

# Fund Assure

Investment Report, November 2016



Dear Friends,

**The month of November 2016 saw the benchmark indices S&P BSE Sensex and Nifty 50 shed around 4.6% and 4.8% respectively. The Mid-cap index, Nifty Free Float Mid-cap 100 shed 5.9% during the same period.**

On the global front, the OPEC members agreed to limit the oil output and curtail crude oil production by 1.2 mn barrels per day (b/d) to 32.5 mn b/d from January 1<sup>st</sup> 2017 in an endeavor to balance global crude supply and demand. The proposed production cut was led by an outsized reduction from Saudi Arabia and meaningful reductions from UAE, Kuwait and Venezuela. The OPEC expects a reduction in supply by major non-OPEC producers to the extent of 0.6 mn b/d, led by around 0.3 mn b/d reduction from Russia to support the crude oil prices. This decision of the OPEC, if implemented and adhered to, can remove the supply glut from the international crude oil market in the near term.

On the domestic front, India's real GDP for the second quarter FY 2017 grew 7.3% on a year on year basis, higher than 7.1% in prior quarter. Real GVA growth came in at 7.1% on a year on year basis as compared to 7.3% in the prior quarter. Overall, while the service sector grew by 8.9%, the uptick in industry was led by manufacturing, which grew by 7.1% in the second quarter FY 2017 as against 9.3% in the prior quarter. The robust monsoons in the July-September period compared to last year affected the mining sector as it contracted by 1.5% on a year on year basis. Agriculture grew at an acceptable 3.3%, helped by strong Kharif (summer) sowing.

India's fiscal deficit reached 79% of the government's budget estimate (BE) during April-October 2016 (FYTD) as against 74% registered in the same period last fiscal. The government spending was up 13% year on year during April-October 2016 period, above the BE of 11.5% year on year for the full fiscal FY 2017. The revenue expenditure growth stood at 17% year on year while the capital expenditure declined 13% year on year during April-October 2016. The central government's gross tax collections grew at 18% year on year during April-October 2016 as against BE of 12% year on year led by a robust growth in Indirect tax collections at 26% year on year led by higher excise duty and service tax collections even as customs duty collection remained muted.

In what could well be a landmark reform, the government declared that the currency denominations of ₹500 and ₹1000 would no longer be legal tender from the midnight of November 8<sup>th</sup>, 2016 with an aim to fight against corruption, black money, terrorism and counterfeiting. The Government accepted the RBI's recommendations to issue new notes of ₹2000 and ₹500 as part of the currency in circulation. Many experts opine that in the medium term, this "demonetization" move will improve transparency, increase tax compliance & tax buoyancy and catalyze the move towards a digital economy. This would also enable the shift in household savings from physical assets towards financial assets, thus providing productive resources to boost investments. However, in the near term, there will be risks of demand reduction by disrupting certain cash dependent sectors as well as have an impact on discretionary consumption.

The Rabi (winter crop) sowing till Nov 25<sup>th</sup> indicated that the total sown area has increased by 4.6% on a year on year basis with the increase in wheat sowing by 8.4%, pulses by 8% and oilseeds by 14%. However, sowing of rice has seen 25% decline while coarse cereals were down by 19% year on year. The government has tried to address the liquidity challenges in villages to enable uninterrupted Rabi sowing by allowing the purchase of seeds from government and other authorized outlets using older currency notes, allowing withdrawal of up to ₹25,000 per week from farmer loan accounts, and speeding up the credit disbursement of ₹210bn from NABARD to district co-operative banks.

The Consumer Price Index (CPI) inflation for October 2016 came in at 4.2%, in line with market expectation but lower than the 4.4% registered in the prior month. October CPI inflation print reflected sustained easing of inflationary pressures in food category. Wholesale Price Index (WPI) inflation for October 2016 was at 3.39%, lower than the 3.57% in the prior month on the back of lower food prices. The CPI inflation for the second half of fiscal FY 2017 is expected to undershoot the RBI's estimate of 5% opening up ample space for monetary policy action.

Given the positive impact of far reaching reforms on the macro economy in the long term, we believe that the equity market offers a reasonable entry point for a long-term investor with a 3-5 year view.

**Team Investment**

## Equity Market Outlook

The month of November 2016 saw the benchmark indices S&P BSE Sensex and Nifty 50 shed around 4.6% and 4.8% respectively. The Mid-cap index, Nifty Free Float Mid-cap 100 shed 5.9% during the same period. The FIIs were net sellers to the tune of USD 2.6 bn in the month of November while DII's were net buyers to the tune of USD 2.7 bn with insurance companies net buyers to the tune of USD 0.8 bn and mutual funds net buyers to the tune of USD 1.9 bn.

In the month of November, the Indian equity markets had to grapple with the unexpected result in the US presidential elections, the demand slowdown concerns as a fallout of the "demonetization" of the ₹500 and ₹1000 notes in India as well as RBI's move to impose higher CRR on a temporary basis to mop up excess liquidity as well as forex outflows due to the redemption of FCNR deposits impacting the INR. A sustained fall in the retail inflation and an expectation that the demonetization would open up more monetary space for the RBI to nudge interest rates lower were positive factors supporting the equity market.

