Request for proposals for key Greenfield airports such as Navi Mumbai & Goa and clearing large ticket state projects such as the Trans harbour link.

The government is planning to roll out a fiscal consolidation roadmap taking into account the Kelkar committee recommendations as well as look to target subsidies through the UID scheme and undertake measures to shore up the INR along with the RBI.

The reform push is in tune with the government's agenda of fully utilizing the window available till the Gujarat elections in December 2012. The reforms have brought down the probability of an imminent sovereign downgrade by rating agencies as well as created more room for the RBI to bring down interest rates in future.

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, September 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 30 Sep, 12** : ₹35.3040

**Benchmark** : BSE Sensex - 100%

## Investment Style

Investment Style			
Value	Blend	Growth	Size
			Large
			Mid
			Small

## Portfolio

Instrument	Industry/Rating	% Of NAV
<b>Equity</b>		<b>96.20</b>
ITC Ltd.	Tobacco Products	8.36
Reliance Industries Ltd	Refineries	7.98
ICICI Bank Ltd.	Banks	7.70
HDFC Bank Ltd.	Banks	7.62
Infosys Technologies Ltd.	IT - Software	4.91
Tata Consultancy Services Ltd.	IT - Software	3.77
State Bank of India	Banks	3.62
Larsen and Toubro Ltd	Capital Goods-Non Electrical	3.48
Oil and Natural Gas Corpn Ltd.	Crude Oil & Natural Gas	3.18
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	2.92
HDFC Ltd.	Finance	2.88
Tata Motors Ltd.	Automobile	2.59
Mahindra and Mahindra Ltd.	Automobile	2.37
Bharti Airtel Ltd.	Telecomm-Service	2.14
Coal India Ltd	Mining & Mineral Products	2.03
IDFC Ltd.	Finance	2.00

Instrument	Industry/Rating	% Of NAV
Tata Steel Ltd.	Steel	1.78
Nestle India Ltd.	FMCG	1.78
Dr. Reddys Laboratories Ltd.	Pharmaceuticals	1.73
Bajaj Auto Ltd.	Automobile	1.63
Cipla Ltd.	Pharmaceuticals	1.35
Maruti Suzuki India Ltd.	Automobile	1.31
Hero Motocorp Ltd.	Automobile	1.21
Jindal Steel and Power Ltd.	Steel	1.13
Cairn India Ltd.	Crude Oil & Natural Gas	1.07
Kotak Mahindra Bank Ltd.	Banks	1.05
Sterlite Industries ( India ) Ltd.	Non Ferrous Metals	1.05
MCX of India Ltd.	Other Financial Activities	1.01
Other Equity below 1% corpus		12.55
<b>Unit Funds</b>		<b>3.39</b>
UTI- Liquid Fund-Cash Plan-Inst Growth		3.39
<b>Cash Bank &amp; Others</b>		<b>0.41</b>
<b>Total</b>		<b>100.00</b>

## Fund Performance

PERIOD	DATE	NAV	BSE Sensex	NAV Change	INDEX Change
Last 6 Months	31-Mar-12	32.8672	17404.20	7.41%	7.81%
Last 1 Year	30-Sep-11	30.8995	16453.76	14.25%	14.03%
Last 2 Years	30-Sep-10	37.9836	20069.12	-3.59%	-3.31%
Last 3 Years	30-Sep-09	30.4295	17126.84	5.08%	3.09%
Last 4 Years	30-Sep-08	23.5470	12860.43	10.66%	9.90%
Last 5 Years	30-Sep-07	33.5489	17291.10	1.03%	1.65%
Since Inception	29-Mar-04	10.0000	5571.37	15.97%	15.33%

**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.

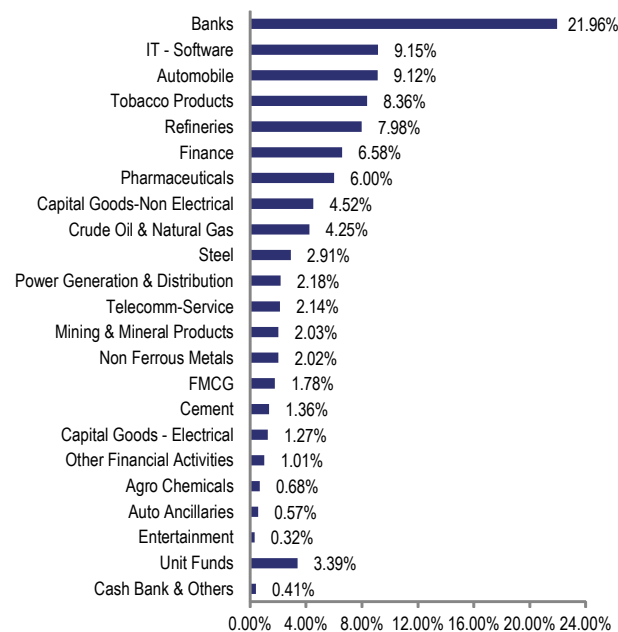
## Asset Mix

Instrument	Asset Mix as per F&U	Actual Asset Mix
Equity	Up to 100%	96%
Debt *	Up to 40%	4%
Cash & Money Market **	Up to 40%	4%

