

# Fund Assure

Investment Report, March 2016



Dear Friends,

**The month of March 2016 saw the benchmark index S&P BSE Sensex surge 10.17% while Nifty 50 gained 10.75%. The Mid-cap index, Nifty Mid-cap 100 gained 10.33% during the same period.**

On the global front, the US Federal Reserve (Fed) in its FOMC meet kept the rates unchanged even as it noted the improvement in the US job market. Overall, the Fed scaled down the number of forecasted rate hikes in CY 2016 to two from four earlier and said that the FOMC would 'proceed cautiously in adjusting policy'. The robust US nonfarm payrolls for March indicate continued strength in the US labour market. Meanwhile, the European Central Bank (ECB) launched a comprehensive set of measures to ease policy and boost credit growth as all policy rates including the refinancing rate and the deposit rate were lowered even as they expanded the quantitative easing (QE) program from EUR 60bn/month to EUR 80bn/month, up to at least March 2017.

On the domestic front, the budget session of Parliament was productive as it saw the passage of key legislations. While the Lok Sabha passed the Aadhar bill giving statutory status to the unique identity number scheme paving the way for huge subsidy savings through direct transfers, the Rajya Sabha passed key economic bills- the Real estate Bill and the Inland Waterways Bill.

In its first Bi-monthly policy in fiscal 2017, the RBI cut the repo rate by 25 bps to 6.5% on expected lines as well as announced a series of measures to improve the liquidity situation in the economy. The RBI reiterated its accommodative stance and guided that it would continue to watch macroeconomic and financial developments in the months ahead with a view to respond with further policy action as space opens up.

The Centre has issued fresh guidelines for FDI in e-commerce allowing 100% FDI in the marketplace-based model, an arrangement where e-commerce companies provide an online platform to other vendors to sell their products. This move is expected to spur job creation in support services like warehousing, logistics, order fulfillment, call centre and payment collection.

India's annual FDI inflows in CY 2015 saw a growth of 31% year on year on a gross basis to around USD 55 bn even as the net inflows were up 60% at USD 36.5 bn.

In a far reaching reform, the government has aligned interest rates on small savings products to the 10 year G-sec yields through a formula driven market based approach which seeks to eliminate the distortions in the rates offered on various savings products. The downward revisions in small savings rates are the steepest in over a decade and is expected to address the concerns of the banks that have been of the view that higher interest rates on small savings products were impeding the effective transmission of the monetary policy.

The Current account deficit (CAD) for the third quarter fiscal 2016 reduced to USD 7.1 bn compared to USD 8.7 bn in the prior quarter. The trade deficit for the third quarter reduced to USD 34 bn compared to USD 37.4 bn in the prior quarter led by a fall in imports. The third quarter FY 2016 saw capital account surplus of USD 10.5 bn compared to USD 8.6 bn in the prior quarter, led by net FDI inflow of USD 10.8 bn even as FPI flows were marginally negative. Cumulatively, the capital account surplus fell to USD 37.7 bn in the first nine months of FY 2016 compared to USD 59.3 bn in the same period prior fiscal. Overall, BOP surplus fell to USD 14.6 bn in the first nine months of FY 2016 compared to USD 31.3 bn in the same period prior fiscal.

Trade deficit in February was at a comfortable USD 6.5 bn, lower than USD 7.6 bn in the prior month. February exports contracted by 5.7% year on year, albeit lower than the more severe contraction of 13.6% in January. Imports contracted by 5% year on year in February against 11% in January. Cumulatively, exports have contracted by 16.8% while imports have contracted by 14.8% in the eleven months of fiscal 2016 resulting in a trade deficit of USD 113bn during April 2015-February 2016, USD 13bn lower than comparable period last year.

The Consumer Price Index (CPI) inflation for February 2016 came in at 5.18%, lower than the market expectation of around 5.5% as well as lower than the 5.69% registered in the month of January. Wholesale Price Index (WPI) inflation for February 2016 was at a negative 0.9%, similar to the prior month, registering the 16<sup>th</sup> consecutive month of negative inflation. The CPI and WPI inflation prints for the month of February 2016 continue to confirm the presence of disinflationary forces in the economy.

Given the improving macro economic backdrop, we believe that the equity market offers an attractive entry point for a long-term investor with a 3-5 year view.

**Team Investment**

## Equity Market Outlook

The month of March 2016 saw the benchmark index S&P BSE Sensex surge 10.17% while Nifty 50 gained 10.75%. The Mid-cap index, Nifty Mid-cap 100 gained 10.33% during the same period.

The FIIs were net buyers with robust inflows of around USD 3.4 bn in the month of March 2016 and the DIIs were net sellers to the tune of USD 2.4 bn with insurance companies' net sellers to the tune of around USD 1.2 bn and domestic mutual funds, net sellers to the tune of USD 1.2 bn.

The month of March saw heightened action on the legislative and policy front which impacted a slew of sectors positively. Apart from the passage of key economic bills, policy action was seen in sectors such as steel, oil & gas, realty as well as defense. The passage of the Realty bill is expected to increase accountability and transparency in the real estate sector through more stringent rules and disclosures with a focus on protecting the interests of the home buyer. The passage of the National Waterways Bill seeks to provide an alternative form of transporting goods and open up economic opportunities by converting around 100 rivers and creeks into transport waterways.

Indian economy has seen pockets of brisk activity with the value added in industry accelerating in H2 FY 2016, led by manufacturing which benefited from the sustained softness in input costs. Robust expansion in coal output has buoyed both mining activity and electricity generation and stemmed the weakening of industrial output. However, capital goods production has remained in contraction zone since November while weak demand and competition from imports have muted the capex cycle. While consumer non-durables production has been shrinking reflecting the continuing slack in rural demand, consumer durables remained strong suggesting strong urban demand. Services sector activity expanded steadily through the year, with trade, hotels, transport, communication and public administration, defense and related services turning out to be the main drivers in H2 FY 2016. Cement production gained traction during H2 FY 2016 while steel consumption has increased at a steady pace. Various lead indicators such as air passenger traffic, air cargo volumes, foreign tourist arrivals and auto sales increased, while railway freight traffic marginally contracted.