In a bid to accelerate India's shift towards a cashless economy, the government unveiled a slew of measures to encourage digital payments by a combination of monetary incentives, waivers of taxes and transaction fees. The government has sought to encourage cashless transactions for the purchase of fuel at retail outlets of state-owned companies, for rail tickets and monthly passes in suburban rail networks, the purchase of insurance policies and payments made to central government departments and public sector firms. The government is keen to improve the eco-system to facilitate cashless transactions by addressing infrastructure bottlenecks, especially in rural areas.

The winter session of the Parliament saw the passage of amendments to the income tax law to usher in the new income disclosure scheme. A declarant can declare their undisclosed income by paying tax of 30%, penalty of 10% and a surcharge of 33%, all of which totals up to around 50%. In addition, the declarant will have to deposit 25% of undisclosed income in a zero-interest deposit scheme with the money to be utilized for developmental activities such as irrigation, housing, construction of toilets and infrastructure, primary education and primary health.

In a move to reduce the concentration of the bank's assets to a single counterparty or a group of connected counterparties, the RBI issued final norms for large exposure (LE's). As per the large exposure framework, a bank's exposure to a single counterparty cannot exceed 20% of the Tier1 capital at any time, which can be increased by 5% points under exceptional circumstances with board approval. Also, combined exposure to a group of connected counterparties shall not exceed 25% of a bank's Tier1 capital. The new limits will be applicable starting April 1<sup>st</sup> 2019.

The RBI has opined that the GDP growth outlook in the third quarter of fiscal 2017 was clouded by the still unfolding effects of the withdrawal of specified bank notes (SBNs). They noted the steady expansion in acreage under Rabi (winter crop) sowing across major crops compared to a year ago to build on the robust performance of agriculture in the second quarter fiscal 2017. They expected the withdrawal of SBNs to transiently interrupt some part of the industrial activity in November-December due to delays in payments of wages and purchases of inputs, although a fuller assessment was awaited. In the services sector, they opined that the outlook was mixed with construction, trade, transport, hotels and communication impacted by temporary SBN effects, while public administration, defence and other services continued to be buoyed by the 7<sup>th</sup> Central Pay Commission (CPC) award and one rank one pension (OROP). Moreover, the Gross value added (GVA) by financial services is expected to receive a short-term boost from the large inflow of low-cost deposits.

While the sharp fall in composite PMIs for the month of November, muted sale of two wheelers and tractors as well as the increasing inventory of passenger cars signals a near term slowdown in some sectors of the economy post demonetization, there is a distinct possibility that the fiscal stimulus expected in the Union budget FY 2018 would help kick start economic activity.

Going forward, these domestic factors as well as global liquidity and key central bank's policy action would shape the trajectory of the Indian equity markets. Given the positive impact of far reaching reforms on the macro economy in the long term, we believe that the equity market offers a reasonable entry point for a long-term investor with a 3-5 year view.

**Debt Market Outlook**

Debt market in the month of November 2016 saw the benchmark 10 year Government security (G-sec) close the month at 6.25%, easing by 54bps over the month even as the 30 year G-sec eased by 52 bps during the same period. On the corporate bond side, the 10 year AAA corporate bond closed the month at around 7.06%, easing by 45 bps over the month. In the month of November, the Foreign Portfolio Investors (FPIs) were sellers of Indian debt.

In its fifth Bi monthly monetary policy review, the Monetary Policy Committee (MPC) of the RBI decided to keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 6.25%. The decision of the MPC was consistent with an accommodative stance of monetary policy in consonance with the objective of achieving CPI inflation at 5% by Q4 of FY 2016-17 and the medium-term target of 4% within a band of +/- 2%, while supporting growth.

The RBI stated that the outlook for Gross value added (GVA) growth for FY 2016-17 had turned uncertain after the unexpected loss of momentum by 50 bps in the second quarter and the effects of the withdrawal of specified bank notes (SBNs) which were still playing out. Incorporating the expected loss of growth momentum in Q3 and waning effects in Q4 alongside the boost to consumption demand from higher agricultural output and the implementation of the 7<sup>th</sup> CPC award, the RBI revised the GVA growth for FY 2016-17 down from 7.6% to 7.1%, with evenly balanced risks.

The MPC took note of the upturn in the prices of several items that was masked by the easing of inflation on base effects during October. Also, the OPEC's agreement to cut production could lead to firming up of crude prices in the coming months. The MPC opined that the global developments, especially as financial markets factor in the future stance of US monetary and fiscal policy, could impart volatility to the exchange rate thereby feeding into inflation. However, the withdrawal of SBNs could result in a possible temporary reduction in inflation of the order of 10-15 bps in the third quarter fiscal 2017. Taking these factors into account, headline inflation was projected at 5% in Q4 of 2016-17 by the RBI with risks tilted to the upside but lower than in the October policy review. The fuller effects of the house rent allowances under the 7<sup>th</sup> CPC award were yet to be assessed, pending implementation, and had not been reckoned in this baseline inflation path projected by the RBI.