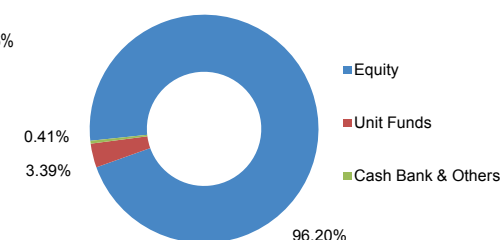
\* Exposure to Debt is restricted to exposure to Cash & Money Market

\*\* Cash & Money Market includes current assets

## Sector Allocation



## Asset Allocation



Pension Schemes

# Short Term Fixed Income Fund

ULGF 004 01/07/06 S1 110

FundAssure, Investment Report, September 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 30 Sep, 12** : ₹14.9777

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

## Investment Style

Credit Quality			Interest Rate Sensivity
High	Mid	Low	
			High
			Mid
			Low

## Portfolio

Instrument	Industry/Rating	% of NAV
<b>CD/CP's</b>		
Kotak Mahindra Prime Ltd. CP 07-MAR-13	A1+	13.57
Indiabulls Fin. Services Ltd. CP 17-Jul-13	A1+	7.07
Bank of India CD 15-Feb-13	A1+	4.27
Bank of Baroda CD 27-Feb-13	A1+	0.45
State Bank of Hyderabad CD 27-Feb-13	A1+	0.44
Allahabad Bank CD 27-Feb-13	A1+	0.44
Vijaya Bank CD 04-Mar-13	A1+	0.44
<b>Corporate Bonds</b>		
7.90% REC Ltd. 06-Oct-12	AAA	72.51
9.75% IDFC Ltd. 11-Jul-14	AAA	9.22
9.40% NHB 10-Jan-15	AAA	7.95
8.25% Britannia Industries Ltd. 22-Mar-13	AAA	6.99
7.76% LIC Housing Finance Ltd. 06-Nov-12	AAA	6.81
9.25% Dr Reddy's Lab Ltd. 24-Mar-14	AA+	6.44
10.20% Sundaram Finance Ltd. 21-Jul-14	AA+	5.83
9.63% PFC Ltd. 15-Dec-14	AAA	4.70
10.40% ICICI Sec Prim Deal Ltd. 27-Jun-13	AAA	4.68
9.55% HDFC Ltd. 11-Apr-13	AAA	4.66
9.20% PGC Ltd. 12-Mar-13	AAA	4.62
8.40% HDFC Ltd. 08-Dec-14	AAA	4.61
9.50% NABARD 15-Oct-12	AAA	2.74
11.40% PFC Ltd. 28-Nov-13	AAA	2.31
<b>Fixed Deposit</b>		
9.50% State Bank Of Hyderabad FD 04-Jan-14		0.95
<b>Unit Funds</b>		
UTI- Liquid Fund-Cash Plan-Inst Growth		4.15
ICICI Prudential Liquid Plan - Super Inst Gr Option		4.15
<b>Cash Bank &amp; Others</b>		
		5.08
<b>Total</b>		<b>100.00</b>

## Fund Performance

PERIOD	DATE	NAV	CRISIL Short-Term Bond Index	NAV Change	INDEX Change
Last 6 Months	31-Mar-12	14.2453	1858.56	5.14%	4.85%
Last 1 Year	30-Sep-11	13.6786	1784.00	9.50%	9.23%
Last 2 Years	30-Sep-10	12.8388	1670.28	8.01%	8.01%
Last 3 Years	30-Sep-09	12.1130	1591.88	7.33%	6.97%
Last 4 Years	30-Sep-08	10.7701	1441.35	8.59%	7.83%
Last 5 Years	30-Sep-07	10.2312	1354.36	7.92%	7.55%
Since Inception	3-Jul-06	10.0000	1242.33	6.68%	7.47%

**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.

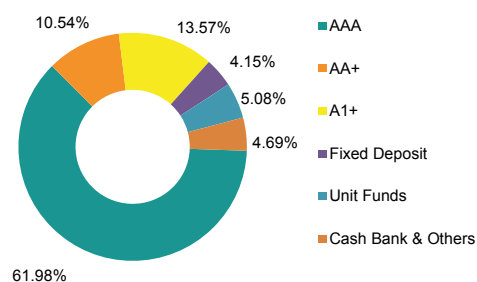
## Asset Mix

Instrument	Asset Mix as per F&U	Actual Asset Mix
Equity	0%	0%
Debt *	60% - 100%	100%
Cash & Money Market **	Up to 40%	27%

