

# Fund Assure

*Investment Report, June 2013*



## From the CIO's Desk

Fund Assure, Investment Report, June 2013



IN THIS POLICY, THE INVESTMENT RISK IN INVESTMENT PORTFOLIO IS BORNE BY THE POLICYHOLDER.

**Dear Friends,**

**The month of June 2013 saw the benchmark indices; BSE Sensex and CNX Nifty shed around 1.84 % and 2.40% respectively, even as the Mid-cap index, CNX Mid-cap fell 6.13% during the same period.**

There was a sharp increase in global market volatility since the US Federal Reserve (Fed) monetary policy outlined the roadmap for the exit of Quantitative Easing (QE). The Emerging markets felt a impact of the possible squeeze in the global liquidity with the Indian market being no exception. The INR depreciated sharply against the US dollar and breached the 60 level during the month. The INR was under pressure from the overall USD strength apart from the stress points of high twin deficits, especially the elevated Current account deficit (CAD) and its funding risk in a scenario of shrinking global USD flows. The markets have reacted in a knee jerk manner to the Fed's comments and will realize that the Fed's tapering would be data-driven and a long-drawn process and even a QE taper will add liquidity to global markets, albeit at a lesser speed than earlier.

During the month, Indian Meteorological Department (IMD) released its second long range forecast for South West Monsoon 2013 predicting normal rainfall activity at 98% of Long Period Average (LPA). On the agricultural front, the sowing activities picked up with the onset of monsoons. The early onset of monsoons does augur well for agricultural growth and would help nudge the food inflation downwards, a key determinant of the RBI monetary policy action in the future.

In another positive development, the rating agency, Fitch upgraded India's sovereign rating outlook to "stable" from "negative" while reaffirming its BBB- ratings. The outlook upgrade was a reflection of India's credible fiscal consolidation efforts as well as the efforts to ease supply bottlenecks. Fitch highlighted the risk of elevated CAD but did consider India's overall external position to be a relative rating strength with moderate foreign debt and reasonable forex reserves.

The key macro-indicator, the CAD, improved seasonally to 3.6% of GDP annualized in the fourth quarter of fiscal FY 2013 as against an elevated 6.6% of GDP annualized in the prior quarter. India's CAD for the full year FY 2013 widened to historical high levels of 4.8% of GDP at USD 88 billion. The quarterly improvement in CAD is largely expected to be an aberration as it could widen to higher levels in the first quarter of FY 2014, on the back of a sharp rise in gold imports seen during the months of April and May, this fiscal.

In a significant move towards reforms in the Indian oil & gas sector, the Cabinet Committee on Economic Affairs (CCEA) approved gas price hike for a 5-year period, broadly in line with Rangarajan committee recommendations. Gas prices will be hiked from USD 4.2/mmbtu to USD 8.4/mmbtu effective April 1, 2014 and subsequently revised every quarter. This is a significant positive for the sector considering that many deep water resources become viable at these gas prices, thereby attracting investments and in the long run, would bring down the dependence on costly gas imports to meet the growing gas requirement in India.

The RBI in its Mid-Quarter Monetary Policy Review kept the policy rate and the Cash reserve ratio (CRR) unchanged at 7.25% and 4% respectively. The RBI guided that its monetary policy stance would be determined by how growth & inflation trajectories and the balance of payments situation evolved in the months ahead. It believed that only a durable receding of inflation will open up the space for monetary policy to continue to address risks to growth. The RBI cautioned that while several measures had been taken to contain the current account deficit, they needed to be vigilant about the global uncertainty, the rapid shift in risk perceptions and its impact on capital flows.

May 2013 trade data saw weak exports of USD 24.5 billion, similar to April levels even as the imports surged to USD 44.6 billion in May from USD 42 billion in April. This widened the trade deficit sharply to USD 20.1 billion in May from USD 17.8 billion in April. The trade deficits in April and May were adversely impacted by a sharp rise in gold imports at around 300 tons of gold, around 30% of imports for the entire fiscal 2012-13.

The Wholesale Price Index (WPI) inflation for May 2013 came in at 4.7% year on year, below the consensus of 4.9%. WPI inflation has now slipped to a forty three month low. The steep downward trajectory of WPI inflation has resulted in the inflation being firmly anchored in the RBI's comfort zone over the last two months. Non-food manufactured inflation, a proxy to core inflation and closely tracked by the RBI, decelerated to 2.4% growth in May 2013, compared to 2.8% in April. The weak domestic demand affecting the pricing power of the manufacturers and softening in global commodity prices has contributed to this moderation in core inflation.

The Index of Industrial Production (IIP) in the month of April 2013 grew a modest 2% year on year, as against the market expectation of around 2.5% growth. Going forward, we could see a consumption led recovery on the back of lower interest rates, pre-election spending and continuation of social welfare schemes. Sustained recovery needs a pick up in the capex cycle with investments in large projects.

Going forward, we 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, June 2013

June 2013 saw the erstwhile benchmark 10 year Government securities (G-sec) harden by 16 bps to close the month at 7.61% levels. The yields of the 30 year G-sec over the 10 year G-sec was 20 bps in June 2013 as against just 5bps, seen in the prior month.

The corporate bonds hardened during the month of June 2013 in line with the G-sec market to close the month at around the 8.50% levels in the 5-10 year bonds, 35bps higher than the May levels of 8.15%. As a consequence, the corporate bond spread over the erstwhile benchmark 10 year G-sec stood at around 75 Bps in June 2013, expanding from 53 bps in the prior month.

On the liquidity front, the Liquidity Adjustment Facility -LAF continued to be the primary mode of liquidity injection, maintaining a shortfall of around ₹ 0.7 trillion levels for most of the month due to muted deposit growth in the banking system.

