

Fund Assure

Investment Report, January 2013



From the CIO's Desk

Fund Assure, Investment Report, January 2013



Dear Friends,

The month of January 2013 saw the benchmark indices; BSE Sensex and CNX Nifty gain around 2.41% and 2.20% respectively, even as the Mid-cap index, CNX Mid-cap shed 1.66% during the same period.

On the global front, the US economy unexpectedly shrank by 0.1% in the fourth quarter of CY 2012 on the back of reduced defense spending, even as there were clear signs of improvement in the housing market and steady reduction in the unemployment rate over the last two quarters. The Euro zone has been relatively calm with the bond yields in peripheral economies stabilizing, though the economy of the Euro zone is still in a shallow recession. The Chinese economy seems to be on a recovery path as indicated by expansion in Purchase manager's index (PMIs) but sustained Chinese growth in the long term will be dependent on how well it re-balances the economy between investments and consumption, without major disruptions.

On the domestic front, the market watchers expect the Budget Session of the Parliament to be productive with the likely passage of higher FDI in insurance and pension. The passage of the Land Acquisition Bill would be a key enabler for speeding up large projects which are stalled due to land acquisition issues. A lot of expectations are built around the Union budget and the capital markets would cheer a pro-growth, fiscally tight budget which would take the reform agenda forward.

On the key legislation of Goods and Service Tax (GST), there has been a consensus in the state Finance Ministers' meeting on some of the key issues. With the Central Sales Tax (CST) compensation issue out of the way, there is a possibility of a revised GST Bill in the Parliament in the second half of the year once there is a broad consensus on the design of the GST framework. The timeline of April 2014 roll out of the GST is ambitious, given the Government will have to reintroduce the bill and get the Parliament's approval and the states would have to ratify them. The economists believe that GST in the initially envisaged form would be a game-changer as it could boost GDP growth, increase the tax to GDP ratio and improve the overall trade deficit by incentivising exports and encouraging import substitution.

The Cabinet Committee on Investments (CCI) will be a key enabler in speeding up infrastructure project related inter-ministerial dispute resolution, especially in the areas of oil exploration, coal and other minerals. The Direct Benefit Transfer mechanism, based on Aadhar or the Unique Identification would help distribute subsidies efficiently and reduce leakages in the medium term and eventually contain the subsidy bill by targeting the beneficiaries.

In its third quarter review of the Monetary Policy, the RBI cut the repo rate by 25 bps to 7.75%, largely along expected lines and cut the cash reserve ratio (CRR) by 25 bps from 4.25% to 4%. The market experts believe that going forward; the RBI would look at the quality and quantum of fiscal consolidation effected for FY2013, further reforms from the government as well as a credible fiscal consolidation roadmap to be presented in the Union budget for FY 2014, while deciding further reductions in the policy rates to stimulate the moderating economic growth.

In a measure to rein in the fiscal deficit, the petroleum ministry allowed Oil marketing companies to raise the diesel price by a small quantum periodically aimed at eventually deregulating diesel. Also, diesel price for bulk industrial buyers, making up 18% of demand has been deregulated with immediate effect, which could cut fuel subsidy bill by Rs 155 billion (approx. USD 2.9 billion). However, the decision to subsidize additional 3 LPG gas cylinders per family a year, raising the cap to 9, will add Rs 90 billion (approx.USD 1.7 billion) to the subsidy.

The government announced an across the board hike in passenger fares for Indian Railways (IR) after a gap of 10 years. This move prior to the Railway Budget for FY2014 due in February 2013 is a signal of the government's intention to undertake urgent policy measures to revive the moderating economy and rein in the fiscal deficit. With this fare hike and the long overdue structural reforms in the functioning of Indian Railways, there is an expectation that the additional surplus generated would provide some momentum to the Indian Railways' capex plans and improve execution of ongoing projects stuck for want of funds.

The Index of Industrial Production (IIP) for the month of November 2012 came in at a negative 0.1%, close to consensus estimates. The muted IIP growth was largely on expected lines due to the Diwali effect as the restocking demand had shifted to the month of October 2012 as indicated by the surge in October IIP to 8.3%. The unfavorable base effect and higher inventory levels on account of surge in production in October 2012 to meet Diwali demand could have largely explained the muted November IIP print.

The Wholesale Price Index (WPI) Inflation for December 2012 came in at 7.18%, lower than the consensus estimate of 7.37% as well as the November 2012 WPI inflation reading of 7.24%. This is the third consecutive month when inflation reading is below expectations and does indicate a declining trend in WPI inflation.

Going forward, we expect the reforms momentum to sustain into the budget session and believe that the equity markets continue to 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, January 2013

January 2013 saw the benchmark 10 year Government security (G-sec) rally by 14 bps over the month, extending the 12 bps rally seen in the previous month, to close the month of January at 7.91% levels.

January 2013 saw the G-sec market rallying due to a better than expected December WPI inflation print and muted fresh issuances in the G-secs, though it hardened towards the end of the month, post the RBI policy. The yields of the 30 year G-sec over the 10 year G-sec contracted to around 20 bps in January 2013 as against the 25 bps, seen in the prior month.

The Finance Minister's expectations of meeting the revised fiscal deficit target of 5.3% of GDP for FY 2013 as well as an assurance of a fiscally tight Union budget for FY 2014 were seen as positive for the bond market sentiments.

The corporate bond market remained steady during the month on the back of muted supply, to close the month of January 2013 at around the 8.75% levels in the 5-10 year bonds, lower than December levels of 8.90%. As a consequence, the corporate bond spread over the benchmark 10 year G-sec stood at around 70 Bps in January 2013.

On the liquidity front, the Liquidity Adjustment Facility -LAF continued to be the primary mode of liquidity injection, maintaining a shortfall of around Rs.0.9 trillion levels for most of the month, largely due to the increase in government balances due to reduced government spending, festival season cash demand as well as muted deposit growth in the banking system, thereby necessitating the RBI to shore up the systemic liquidity through the reduction in the cash reserve ratio (CRR).