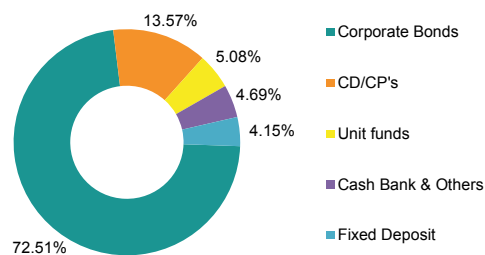
\* Exposure to Debt includes Cash & Money Market

\*\* Cash & Money Market includes current assets

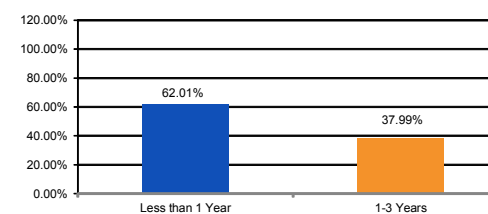
## Rating Profile



## Asset Allocation



## Maturity Profile



Pension Schemes

# Income Fund

ULGF 002 02/03/04 11 110

FundAssure, Investment Report, September 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 30 Sep, 12** : ₹17.0856

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

## Investment Style

Credit Quality			Interest Rate Sensivity
High	Mid	Low	
			High
			Mid
			Low

## Portfolio

Instrument	Industry/Rating	% of NAV
<b>CD/CP's</b>		
Corporation Bank CD 15-Mar-13	A1+	4.39
Canara Bank CD 28-Mar-13	A1+	2.99
Bank of Baroda CD 27-Feb-13	A1+	0.60
State Bank of Hyderabad CD 27-Feb-13	A1+	0.60
Vijaya Bank CD 04-Mar-13	A1+	0.60
<b>Government Securities</b>		
8.83% GOI 12-Dec-41	Sovereign	7.97
8.15% GOI 11-Jun-22	Sovereign	6.16
8.19% GOI 16-Jan-20	Sovereign	4.09
8.33% GOI 09-Jul-26	Sovereign	3.40
8.33% GOI 07-Jun-36	Sovereign	0.71
8.79% GOI 08-Nov-21	Sovereign	0.37
7.38% GOI 03-Sep-15	Sovereign	0.32
<b>Corporate Bonds</b>		
9.57% IRFC Ltd. 31-May-21	AAA	5.56
2.00% Tata Steel Ltd. 23-Apr-22	AA	3.89
9.70% HDFC Ltd. 07-Jun-17	AAA	3.47
8.80% Tata Sons Ltd. 21-Sep-15	AAA	2.89
9.75% HDFC Ltd. 07-Dec-16	AAA	2.48
9.35% PGC Ltd. 29-Aug-16	AAA	2.44
9.5% United Phosphorus Ltd. 12-Jan-15	AA+	2.44
7.95% IDFC Ltd. 04-May-14	AAA	2.38
9.30% SAIL 23-Aug-21	AAA	2.21
9.30% PGC Ltd. 28-Jun-21	AAA	2.21
9.40% LIC Housing Finance Ltd. 20-12-13	AAA	2.18
<b>Total</b>		<b>91.99</b>

Instrument	Industry/Rating	% of NAV
0.00% HDFC Ltd. 30-Aug-13	AAA	2.11
9.48% REC Ltd. 10-Aug-21	AAA	1.74
9.40% NABARD 31-Jul-15	AAA	1.71
9.30% PGC Ltd. 28-Jun-22	AAA	1.23
9.00% NTPC Ltd. 25-Jan-23	AAA	1.21
8.25% Britannia Industries Ltd. 22-Mar-13	AAA	0.96
8.50% PFC Ltd. 15-Dec-14	AAA	0.96
10.75% REC Ltd. 24-Jul-13	AAA	0.73
9.64% PGC Ltd. 31-May-21	AAA	0.63
9.64% PGC Ltd. 31-May-18	AAA	0.62
9.64% PGC Ltd. 31-May-16	AAA	0.62
9.64% PGC Ltd. 31-May-15	AAA	0.61
8.80% SAIL 26-Oct-15	AAA	0.48
9.35% REC Ltd. 15-Jun-22	AAA	0.25
9.40% NABARD 30-Mar-14	AAA	0.24
<b>Fixed Deposit</b>		<b>17.39</b>
10.70% Punjab National Bank FD 29-Mar-13		4.83
9.50% State Bank Of Hyderabad FD 04-Jan-14		3.38
10.70% Bank of Baroda FD 26-Mar-13		2.66
10.80% Canara Bank FD 22-Mar-13		2.66
10.70% Bank of Baroda FD 22-Mar-13		2.41
9.50% State Bank of Hyderabad FD 10-Feb-2014		1.45
<b>Unit Funds</b>		<b>0.82</b>
UTI- Liquid Fund-Cash Plan-Inst Growth		0.82
<b>Cash Bank &amp; Others</b>		<b>3.30</b>
<b>Total</b>		<b>100.00</b>