On the policy front, the government cleared the new hydrocarbon exploration policy allowing marketing and pricing freedom for natural gas produced from deepwater blocks, albeit capped by a ceiling price based on landed price of alternative fuels. The new policy also mandates uniform licensing and a simpler revenue-sharing model with the government.

Ministry of Defense notified its Defense Procurement Procedure (DPP)-2016 policy that will come into effect from April 1, 2016 with an aim to provide a boost to the 'Make in India' initiative and attempts to make the system more transparent and reduce delays.

The Indian steel industry has stabilized to an extent in recent weeks on the back of higher realizations and profitability as a result of higher domestic prices supported by the minimum import price and safeguard duties.

The reduction in small savings rates, the liquidity management framework announced in the RBI's monetary policy review and the introduction of the marginal cost of funds based lending rate (MCLR) are expected to improve transmission and bring down lending rates. This, in addition to the implementation of the 7<sup>th</sup> Pay Commission recommendations and OROP should act as an enabler to spur consumption.

There has been a coordinated action from banks with support from the government and the RBI to shore up bank balance sheets and resolve bad loans by cleaning up its weak assets.

A credible Union budget, passage of key legislation as well as a slew of policy action across major sectors of the economy has improved market sentiment. The dovish stance of the US Fed and continued easing by ECB and BoJ has ensured ample global liquidity. Going forward, there are some positive cues as suggested by the improvement in the manufacturing purchasing managers' index (PMI) in March, upbeat outlook for the service sector extending into Q1 FY 2017 as well as robust business expectations in Q1 FY 2017 from the Reserve Bank's industrial outlook survey.

Given the improving macro economic backdrop, we believe that the equity market offers an attractive entry point for a long-term investor with a 3-5 year view.

**Debt Market Outlook**

Debt market in the month of March 2016 saw the new benchmark 10 year Government security (G-sec) close the month at 7.46%, easing by 16 bps over the month. On the corporate bond side, the 10 year AAA corporate bond closed the month at around 8.26%, easing by 37 bps over the month.

In the month of March, the Foreign Portfolio Investors (FPIs) were sellers of Indian debt to the extent of USD 0.25 bn.

In its first Bi-monthly policy in fiscal 2017, the RBI cut the repo rate by 25 bps to 6.5% on expected lines as well as announced a series of measures to improve the liquidity situation in the economy. The RBI reduced the minimum daily maintenance of the cash reserve ratio (CRR) from 95% to 90% while keeping the CRR unchanged at 4% of net demand and time liabilities (NDTL). Moreover, the RBI committed to provide liquidity as required and progressively lower the average liquidity deficit in the system from 1% of NDTL to a position closer to neutrality. Additionally, the RBI narrowed the policy rate corridor from +/-100 bps to +/- 50 bps to ensure finer alignment of the weighted average call rate (WACR) with the repo rate. Consequently, the reverse repo rate under the LAF stood adjusted to 6% and the marginal standing facility (MSF) rate to 7%.

The RBI was satisfied that inflation had evolved along the projected trajectory and the target set for January 2016 was met with a marginal undershoot. Going forward, the RBI expects CPI inflation to decelerate modestly and remain around 5% during FY 2017. The upside risks to this inflation path emanates from recent unseasonal rains, the distribution of the south west monsoon, the low reservoir levels as compared to historical averages and the strength of the recent upturn in commodity prices, especially oil. The RBI was concerned regarding the persistence of inflation in certain services and expects the implementation of the 7<sup>th</sup> Central Pay Commission awards to impart an upside to the baseline through direct and indirect effects. On the other hand, they opine that there would be some offsetting downside pressures stemming from tepid demand in the global economy, government's effective supply side measures keeping a check on food prices, and the central government's commendable commitment to fiscal consolidation.

The RBI expected the reduction in small savings rates announced in March 2016, the substantial refinements in the liquidity management framework announced in this policy review and the introduction of the marginal cost of funds based lending rate (MCLR) to improve transmission and magnify the effects of the policy rate cut in the first Bi monthly monetary policy review for fiscal 2017. The RBI reiterated its accommodative stance and guided that it would continue to watch macroeconomic and financial developments in the months ahead with a view to respond with further policy action as space opens up.

RBI released the auction calendar for April to September 2016 with the gross issuance pegged at ₹3.55tn, making up 59.2% of the full year borrowing target of ₹6tn. The net borrowing was placed at ₹2.48 tn, around 11% higher than H1FY16, owing to lower redemption.

RBI has increased its FPI limits in central government securities along expected lines with the limits to be increased in two tranches of ₹105 bn from April 4<sup>th</sup> and ₹100 bn from July 5<sup>th</sup>. As in the previous half-year, the limits for state development loans (SDL) will be increased in two tranches of ₹35 bn each from April 4<sup>th</sup> and July 5<sup>th</sup>. Any limit remaining unused by long-term investors at the end of a half-year would be made available as additional limit to the investors in the open category for the following half year in October 2016.

In the month of March, the fixed income market has benefited from a slew of positive developments such as the government sticking to its fiscal deficit of 3.5% in the Union budget for FY 2017 resulting in lower-than-expected market borrowings, a meaningful reduction in the February CPI inflation print, recalibration of small savings rates by linking it to market rates and a series of OMOs from the RBI alleviating supply pressures. RBI's decision to allow banks to classify bonds issued by state governments as part of the UDAY scheme under the held-to-maturity (HTM) category as well as the intention to privately place UDAY bonds has further mitigated market concerns of excessive supply and improved market sentiment.