In a move to attract investments into the fixed income space, the Government hiked the FII limits for G-Secs by USD 5 billion, increasing the total stock of G-Secs that FIIs are eligible to hold from USD 25 billion to USD 30 billion. The incremental limits will be available to foreign central banks, sovereign wealth funds, pension, insurance & endowment funds and multilateral agencies.

The RBI in its Mid-Quarter Monetary Policy Review kept the policy rate and the Cash reserve ratio (CRR) unchanged at 7.25% and 4% respectively on the basis of the evolving growth-inflation dynamic, the balance of risks as well as recent developments in the external sector.

The RBI noted that the Indian economy had moderated with the GDP growth in the fourth quarter of FY 2012-13 registering a modest 4.8%. The growth in industrial production has been anemic, with a persistent contraction in mining activity. The RBI opined that the sharp weakening in the growth of capital goods production pointed to a muted investment demand whereas a pick-up in consumer non-durables could be indicative of a fragile return of consumer confidence. On an optimistic note, the RBI stated that the services sector purchasing managers' index had risen in May on order flows and the onset of the south-west monsoon had been strong.

There was reason to cheer on the inflation front as the WPI inflation

eased for three months in succession with the May 2013 reading at 4.7%, down from an average of 7.4 % in FY 2012-13. Non-food manufactured products inflation too trended lower, driven by metal prices which fell for the eighth successive month in response to softening of global prices. The worry on the inflation front was due to inflationary pressures on food inflation, particularly with respect to cereals & vegetables as well as the elevated retail inflation at 9.3 % in May 2013.

The sustained progress of the South west monsoon resulted in robust increases in the sowing of major Kharif crops. Sowing data until June 28th indicate total acreage for crops was up sharply at 85% year on year with the Rice acreage up 32% at 3.9 million hectares. The Minimum Support Price (MSP) for paddy for the Kharif season was raised by a modest 4.8%, cotton by 2.8%, groundnut by 8.1% and soyabean by 13.6%. The extent of hike was minimal at an average of 5% , in contrast to the sharp increase of over 12% average hike effected during the previous five year period between FY 2009 to FY 2013. Higher sowing of Kharif crops as well as muted MSP increases augurs well for reining in the food inflation in the medium term.

On the balance, the growth and inflation trajectories had been lower than projections and a rate cut based on these two factors would have been a likely outcome under normal circumstances. However, the sharp rupee depreciation must have weighed on the RBI and prompted a hold in policy rates in their Mid-quarter monetary policy review.

The impact of the INR depreciation will be on the fiscal deficit with the direct impact of crude under recovery ballooning the subsidy bill. The effect on inflation could be less drastic as the global commodities are likely to soften with USD strength and the muted core inflation could limit the transmission of the imported inflation.

Going forward, the market watchers are expecting the RBI to place more emphasis on mitigating external vulnerabilities and addressing current account risks. This could result in dampening future rate cut expectations even as the market feels the pressure of relentless G-sec supply through weekly G-sec auctions.

The erstwhile 10 year benchmark G-sec would try to consolidate at 7.50-7.75% levels and the new 10 year G-sec could trade lower at 7.30-7.55% levels.

## Market Outlook - Equity

Fund Assure, Investment Report, June 2013

The month of June 2013 saw the benchmark indices; BSE Sensex and CNX Nifty shed around 1.84 % and 2.40% respectively, even as the Mid-cap index, CNX Mid-cap fell 6.13% during the same period.

FIIIs were net sellers with outflows of around USD 1.8 billion in June 2013 even as the DIIs were net buyers to the tune of around USD 1.44 billion, with Insurance companies' net buyers of around USD 1.46 billion and domestic mutual funds, net sellers to the extent of a muted 0.02 billion over the month. In the first half of the calendar year 2013, the FIIIs have been net buyers to the tune of USD 13.5 billion with the DIIs net sellers to the tune of USD 7.6 billion, Insurance companies and mutual funds selling Indian equities to the tune of USD 5.4 billion and USD 2.2 billion respectively.

Consensus earnings estimates for the broad market (MSCI India) were revised down by 0.7% FY 2014 (E) and FY 2015 (E) over the month to a growth of 12% and 15% respectively.

HSBC's India manufacturing PMI for the month of June improved marginally to 50.3 as against 50.1 in May. Manufacturing sector activity remained tepid even as the domestic orders declined and output was constrained by power shortages. There was continued momentum on the export orders, which could partly reflect the INR depreciation.

The slowdown in the new investments can be seen from the projects data from CMIE in the first quarter, fiscal 2013-14 as project announcements declined for the 11<sup>th</sup> consecutive quarter. There has been a rise in projects stalled to record highs, led by large sectors such as power, road and steel. The revival of the capex sector would need the resolution of fuel and environmental issues even as the softening in interest rates and benign commodity prices could act as growth enablers.

Over the last year, the government has shown its intent in implementing structural reforms in oil and gas sector such as deregulation of bulk diesel and regular monthly increase in diesel prices from January 2013, regular fortnightly changes in prices of petrol from February 2013 and commencement of direct benefit transfer of LPG subsidy from June 2013 in a concerted effort to rein in the fuel subsidy and help in fiscal consolidation.

OMC's announced the diesel price hike at ₹ 0.5/ltr effective July

2<sup>nd</sup> midnight, sixth diesel price hike in last 6 months. OMC's have hiked diesel prices by ₹ 3.7/ltr since January 2013. Post this hike, the Marked to market (MTM) under recoveries stood at around ₹ 1.3 trillion, down 21% as against the FY 2013 under recovery of over ₹ 1.6 trillion.

In a move to take the reforms forward, the Cabinet committee on economic affairs (CCEA) adopted the recommendations of Rangarajan Committee and announced a hike in gas prices to USD 8.4/mmbtu to address the fast growing gas requirements of the Indian economy as well as concerns of power sector, where 20,000 MW of generating capacity remains idle due to non-availability of natural gas. The key to incremental investment in the natural gas sector will be to align domestic gas prices with international rates and in this context; the gas price hike is an enabling policy to spur the capex revival.