## Fund Performance

PERIOD	DATE	NAV	Crisil Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	31-Mar-12	16.1221	1795.50	5.98%	4.88%
Last 1 Year	30-Sep-11	15.3796	1718.92	11.09%	9.55%
Last 2 Years	30-Sep-10	14.4587	1628.02	8.71%	7.55%
Last 3 Years	30-Sep-09	13.6063	1543.70	7.89%	6.85%
Last 4 Years	30-Sep-08	11.8655	1403.15	9.54%	7.63%
Last 5 Years	30-Sep-07	11.3697	1353.09	8.49%	6.83%
Since Inception	2-Mar-04	10.0000	1193.20	6.44%	5.46%

**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.

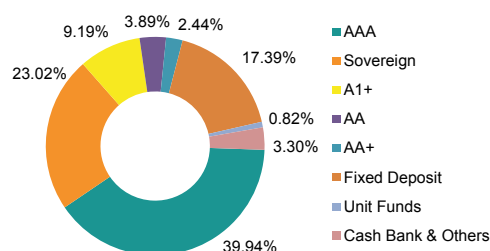
## Asset Mix

Instrument	Asset Mix as per F&U	Actual Asset Mix
Equity	0%	0%
Debt *	85% - 100%	100%
Cash & Money Market **	Up to 40%	31%

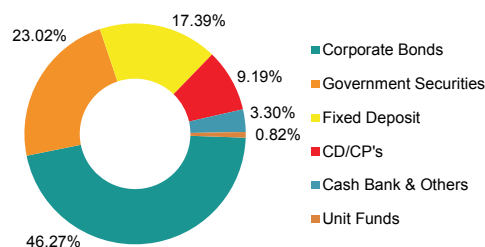
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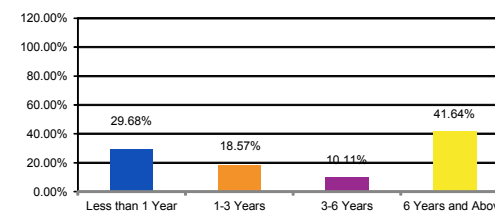
## Rating Profile



## Asset Allocation



## Maturity Profile



Pension Schemes



# Liquid Fund

ULGF 003 02/03/04 L1 110

FundAssure, Investment Report, September 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 30 Sep, 12** : ₹17.1133

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

## Investment Style

Credit Quality			Interest Rate Sensivity
High	Mid	Low	
			High
			Mid
			Low

## Portfolio

Instrument	Industry/Rating	% of NAV
<b>CD/CP's</b>		<b>99.34</b>
Bank of India CD 15-Feb-13	A1+	9.50
Bank of Baroda CD 27-Feb-13	A1+	9.47
State Bank of Hyderabad CD 27-Feb-13	A1+	9.47
Allahabad Bank CD 27-Feb-13	A1+	9.46
Vijaya Bank CD 04-Mar-13	A1+	9.43
Corporation Bank CD 15-Feb-13	A1+	9.27
Punjab National Bank CD 04-Feb-13	A1+	9.07
Kotak Mahindra Prime Ltd. CP 07-MAR-13	A1+	8.97
Canara Bank CD 12-Feb-13	A1+	8.60
Indian Bank CD 04-Feb-13	A1+	5.90
Indiabulls Fin. Services Ltd. CP 17-Jul-13	A1+	5.64
AXIS Bank CD 18-Jan-13	A1+	4.56
<b>Unit Funds</b>		<b>0.47</b>
UTI- Liquid Fund-Cash Plan-Inst Growth		0.47
<b>Cash Bank &amp; Others</b>		<b>0.19</b>
<b>Total</b>		<b>100.00</b>

## Fund Performance

PERIOD	DATE	NAV	Crisil Liquid Fund Index	NAV Change	INDEX Change
Last 6 Months	31-Mar-12	16.3808	1797.46	4.47%	4.13%
Last 1 Year	30-Sep-11	15.7128	1721.98	8.91%	8.69%
Last 2 Years	30-Sep-10	14.6298	1597.83	8.16%	8.23%
Last 3 Years	30-Sep-09	13.9225	1535.67	7.12%	6.82%
Last 4 Years	30-Sep-08	12.9122	1437.57	7.30%	6.82%
Last 5 Years	30-Sep-07	11.8961	1337.28	7.54%	6.96%
Since inception	25-May-04	10.0000	1113.63	6.64%	6.41%

**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.

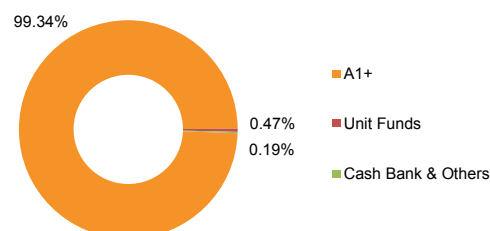
## Asset Mix

Instrument	Asset Mix as per F&U	Actual Asset Mix
Equity	0%	0%
Debt *	Up to 100%	100%
Cash & Money Market **	Up to 100%	100%