We believe that the government's credible fiscal consolidation efforts in the Union budget, RBI's policy action in the first Bi-monthly policy as well as expectation of continued OMO's will be constructive for the fixed income market and enable bond yields to soften in the medium term.

# Fund Assure, Investment Report, March 2016

**Equity Fund**

**Short Term Fixed  
Income Fund**

**Income Fund**

**Liquid Fund**

**Bond Fund**

**Balanced Fund**

# EQUITY FUND

ULGF 001 02/03/04 E1 110  
Fund Assure, Investment Report, March 2016

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## 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.

**NAV as on 31 March, 16:** ₹49.5275

**Benchmark:** S&P BSE Sensex - 100%

### Investment Style

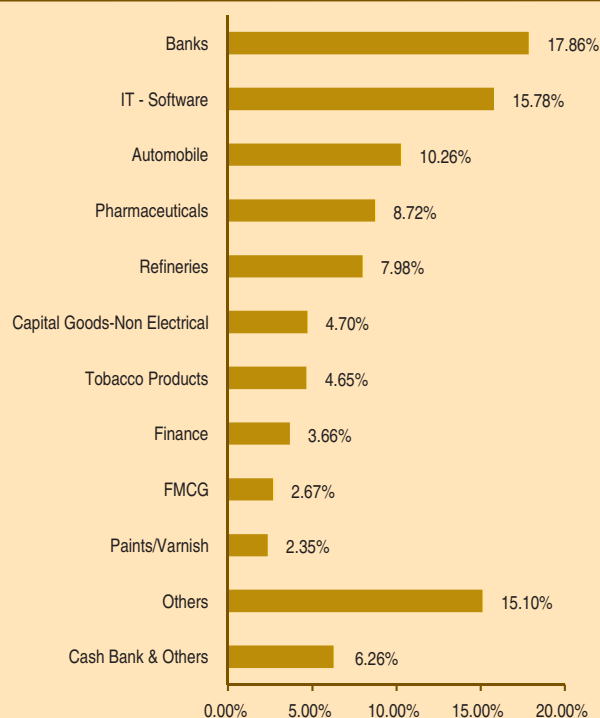
| Investment Style |       |        | Size  |
|------------------|-------|--------|-------|
| Value            | Blend | Growth | Large |
|                  |       |        | Mid   |
|                  |       |        | Small |

## Fund Performance

| Period          | Date      | NAV     | S&P BSE Sensex | NAV Change | INDEX Change |
|-----------------|-----------|---------|----------------|------------|--------------|
| Last 3 Months   | 31-Dec-15 | 50.7126 | 26117.54       | -2.34%     | -2.97%       |
| Last 6 Months   | 30-Sep-15 | 50.5396 | 26154.83       | -2.00%     | -3.11%       |
| Last 1 Year     | 31-Mar-15 | 53.9060 | 27957.49       | -8.12%     | -9.36%       |
| Last 2 Years    | 31-Mar-14 | 42.2978 | 22386.27       | 8.21%      | 6.40%        |
| Last 3 Years    | 31-Mar-13 | 35.3906 | 18835.77       | 11.85%     | 10.40%       |
| Last 4 Years    | 31-Mar-12 | 32.8672 | 17404.20       | 10.80%     | 9.85%        |
| Last 5 Years    | 31-Mar-11 | 35.9129 | 19445.22       | 6.64%      | 5.44%        |
| Since Inception | 29-Mar-04 | 10.0000 | 5571.37        | 14.25%     | 13.44%       |

**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



## Portfolio

| Instrument                          | Industry/Rating              | % Of NAV      |
|-------------------------------------|------------------------------|---------------|
| <b>Equity</b>                       |                              | <b>93.74</b>  |
| Infosys Technologies Ltd.           | IT - Software                | 9.12          |
| HDFC Bank Ltd.                      | Banks                        | 7.48          |
| Reliance Industries Ltd.            | Refineries                   | 7.03          |
| ICICI Bank Ltd.                     | Banks                        | 4.85          |
| ITC Ltd.                            | Tobacco Products             | 4.65          |
| Tata Consultancy Services Ltd.      | IT - Software                | 4.37          |
| HDFC Ltd.                           | Finance                      | 3.66          |
| Sun Pharmaceuticals Industries Ltd. | Pharmaceuticals              | 3.65          |
| Tata Motors Ltd.                    | Automobile                   | 3.53          |
| Larsen and Toubro Ltd.              | Capital Goods-Non Electrical | 3.49          |
| Mahindra and Mahindra Ltd.          | Automobile                   | 2.86          |
| State Bank of India                 | Banks                        | 2.45          |
| Asian Paints Ltd.                   | Paints/Varnish               | 2.35          |
| Lupin Ltd.                          | Pharmaceuticals              | 2.33          |
| Coal India Ltd                      | Mining & Mineral Products    | 2.30          |
| Other Equity                        |                              | 29.61         |
| <b>Cash Bank &amp; Others</b>       |                              | <b>6.26</b>   |
| <b>Total</b>                        |                              | <b>100.00</b> |

## Asset Allocation

| Asset Type         | % Of NAV |
|--------------------|----------|
| Equity             | 93.74%   |
| Cash Bank & Others | 6.26%    |

## Asset Mix

| Instrument             | Asset Mix as per F&U | Actual Asset Mix |
|------------------------|----------------------|------------------|
| Equity                 | Up to 100%           | 94%              |
| Debt *                 | Up to 40%            | 6%               |
| Cash & Money Market ** | Up to 40%            | 6%               |

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

\*\* Cash & Money Market includes current assets

# SHORT TERM FIXED INCOME FUND

ULGF 004 01/07/06 S1 110  
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## 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.