During the month, another key decision was on allowing the power utility companies to pass-on the increased cost of imported coal to the end consumer. The Prime Minister has set a target of awarding projects worth ₹ 1.15 trillion through the Public-Private Partnership (PPP) model by the end of fiscal 2013-14. A steering group will be formed to monitor the award and implementation of mega projects, including the ₹ 300 billion Mumbai Elevated Rail Corridor and Power projects worth over ₹ 400 billion.

The consumption growth in the Indian economy has been robust over the last two years and is likely to remain so, led by higher government spending leading up to general elections in 2014. The early monsoon and timely sowing could raise crop output and shore up farm incomes triggering a rebound in rural spending resulting in robust consumption.

The government has been delivering on reforms over the last year and most macro indicators like inflation and fiscal deficit have been better than expectations. In recent weeks, there has been an increase in global volatility post the comments of the US Fed in its policy meet, resulting in a knee-jerk fall in the Emerging market equities, followed by a strong rebound.

The Indian equity market offers the comfort of reasonable valuations at around 14 times one year forward price earnings, close to long term averages. 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, June 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 28 Jun, 13** : ₹36.6695

**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>96.49</b>
Reliance Industries Ltd.	Refineries	8.49
ITC Ltd.	Tobacco Products	7.99
HDFC Bank Ltd.	Banks	7.98
Infosys Technologies Ltd.	IT - Software	6.75
ICICI Bank Ltd.	Banks	6.46
HDFC Ltd.	Finance	4.96
Larsen and Toubro Ltd.	Capital Goods-Non Electrical	4.58
Oil and Natural Gas Corpn Ltd.	Crude Oil & Natural Gas	4.21
Tata Consultancy Services Ltd.	IT - Software	3.86
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	3.53
Tata Motors Ltd.	Automobile	3.44
Hindustan Unilever Ltd.	FMCG	3.25
Bharti Airtel Ltd.	Telecomm-Service	2.55
Dr. Reddys Laboratories Ltd.	Pharmaceuticals	2.29
Mahindra and Mahindra Ltd.	Automobile	2.16
State Bank of India	Banks	2.02
Nestle India Ltd.	FMCG	1.54

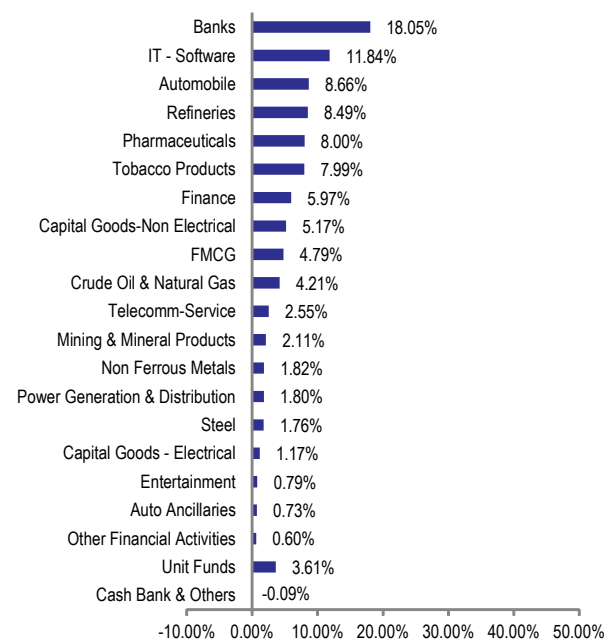
Instrument	Industry/Rating	% Of NAV
Maruti Suzuki India Ltd.	Automobile	1.47
Coal India Ltd	Mining & Mineral Products	1.44
Power Grid Corporation of India Ltd.	Power Generation & Distribution	1.27
HCL Technologies Ltd.	IT - Software	1.23
Tata Steel Ltd.	Steel	1.20
Havells India Ltd.	Capital Goods - Electrical	1.17
Cipla Ltd.	Pharmaceuticals	1.15
Hero Motocorp Ltd.	Automobile	1.06
Divi's Laboratories Ltd.	Pharmaceuticals	1.02
IDFC Ltd.	Finance	1.02
Other Equity below 1% corpus		8.41
<b>Unit Funds</b>		<b>3.61</b>
ICICI Prudential Liquid - Direct Plan - Growth		3.61
<b>Cash Bank &amp; Others</b>		<b>-0.09</b>
<b>Total</b>		<b>100.00</b>

## Fund Performance

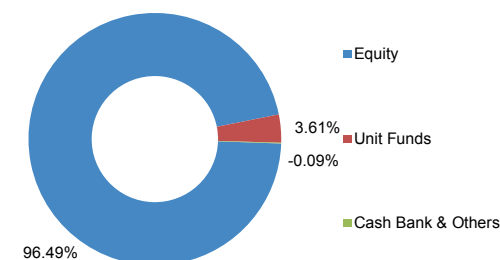
PERIOD	DATE	NAV	BSE Sensex	NAV Change	INDEX Change
Last 6 Months	31-Dec-12	37.0561	19426.71	-1.04%	-0.16%
Last 1 Year	29-Jun-12	32.7793	17429.98	11.87%	11.28%
Last 2 Years	30-Jun-11	35.3604	18845.87	1.83%	1.45%
Last 3 Years	30-Jun-10	33.2091	17700.90	3.36%	3.09%
Last 4 Years	30-Jun-09	26.1718	14493.84	8.80%	7.56%
Last 5 Years	30-Jun-08	24.5838	13461.60	8.33%	7.58%
Since Inception	29-Mar-04	10.0000	5571.37	15.07%	14.43%

**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, June 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 28 Jun, 13** : ₹15.8884