In its third quarter review of the Monetary Policy, the RBI cut the repo rate by 25 bps to 7.75%, largely along expected lines as well as the CRR by 25 bps from 4.25% to 4%. This reduction in the CRR would inject primary liquidity of around Rs.180 billion into the banking system.

The RBI stated that both WPI inflation and its core component, non-food manufactured products inflation, had softened through the third quarter. Moreover, several indicators such as the weaker pricing power of corporate India, excess capacity in some sectors, the possibility of international commodity prices stabilizing as well as inflation momentum measures suggested that inflationary pressures had peaked.

The RBI believed that growth had decelerated significantly below trend and overall economic activity remained tepid due to subdued investment activity, lower external demand due to subpar global growth

and decelerating consumption demand. However, the RBI conceded that the series of policy measures announced by the Government had boosted market sentiment though the investment outlook remained muted, especially in terms of demand for new projects.

The RBI also stated that the three broad contours of their monetary policy stance were to provide an appropriate interest rate environment to support growth as inflation risks moderate; contain inflation and anchor inflation expectations as well as to continue to manage liquidity to ensure adequate flow of credit to the productive sectors of the economy.

The RBI was concerned about the widening of the Current Account Deficit (CAD) to historically high levels, especially in the context of a large fiscal deficit and slowing growth. The RBI opined that financing the CAD with increasingly risky and volatile flows increased the economy's vulnerability to sudden shifts in risk appetite and liquidity preference, potentially threatening macroeconomic and exchange rate stability. Moreover, large fiscal deficits accentuate the CAD risk, further crowding out private investment and stunting growth impulses.

The Government, in a bid to reduce the CAD and lower external vulnerability, increased the import duty on gold to 6% from 4%, proposed the linking of Gold exchange traded fund with the Gold Deposit Scheme (GDS) and reducing the minimum threshold of gold quantum and tenure to avail of GDS for retail investors.

The RBI notified the FII limit increases for Rupee-denominated Government and corporate bonds by USD 5 billion each. The three-year residual maturity restrictions in G-secs have been removed for the new USD 5 billion, though the limits are not extended to short-term papers like Treasury bills.

The rally in G-secs could sustain if the RBI continues to favour the OMO route to offset liquidity pressures, broadly seen prevailing in the system till March 2013. The RBI's policy response in the Mid quarter monetary policy review on March 19 2013 and their view on the Government's fiscal consolidation initiatives in the Union budget for FY2014 would provide cues for the G-sec market in the medium term.

In the near term, the increased G-sec supply through four weekly auctions in February 2013 would keep the G-secs under pressure and the benchmark 10-year G-sec may trade in the range of 7.75-7.95%.

Market Outlook - Equity

Fund Assure, Investment Report, January 2013

The month of January 2013 saw the benchmark indices; BSE Sensex and CNX Nifty gain 2.41% and 2.20% respectively, even as the Mid-cap index, CNX Mid-cap shed 1.66% during the same period.

FIIIs were net buyers with net inflow of around USD 4 billion in January 2013 even as the DIIs were net sellers to the tune of around USD 3.2 billion, with domestic mutual funds net sellers of USD 0.8 billion and Insurance companies net sellers of around USD 2.4 billion over the month.

The Indian macro fundamentals remain muted as India's exports fell by 1.9%, to USD 24.9 billion in December 2012, while imports rose by 6.3% to USD 42.5 billion, leaving a trade deficit of USD 17.6 billion. In recent months, the sharp moderation in exports due to the weak global macro environment has brought the current account deficit concerns in focus and prevented a sharp appreciation of the INR despite robust FII inflows. The weak industrial production is led by a contraction in the output of key sectors such as natural gas, coal and fertilizer, which in turn have resulted in the muted core sector growth in December 2012 of 2.7%.

Standard & Poors (S&P) acknowledged the government's initiatives in recent months to pursue the reforms agenda by stating that the credit rating downgrade risk has receded for India, though there still exists a 1/3rd chance of a rating downgrade. It is believed by market watchers that the likelihood of a rating downgrade has diminished compared to April 2012. The rating agencies would like to see the reforms agenda carried forward into the next fiscal through a fiscally prudent Union budget for FY2014 and may revisit their stance post the upcoming Budget. A credible fiscal consolidation effort through reining in subsidies could nudge rating agencies to consider the possibility of even an upgrade, post the Union budget.

In terms of valuations based on one year forward earnings, the Indian

equity markets are trading marginally higher than the long term average. The consensus earnings growth estimates for MSCI India index are at 10% and 16% year on year for FY13E and FY14 E respectively.

The Indian equity market has seen downward earnings revisions since 2011 but this trend seems to be reversing, albeit slowly, in recent months. The profit margins of corporate India seems to have stabilized to an extent, despite a slowdown in revenues, thereby indicating a shift in corporate focus from growth to profitability. The profit margins are expected to trend up in the coming months as the economic recovery gets underway, aided by improved business confidence and lower interest rates.

A slew of reforms since September 2012 such as liberalization of FDI in retail, aviation and broadcasting, deferment of general anti-avoidance rules (GAAR), setting up of the Cabinet Committee on Investment as well as some credible measures for fiscal consolidation have led to a positive market sentiment which, in due course, should spur investment. Further reforms such as hike in FDI in insurance sector, augmenting energy availability through coal linkages and fast tracking key infra projects stuck in inter-ministerial disputes are critical for raising the potential growth path to 8% by FY2015.

In the interim, however, the market experts estimate the GDP growth to recover to 6.5% levels in FY 2014, driven by an enabling policy environment, continued government effort to kick start

the investment cycle and a favourable base effect in agriculture growth. A sustained investment cycle requires the recovery in capex cycle, which could be led by the cash-rich public sector undertakings.

The market offers the comfort of reasonable valuations at around 15 times one year forward price earnings. We believe that the Indian equities offer an attractive entry point for a long term investor with a 3-5 year view.