**NAV as on 31 March, 16:** ₹19.7494

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

### Investment Style

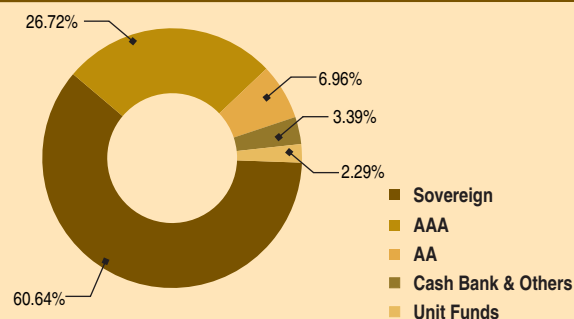
| Credit Quality |     |     | Interest Rate Sensitivity |
|----------------|-----|-----|---------------------------|
| High           | Mid | Low |                           |
|                |     |     | High                      |
|                |     |     | Mid                       |
|    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

## Fund Performance

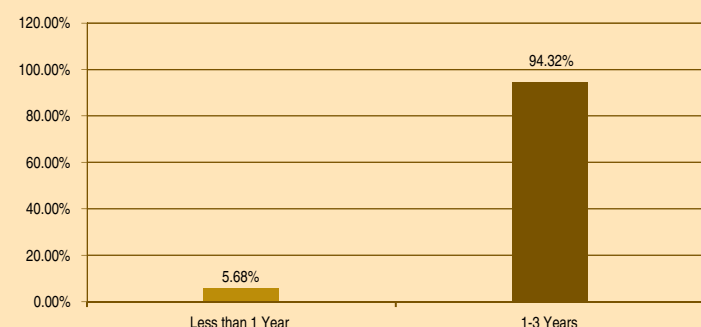
| Period          | Date      | NAV     | Crisil Short Term Bond Index | NAV Change | INDEX Change |
|-----------------|-----------|---------|------------------------------|------------|--------------|
| Last 3 Months   | 31-Dec-15 | 19.3682 | 2582.68                      | 1.97%      | 2.20%        |
| Last 6 Months   | 30-Sep-15 | 19.0696 | 2540.49                      | 3.56%      | 3.90%        |
| Last 1 Year     | 31-Mar-15 | 18.3442 | 2433.57                      | 7.66%      | 8.47%        |
| Last 2 Years    | 31-Mar-14 | 16.7946 | 2205.82                      | 8.44%      | 9.39%        |
| Last 3 Years    | 31-Mar-13 | 15.5662 | 2027.60                      | 8.26%      | 9.19%        |
| Last 4 Years    | 31-Mar-12 | 14.2453 | 1858.56                      | 8.51%      | 9.17%        |
| Last 5 Years    | 31-Mar-11 | 13.1204 | 1716.04                      | 8.52%      | 8.99%        |
| Since Inception | 03-Jul-06 | 10.0000 | 1242.33                      | 7.23%      | 8.04%        |

**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



## Portfolio

| Instrument   | Industry/Rating | % Of NAV      |
|--|-----------------|---------------|
| <b>Government Securities</b>                                   |                 | <b>60.64</b>  |
| 7.83% GOI 11-Apr-18  | Sovereign       | 54.74         |
| 6.05% GOI 02-Feb-19  | Sovereign       | 5.90          |
| <b>Corporate Bonds</b>   |                 | <b>33.68</b>  |
| 11.00% IOC Ltd. 10-Sep-18                                      | AAA             | 8.08          |
| 9.43% IRFC Ltd. 23-May-18                                      | AAA             | 7.87          |
| 9.30% Blue Dart Express Ltd. 20-Nov-17                         | AA              | 6.96          |
| 8.43% IDFC Bank Ltd. 02-Feb-18                                 | AAA             | 6.14          |
| 8.90% PFC Ltd. 21-Oct-17                                       | AAA             | 4.63          |
| <b>Unit Funds</b>  |                 | <b>2.29</b>   |
| Reliance Liquid Fund - Treasury Plan - Direct Plan Growth Plan |                 | 2.29          |
| <b>Cash Bank &amp; Others</b>                                  |                 | <b>3.39</b>   |
| <b>Total</b>   |                 | <b>100.00</b> |

## Asset Allocation

| Asset Type            | % Of NAV |
|-----------------------|----------|
| Government Securities | 60.64%   |
| Corporate Bonds       | 33.68%   |
| Cash Bank & Others    | 3.39%    |
| Unit Funds            | 2.29%    |

## 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%            | 6%               |

\* Exposure to Debt includes Cash & Money Market

\*\* Cash & Money Market includes current assets

# INCOME FUND

ULGF 002 02/03/04 I1 110  
Fund Assure, Investment Report, March 2016

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## 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.

**NAV as on 31 March, 16:** ₹23.1399

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

### Investment Style

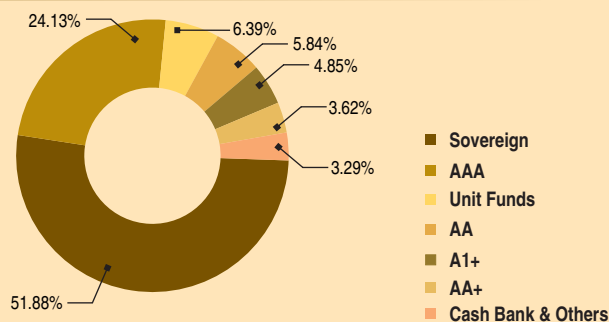
| Credit Quality |     |     | Interest Rate Sensitivity |
|----------------|-----|-----|---------------------------|
| High           | Mid | Low |                           |
|                |     |     | High                      |
|                |     |     | Mid                       |
|    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