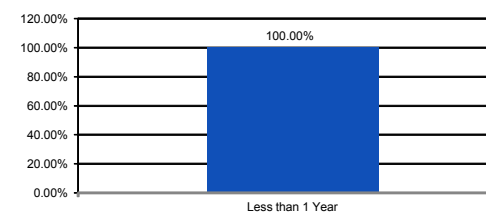
\* Exposure to Debt is restricted to exposure to Cash & Money Market

\*\* Cash & Money Market includes current assets

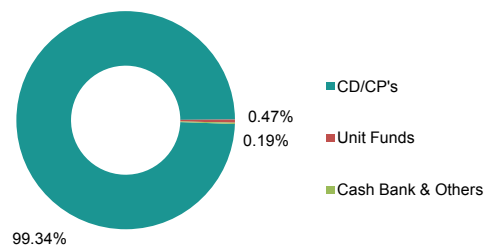
## Rating Profile



## Maturity Profile



## Asset Allocation



Pension Schemes

# Bond Fund

ULGF 005 17/08/07 BO 110

FundAssure, Investment Report, September 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 30 Sep, 12** : ₹14.5717

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

## Investment Style

Credit Quality			Interest Rate Sensivity
High	Mid	Low	
			High
			Mid
			Low

## Portfolio

Instrument	Industry/Rating	% of NAV
<b>CD/CP's</b>		<b>12.59</b>
Corporation Bank CD 15-Mar-13	A1+	5.33
Canara Bank CD 28-Mar-13	A1+	4.82
Punjab National Bank CD 04-Feb-13	A1+	2.45
<b>Government Securities</b>		<b>24.09</b>
8.19% GOI 16-Jan-20	Sovereign	9.58
8.83% GOI 12-Dec-41	Sovereign	6.40
8.15% GOI 11-Jun-22	Sovereign	6.07
8.33% GOI 09-Jul-26	Sovereign	2.04
<b>Corporate Bonds</b>		<b>46.53</b>
9.75% HDFC Ltd. 07-Dec-16	AAA	7.27
2.00% Indian Hotels Ltd. 09-Dec-14	AA+	4.95
9.57% IRFC Ltd. 31-May-21	AAA	4.24
9.5% United Phosphorus Ltd. 12-Jan-15	AA+	3.58
8.80% Tata Sons Ltd. 21-Sep-15	AAA	3.03
9.30% SAIL 23-Aug-21	AAA	2.58
9.35% PGC Ltd. 29-Aug-21	AAA	2.07
9.30% SAIL 25-May-21	AAA	2.06
8.25% Britannia Industries Ltd. 22-Mar-13	AAA	2.02
9.70% PFC Ltd. 15-Dec-18	AAA	1.67
9.48% REC Ltd. 10-Aug-21	AAA	1.56
10.70% Sundaram Finance Ltd. 06-Jun-14	AA+	1.56
9.64% PGC Ltd. 31-May-21	AAA	1.31

Instrument	Industry/Rating	% of NAV
9.64% PGC Ltd. 31-May-18	AAA	1.30
9.64% PGC Ltd. 31-May-16	AAA	1.29
9.64% PGC Ltd. 31-May-15	AAA	1.29
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	0.91
7.76% LIC Housing Finance Ltd. 06-Nov-12	AAA	0.81
9.30% PGC Ltd. 28-Jun-21	AAA	0.52
9.95% SBI 16-Mar-26	AAA	0.42
9.75% SBI Series 3 Lower Tier II 16-Mar-21	AAA	0.07
<b>Fixed Deposit</b>		<b>13.33</b>
9.50% State Bank of Hyderabad FD 10-Feb-2014		4.05
10.70% Bank of Baroda FD 22-Mar-13		3.04
10.00% State Bank Of Travancr FD 01-Mar-13		3.01
10.70% Bank of Baroda FD 26-Mar-13		2.02
9.50% State Bank Of Hyderabad FD 04-Jan-14		1.21
<b>Unit Funds</b>		<b>0.30</b>
UTI- Liquid Fund-Cash Plan-Inst Growth		0.30
<b>Cash Bank &amp; Others</b>		<b>3.16</b>
<b>Total</b>		<b>100.00</b>

## Fund Performance

PERIOD	DATE	NAV	Crisil Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	31-Mar-12	13.7669	1795.50	5.85%	4.88%
Last 1 Year	30-Sep-11	13.1256	1718.92	11.02%	9.55%
Last 2 Years	30-Sep-10	12.3470	1628.02	8.64%	7.55%
Last 3 Years	30-Sep-09	11.5844	1543.70	7.95%	6.85%
Last 4 Years	30-Sep-08	10.3277	1403.15	8.99%	7.63%
Last 5 Years	30-Sep-07	10.0019	1353.09	7.82%	6.83%
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.