Equity Fund

**Short Term Fixed
Income Fund**

Income Fund

Liquid Fund

Bond Fund

Balanced Fund

Growth Fund

Maxima Fund

Pension Schemes

Equity Fund

ULGF 001 02/03/04 E1 110

FundAssure, Investment Report, January 2013

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 Jan, 13 : ₹37.6607

Benchmark : BSE Sensex - 100%

Investment Style

Investment Style			
Value	Blend	Growth	Size
			Large
			Mid
			Small

Portfolio

Instrument	Industry/Rating	% Of NAV
Equity		96.70
Reliance Industries Ltd.	Refineries	8.49
ICICI Bank Ltd.	Banks	8.02
HDFC Bank Ltd.	Banks	7.22
ITC Ltd.	Tobacco Products	6.67
Infosys Technologies Ltd.	IT - Software	5.84
HDFC Ltd.	Finance	4.18
State Bank of India	Banks	4.01
Oil and Natural Gas Corpn Ltd.	Crude Oil & Natural Gas	3.81
Tata Consultancy Services Ltd.	IT - Software	3.62
Tata Motors Ltd.	Automobile	3.43
Larsen and Toubro Ltd.	Capital Goods-Non Electrical	3.34
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	2.58
Bharti Airtel Ltd.	Telecomm-Service	2.44
Mahindra and Mahindra Ltd.	Automobile	1.86
Coal India Ltd	Mining & Mineral Products	1.85
Tata Steel Ltd.	Steel	1.51
Dr. Reddys Laboratories Ltd.	Pharmaceuticals	1.43
Nestle India Ltd.	FMCG	1.42

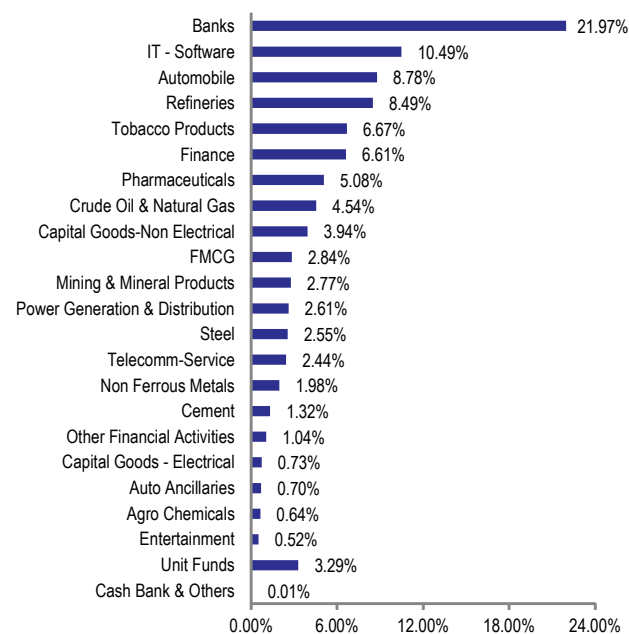
Instrument	Industry/Rating	% Of NAV
Hindustan Unilever Ltd.	FMCG	1.42
IDFC Ltd.	Finance	1.27
Bajaj Auto Ltd.	Automobile	1.21
Power Grid Corporation of India Ltd.	Power Generation & Distribution	1.19
Maruti Suzuki India Ltd.	Automobile	1.18
Axis Bank Ltd.	Banks	1.18
Sterlite Industries (India) Ltd.	Non Ferrous Metals	1.11
Hero Motocorp Ltd.	Automobile	1.09
Cipla Ltd.	Pharmaceuticals	1.07
MCX of India Ltd.	Other Financial Activities	1.04
Jindal Steel and Power Ltd.	Steel	1.03
HCL Technologies Ltd.	IT - Software	1.03
Other Equity below 1% corpus		11.15
Unit Funds		3.29
Birla Sun Life Cash Plus - Growth - Direct Plan		3.29
Cash Bank & Others		0.01
Total		100.00

Fund Performance

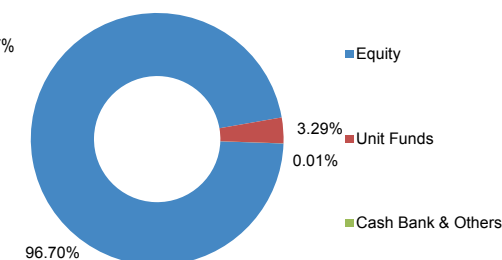
PERIOD	DATE	NAV	BSE Sensex	NAV Change	INDEX Change
Last 6 Months	31-Jul-12	32.6387	17236.18	15.39%	15.43%
Last 1 Year	31-Jan-12	32.1354	17193.55	17.19%	15.71%
Last 2 Years	31-Jan-11	34.6643	18327.76	4.23%	4.19%
Last 3 Years	29-Jan-10	30.1054	16357.96	7.75%	6.74%
Last 4 Years	30-Jan-09	16.5687	9424.24	22.79%	20.54%
Last 5 Years	31-Jan-08	35.8588	17648.71	0.99%	2.43%
Since Inception	29-Mar-04	10.0000	5571.37	16.17%	15.47%

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.