## Fund Performance

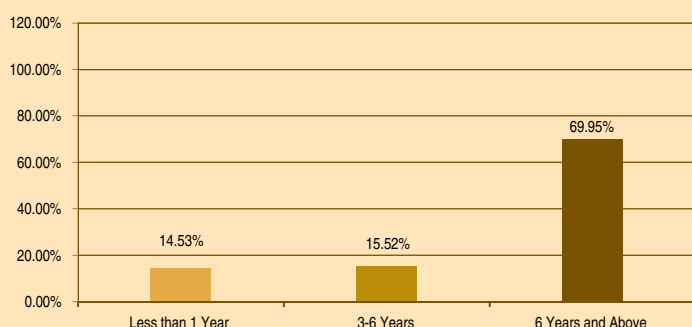
| Period          | Date      | NAV     | Crisil Composite Bond Index | NAV Change | INDEX Change |
|-----------------|-----------|---------|-----------------------------|------------|--------------|
| Last 3 Months   | 31-Dec-15 | 22.5395 | 2477.75                     | 2.66%      | 2.47%        |
| Last 6 Months   | 30-Sep-15 | 22.5149 | 2447.34                     | 2.78%      | 3.75%        |
| Last 1 Year     | 31-Mar-15 | 21.5690 | 2345.74                     | 7.28%      | 8.24%        |
| Last 2 Years    | 31-Mar-14 | 18.6500 | 2047.13                     | 11.39%     | 11.37%       |
| Last 3 Years    | 31-Mar-13 | 17.8652 | 1961.97                     | 9.01%      | 8.97%        |
| Last 4 Years    | 31-Mar-12 | 16.1221 | 1795.50                     | 9.45%      | 9.05%        |
| Last 5 Years    | 31-Mar-11 | 14.8300 | 1667.12                     | 9.31%      | 8.78%        |
| Since Inception | 02-Mar-04 | 10.0000 | 1193.20                     | 7.19%      | 6.45%        |

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

## Rating Profile



## Maturity Profile



## Portfolio

| Instrument   | Industry/Rating | % Of NAV      |
|--|-----------------|---------------|
| <b>CD/CP's</b>   |                 | <b>4.85</b>   |
| Axis Bank CD 04-Apr-16   | A1+             | 4.85          |
| <b>Government Securities</b>                                   |                 | <b>51.88</b>  |
| 8.17% GOI 01-Dec-44  | Sovereign       | 11.54         |
| 8.83% GOI 25-Nov-23  | Sovereign       | 8.82          |
| 8.40% GOI 28-Jul-24  | Sovereign       | 8.39          |
| 7.28% GOI 03-Jun-19  | Sovereign       | 6.77          |
| 7.72% GOI 25-May-25  | Sovereign       | 5.75          |
| 7.59% GOI 11-Jan-26  | Sovereign       | 3.99          |
| 6.90% GOI 04-Feb-26  | Sovereign       | 3.48          |
| 8.13% GOI 22-Jun-45  | Sovereign       | 3.14          |
| <b>Corporate Bonds</b>   |                 | <b>33.59</b>  |
| 2.00% Tata Steel Ltd. 23-Apr-22                                | AA              | 5.84          |
| 9.24% LIC Housing Finance Ltd 30-Sep-24                        | AAA             | 4.33          |
| 8.20% PFC Ltd. 10-Mar-25                                       | AAA             | 4.21          |
| 8.33% NTPC Ltd. 24-Feb-21                                      | AAA             | 3.80          |
| 8.85% Yes Bank Ltd. 24-Feb-25                                  | AA+             | 3.62          |
| 10.40% Reliance Ports & Terminals Ltd. 18-Jul-21               | AAA             | 3.58          |
| 8.70% IDFC Bank Ltd. 20-May-25                                 | AAA             | 2.19          |
| 9.30% PGC Ltd. 28-Jun-21                                       | AAA             | 1.29          |
| 8.13% NPCIL 28-Mar-28  | AAA             | 0.74          |
| 8.13% NPCIL 26-Mar-27  | AAA             | 0.74          |
| 8.13% NPCIL 28-Mar-29  | AAA             | 0.74          |
| 8.13% NPCIL 28-Mar-31  | AAA             | 0.74          |
| 8.13% NPCIL 28-Mar-30  | AAA             | 0.74          |
| 8.19% NTPC Ltd. 15-Dec-25                                      | AAA             | 0.73          |
| 9.35% REC Ltd. 15-Jun-22                                       | AAA             | 0.22          |
| 8.93% NTPC Ltd. 19-Jan-21                                      | AAA             | 0.08          |
| <b>Unit Funds</b>  |                 | <b>6.39</b>   |
| Reliance Liquid Fund - Treasury Plan - Direct Plan Growth Plan |                 | 4.12          |
| ICICI Prudential Liquid - Direct Plan - Growth                 |                 | 2.27          |
| <b>Cash Bank &amp; Others</b>                                  |                 | <b>3.29</b>   |
| <b>Total</b>   |                 | <b>100.00</b> |

## Asset Allocation

| Asset Type            | % Of NAV |
|-----------------------|----------|
| Government Securities | 51.88%   |
| Corporate Bonds       | 33.59%   |
| Unit Funds            | 6.39%    |
| CD/CP's               | 4.85%    |
| Cash Bank & Others    | 3.29%    |

## 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%            | 15%              |

\* Exposure to Debt includes Cash & Money Market

\*\* Cash & Money Market includes current assets



# LIQUID FUND

ULGF 003 02/03/04 L1 110  
Fund Assure, Investment Report, March 2016

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## 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.