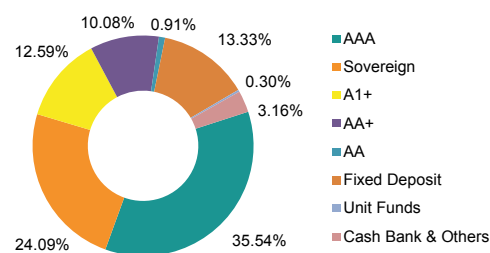
## Asset Mix

Instrument	Asset Mix as per F&U	Actual Asset Mix
Equity	0%	0%
Debt *	Up to 100%	100%
Cash & Money Market **	Up to 40%	29%

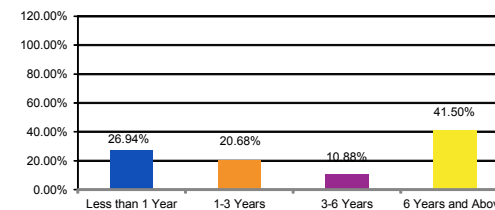
\* Exposure to Debt includes Cash & Money Market

\*\* Cash & Money Market includes current assets

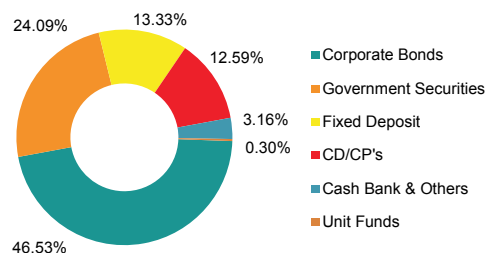
## Rating Profile



## Maturity Profile



## Asset Allocation



Pension Schemes

# Balanced Fund

ULGF 006 17/08/07 BL 110

FundAssure, Investment Report, September 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 30 Sep, 12** : ₹13.8487

**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	31-Mar-12	13.0844	5.84%	5.16%
Last 1 Year	30-Sep-11	12.5718	10.16%	10.13%
Last 2 Years	30-Sep-10	12.3924	5.71%	6.52%
Last 3 Years	30-Sep-09	11.5073	6.37%	6.56%
Last 4 Years	30-Sep-08	10.0479	8.35%	7.85%
Last 5 Years	30-Sep-07	10.1045	6.51%	6.41%
Since Inception	17-Aug-07	10.0000	6.56%	6.84%

**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.

## Asset Mix

Instrument	Asset Mix as per F&U	Actual Asset Mix
Equity	Up to 20%	15%
Debt *	80% - 100%	85%
Cash & Money Market **	Up to 40%	8%

\* Exposure to Debt includes Cash & Money Market

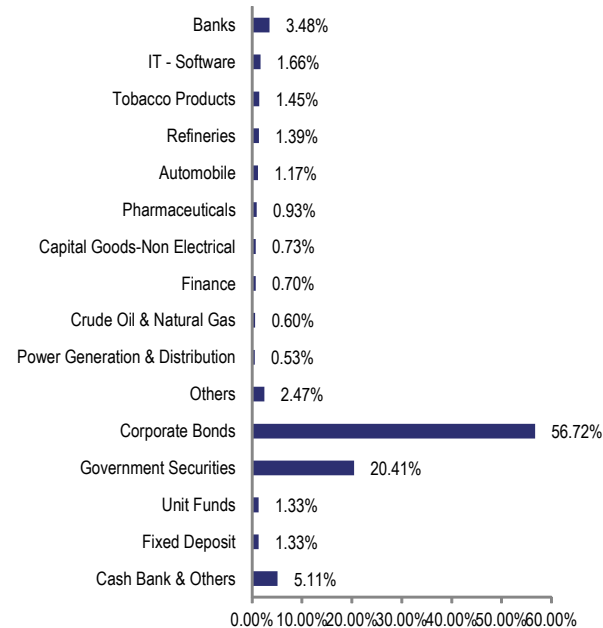
\*\* Cash & Money Market includes current assets

## Portfolio

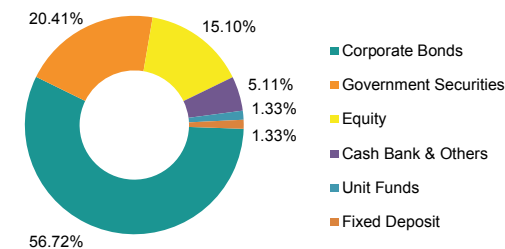
Instrument	Industry/Rating	% Of NAV
<b>Equity</b>		<b>15.10</b>
ITC Ltd.	Tobacco Products	1.45
Reliance Industries Ltd	Refineries	1.22
ICICI Bank Ltd.	Banks	1.13
HDFC Bank Ltd.	Banks	1.05
Infosys Technologies Ltd.	IT - Software	0.91
Larsen and Toubro Ltd	Capital Goods-Non Electrical	0.64
State Bank of India	Banks	0.60
Tata Consultancy Services Ltd.	IT - Software	0.52
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	0.46
Oil and Natural Gas Corpn Ltd.	Crude Oil & Natural Gas	0.45
Other Equity		6.68
<b>Government Securities</b>		<b>20.41</b>
8.79% GOI 08-Nov-21	Sovereign	9.58
8.33% GOI 09-Jul-26	Sovereign	6.69
8.83% GOI 12-Dec-41	Sovereign	4.14
<b>Corporate Bonds</b>		<b>56.72</b>
8.28% LIC Housing Finance Ltd. 29-Jun-15	AAA	9.17
9.95% SBI 16-Mar-26	AAA	5.89
7.75% REC Ltd. 17-Nov-12	AAA	5.57