The MPC noted that the bi-monthly review was set against the backdrop of heightened uncertainty such as the imminent tightening of monetary policy in the US triggering bouts of high volatility in financial markets and the possibility of the supply disruptions on account of the currency replacement dragging down growth this year. The MPC felt it important to analyze more information and experience before judging full effects of these factors before setting the monetary policy stance. RBI opined that if the impact was transient as widely expected, growth should rebound strongly. On the inflation front, the MPC was concerned about the sustained firmness and a pick-up in momentum of food prices other than vegetables. Additionally, they expressed caution regarding the downward inflexibility in core inflation which could set a resistance level for future downward movements in the headline inflation. Moreover, volatility in crude prices and the surge in financial market turbulence could put the inflation target for Q4 of FY 2016-17 at some risk.

Given these indicators of underlying inflation, the MPC decided to look through the transitory but unclear effects of the withdrawal of SBNs while setting the monetary policy stance. On balance, the MPC opined that it was prudent to wait and watch how these factors play out and impinge upon the outlook and accordingly, kept the policy repo rate on hold in this review, while retaining an accommodative policy stance.

After the withdrawal of the legal tender character of the ₹500 and ₹1000 denomination notes with effect from November 9<sup>th</sup>, 2016, there had been a surge in the deposits with the banks, providing significant increase of liquidity in the banking system. In order to facilitate liquidity management operations by the RBI, the government had, on the recommendation of the RBI, revised the ceiling for issue of securities under the Market Stabilization Scheme (MSS) to ₹6tn from ₹300bn earlier.

The Indian fixed income market has seen a stellar rally in the month of November, largely on the market expectation that the demonetization would open up ample space for the monetary policy action from the RBI. Subsequently, the monetary policy review has clarified that this expectation of the market was not justified as yet, since there were many moving parts to growth and inflation trajectory going forward. Nevertheless, many market experts still expect the CPI inflation to undershoot the RBI's projection of 5% by March 2017, opening up some space for the RBI to nudge the repo rate lower in the coming months.

We believe that the data points on growth and inflation in the coming months as well as the RBI's stance of keeping liquidity at near neutral levels on a sustained basis will remain important factors for bringing down interest rates in the economy.

# Fund Assure, Investment Report, November 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, November 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 30 November, 16:** ₹53.7129

**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-Aug-16	56.5174	28452.17	-4.96%	-6.32%
Last 6 Months	31-May-16	52.1512	26667.96	2.99%	-0.06%
Last 1 Year	30-Nov-15	50.7175	26145.67	5.91%	1.94%
Last 2 Years	28-Nov-14	53.9675	28693.99	-0.24%	-3.62%
Last 3 Years	29-Nov-13	39.1148	20791.93	11.15%	8.63%
Last 4 Years	30-Nov-12	36.5597	19339.90	10.10%	8.35%
Last 5 Years	30-Nov-11	30.1172	16123.46	12.27%	10.58%
Since Inception	29-Mar-04	10.0000	5571.37	14.17%	13.14%

**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.

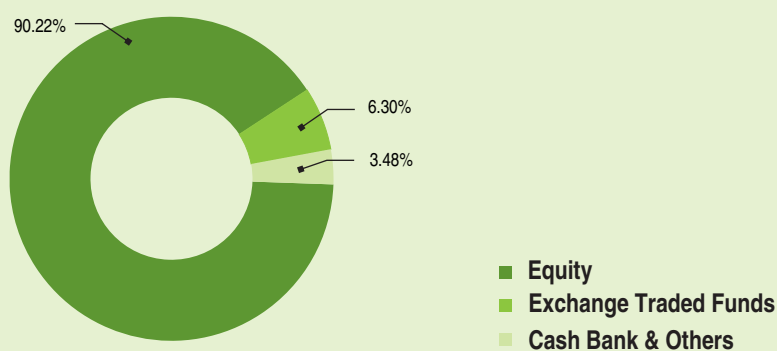
## Sector Allocation



## Portfolio

Instrument	Industry/Rating	% Of NAV
<b>Equity</b>		<b>90.22</b>
HDFC Bank Ltd.	Banks	7.12
Infosys Technologies Ltd.	IT - Software	6.52
Reliance Industries Ltd.	Refineries	6.27
ICICI Bank Ltd.	Banks	5.71
ITC Ltd.	Tobacco Products	5.19
Larsen and Toubro Ltd.	Capital Goods-Non Electrical	4.41
Tata Motors Ltd.	Automobile	3.96
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	2.98
Tata Consultancy Services Ltd.	IT - Software	2.87
Maruti Suzuki India Ltd.	Automobile	2.34
Hindustan Unilever Ltd.	FMCG	2.29
HCL Technologies Ltd.	IT - Software	2.10
Mahindra and Mahindra Ltd.	Automobile	1.93
Tata Steel Ltd.	Steel	1.90
Power Grid Corporation of India Ltd.	Power Generation & Distribution	1.87
Other Equity		32.74
<b>Exchange Traded Funds</b>		<b>6.30</b>
Goldman Sachs Banking Index Exchange Traded Scheme		4.20
Goldman Sachs PSU Bank Exchange Traded Scheme		2.11
<b>Cash Bank &amp; Others</b>		<b>3.48</b>
<b>Total</b>		<b>100.00</b>