**NAV as on 31 March, 16:** ₹22.3757

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

### Investment Style

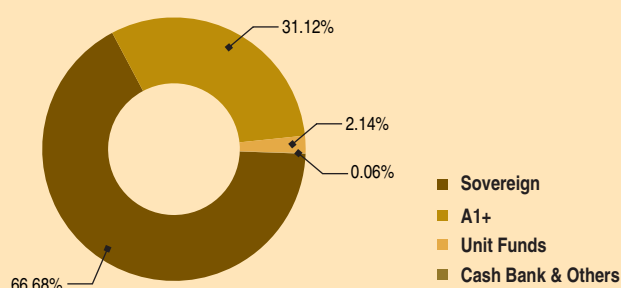
| Credit Quality |     |     | Interest Rate Sensitivity |
|----------------|-----|-----|---------------------------|
| High           | Mid | Low |                           |
|                |     |     | High                      |
|                |     |     | Mid                       |
|    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

## Fund Performance

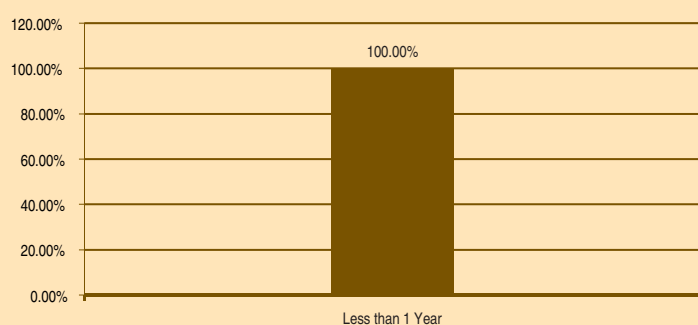
| Period          | Date      | NAV     | Crisil Liquid Fund Index | NAV Change | INDEX Change |
|-----------------|-----------|---------|--------------------------|------------|--------------|
| Last 3 Months   | 31-Dec-15 | 22.0258 | 2458.70                  | 1.59%      | 1.99%        |
| Last 6 Months   | 30-Sep-15 | 21.6424 | 2414.66                  | 3.39%      | 3.85%        |
| Last 1 Year     | 31-Mar-15 | 20.8787 | 2320.50                  | 7.17%      | 8.06%        |
| Last 2 Years    | 31-Mar-14 | 19.2731 | 2129.38                  | 7.75%      | 8.52%        |
| Last 3 Years    | 31-Mar-13 | 17.8485 | 1945.30                  | 7.83%      | 8.83%        |
| Last 4 Years    | 31-Mar-12 | 16.3808 | 1797.46                  | 8.11%      | 8.68%        |
| Last 5 Years    | 31-Mar-11 | 15.0735 | 1657.04                  | 8.22%      | 8.64%        |
| Since Inception | 25-May-04 | 10.0000 | 1113.63                  | 7.03%      | 7.08%        |

**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



## Portfolio

| Instrument   | Industry/Rating | % Of NAV      |
|--|-----------------|---------------|
| <b>CD/CP's</b>   |                 | <b>31.12</b>  |
| Axis Bank CD 28-Oct-16   | A1+             | 7.98          |
| Andhra Bank CD 09-Jun-16                                       | A1+             | 7.97          |
| Bank of India CD 09-Jun-16                                     | A1+             | 7.97          |
| HDFC BANK CD 29-Dec-16   | A1+             | 7.20          |
| <b>Treasury Bills</b>  |                 | <b>66.68</b>  |
| 364 Days Tbill 21-Jul-16                                       | Sovereign       | 39.07         |
| 364 Days Tbill 16-Sep-16                                       | Sovereign       | 27.61         |
| <b>Unit Funds</b>  |                 | <b>2.14</b>   |
| Reliance Liquid Fund - Treasury Plan - Direct Plan Growth Plan |                 | 2.14          |
| <b>Cash Bank &amp; Others</b>                                  |                 | <b>0.06</b>   |
| <b>Total</b>   |                 | <b>100.00</b> |

## Asset Allocation

| Asset Type         | % Of NAV |
|--------------------|----------|
| Treasury Bills     | 66.68%   |
| CD/CP's            | 31.12%   |
| Unit Funds         | 2.14%    |
| Cash Bank & Others | 0.06%    |

## 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

# BOND FUND

ULGF 005 17/08/07 BO 110  
Fund Assure, Investment Report, March 2016

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## 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.

**NAV as on 31 March, 16:** ₹19.7790

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

### Investment Style

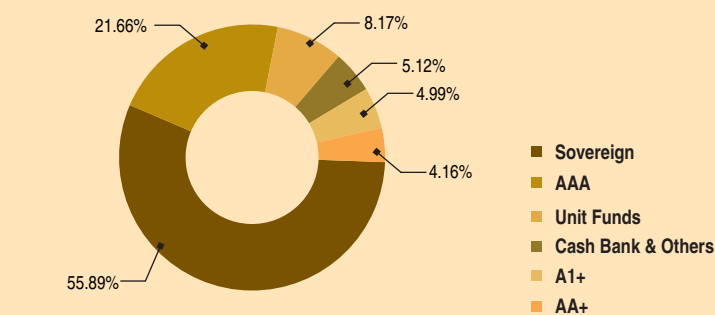
| Credit Quality |     |     | Interest Rate Sensitivity |
|----------------|-----|-----|---------------------------|
| High           | Mid | Low |                           |
|                |     |     | High                      |
|                |     |     | Mid                       |
|    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