Instrument	Industry/Rating	% Of NAV
8.80% PGC Ltd. 29-Sep-15	AAA	4.97
8.70% PFC Ltd. 14-May-15	AAA	4.63
9.97% IL&FS 28-Sep-16	AAA	4.12
8.35% HDFC Ltd. 19-Jul-15	AAA	3.93
9.655% NABARD 18-Oct-14	AAA	3.37
7.90% REC Ltd. 06-Oct-12	AAA	3.06
9.30% Tata Sons Ltd. 24-Dec-15	AAA	2.69
9.20% PGC Ltd. 12-Mar-15	AAA	2.67
8.40% HDFC Ltd. 08-Dec-14	AAA	1.98
9.25% Dr Reddy's Lab Ltd. 24-Mar-14	AA+	1.74
10.40% ICICI Sec Prim Deal Ltd. 27-Jun-13	AAA	1.34
9.50% NABARD 15-Oct-12	AAA	1.33
8.83% IRFC Ltd. 29-Oct-12	AAA	0.27
<b>Fixed Deposit</b>		<b>1.33</b>
10.70% Bank of Baroda FD 26-Mar-13		1.33
<b>Unit Funds</b>		<b>1.33</b>
UTI- Liquid Fund-Cash Plan-Inst Growth		1.33
<b>Cash Bank &amp; Others</b>		<b>5.11</b>
<b>Total</b>		<b>100.00</b>

## Sector Allocation



## Asset Allocation



Pension Schemes

# Growth Fund

ULGF 007 17/08/07 G2 110

FundAssure, Investment Report, September 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 30 Sep, 12** : ₹13.4617

**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-Mar-12	12.7574	5.52%	5.73%
Last 1 Year	30-Sep-11	12.3561	8.95%	11.30%
Last 2 Years	30-Sep-10	12.7251	2.85%	4.46%
Last 3 Years	30-Sep-09	11.6783	4.85%	5.97%
Last 4 Years	30-Sep-08	9.9641	7.81%	8.29%
Last 5 Years	30-Sep-07	10.0000	6.13%	5.56%
Since Inception	17-Aug-07	10.0000	5.97%	6.79%

**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.

## Asset Mix

Instrument	Asset Mix as per F&U	Actual Asset Mix
Equity	20% - 40%	24%
Debt *	60% - 80%	76%
Cash & Money Market **	Up to 80%	21%

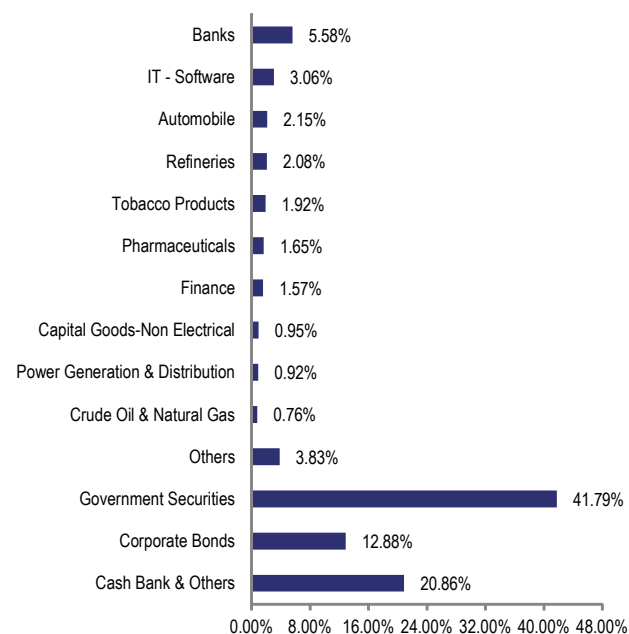
\* Exposure to Debt includes Cash & Money Market