## Asset Allocation



# 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 30 November, 16:** ₹21.0576

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

### Investment Style

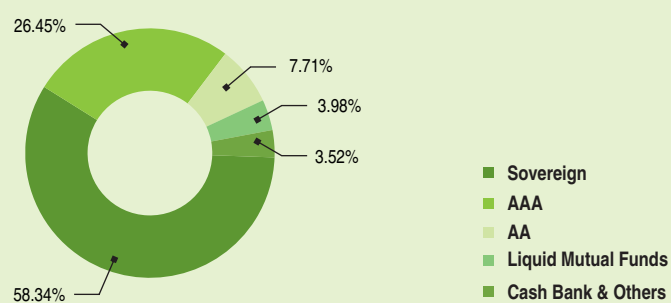
Credit Quality			Interest Rate Sensitivity
High	Mid	Low	
			High
			Mid
			Low

## Fund Performance

Period	Date	NAV	Crisil Short Term Bond Index	NAV Change	INDEX Change
Last 3 Months	31-Aug-16	20.4654	2753.66	2.89%	3.13%
Last 6 Months	31-May-16	20.0134	2677.07	5.22%	6.08%
Last 1 Year	30-Nov-15	19.2795	2567.58	9.22%	10.60%
Last 2 Years	28-Nov-14	17.8301	2357.70	8.67%	9.75%
Last 3 Years	29-Nov-13	16.3316	2134.67	8.84%	9.98%
Last 4 Years	30-Nov-12	15.1744	1974.32	8.54%	9.51%
Last 5 Years	30-Nov-11	13.8597	1807.09	8.73%	9.46%
Since Inception	03-Jul-06	10.0000	1242.33	7.41%	8.26%

**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



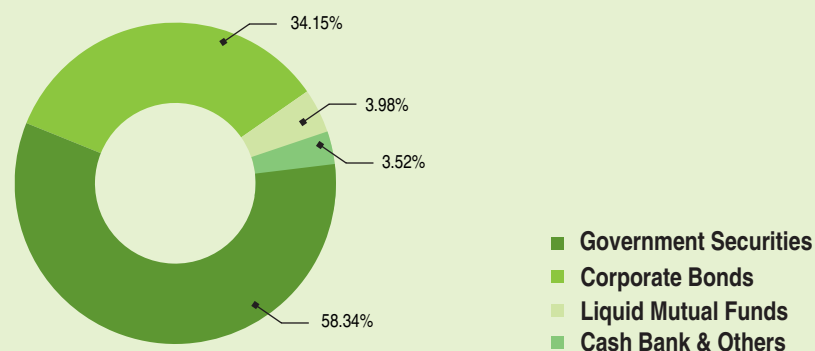
## Maturity Profile



## Portfolio

Instrument	Industry/Rating	% Of NAV
<b>Government Securities</b>		<b>58.34</b>
7.28% GOI 03-Jun-19	Sovereign	32.23
7.83% GOI 11-Apr-18	Sovereign	17.86
6.05% GOI 02-Feb-19	Sovereign	8.24
<b>Corporate Bonds</b>		<b>34.15</b>
9.30% Blue Dart Express Ltd. 20-Nov-17	AA	7.71
11.00% IOC Ltd. 10-Sep-18	AAA	7.35
8.43% IDFC Bank Ltd. 02-Feb-18	AAA	5.60
7.85% PFC Ltd. 15-Apr-19	AAA	4.22
8.25% Bajaj Finance Ltd. 19-Aug-19	AAA	2.85
7.90% Bajaj Finance Ltd. 27-Sep-19	AAA	2.83
0.00% NHB 24-Dec-18	AAA	2.15
9.00% EXIM Bank 10-Jan-19	AAA	1.44
<b>Liquid Mutual Funds</b>		<b>3.98</b>
ICICI Prudential Liquid - Direct Plan - Growth		3.98
<b>Cash Bank &amp; Others</b>		<b>3.52</b>
<b>Total</b>		<b>100.00</b>

## Asset Allocation



# INCOME FUND

ULGF 002 02/03/04 I1 110  
Fund Assure, Investment Report, November 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 30 November, 16:** ₹26.1815

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

### Investment Style

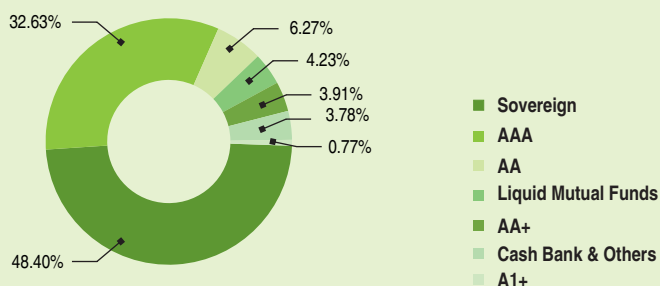
Credit Quality			Interest Rate Sensitivity
High	Mid	Low	
			High
			Mid
			Low