Sector Allocation



Asset Allocation



Pension Schemes

Short Term Fixed Income Fund

ULGF 004 01/07/06 S1 110

FundAssure, Investment Report, January 2013

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 Jan, 13 : ₹15.3752

Benchmark : CRISIL India Short Term Bond Index -100%

Investment Style

Credit Quality			Interest Rate Sensivity
High	Mid	Low	
			High
			Mid
			Low

Portfolio

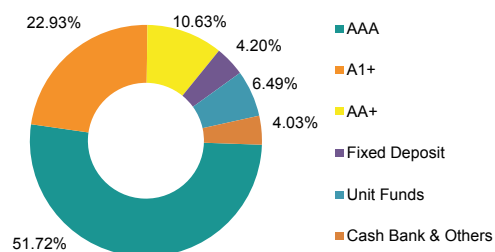
Instrument	Industry/Rating	% of NAV
CD/CP's		22.93
Cholamandalam Invest & Fin. Co. Ltd CP 10-Oct-13	A1+	9.20
Kotak Mahindra Prime Ltd. CP 07-MAR-13	A1+	7.40
Indiabulls Fin. Services Ltd. CP 17-JUL-13	A1+	4.47
Bank of Baroda CD 27-Feb-13	A1+	0.46
State Bank of Hyderabad CD 27-Feb-13	A1+	0.46
Allahabad Bank CD 27-Feb-13	A1+	0.46
Vijaya Bank CD 04-Mar-13	A1+	0.46
Corporate Bonds		62.35
9.75% IDFC Ltd. 11-Jul-14	AAA	8.03
9.40% NHB 10-Jan-15	AAA	7.07
9.25% Dr Reddy's Lab Ltd. 24-Mar-14	AA+	5.89
10.20% Sundaram Finance Ltd. 21-Jul-14	AA+	4.73
9.40% NABARD 31-Jul-15	AAA	4.73
9.63% PFC Ltd. 15-Dec-14	AAA	4.73
9.655% NABARD 18-Oct-14	AAA	4.72
10.40% ICICI Sec Prim Deal Ltd. 27-Jun-13	AAA	4.69
9.55% HDFC Ltd. 11-Apr-13	AAA	4.68
9.20% PGC Ltd. 12-Mar-13	AAA	4.67
8.80% SAIL 26-Oct-15	AAA	4.66
8.40% HDFC Ltd. 08-Dec-14	AAA	2.78
11.40% PFC Ltd. 28-Nov-13	AAA	0.95
Fixed Deposit		4.20
9.50% State Bank Of Hyderabad FD 04-Jan-14		4.20
Unit Funds		6.49
UTI- Liquid Fund-Cash Plan-Inst Growth		4.44
Reliance Liquid Fund-Treasury Plan -Growth Option		2.05
Cash Bank & Others		4.03
Total		100.00

Fund Performance

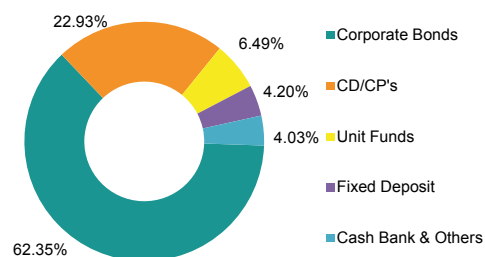
PERIOD	DATE	NAV	CRISIL Short-Term Bond Index	NAV Change	INDEX Change
Last 6 Months	31-Jul-12	14.7213	1917.32	4.44%	4.38%
Last 1 Year	31-Jan-12	14.0502	1835.31	9.43%	9.04%
Last 2 Years	31-Jan-11	12.9624	1693.26	8.91%	8.71%
Last 3 Years	29-Jan-10	12.4307	1620.44	7.34%	7.29%
Last 4 Years	30-Jan-09	11.3332	1525.53	7.92%	7.02%
Last 5 Years	31-Jan-08	10.4935	1391.47	7.94%	7.54%
Since Inception	3-Jul-06	10.0000	1242.33	6.75%	7.51%

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.

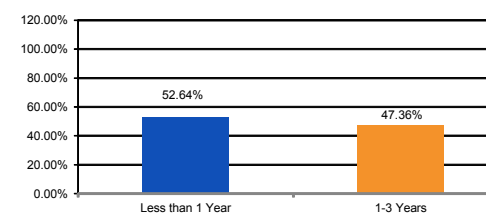
Rating Profile



Asset Allocation



Maturity Profile



Pension Schemes

Income Fund

ULGF 002 02/03/04 11 110

FundAssure, Investment Report, January 2013

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 Jan, 13 : ₹17.6890

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		
Canara Bank CD 12-Feb-13	A1+	0.19
Bank of Baroda CD 27-Feb-13	A1+	0.19
Allahabad Bank CD 27-Feb-13	A1+	0.19
Vijaya Bank CD 04-Mar-13	A1+	0.19
Kotak Mahindra Prime Ltd. CP 07-MAR-13	A1+	0.19
Cholamandalam Invest & Fin. Co. Ltd CP 10-Oct-13	A1+	0.18
Government Securities		
8.15% GOI 11-Jun-22	Sovereign	9.90
8.83% GOI 12-Dec-41	Sovereign	9.44
8.19% GOI 16-Jan-20	Sovereign	4.98
8.97% GOI 05-Dec-30	Sovereign	3.70
8.20% GOI 24-Sep-25	Sovereign	3.05
8.91% Gujarat SDL 22-Aug-22	Sovereign	1.40
8.84% Maharashtra SDL 17-Oct-22	Sovereign	1.40
8.79% Gujarat SDL 25-Oct-22	Sovereign	1.39
8.33% GOI 09-Jul-26	Sovereign	0.66
8.79% GOI 08-Nov-21	Sovereign	0.34
7.38% GOI 03-Sep-15	Sovereign	0.28
Corporate Bonds		
9.57% IRFC Ltd. 31-May-21	AAA	9.84
9.09% IRFC Ltd. 31-Mar-26	AAA	4.22
2.00% Tata Steel Ltd. 23-Apr-22	AA	3.52
9.70% HDFC Ltd. 07-Jun-17	AAA	3.18
8.80% Tata Sons Ltd. 21-Sep-15	AAA	2.57
9.75% HDFC Ltd. 07-Dec-16	AAA	2.21
9.35% PGC Ltd. 29-Aug-16	AAA	2.17