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

## Investment Style

Credit Quality			Interest Rate Sensivity
High	Mid	Low	
			High
			Mid
			Low

## Portfolio

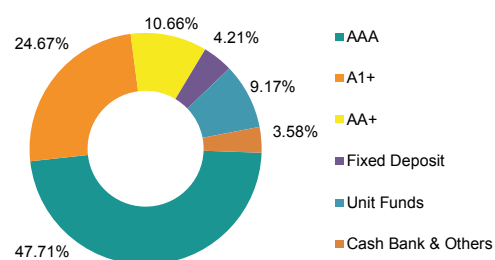
Instrument	Industry/Rating	% of NAV
<b>CD/CP's</b>		
Bank of India 03-June-14	A1+	24.67
Cholamandalam Invest & Fin. Co. Ltd CP 10-Oct-13	A1+	9.13
Indiabulls Fin. Services Ltd. CP 17-JUL-13	A1+	8.67
Bank of Baroda CD 05-Mar-14	A1+	4.66
<b>Corporate Bonds</b>		
9.75% IDFC Ltd. 11-Jul-14	AAA	2.20
9.40% NHB 10-Jan-15	AAA	58.37
9.25% Dr Reddy's Lab Ltd. 24-Mar-14	AA+	8.05
9.64% PGC Ltd. 31-May-15	AAA	7.10
9.63% PFC Ltd. 15-Dec-14	AAA	5.91
10.20% Sundaram Finance Ltd. 21-Jul-14	AA+	4.77
9.655% NABARD 18-Oct-14	AAA	4.74
8.80% SAIL 26-Oct-15	AAA	4.74
8.40% HDFC Ltd. 08-Dec-14	AAA	4.70
8.35% PFC Ltd. 15-May-16	AAA	2.80
8.45% REC Ltd. 19-Feb-15	AAA	2.79
7.65% REC Ltd. 31-Jan-16	AAA	2.33
10.75% REC Ltd. 24-Jul-13	AAA	2.29
11.40% PFC Ltd. 28-Nov-13	AAA	1.87
9.20% PGC Ltd. 12-Mar-15	AAA	0.95
<b>Fixed Deposit</b>		
9.50% State Bank Of Hyderabad FD 04-Jan-14		0.59
<b>Unit Funds</b>		
ICICI Prudential Liquid - Direct Plan - Growth		4.21
Reliance Liquid Fund - Treasury Plan - Direct Plan Growth		4.21
UTI MMF - Instn Growth Plan -Direct		9.17
<b>Cash Bank &amp; Others</b>		
		3.58
<b>Total</b>		<b>100.00</b>

## Fund Performance

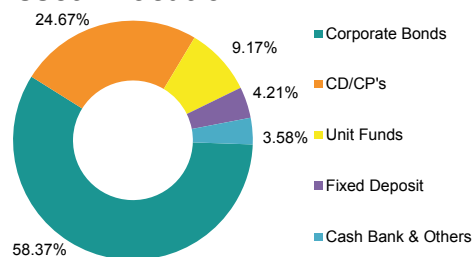
PERIOD	DATE	NAV	CRISIL Short-Term Bond Index	NAV Change	INDEX Change
Last 6 Months	31-Dec-12	15.2718	1987.31	4.04%	4.53%
Last 1 Year	29-Jun-12	14.5847	1900.63	8.94%	9.30%
Last 2 Years	30-Jun-11	13.4021	1746.69	8.88%	9.06%
Last 3 Years	30-Jun-10	12.7455	1654.29	7.62%	7.89%
Last 4 Years	30-Jun-09	11.9870	1577.74	7.30%	7.12%
Last 5 Years	30-Jun-08	10.6066	1418.04	8.42%	7.94%
Since Inception	3-Jul-06	10.0000	1242.33	6.85%	7.63%

**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.

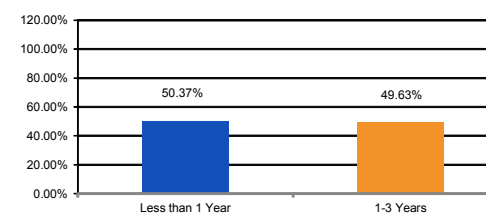
## Rating Profile



## Asset Allocation



## Maturity Profile



Pension Schemes

# Income Fund

ULGF 002 02/03/04 11 110

FundAssure, Investment Report, June 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 28 Jun, 13** : ₹18.5366

**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>		
Cholamandalam Invest & Fin. Co. Ltd CP 10-Oct-13	A1+	0.18
<b>Government Securities</b>		
8.20% GOI 24-Sep-25	Sovereign	8.70
8.83% GOI 12-Dec-41	Sovereign	6.79
8.15% GOI 11-Jun-22	Sovereign	6.17
8.19% GOI 16-Jan-20	Sovereign	4.45
8.33% GOI 09-Jul-26	Sovereign	1.75
8.97% GOI 05-Dec-30	Sovereign	1.75
8.91% Gujarat SDL 22-Aug-22	Sovereign	1.39
8.84% Maharashtra SDL 17-Oct-22	Sovereign	1.39
8.79% Gujarat SDL 25-Oct-22	Sovereign	1.39
8.79% GOI 08-Nov-21	Sovereign	0.33
7.38% GOI 03-Sep-15	Sovereign	0.28
<b>Corporate Bonds</b>		
9.57% IRFC Ltd. 31-May-21	AAA	11.66
9.00% PFC Ltd. 11-Mar-2028	AAA	4.86
2.00% Tata Steel Ltd. 23-Apr-22	AA	3.98
10.40% Reliance Ports & Terminals Ltd. 18-July-21	AAA	3.66
9.70% HDFC Ltd. 07-Jun-17	AAA	3.09
9.75% HDFC Ltd. 07-Dec-16	AAA	2.57
9.35% PGC Ltd. 29-Aug-16	AAA	2.11