## Fund Performance

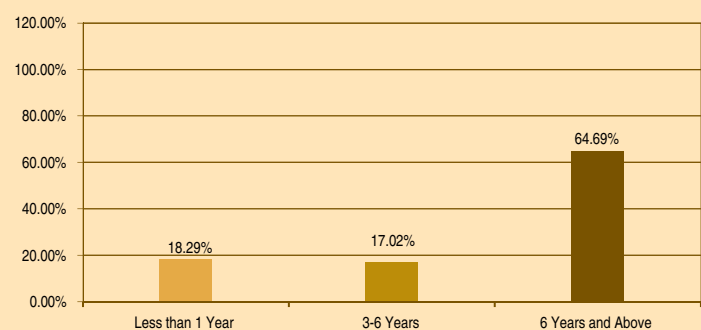
| Period          | Date      | NAV     | Crisil Composite Bond Index | NAV Change | INDEX Change |
|-----------------|-----------|---------|-----------------------------|------------|--------------|
| Last 3 Months   | 31-Dec-15 | 19.2552 | 2477.75                     | 2.72%      | 2.47%        |
| Last 6 Months   | 30-Sep-15 | 19.2267 | 2447.34                     | 2.87%      | 3.75%        |
| Last 1 Year     | 31-Mar-15 | 18.4293 | 2345.74                     | 7.32%      | 8.24%        |
| Last 2 Years    | 31-Mar-14 | 15.9451 | 2047.13                     | 11.38%     | 11.37%       |
| Last 3 Years    | 31-Mar-13 | 15.2528 | 1961.97                     | 9.05%      | 8.97%        |
| Last 4 Years    | 31-Mar-12 | 13.7669 | 1795.50                     | 9.48%      | 9.05%        |
| Last 5 Years    | 31-Mar-11 | 12.6590 | 1667.12                     | 9.34%      | 8.78%        |
| Since Inception | 17-Aug-07 | 10.0000 | 1339.53                     | 8.23%      | 7.69%        |

**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



## Portfolio

| Instrument   | Industry/Rating | % Of NAV      |
|--|-----------------|---------------|
| <b>CD/CP's</b>   |                 | <b>4.99</b>   |
| Axis Bank CD 04-Apr-16   | A1+             | 4.99          |
| <b>Government Securities</b>                                   |                 | <b>55.89</b>  |
| 8.17% GOI 01-Dec-44  | Sovereign       | 12.82         |
| 8.83% GOI 25-Nov-23  | Sovereign       | 9.16          |
| 8.40% GOI 28-Jul-24  | Sovereign       | 8.75          |
| 7.72% GOI 25-May-25  | Sovereign       | 7.59          |
| 7.28% GOI 03-Jun-19  | Sovereign       | 7.03          |
| 7.59% GOI 11-Jan-26  | Sovereign       | 3.95          |
| 6.90% GOI 04-Feb-26  | Sovereign       | 3.42          |
| 8.13% GOI 22-Jun-45  | Sovereign       | 3.17          |
| <b>Corporate Bonds</b>   |                 | <b>25.82</b>  |
| 8.20% PFC Ltd. 10-Mar-25                                       | AAA             | 4.43          |
| 8.85% Yes Bank Ltd. 24-Feb-25                                  | AA+             | 4.16          |
| 8.33% NTPC Ltd. 24-Feb-21                                      | AAA             | 3.96          |
| 9.48% REC Ltd. 10-Aug-21                                       | AAA             | 3.42          |
| 10.40% Reliance Ports & Terminals Ltd. 18-Jul-21               | AAA             | 2.61          |
| 8.70% IDFC Bank Ltd. 20-May-25                                 | AAA             | 2.10          |
| 8.13% NPCIL 28-Mar-28  | AAA             | 0.86          |
| 8.13% NPCIL 26-Mar-27  | AAA             | 0.86          |
| 8.13% NPCIL 28-Mar-29  | AAA             | 0.86          |
| 8.13% NPCIL 28-Mar-31  | AAA             | 0.86          |
| 8.13% NPCIL 28-Mar-30  | AAA             | 0.86          |
| 8.19% NTPC Ltd. 15-Dec-25                                      | AAA             | 0.85          |
| <b>Unit Funds</b>  |                 | <b>8.17</b>   |
| Reliance Liquid Fund - Treasury Plan - Direct Plan Growth Plan |                 | 4.21          |
| ICICI Prudential Liquid - Direct Plan - Growth                 |                 | 3.97          |
| <b>Cash Bank &amp; Others</b>                                  |                 | <b>5.12</b>   |
| <b>Total</b>   |                 | <b>100.00</b> |

## Asset Allocation

| Asset Type            | % Of NAV |
|-----------------------|----------|
| Government Securities | 55.89%   |
| Corporate Bonds       | 25.82%   |
| Unit Funds            | 8.17%    |
| Cash Bank & Others    | 5.12%    |
| CD/CP's               | 4.99%    |

## 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%            | 18%              |

\* Exposure to Debt includes Cash & Money Market

\*\* Cash & Money Market includes current assets

# BALANCED FUND

ULGF 006 17/08/07 BL 110  
Fund Assure, Investment Report, March 2016

**TATA AIA LIFE**  
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## 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.

**NAV as on 31 March, 16:** ₹18.7196

**Benchmark:** Nifty 50 - 10%

CRISIL Composite Bond Index - 90%

### Debt Investment Style

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

### Equity Investment Style

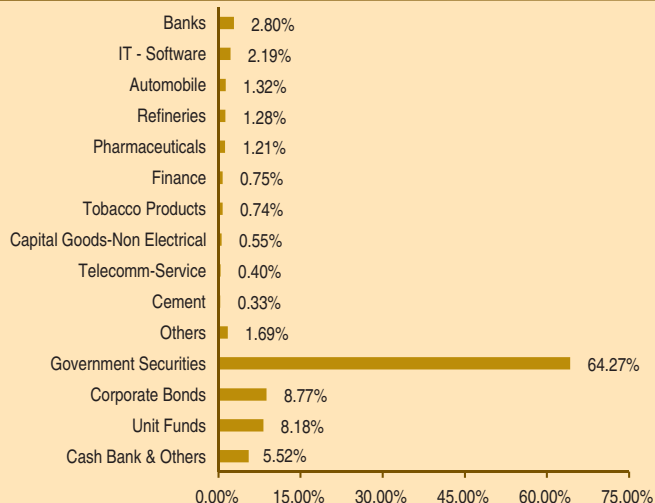
| Investment Style |       |        | Size  |
|------------------|-------|--------|-------|
| Value            | Blend | Growth |       |
|                  |       |        | Large |
|                  |       |        | Mid   |
|                  |       |        | Small |