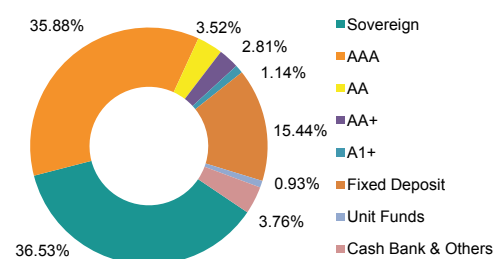
Instrument	Industry/Rating	% of NAV
9.5% United Phosphorus Ltd. 12-Jan-15	AA+	2.16
7.95% IDFC Ltd. 04-May-14	AAA	2.12
9.40% LIC Housing Finance Ltd. 20-12-13	AAA	1.94
9.40% NABARD 31-Jul-15	AAA	1.52
9.00% NTPC Ltd. 25-Jan-23	AAA	1.09
8.50% PFC Ltd. 15-Dec-14	AAA	0.85
9.40% Sterlite Industries Ltd. 25-Oct-22	AA+	0.65
10.75% REC Ltd. 24-Jul-13	AAA	0.65
9.64% PGC Ltd. 31-May-21	AAA	0.56
9.64% PGC Ltd. 31-May-18	AAA	0.55
9.64% PGC Ltd. 31-May-16	AAA	0.55
9.64% PGC Ltd. 31-May-15	AAA	0.54
9.95% SBI 16-Mar-26	AAA	0.45
8.19% IRFC Ltd. 27-Apr-19	AAA	0.42
9.35% REC Ltd. 15-Jun-22	AAA	0.22
9.29% PFC Ltd. 21-Aug-2022	AAA	0.22
Fixed Deposit		
10.70% Punjab National Bank FD 29-Mar-13		15.44
9.50% State Bank Of Hyderabad FD 04-Jan-14		3.00
10.70% Bank of Baroda FD 26-Mar-13		2.36
10.80% Canara Bank FD 22-Mar-13		2.36
10.70% Bank of Baroda FD 22-Mar-13		2.14
9.50% State Bank of Hyderabad FD 10-Feb-2014		1.29
Unit Funds		
UTI- Liquid Fund-Cash Plan-Inst Growth		0.93
Cash Bank & Others		3.76
Total		100.00

Fund Performance

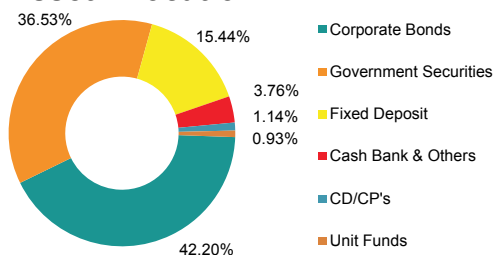
PERIOD	DATE	NAV	Crisil Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	31-Jul-12	16.7088	1849.96	5.87%	5.03%
Last 1 Year	31-Jan-12	16.0057	1776.42	10.52%	9.38%
Last 2 Years	31-Jan-11	14.6077	1643.29	10.04%	8.74%
Last 3 Years	29-Jan-10	13.9263	1575.32	8.30%	7.24%
Last 4 Years	30-Jan-09	12.8308	1504.76	8.36%	6.60%
Last 5 Years	31-Jan-08	11.8135	1402.36	8.41%	6.74%
Since Inception	2-Mar-04	10.0000	1193.20	6.60%	5.62%

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.

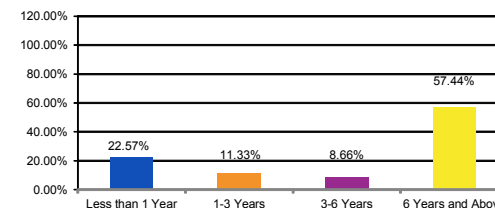
Rating Profile



Asset Allocation



Maturity Profile



Pension Schemes

Liquid Fund

ULGF 003 02/03/04 L1 110

FundAssure, Investment Report, January 2013

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 Jan, 13 : ₹17.6209

Benchmark : CRISIL Liquid Fund Index -100%

Investment Style

Credit Quality			Interest Rate Sensivity
High	Mid	Low	
			High
			Mid
			Low

Portfolio

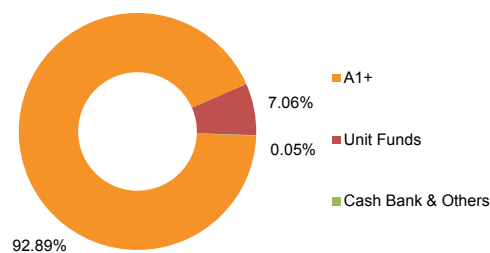
Instrument	Industry/Rating	% of NAV
CD/CP's		92.89
Indiabulls Fin. Services Ltd. CP 17-JUL-13	A1+	9.73
Indian Bank CD 04-Feb-13	A1+	9.66
Bank of Baroda CD 27-Feb-13	A1+	9.61
State Bank of Hyderabad CD 27-Feb-13	A1+	9.61
Allahabad Bank CD 27-Feb-13	A1+	9.61
Kotak Mahindra Prime Ltd. CP 07-MAR-13	A1+	9.58
Cholamandalam Invest & Fin. Co. Ltd CP 10-Oct-13	A1+	9.53
Oriental Bank of Commerce CD 16-Jan-14	A1+	8.93
Vijaya Bank CD 16-Jan-14	A1+	8.93
Canara Bank CD 12-Feb-13	A1+	7.71
Unit Funds		7.06
UTI- Liquid Fund-Cash Plan-Inst Growth		4.45
Reliance Liquid Fund-Treasury Plan -Growth Option		2.61
Cash Bank & Others		0.05
Total		100.00

Fund Performance

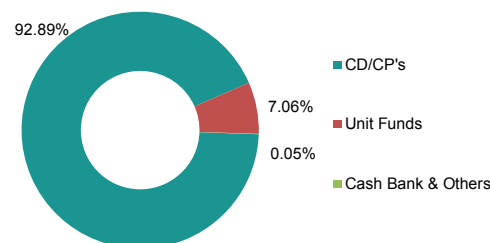
PERIOD	DATE	NAV	Crisil Liquid Fund Index	NAV Change	INDEX Change
Last 6 Months	31-Jul-12	16.8676	1848.12	4.47%	3.89%
Last 1 Year	31-Jan-12	16.1519	1770.66	9.09%	8.43%
Last 2 Years	31-Jan-11	14.9099	1635.37	8.71%	8.35%
Last 3 Years	29-Jan-10	14.1625	1549.77	7.55%	7.40%
Last 4 Years	30-Jan-09	13.2554	1486.23	7.38%	6.61%
Last 5 Years	31-Jan-08	12.2392	1366.47	7.56%	7.04%
Since inception	25-May-04	10.0000	1113.63	6.73%	6.47%

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.