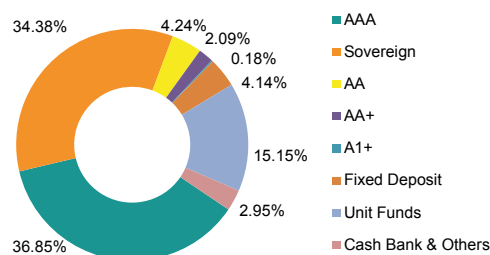
Instrument	Industry/Rating	% of NAV
9.5% United Phosphorus Ltd. 12-Jan-15	AA+	2.09
7.95% IDFC Ltd. 04-May-14	AAA	2.06
9.40% LIC Housing Finance Ltd. 20-12-13	AAA	1.87
8.84% NTPC Ltd. 04-Oct-22	AAA	1.27
8.50% PFC Ltd. 15-Dec-14	AAA	0.83
9.64% PGC Ltd. 31-May-21	AAA	0.55
9.64% PGC Ltd. 31-May-18	AAA	0.54
9.64% PGC Ltd. 31-May-16	AAA	0.53
8.28% LIC Housing Finance Ltd. 29-Jun-15	AAA	0.41
8.19% IRFC Ltd. 27-Apr-19	AAA	0.41
2.00% Indian Hotels Ltd. 09-Dec-14	AA	0.27
9.35% REC Ltd. 15-Jun-22	AAA	0.22
9.29% PFC Ltd. 21-Aug-2022	AAA	0.21
<b>Fixed Deposit</b>		
9.50% State Bank Of Hyderabad FD 04-Jan-14		4.14
9.50% State Bank of Hyderabad FD 10-Feb-2014		2.90
1.24		1.24
<b>Unit Funds</b>		
ICICI Prudential Liquid - Direct Plan - Growth		15.15
UTI MMF - Instn Growth Plan -Direct		4.46
Reliance Liquid Fund - Treasury Plan - Direct Plan Growth		3.97
Axis Liquid Fund - Direct Plan - Growth Option		3.97
2.76		2.76
<b>Cash Bank &amp; Others</b>		
2.95		2.95
<b>Total</b>		
		100.00

## Fund Performance

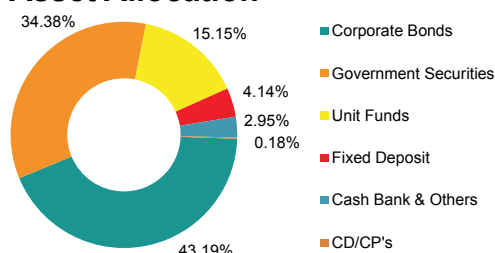
PERIOD	DATE	NAV	Crisil Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	31-Dec-12	17.4789	1922.61	6.05%	5.64%
Last 1 Year	29-Jun-12	16.5526	1834.39	11.99%	10.72%
Last 2 Years	30-Jun-11	15.0786	1687.72	10.88%	9.70%
Last 3 Years	30-Jun-10	14.3292	1613.87	8.96%	7.97%
Last 4 Years	30-Jun-09	13.4790	1541.55	8.29%	7.14%
Last 5 Years	30-Jun-08	11.6891	1386.28	9.66%	7.94%
Since Inception	2-Mar-04	10.0000	1193.20	6.84%	5.87%

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

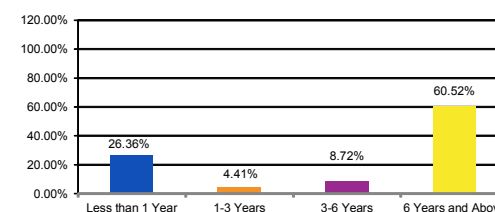
## Rating Profile



## Asset Allocation



## Maturity Profile



Pension Schemes



# Liquid Fund

ULGF 003 02/03/04 L1 110

FundAssure, Investment Report, June 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 28 Jun, 13** : ₹18.1784

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

## Investment Style

Credit Quality			Interest Rate Sensivity
High	Mid	Low	
			High
			Mid
			Low

## Portfolio

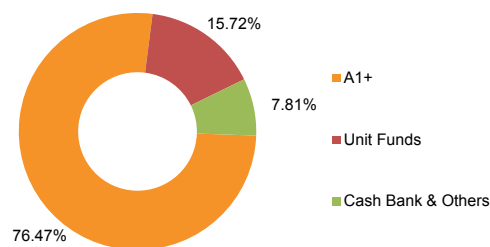
Instrument	Industry/Rating	% of NAV
<b>CD/CP's</b>		<b>76.47</b>
Oriental Bank of Commerce CD 16-Jan-14	A1+	8.78
Vijaya Bank CD 16-Jan-14	A1+	8.78
IDBI Bank CD 17-Feb-14	A1+	8.67
Canara Bank CD 24-Feb-14	A1+	8.67
Indiabulls Fin. Services Ltd. CP 17-JUL-13	A1+	8.57
Bank of India 03-June-14	A1+	8.53
Corporation Bank CD 05-June-14	A1+	8.52
Cholamandalam Invest & Fin. Co. Ltd CP 10-Oct-13	A1+	8.39
Bank of Baroda CD 05-Mar-14	A1+	7.57
<b>Unit Funds</b>		<b>15.72</b>
ICICI Prudential Liquid - Direct Plan - Growth		4.36
Axis Liquid Fund - Direct Plan - Growth Option		3.79
UTI MMF - Instn Growth Plan -Direct		3.79
Reliance Liquid Fund - Treasury Plan - Direct Plan Growth		3.79
<b>Cash Bank &amp; Others</b>		<b>7.81</b>
<b>Total</b>		<b>100.00</b>