## Fund Performance

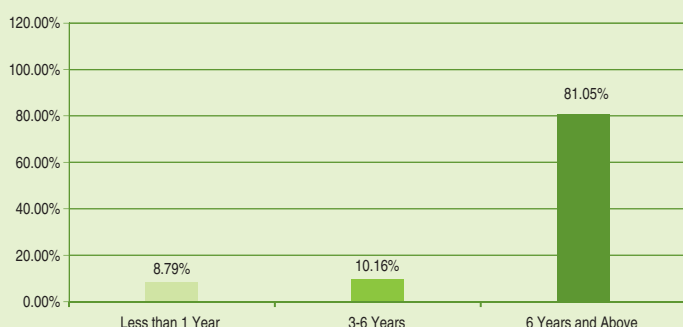
Period	Date	NAV	Crisil Composite Bond Index	NAV Change	INDEX Change
Last 3 Months	31-Aug-16	24.7818	2693.69	5.65%	5.23%
Last 6 Months	31-May-16	23.4571	2577.29	11.61%	9.98%
Last 1 Year	30-Nov-15	22.5131	2464.44	16.29%	15.02%
Last 2 Years	28-Nov-14	20.5968	2254.22	12.75%	12.14%
Last 3 Years	29-Nov-13	18.1498	1985.39	12.99%	12.60%
Last 4 Years	30-Nov-12	17.2966	1906.42	10.92%	10.43%
Last 5 Years	30-Nov-11	15.5598	1740.31	10.97%	10.25%
Since Inception	02-Mar-04	10.0000	1193.20	7.84%	7.02%

**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



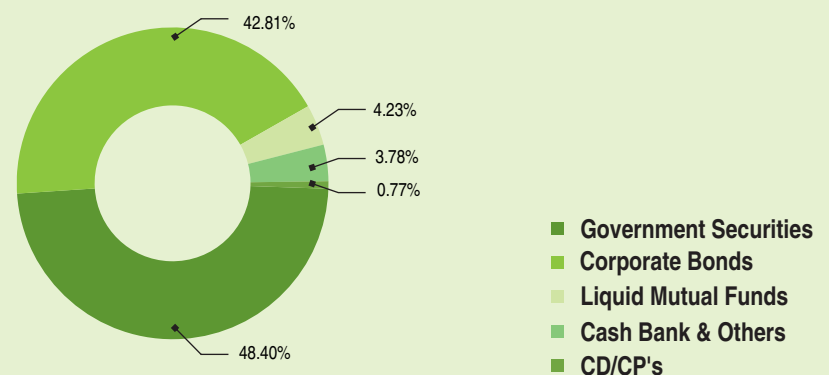
## Maturity Profile



## Portfolio

Instrument	Industry/Rating	% Of NAV
<b>Government Securities</b>		<b>48.40</b>
7.68% GOI 15-Dec-23	Sovereign	11.02
8.83% GOI 25-Nov-23	Sovereign	9.03
8.17% GOI 01-Dec-44	Sovereign	6.71
8.40% GOI 28-Jul-24	Sovereign	4.64
7.72% GOI 26-Oct-55	Sovereign	4.18
7.59% GOI 11-Jan-26	Sovereign	3.88
6.90% GOI 04-Feb-26	Sovereign	3.59
8.15% GOI 24-Nov-26	Sovereign	2.33
6.97% GOI 06-Sep-26	Sovereign	2.16
8.13% GOI 22-Jun-45	Sovereign	0.85
<b>Corporate Bonds</b>		<b>42.81</b>
7.95% HDFC Bank Ltd. 21-Sep-26	AAA	7.69
2.00% Tata Steel Ltd. 23-Apr-22	AA	6.27
9.24% LIC Housing Finance Ltd 30-Sep-24	AAA	4.41
8.25% Exim Bank 23-Jun-31	AAA	4.06
8.85% Yes Bank Ltd. 24-Feb-25	AA+	3.91
10.40% Reliance Ports & Terminals Ltd. 18-Jul-21	AAA	3.59
8.17% NHPC Ltd 27-Jun-31	AAA	3.22
8.24% NHPC Ltd 27-Jun-31	AAA	2.42
8.70% IDFC Bank Ltd. 20-May-25	AAA	2.24
8.10% NTPC Ltd. 27-May-31	AAA	0.85
8.13% NPCIL 28-Mar-29	AAA	0.78
8.13% NPCIL 28-Mar-30	AAA	0.78
8.13% NPCIL 28-Mar-28	AAA	0.77
8.13% NPCIL 26-Mar-27	AAA	0.77
8.19% NTPC Ltd. 15-Dec-25	AAA	0.76
9.35% REC Ltd. 15-Jun-22	AAA	0.22
8.93% NTPC Ltd. 19-Jan-21	AAA	0.08
<b>Liquid Mutual Funds</b>		<b>4.23</b>
ICICI Prudential Liquid - Direct Plan - Growth		4.23
<b>Cash Bank &amp; Others</b>		<b>3.78</b>
<b>CD/CP's</b>		<b>0.77</b>
State Bank of Hyderabad CD 24-Feb-17	A1+	0.77
<b>Total</b>		<b>100.00</b>