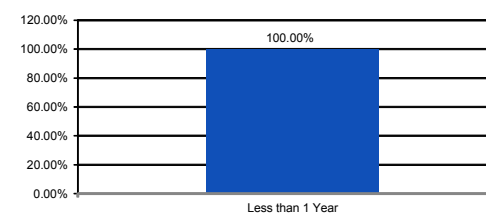
Rating Profile



Asset Allocation



Maturity Profile



Pension Schemes

Bond Fund

ULGF 005 17/08/07 BO 110

FundAssure, Investment Report, January 2013

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 Jan, 13 : ₹15.1025

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
Government Securities 39.41		
8.15% GOI 11-Jun-22	Sovereign	10.49
8.83% GOI 12-Dec-41	Sovereign	10.30
8.19% GOI 16-Jan-20	Sovereign	8.95
8.97% GOI 05-Dec-30	Sovereign	3.19
8.20% GOI 24-Sep-25	Sovereign	2.00
8.91% Gujarat SDL 22-Aug-22	Sovereign	1.50
8.84% Maharashtra SDL 17-Oct-22	Sovereign	1.50
8.79% Gujarat SDL 25-Oct-22	Sovereign	1.49
Corporate Bonds 44.04		
9.09% IRFC Ltd. 31-Mar-26	AAA	8.16
9.57% IRFC Ltd. 31-May-21	AAA	7.77
9.75% HDFC Ltd. 07-Dec-16	AAA	7.09
2.00% Indian Hotels Ltd. 09-Dec-14	AA	4.92
8.80% Tata Sons Ltd. 21-Sep-15	AAA	2.95
9.30% SAIL 25-May-21	AAA	2.02
9.64% PGC Ltd. 31-May-21	AAA	1.28
9.64% PGC Ltd. 31-May-18	AAA	1.27
9.64% PGC Ltd. 31-May-16	AAA	1.26

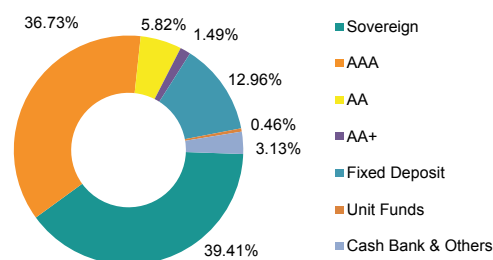
Instrument	Industry/Rating	% of NAV
9.64% PGC Ltd. 31-May-15	AAA	1.25
9.48% REC Ltd. 10-Aug-21	AAA	1.02
9.40% NABARD 31-Jul-15	AAA	1.00
9.30% Tata Sons Ltd. 24-Dec-15	AAA	0.99
9.5% United Phosphorus Ltd. 12-Jan-15	AA+	0.99
2.00% Tata Steel Ltd. 23-Apr-22	AA	0.90
9.95% SBI 16-Mar-26	AAA	0.60
10.70% Sundaram Finance Ltd. 06-Jun-14	AA+	0.50
9.75% SBI Series 3 Lower Tier II 16-Mar-21	AAA	0.07
Fixed Deposit		12.96
9.50% State Bank of Hyderabad FD 10-Feb-2014		3.93
10.70% Bank of Baroda FD 22-Mar-13		2.95
10.00% State Bank Of Travancr FD 01-Mar-13		2.92
10.70% Bank of Baroda FD 26-Mar-13		1.97
9.50% State Bank Of Hyderabad FD 04-Jan-14		1.18
Unit Funds		0.46
UTI- Liquid Fund-Cash Plan-Inst Growth		0.46
Cash Bank & Others		3.13
Total		100.00

Fund Performance

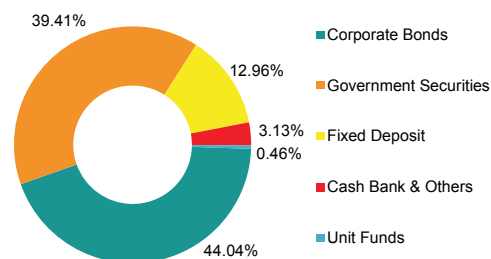
PERIOD	DATE	NAV	Crisil Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	31-Jul-12	14.2571	1849.96	5.93%	5.03%
Last 1 Year	31-Jan-12	13.6348	1776.42	10.76%	9.38%
Last 2 Years	31-Jan-11	12.4704	1643.29	10.05%	8.74%
Last 3 Years	29-Jan-10	11.8762	1575.32	8.34%	7.24%
Last 4 Years	30-Jan-09	11.0971	1504.76	8.01%	6.60%
Last 5 Years	31-Jan-08	10.2864	1402.36	7.98%	6.74%
Since Inception	17-Aug-07	10.0000	1339.53	7.84%	7.05%

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

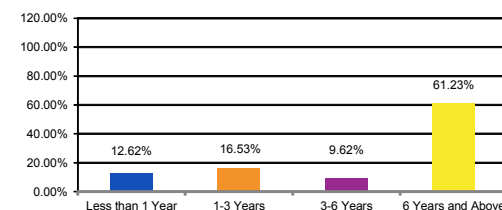
Rating Profile



Asset Allocation



Maturity Profile



Pension Schemes

Balanced Fund

ULGF 006 17/08/07 BL 110

FundAssure, Investment Report, January 2013

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 Jan, 13 : ₹14.3930

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-Jul-12	13.4490	7.02%	6.07%
Last 1 Year	31-Jan-12	12.9736	10.94%	10.05%
Last 2 Years	31-Jan-11	12.2875	8.23%	8.33%
Last 3 Years	29-Jan-10	11.6700	7.24%	7.25%
Last 4 Years	30-Jan-09	10.6368	7.85%	7.98%
Last 5 Years	31-Jan-08	10.3694	6.78%	6.39%
Since Inception	17-Aug-07	10.0000	6.89%	7.07%