## Fund Performance

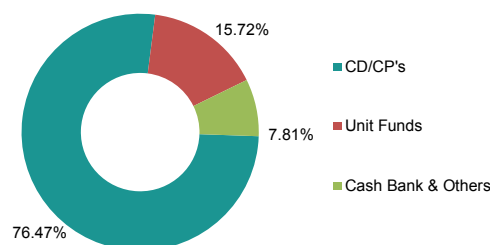
PERIOD	DATE	NAV	Crisil Liquid Fund Index	NAV Change	INDEX Change
Last 6 Months	31-Dec-12	17.4947	1907.70	3.91%	4.03%
Last 1 Year	29-Jun-12	16.7389	1835.48	8.60%	8.12%
Last 2 Years	30-Jun-11	15.3874	1688.85	8.69%	8.40%
Last 3 Years	30-Jun-10	14.4463	1575.66	7.96%	7.99%
Last 4 Years	30-Jun-09	13.6710	1525.51	7.38%	6.80%
Last 5 Years	30-Jun-08	12.6538	1407.36	7.51%	7.11%
Since inception	25-May-04	10.0000	1113.63	6.79%	6.56%

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

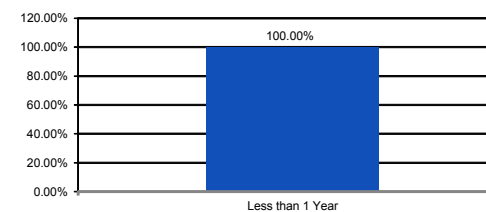
## Rating Profile



## Asset Allocation



## Maturity Profile



Pension Schemes

# Bond Fund

ULGF 005 17/08/07 BO 110

FundAssure, Investment Report, June 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 28 Jun, 13** : ₹15.8384

**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>2.69</b>
Oriental Bank of Commerce CD 05-June-14 A1+		2.69
<b>Government Securities</b>		<b>33.50</b>
8.20% GOI 24-Sep-25	Sovereign	9.89
8.15% GOI 11-Jun-22	Sovereign	6.29
8.83% GOI 12-Dec-41	Sovereign	5.22
8.33% GOI 09-Jul-26	Sovereign	3.82
8.91% Gujarat SDL 22-Aug-22	Sovereign	2.28
8.84% Maharashtra SDL 17-Oct-22	Sovereign	2.28
8.79% Gujarat SDL 25-Oct-22	Sovereign	2.27
8.97% GOI 05-Dec-30	Sovereign	1.45
<b>Corporate Bonds</b>		<b>39.95</b>
9.75% HDFC Ltd. 07-Dec-16	AAA	7.48
9.00% PFC Ltd. 11-Mar-2028	AAA	6.77
9.57% IRFC Ltd. 31-May-21	AAA	6.20
2.00% Indian Hotels Ltd. 09-Dec-14	AA	5.61
10.40% Reliance Ports & Terminals Ltd. 18-July-21	AAA	4.00

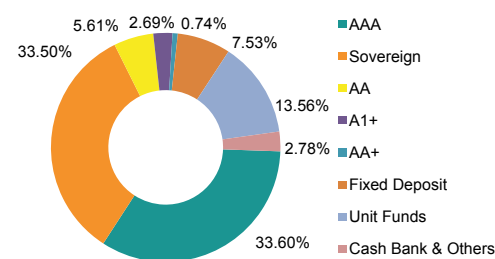
Instrument	Industry/Rating	% of NAV
9.64% PGC Ltd. 31-May-21	AAA	1.92
9.64% PGC Ltd. 31-May-18	AAA	1.89
9.64% PGC Ltd. 31-May-16	AAA	1.86
9.64% PGC Ltd. 31-May-15	AAA	1.84
9.48% REC Ltd. 10-Aug-21	AAA	1.53
10.70% Sundaram Finance Ltd. 06-Jun-14	AA+	0.74
9.75% SBI Series 3 Lower Tier II 16-Mar-21	AAA	0.11
<b>Fixed Deposit</b>		<b>7.53</b>
9.50% State Bank of Hyderabad FD 10-Feb-2014		5.79
9.50% State Bank Of Hyderabad FD 04-Jan-14		1.74
<b>Unit Funds</b>		<b>13.56</b>
ICICI Prudential Liquid - Direct Plan - Growth		4.44
UTI MMF - Instn Growth Plan -Direct		3.95
Reliance Liquid Fund - Treasury Plan - Direct Plan Growth		3.95
Axis Liquid Fund - Direct Plan - Growth Option		1.22
<b>Cash Bank &amp; Others</b>		<b>2.78</b>
<b>Total</b>		<b>100.00</b>

## Fund Performance

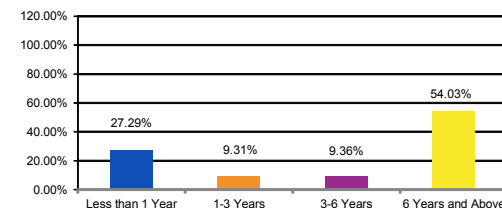
PERIOD	DATE	NAV	Crisil Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	31-Dec-12	14.9199	1922.61	6.16%	5.64%
Last 1 Year	29-Jun-12	14.1357	1834.39	12.05%	10.72%
Last 2 Years	30-Jun-11	12.8689	1687.72	10.94%	9.70%
Last 3 Years	30-Jun-10	12.2657	1613.87	8.89%	7.97%
Last 4 Years	30-Jun-09	11.5005	1541.55	8.33%	7.14%
Last 5 Years	30-Jun-08	10.2247	1386.28	9.15%	7.94%
Since Inception	17-Aug-07	10.0000	1339.53	8.15%	7.35%