## Asset Allocation





# LIQUID FUND

ULGF 003 02/03/04 L1 110  
Fund Assure, Investment Report, November 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 30 November, 16:** ₹23.3135

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

### Investment Style

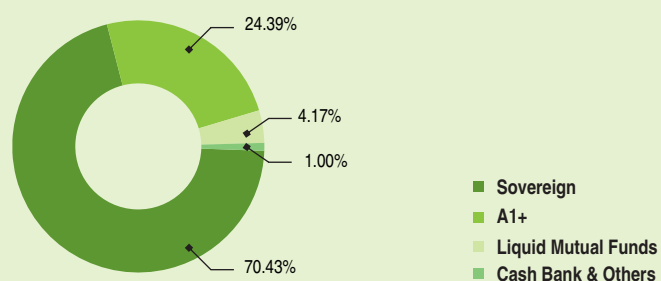
Credit Quality			Interest Rate Sensitivity
High	Mid	Low	
			High
			Mid
			Low

## Fund Performance

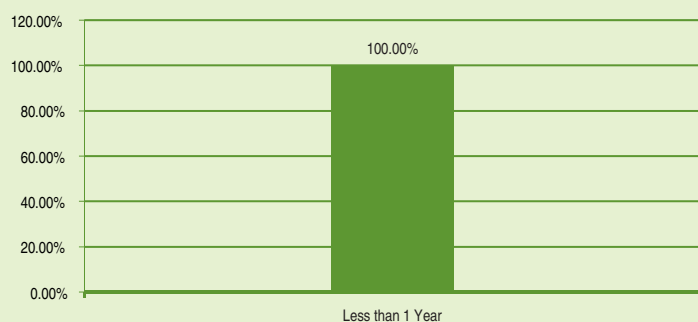
Period	Date	NAV	Crisil Liquid Fund Index	NAV Change	INDEX Change
Last 3 Months	31-Aug-16	22.9704	2585.53	1.49%	1.72%
Last 6 Months	31-May-16	22.6130	2538.26	3.10%	3.61%
Last 1 Year	30-Nov-15	21.9016	2443.06	6.45%	7.65%
Last 2 Years	28-Nov-14	20.3502	2254.93	7.03%	7.99%
Last 3 Years	29-Nov-13	18.7875	2063.79	7.46%	8.42%
Last 4 Years	30-Nov-12	17.3695	1895.39	7.64%	8.53%
Last 5 Years	30-Nov-11	15.9293	1745.47	7.92%	8.54%
Since Inception	25-May-04	10.0000	1113.63	6.99%	7.10%

**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



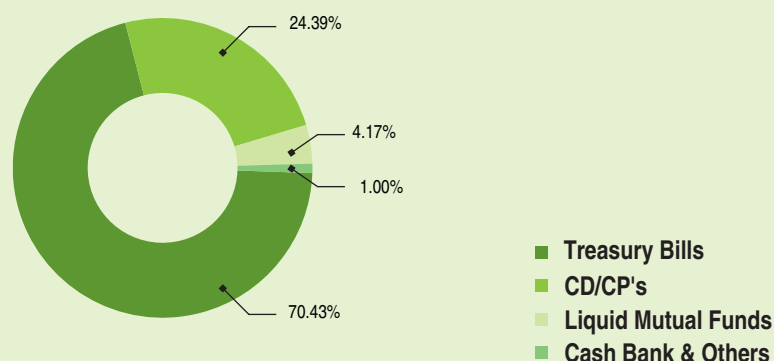
## Maturity Profile



## Portfolio

Instrument	Industry/Rating	% Of NAV
<b>Treasury Bills</b>		<b>70.43</b>
364 Days Tbill 26-Oct-17	Sovereign	36.34
364 Days Tbill 28-Sep-17	Sovereign	23.47
364 Days Tbill 08-Jun-17	Sovereign	10.62
<b>CD/CP's</b>		<b>24.39</b>
Kotak Mahindra Prime Ltd. CP 21-Jun-17	A1+	8.40
Exim Bank CD 14-Mar-17	A1+	8.08
ICICI Bank CD 28-Jun-17	A1+	7.91
<b>Liquid Mutual Funds</b>		<b>4.17</b>
ICICI Prudential Liquid - Direct Plan - Growth		4.17
<b>Cash Bank &amp; Others</b>		<b>1.00</b>
<b>Total</b>		<b>100.00</b>

## Asset Allocation



# BOND FUND

ULGF 005 17/08/07 BO 110  
Fund Assure, Investment Report, November 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 30 November, 16:** ₹22.3784

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

### Investment Style

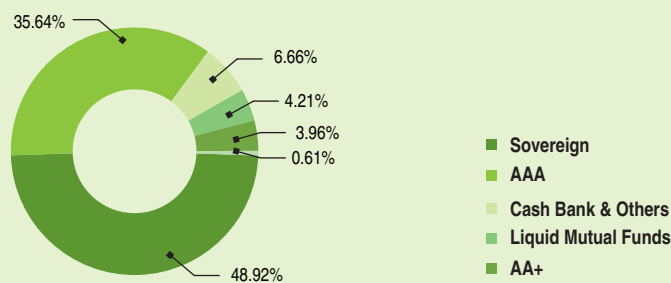
Credit Quality			Interest Rate Sensitivity
High	Mid	Low	
			High
			Mid
			Low