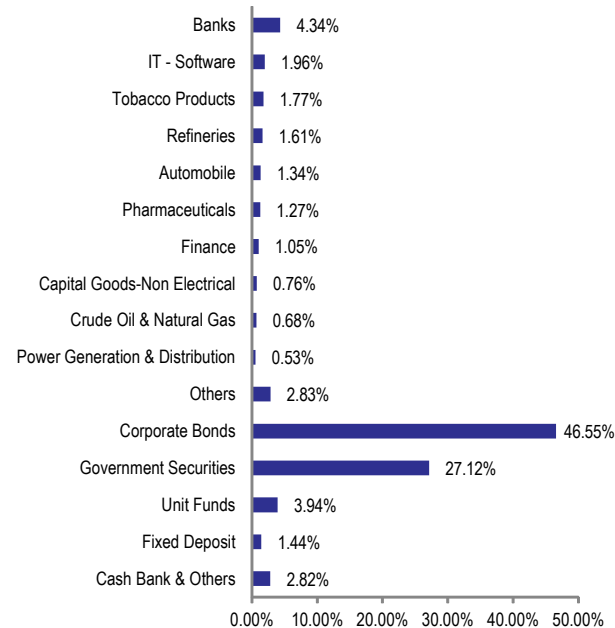
Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

Portfolio

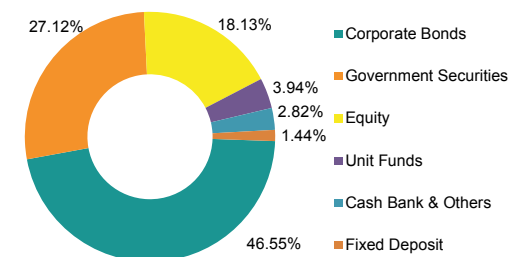
Instrument	Industry/Rating	% Of NAV
Equity		18.13
ITC Ltd.	Tobacco Products	1.77
Reliance Industries Ltd.	Refineries	1.40
ICICI Bank Ltd.	Banks	1.37
HDFC Bank Ltd.	Banks	1.16
Infosys Technologies Ltd.	IT - Software	1.08
State Bank of India	Banks	0.70
Larsen and Toubro Ltd.	Capital Goods-Non Electrical	0.67
Tata Consultancy Services Ltd.	IT - Software	0.58
HDFC Ltd.	Finance	0.57
Oil and Natural Gas Corpn Ltd.	Crude Oil & Natural Gas	0.54
Other Equity		8.30
Government Securities		27.12
8.79% GOI 08-Nov-21	Sovereign	10.53
8.33% GOI 09-Jul-26	Sovereign	7.37
8.83% GOI 12-Dec-41	Sovereign	4.65
9.15% GOI 14-Nov-24	Sovereign	3.10
8.15% GOI 11-Jun-22	Sovereign	1.46
Corporate Bonds		46.55
8.28% LIC Housing Finance Ltd. 29-Jun-15	AAA	9.94
9.95% SBI 16-Mar-26	AAA	6.41

Instrument	Industry/Rating	% Of NAV
8.70% PFC Ltd. 14-May-15	AAA	5.02
9.97% IL&FS 28-Sep-16	AAA	4.46
8.35% HDFC Ltd. 19-Jul-15	AAA	4.27
9.655% NABARD 18-Oct-14	AAA	3.64
9.30% Tata Sons Ltd. 24-Dec-15	AAA	2.91
9.20% PGC Ltd. 12-Mar-15	AAA	2.89
8.84% NTPC Ltd. 04-Oct-22	AAA	2.16
8.40% HDFC Ltd. 08-Dec-14	AAA	2.14
10.40% ICICI Sec Prim Deal Ltd. 27-Jun-13	AAA	1.44
9.25% Dr Reddy's Lab Ltd. 24-Mar-14	AA+	1.28
Fixed Deposit		1.44
10.70% Bank of Baroda FD 26-Mar-13		1.44
Unit Funds		3.94
UTI- Liquid Fund-Cash Plan-Inst Growth		3.94
Cash Bank & Others		2.82
Total		100.00

Sector Allocation



Asset Allocation



Pension Schemes

Growth Fund

ULGF 007 17/08/07 G2 110

FundAssure, Investment Report, January 2013

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 Jan, 13 : ₹13.9979

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

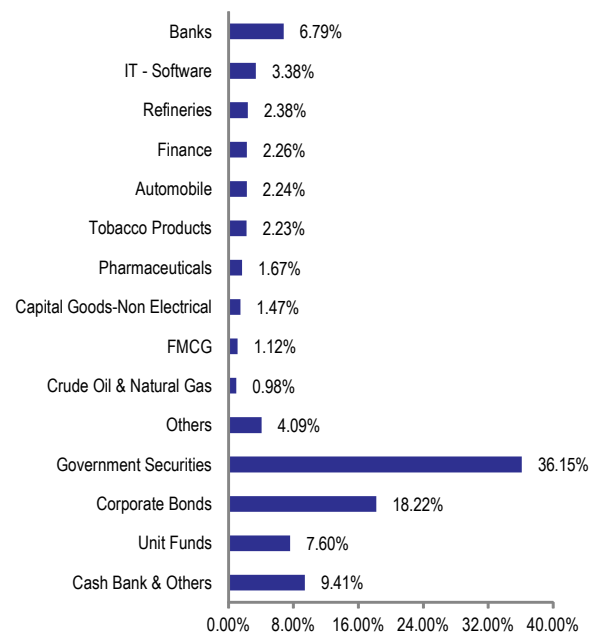
PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	31-Jul-12	13.0369	7.37%	8.15%
Last 1 Year	31-Jan-12	12.6814	10.38%	11.39%
Last 2 Years	31-Jan-11	12.4045	6.23%	7.53%
Last 3 Years	29-Jan-10	11.7180	6.11%	7.27%
Last 4 Years	30-Jan-09	9.7534	9.45%	10.73%
Last 5 Years	31-Jan-08	10.0000	6.96%	5.70%
Since Inception	17-Aug-07	10.0000	6.35%	7.12%

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.