## Fund Performance

| Period          | Date      | NAV     | NAV Change | INDEX Change |
|-----------------|-----------|---------|------------|--------------|
| Last 3 Months   | 31-Dec-15 | 18.3876 | 1.81%      | 1.96%        |
| Last 6 Months   | 30-Sep-15 | 18.3465 | 2.03%      | 3.11%        |
| Last 1 Year     | 31-Mar-15 | 17.9251 | 4.43%      | 6.53%        |
| Last 2 Years    | 31-Mar-14 | 15.3813 | 10.32%     | 10.97%       |
| Last 3 Years    | 31-Mar-13 | 14.3409 | 9.29%      | 9.16%        |
| Last 4 Years    | 31-Mar-12 | 13.0844 | 9.37%      | 9.14%        |
| Last 5 Years    | 31-Mar-11 | 12.5323 | 8.36%      | 8.48%        |
| Since Inception | 17-Aug-07 | 10.0000 | 7.54%      | 7.69%        |

**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



## Portfolio

| Instrument   | Industry/Rating              | % Of NAV      |
|--|------------------------------|---------------|
| <b>Equity</b> <b>13.25</b>                                     |                              |               |
| Infosys Technologies Ltd.                                      | IT - Software                | 1.37          |
| HDFC Bank Ltd.   | Banks                        | 1.37          |
| Reliance Industries Ltd.                                       | Refineries                   | 0.94          |
| ICICI Bank Ltd.  | Banks                        | 0.76          |
| HDFC Ltd.  | Finance                      | 0.75          |
| ITC Ltd.   | Tobacco Products             | 0.74          |
| Tata Consultancy Services Ltd.                                 | IT - Software                | 0.57          |
| Larsen and Toubro Ltd.   | Capital Goods-Non Electrical | 0.55          |
| Tata Motors Ltd.   | Automobile                   | 0.52          |
| Sun Pharmaceuticals Industries Ltd.                            | Pharmaceuticals              | 0.49          |
| Bharti Airtel Ltd.   | Telecomm-Service             | 0.40          |
| Dr. Reddys Laboratories Ltd.                                   | Pharmaceuticals              | 0.34          |
| Bharat Petroleum Corporation Ltd.                              | Refineries                   | 0.34          |
| Hindustan Unilever Ltd.  | FMCG                         | 0.33          |
| State Bank of India  | Banks                        | 0.29          |
| Other Equity   |                              | 3.49          |
| <b>Government Securities</b> <b>64.27</b>                      |                              |               |
| 7.59% GOI 11-Jan-26  | Sovereign                    | 16.59         |
| 8.17% GOI 01-Dec-44  | Sovereign                    | 10.18         |
| 7.72% GOI 25-May-25  | Sovereign                    | 10.10         |
| 8.40% GOI 28-Jul-24  | Sovereign                    | 7.25          |
| 8.24% GOI 10-Nov-33  | Sovereign                    | 6.95          |
| 7.88% GOI 19-Mar-30  | Sovereign                    | 4.41          |
| 8.83% GOI 25-Nov-23  | Sovereign                    | 4.41          |
| 7.28% GOI 03-Jun-19  | Sovereign                    | 4.38          |
| <b>Corporate Bonds</b> <b>8.77</b>                             |                              |               |
| 9.97% IL&FS 28-Sep-16  | AAA                          | 4.55          |
| 8.49% NTPC Ltd. 25-Mar-25                                      | AAA                          | 3.24          |
| 10.40% Reliance Ports & Terminals Ltd. 18-Jul-21               | AAA                          | 0.99          |
| <b>Unit Funds</b> <b>8.18</b>                                  |                              |               |
| Reliance Liquid Fund - Treasury Plan - Direct Plan Growth Plan |                              | 4.21          |
| ICICI Prudential Liquid - Direct Plan - Growth                 |                              | 3.97          |
| <b>Cash Bank &amp; Others</b> <b>5.52</b>                      |                              |               |
| <b>Total</b>   |                              | <b>100.00</b> |

## Asset Allocation

| Asset Type            | % Of NAV |
|-----------------------|----------|
| Government Securities | 64.27%   |
| Equity                | 13.25%   |
| Corporate Bonds       | 8.77%    |
| Unit Funds            | 8.18%    |
| Cash Bank & Others    | 5.52%    |

## Asset Mix

| Instrument             | Asset Mix as per F&U | Actual Asset Mix |
|------------------------|----------------------|------------------|
| Equity                 | Up to 20%            | 13%              |
| Debt *                 | 80% - 100%           | 87%              |
| Cash & Money Market ** | Up to 40%            | 14%              |

\* Exposure to Debt includes Cash & Money Market

\*\* Cash & Money Market includes current assets

## Tata AIA Life Insurance's Investment team

**Harshad Patil**  
Chief Investment Officer

**Cheenu Gupta**  
Senior Analyst & Fund Manager

**Nalin Ladiwala**  
Analyst

**Rajeev Tewari**  
Head of Equities

**Pankaj Khetan**  
Fund Manager

**H S Bharath**  
Dealer

**Jayanth Udupa**  
Head of Credit Analysis & Economist

**Nimesh Mistry**  
Analyst

**Pankaj Agarwal**  
Dealer

**Nitin Bansal**  
Senior Analyst & Fund Manager

**Anirban Ray**  
Analyst

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