## Fund Performance

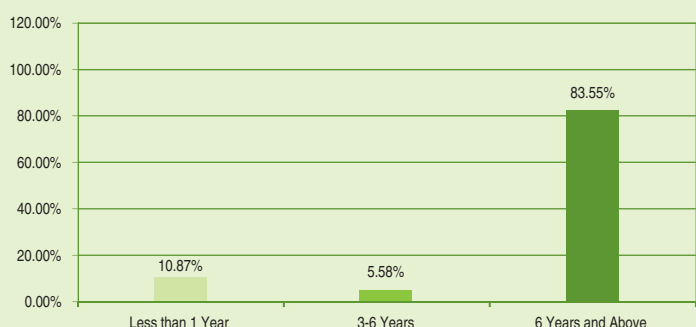
Period	Date	NAV	Crisil Composite Bond Index	NAV Change	INDEX Change
Last 3 Months	31-Aug-16	21.1825	2693.69	5.65%	5.23%
Last 6 Months	31-May-16	20.0465	2577.29	11.63%	9.98%
Last 1 Year	30-Nov-15	19.2328	2464.44	16.36%	15.02%
Last 2 Years	28-Nov-14	17.5792	2254.22	12.83%	12.14%
Last 3 Years	29-Nov-13	15.5267	1985.39	12.96%	12.60%
Last 4 Years	30-Nov-12	14.7636	1906.42	10.96%	10.43%
Last 5 Years	30-Nov-11	13.2740	1740.31	11.01%	10.25%
Since Inception	17-Aug-07	10.0000	1339.53	9.05%	8.40%

**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



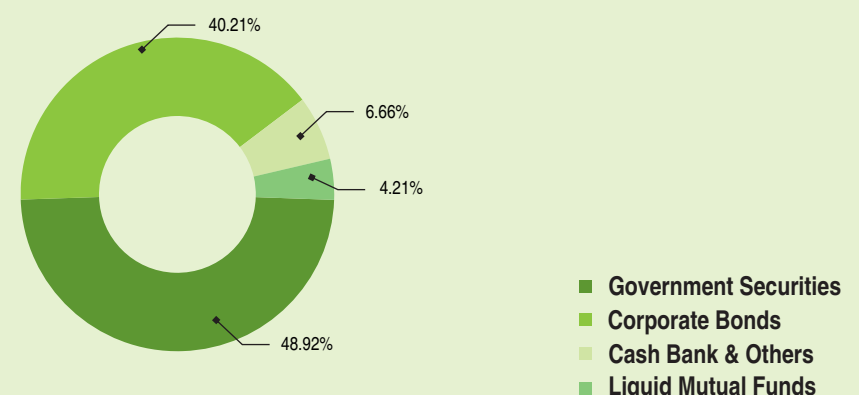
## Maturity Profile



## Portfolio

Instrument	Industry/Rating	% Of NAV
<b>Government Securities</b>		<b>48.92</b>
7.68% GOI 15-Dec-23	Sovereign	10.46
8.83% GOI 25-Nov-23	Sovereign	8.74
8.17% GOI 01-Dec-44	Sovereign	6.69
8.40% GOI 28-Jul-24	Sovereign	4.52
7.72% GOI 26-Oct-55	Sovereign	4.09
8.15% GOI 24-Nov-26	Sovereign	3.97
7.59% GOI 11-Jan-26	Sovereign	3.89
6.90% GOI 04-Feb-26	Sovereign	3.28
6.97% GOI 06-Sep-26	Sovereign	2.43
8.13% GOI 22-Jun-45	Sovereign	0.85
<b>Corporate Bonds</b>		<b>40.21</b>
7.95% HDFC Bank Ltd. 21-Sep-26	AAA	7.47
8.57% LIC Housing Finance Ltd. 18-Jul-25 (Put 20-09-2018 Call-N.A.)	AAA	6.17
8.17% NHPC Ltd 27-Jun-31	AAA	4.67
8.85% Yes Bank Ltd. 24-Feb-25	AA+	3.96
8.25% Exim Bank 23-Jun-31	AAA	3.86
9.48% REC Ltd. 10-Aug-21	AAA	2.53
10.40% Reliance Ports & Terminals Ltd. 18-Jul-21	AAA	2.44
8.24% NHPC Ltd 27-Jun-31	AAA	2.35
8.70% IDFC Bank Ltd. 20-May-25	AAA	2.01
8.13% NPCIL 28-Mar-29	AAA	0.84
8.13% NPCIL 28-Mar-30	AAA	0.84
8.13% NPCIL 28-Mar-28	AAA	0.84
8.13% NPCIL 26-Mar-27	AAA	0.83
8.19% NTPC Ltd. 15-Dec-25	AAA	0.82
2.00% Tata Steel Ltd. 23-Apr-22	AA	0.61
<b>Cash Bank &amp; Others</b>		<b>6.66</b>
<b>Liquid Mutual Funds</b>		<b>4.21</b>
ICICI Prudential Liquid - Direct Plan - Growth		4.21
<b>Total</b>		<b>100.00</b>