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

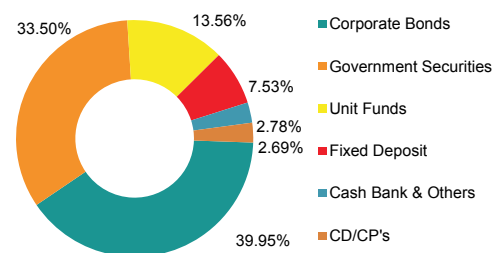
## Rating Profile



## Maturity Profile



## Asset Allocation



Pension Schemes

## Balanced Fund

ULGF 006 17/08/07 BL 110

FundAssure, Investment Report, June 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 28 Jun, 13** : ₹14.8310

**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-Dec-12	14.2118	4.36%	4.97%
Last 1 Year	29-Jun-12	13.3580	11.03%	10.72%
Last 2 Years	30-Jun-11	12.6286	8.37%	8.90%
Last 3 Years	30-Jun-10	12.0969	7.03%	7.49%
Last 4 Years	30-Jun-09	11.3381	6.94%	7.23%
Last 5 Years	30-Jun-08	9.9681	8.27%	7.91%
Since Inception	17-Aug-07	10.0000	6.95%	7.23%

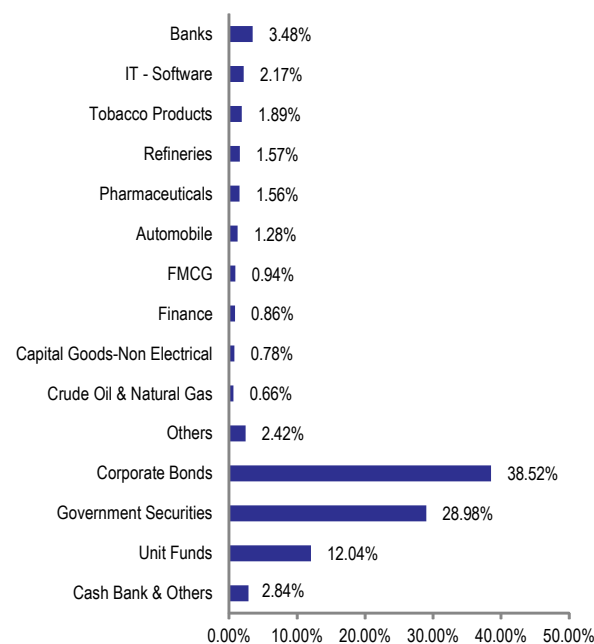
**Note** : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

### Portfolio

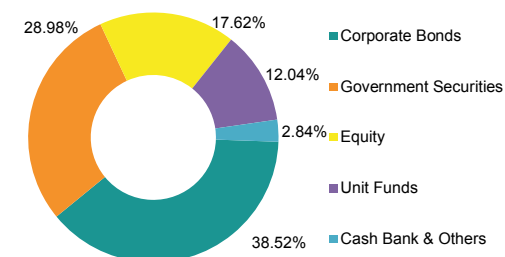
Instrument	Industry/Rating	% Of NAV
<b>Equity</b>		<b>17.62</b>
ITC Ltd.	Tobacco Products	1.89
Reliance Industries Ltd.	Refineries	1.38
HDFC Bank Ltd.	Banks	1.37
ICICI Bank Ltd.	Banks	1.25
Infosys Technologies Ltd.	IT - Software	1.17
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	0.74
Larsen and Toubro Ltd.	Capital Goods-Non Electrical	0.72
Tata Consultancy Services Ltd.	IT - Software	0.66
HDFC Ltd.	Finance	0.64
Hindustan Unilever Ltd.	FMCG	0.59
Other Equity		7.21
<b>Government Securities</b>		<b>28.98</b>
8.79% GOI 08-Nov-21	Sovereign	10.90
8.33% GOI 09-Jul-26	Sovereign	7.70
8.83% GOI 12-Dec-41	Sovereign	4.85
9.15% GOI 14-Nov-24	Sovereign	3.24
8.20% GOI 24-Sep-25	Sovereign	2.28

Instrument	Industry/Rating	% Of NAV
<b>Corporate Bonds</b>		<b>38.52</b>
8.28% LIC Housing Finance Ltd. 29-Jun-15	AAA	8.71
8.70% PFC Ltd. 14-May-15	AAA	5.12
9.97% IL&FS 28-Sep-16	AAA	4.54
8.35% HDFC Ltd. 19-Jul-15	AAA	4.36
9.655% NABARD 18-Oct-14	AAA	3.69
9.95% SBI 16-Mar-26	AAA	3.43
9.20% PGC Ltd. 12-Mar-15	AAA	2.94
8.84% NTPC Ltd. 04-Oct-22	AAA	2.23
8.40% HDFC Ltd. 08-Dec-14	AAA	2.18
9.25% Dr Reddy's Lab Ltd. 24-Mar-14	AA+	1.30
<b>Unit Funds</b>		<b>12.04</b>
ICICI Prudential Liquid - Direct Plan - Growth		4.44
Reliance Liquid Fund - Treasury Plan - Direct Plan Growth		3.94
UTI MMF - Instn Growth Plan -Direct		3.66
<b>Cash Bank &amp; Others</b>		<b>2.84</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, June 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 28 Jun, 13** : ₹14.3640