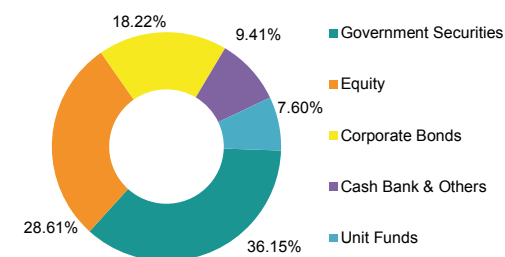
Portfolio

Instrument	Industry/Rating	% Of NAV
Equity		28.61
HDFC Bank Ltd.	Banks	2.33
ITC Ltd.	Tobacco Products	2.23
Reliance Industries Ltd.	Refineries	2.09
ICICI Bank Ltd.	Banks	2.05
Infosys Technologies Ltd.	IT - Software	1.82
HDFC Ltd.	Finance	1.64
Larsen and Toubro Ltd.	Capital Goods-Non Electrical	1.40
State Bank of India	Banks	1.10
Other Equity below 1% corpus		13.97
Government Securities		36.15
9.15% GOI 14-Nov-24	Sovereign	11.73
8.79% GOI 08-Nov-21	Sovereign	11.37
7.83% GOI 11-04-2018	Sovereign	7.20
8.83% GOI 12-Dec-41	Sovereign	5.86
Corporate Bonds		18.22
8.84% NTPC Ltd. 04-Oct-22	AAA	7.25
9.57% IRFC Ltd. 31-May-21	AAA	3.81
8.30% HDFC Ltd. 23-Jun-15	AAA	3.58
8.28% LIC Housing Finance Ltd. 29-Jun-15	AAA	3.58
Unit Funds		7.60
UTI- Liquid Fund-Cash Plan-Inst Growth		3.98
Reliance Liquid Fund-Treasury Plan -Growth Option		3.62
Cash Bank & Others		9.41
Total		100.00

Sector Allocation



Asset Allocation



Pension Schemes

Maxima Fund

ULGF 008 17/08/07 M1 110

FundAssure, Investment Report, January 2013

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 Jan, 13 : ₹10.9768

Benchmark : -

Debt Investment Style

Credit Quality			Interest Rate Sensitivity
High	Mid	Low	
			High
			Mid
			Low

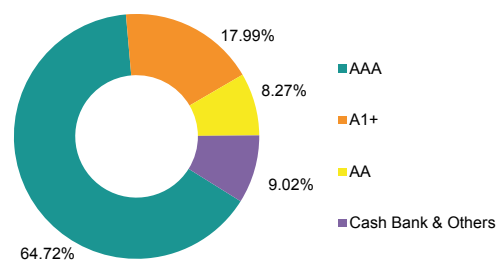
Equity Investment Style

Investment Style			
Value	Blend	Growth	Size
			Large
			Mid
			Small

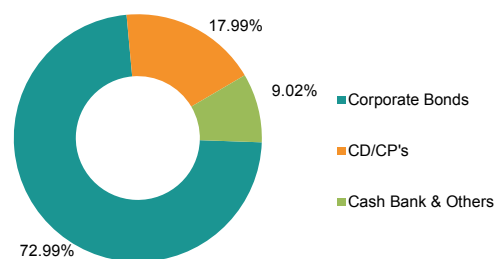
Portfolio

Instrument	Industry/Rating	% of NAV
CD/CP's		17.99
Bank of Baroda CD 27-Feb-13	A1+	8.99
State Bank of Hyderabad CD 27-Feb-13	A1+	8.99
Corporate Bonds		72.99
9.70% GE Shipping 02-Feb-21	AAA	8.54
9.48% REC Ltd. 10-Aug-21	AAA	8.44
9.43% LIC Housing Finance Ltd. 10-Feb-22	AAA	8.43
9.60% HDFC Ltd. 07-Apr-16	AAA	8.31
9.00% EXIM Bank 10-Jan-19	AAA	8.29
9.90% Indian Hotels Ltd. 24-Feb-17	AA	8.27
9.40% NABARD 31-Jul-15	AAA	8.25
9.40% NHB 10-Jan-15	AAA	8.22
9.95% SBI 16-Mar-26	AAA	6.24
Cash Bank & Others		9.02
Total		100.00

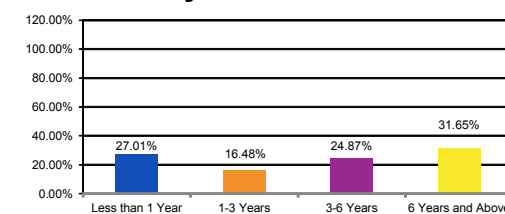
Rating Profile



Asset Allocation



Maturity Profile



Pension Schemes

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Lower Parel, Mumbai 400 013.

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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).
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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 are the names of funds and do not, in any way, indicate the quality of the funds, 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. Interest Rate Sensitivity
Less than 3 year duration - Low
3 to 10 years duration - Medium
more than 10 years duration - High
10. Shading indicates the general representative nature of the portfolio to a particular style or cap".
11. Whilst every care has been taken in the preparation of this document, it is subject to correction and markets may not perform in a similar fashion based on factors influencing the capital and debt markets; hence this review note does not individually confer any legal rights or duties.

Insurance is the subject matter of the solicitation

Tata AIA Life Insurance Company Ltd. (Reg. No. 110)
Registered and Corporate Office 14th Floor, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel, Mumbai 400013

Pension Schemes

TATA AIA
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