## Asset Allocation



# BALANCED FUND

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

**TATA AIA LIFE**  
making Good happen

## 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 30 November, 16:** ₹20.8870

**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

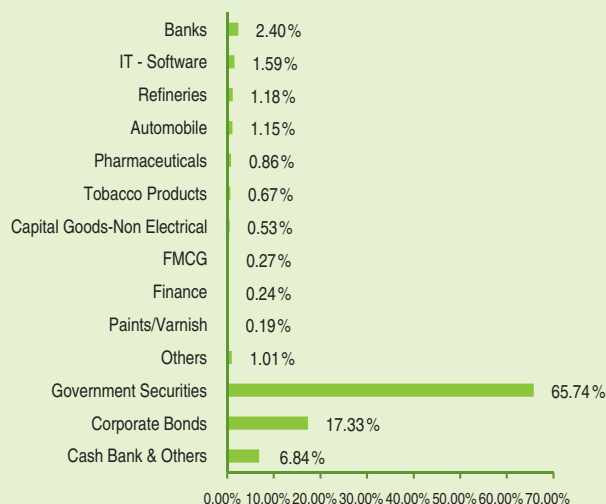
Investment Style			Size
Value	Blend	Growth	
			Large
			Mid
			Small

## Fund Performance

Period	Date	NAV	NAV Change	INDEX Change
Last 3 Months	31-Aug-16	20.0587	4.13%	4.07%
Last 6 Months	31-May-16	19.0688	9.53%	9.06%
Last 1 Year	30-Nov-15	18.3374	13.90%	13.88%
Last 2 Years	28-Nov-14	17.3541	9.71%	10.71%
Last 3 Years	29-Nov-13	14.8546	12.03%	12.34%
Last 4 Years	30-Nov-12	14.0663	10.39%	10.26%
Last 5 Years	30-Nov-11	12.6310	10.58%	10.35%
Since Inception	17-Aug-07	10.0000	8.25%	8.33%

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

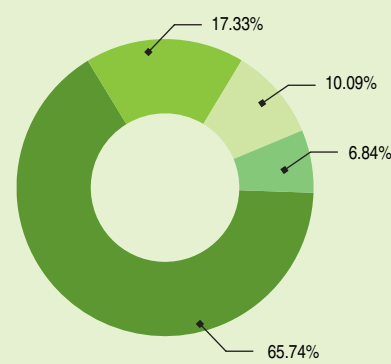
## Sector Allocation



## Portfolio

Instrument	Industry/Rating	% Of NAV
<b>Government Securities</b>		<b>65.74</b>
8.17% GOI 01-Dec-44	Sovereign	13.14
6.97% GOI 06-Sep-26	Sovereign	11.77
7.59% GOI 11-Jan-26	Sovereign	10.83
8.40% GOI 28-Jul-24	Sovereign	7.01
8.24% GOI 10-Nov-33	Sovereign	6.69
7.72% GOI 25-May-25	Sovereign	6.19
7.28% GOI 03-Jun-19	Sovereign	5.86
8.83% GOI 25-Nov-23	Sovereign	4.12
8.15% GOI 24-Nov-26	Sovereign	0.14
<b>Corporate Bonds</b>		<b>17.33</b>
8.11% REC Ltd. 07-Oct-25	AAA	6.18
8.98% PFC Ltd. 08-Oct-24 (Put-08-10-2016 Call-N.A)	AAA	5.12
8.49% NTPC Ltd. 25-Mar-25	AAA	2.94
9.09% IRFC Ltd. 29-Mar-26	AAA	2.21
10.40% Reliance Ports & Terminals Ltd. 18-Jul-21	AAA	0.88
<b>Equity</b>		<b>10.09</b>
Infosys Technologies Ltd.	IT - Software	0.94
HDFC Bank Ltd.	Banks	0.92
Reliance Industries Ltd.	Refineries	0.76
ICICI Bank Ltd.	Banks	0.73
ITC Ltd.	Tobacco Products	0.67
Larsen and Toubro Ltd.	Capital Goods-Non Electrical	0.53
Tata Motors Ltd.	Automobile	0.53
Tata Consultancy Services Ltd.	IT - Software	0.44
Bharat Petroleum Corporation Ltd.	Refineries	0.41
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	0.36
Dr. Reddys Laboratories Ltd.	Pharmaceuticals	0.31
Hindustan Unilever Ltd.	FMCG	0.27
HDFC Ltd.	Finance	0.24
IndusInd Bank Ltd.	Banks	0.21
HCL Technologies Ltd.	IT - Software	0.21
Other Equity		2.55
<b>Cash Bank &amp; Others</b>		<b>6.84</b>
<b>Total</b>		<b>100.00</b>

## Asset Allocation



■ Government Securities  
■ Corporate Bonds  
■ Equity  
■ Cash Bank & Others

## 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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