**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

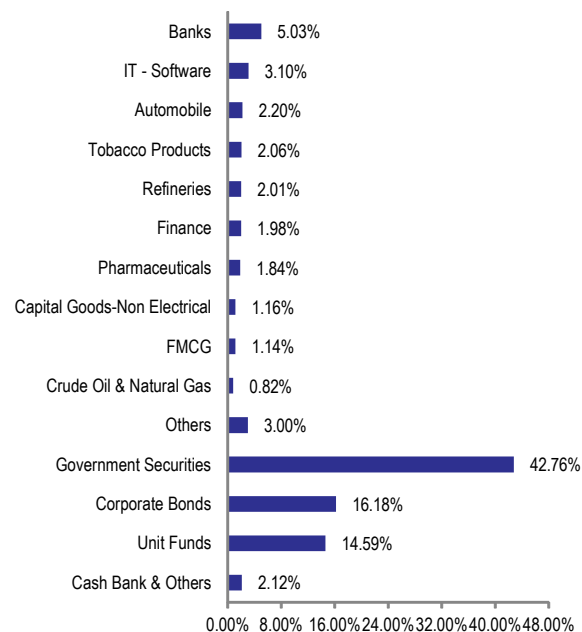
PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	31-Dec-12	13.8134	3.99%	3.63%
Last 1 Year	29-Jun-12	13.0063	10.44%	10.71%
Last 2 Years	30-Jun-11	12.6925	6.38%	7.30%
Last 3 Years	30-Jun-10	12.2048	5.58%	6.54%
Last 4 Years	30-Jun-09	11.1096	6.63%	7.40%
Last 5 Years	30-Jun-08	9.9796	7.56%	7.85%
Since Inception	17-Aug-07	10.000	6.37%	7.00%

**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.

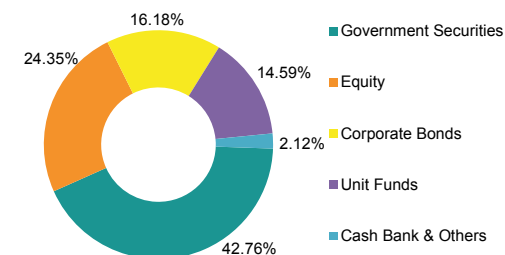
## Portfolio

Instrument	Industry/Rating	% Of NAV
<b>Equity 24.35</b>		
HDFC Bank Ltd.	Banks	2.12
ITC Ltd.	Tobacco Products	2.06
Reliance Industries Ltd.	Refineries	1.78
ICICI Bank Ltd.	Banks	1.61
HDFC Ltd.	Finance	1.60
Infosys Technologies Ltd.	IT - Software	1.59
Larsen and Toubro Ltd.	Capital Goods-Non Electrical	1.12
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	1.00
Other Equity below 1% corpus		12.47
<b>Government Securities 42.76</b>		
9.15% GOI 14-Nov-24	Sovereign	10.58
8.79% GOI 08-Nov-21	Sovereign	10.15
8.97% GOI 05-Dec-30	Sovereign	7.04
7.83% GOI 11-04-2018	Sovereign	6.40
8.83% GOI 12-Dec-41	Sovereign	5.28
8.20% GOI 24-Sep-25	Sovereign	3.31
<b>Corporate Bonds 16.18</b>		
8.84% NTPC Ltd. 04-Oct-22	AAA	6.47
9.57% IRFC Ltd. 31-May-21	AAA	3.40
8.30% HDFC Ltd. 23-Jun-15	AAA	3.16
8.28% LIC Housing Finance Ltd. 29-Jun-15	AAA	3.16
<b>Unit Funds 14.59</b>		
ICICI Prudential Liquid - Direct Plan - Growth		4.12
Axis Liquid Fund - Direct Plan - Growth Option		3.49
UTI MMF - Instn Growth Plan -Direct		3.49
Reliance Liquid Fund - Treasury Plan - Direct Plan Growth		3.49
<b>Cash Bank &amp; Others 2.12</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, June 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 28 Jun, 13** : ₹11.4511

**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

## Fund Performance

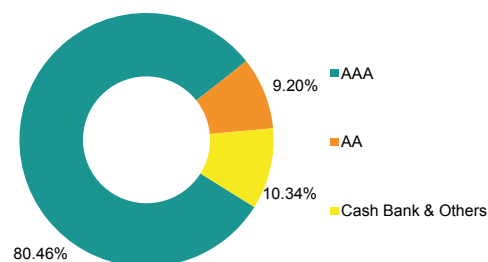
PERIOD	DATE	NAV	NAV Change
Last 6 Months	31-Dec-12	10.8747	5.30%
Last 1 Year	29-Jun-12	10.3116	11.05%
Since Inception	13-Feb-12	10.0000	10.38%

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

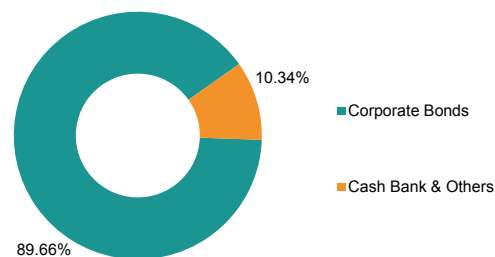
## Portfolio

Instrument	Industry/Rating	% of NAV
<b>Corporate Bonds</b>		<b>89.66</b>
8.94% PFC Ltd. 25-Mar-28	AAA	10.33
9.70% GE Shipping 02-Feb-21	AAA	9.58
9.48% REC Ltd. 10-Aug-21	AAA	9.50
9.43% LIC Housing Finance Ltd. 10-Feb-22	AAA	9.49
9.00% EXIM Bank 10-Jan-19	AAA	9.25
9.60% HDFC Ltd. 07-Apr-16	AAA	9.22
9.90% Indian Hotels Ltd. 24-Feb-17	AA	9.20
9.40% NABARD 31-Jul-15	AAA	9.14
9.40% NHB 10-Jan-15	AAA	9.10
9.95% SBI 16-Mar-26	AAA	4.86
<b>Cash Bank &amp; Others</b>		<b>10.34</b>
<b>Total</b>		<b>100.00</b>

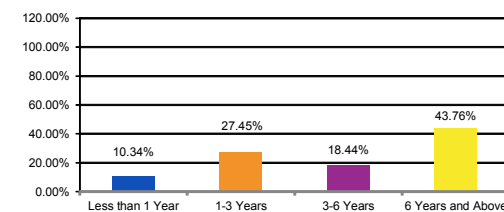
## Rating Profile



## Asset Allocation



## Maturity Profile



Pension Schemes

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Pension Schemes

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