\*\* Cash & Money Market includes current assets

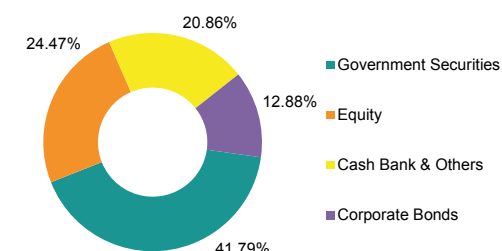
## Portfolio

Instrument	Industry/Rating	% Of NAV
<b>Equity</b> <b>24.47</b>		
HDFC Bank Ltd.	Banks	2.01
ITC Ltd.	Tobacco Products	1.92
ICICI Bank Ltd.	Banks	1.81
Reliance Industries Ltd	Refineries	1.79
Infosys Technologies Ltd.	IT - Software	1.62
State Bank of India	Banks	1.20
Tata Consultancy Services Ltd.	IT - Software	0.94
HDFC Ltd.	Finance	0.91
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	0.89
Larsen and Toubro Ltd	Capital Goods-Non Electrical	0.85
Other Equity		10.53
<b>Government Securities</b> <b>41.79</b>		
9.15% GOI 14-Nov-24	Sovereign	13.57
8.79% GOI 08-Nov-21	Sovereign	13.19
7.83% GOI 11-04-2018	Sovereign	8.38
8.83% GOI 12-Dec-41	Sovereign	6.64
<b>Corporate Bonds</b> <b>12.88</b>		
9.57% IRFC Ltd. 31-May-21	AAA	4.47
8.30% HDFC Ltd. 23-Jun-15	AAA	4.21
8.28% LIC Housing Finance Ltd. 29-Jun-15	AAA	4.20
<b>Cash Bank &amp; Others</b> <b>20.86</b>		
<b>Total</b>		<b>100.00</b>

## Sector Allocation



## Asset Allocation



Pension Schemes

# Maxima Fund

ULGF 008 17/08/07 M1 110

FundAssure, Investment Report, September 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 30 Sep, 12** : ₹10.6671

**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

## Asset Mix

Instrument	Asset Mix as per F&U	Actual Asset Mix
Equity	Up to 60%	0%
Debt *	0% - 100%	100%
Cash & Money Market **	Up to 40%	25%

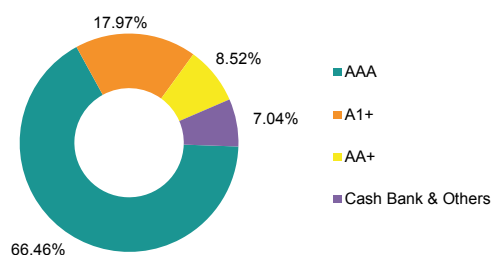
\* Exposure to Debt includes Cash & Money Market

\*\* Cash & Money Market includes current assets

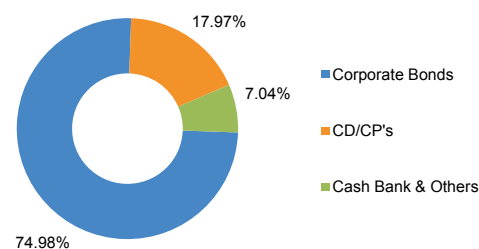
## Portfolio

Instrument	Industry/Rating	% of NAV
<b>CD/CP's</b>		<b>17.97</b>
Bank of Baroda CD 27-Feb-13	A1+	8.99
State Bank of Hyderabad CD 27-Feb-13	A1+	8.99
<b>Corporate Bonds</b>		<b>74.98</b>
9.70% GE Shipping 02-Feb-21	AAA	8.74
9.48% REC Ltd. 10-Aug-21	AAA	8.65
9.43% LIC Housing Finance Ltd. 10-Feb-22	AAA	8.63
9.60% HDFC Ltd. 07-Apr-16	AAA	8.57
9.90% Indian Hotels Ltd. 24-Feb-17	AA+	8.52
9.40% NABARD 31-Jul-15	AAA	8.50
9.00% EXIM Bank 10-Jan-19	AAA	8.49
9.40% NHB 10-Jan-15	AAA	8.49
9.95% SBI 16-Mar-26	AAA	6.40
<b>Cash Bank &amp; Others</b>		<b>7.04</b>
<b>Total</b>		<b>100.00</b>

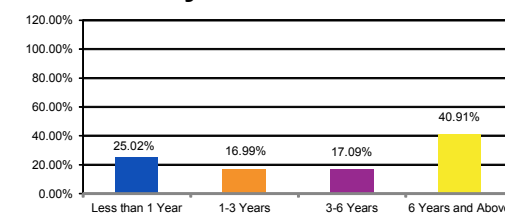
## Rating Profile



## Asset Allocation



## Maturity Profile



Pension Schemes

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2. Past performance is not indicative of future performance. Returns are calculated on an absolute basis for a period of less than (or equal to) a year, with reinvestment of dividends (if any).
3. All investments made by the Company are subject to market risks. The Company does not guarantee any assured returns. The investment income and price may go down as well as up depending on several factors influencing the market.
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9. ULIP products are different from traditional Life Insurance products and are subject to risk factors.
10. Interest Rate Sensitivity
  - Less than 3 year duration - Low
  - 3 to 10 years duration - Medium
  - more than 10 years duration - High
11. Shading indicates the general representative nature of the portfolio to a particular style or cap".
12. Whilst every care has been taken in the preparation of this document, it is subject to correction and markets may not perform in a similar fashion based on factors influencing the capital and debt markets; hence this review note does not individually confer any legal rights or duties.

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Pension Schemes

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