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Dear Friends,

*The month of August 2010 witnessed the culmination of a robust first quarter earnings season for the Indian markets, progress of monsoons at a healthy pace, tabling of the proposed Direct Tax Code (DTC) bill in the Parliament as well as key policy announcements from the US Fed. The month ended with the declaration of the first quarter GDP growth numbers.*

FY11 began on a positive note, with Q1 GDP growth at 8.8% YoY. The growth was led by manufacturing (up 12.4% YoY) trade, hotels, transport and communication (together up 12.2% YoY), and mining and quarrying (up 8.9% YoY). This was the highest quarterly growth in the last 10 quarters.

Core sector growth increased to 3.9% in July 2010 compared to 3.6% in June 2010. The six core industries have a combined weight of 26.7% in the Index of Industrial Production (IIP) and serve as a useful lead indicator of manufacturing activity.

The first quarter earnings were a mixed bag. Aggregate earnings growth for the Sensex at 21% YoY was largely in line with expectations. Earnings growth in the broad market slowed down even as earnings for the both the narrow and broad market reached a new peak. The Sensex EPS estimate reflects an earnings growth estimate of 23% in FY11.

The benchmark indices, Sensex and the Nifty were trading flat in August 2010 with a gain of less than 1% over the July close, even as the broader CNX Midcap index was up by over 3%.

The Direct Tax Code (DTC) was tabled in Parliament. The DTC is expected to widen tax base, remove multiplicity of tax rates and provide a framework for a stable tax regime which could improve the tax/ GDP ratio from the current 10.3%.

The South West monsoon picked up momentum, which narrowed the overall monsoon deficiency to just 2% of the long period average as of August 25th. The monsoons are crucial to revive the agricultural growth, increase rural incomes and cool down food inflation.

The US Fed revised its Q2 GDP numbers sharply from 2.4% to just 1.6% and pruned the Q3 and Q4 estimates indicating a slowdown in the US economy grappling with weak economic data. It also decided to reinvest the principal repayments of mortgage backed securities into treasury to ease liquidity. The muted growth in US is in sharp contrast to the robust Q2 GDP growth in Euro zone particularly Germany on the back of soaring exports helped by a weak euro. The markets having traded in a narrow range in August look to the cues from the RBI during the mid-quarter policy meet on 16th Sep 2010 and the Fed's stance on a possible quantitative easing to revive the US economy.

**Saravana Kumar**

Chief Investment Officer

## INVESTMENT PHILOSOPHY

**Investment Objective :** To Generate a superior and consistent risk adjusted investment returns to meet investors long term objective and return expectation.

**The foundation of the investment philosophy rests on the following tenets:**

- ◆ We have a long term view based on fundamental research to meet our investor's long term objectives
- ◆ We follow a well defined research process & methodology with rigour
- ◆ We have a largely bottom up stock picking to identify quality stocks at reasonable valuations
- ◆ We follow the same philosophy used for Balance sheet and third party investment

**These make us well suited for insurance and pension fund investment.**

## DEBT MARKET OUTLOOK

The benchmark 10 year G-Sec recorded a high of 8.06% during the month as there were concerns of excessive supply and expectations of another rate hike in the midterm policy review on 16th Sep 2010.

Annual inflation for the month of July fell to 9.97% from 10.55% for the previous month. Higher base effect along with lower food price resulted in lower than estimated inflation.

Food inflation is expected to cool on the back of good monsoons. Country's overall seasonal rainfall deficiency over Long Period Average(LPA) reduced from 5% to 2% as the All India rainfall during August was 3% above the LPA with excess rainfall activity over northwest India.

This strong rainfall has resulted in an increase in sowing area of most Kharif crops. Pulses have seen a significant increase in area under cultivation, while the area under rice cultivation has improved. Around 88% of the normal area under kharif crops was sown up to 20th August 2010 against 80% during the same period last year. Area sown under all kharif crops taken together stood at approx.92mn hectares, a 10% increase over approx.84mn hectares in the corresponding period of 2009.

It is expected that the increase in farm GDP (FY11 estimate is approx. 4%) will further boost rural demand and spur private consumption to above 6%, which will lead to the economy growing above 8% in FY 11.

For the 81 important water reservoirs in parts of the country, total live storage has increased by 27% increase from last year's levels. This should boost rabi (winter) crop as well, which is more irrigation dependent.

Credit growth is expected to be robust with investment and consumption growing at a steady pace.

Inflation is likely to remain at sticky levels next month and beyond, even as food price inflation seems to be trending lower, due to the elevated levels of fuel and manufacturing inflation. This is likely to continue till Nov 2010 when the base effect will kick in.

The 10 year is likely to trade in a range between 7.70 and 8.10 with a bias to the higher end of the range as we approach the Mid-quarter policy review.

it is possible that the policy action on Sep 16th would just raise reverse repo rate by 25 bps to 4.75% leaving the repo rate unchanged at 5.75% This will further compress the overnight interest rate corridor to 100 bps, with RBI already shrinking it by 25 bps in its July 27 policy. Any hike in CRR may depend on the improvements in liquidity situation, which may come only if and when the bulky government spending comes.

## EQUITY MARKET OUTLOOK

August 2010 saw the progress of the first quarter earnings season. The equity markets traded flat with the benchmark indices Sensex and the Nifty registering a gain of less than 1% over the July 2010 close even as the broader CNX Midcap Index registered a gain of over 3% over the same period.

The earning season threw up its surprises, though it was largely along expected lines on an aggregate basis. Indian market is at reasonably fair valuations with its absolute multiples trading at slightly above their historical averages. The market appears richly valued if we look at the dividend yield metric on a historical basis; this is primarily due to a lower payout ratio, as Indian companies seem to be ploughing back earnings to invest for future growth. The broad market appears distinctly more attractive than the narrow market as the multiples are low and the earnings prospects look good.

The relative valuation measures seem to be above historical averages, although on Price to Book basis, Indian equities are below their average since 2003. MSCI India is currently trading at a 12 month forward PE of 17, reflecting a 43% premium to MSCI Asia ex Japan's forward earnings multiple, compared to a historical average of 17%.

This relative valuations compared to other Asian markets can be attributed to India's demographic dividend and a shift in the labor force from low-productivity agriculture to higher-productivity industry and services sectors. This should lead to 8% annualized GDP growth over the next decade provided there is enough capacity addition in upgrading labor force skills, significant infrastructure investments and continued reforms. At the micro level, operating leverage, pricing power and healthy balance sheets should help Indian companies sustain their earnings over the next few years to justify the premium relative valuations.

The benchmark indices have consolidated in a rather narrow range over the last 6 months. The markets could break the range on liquidity flows in the short term, (which is closely linked to global risk appetite) and as markets fully discount FY 11 earnings going forward.

**Debt Investment Style**

Credit Quality			Interest Rate Sensitivity
High	Med	Low	
			High
			Mid
			Low

**Fund Details**

**Investment Objective** : To deliver medium to long-term capital appreciation through a portfolio essentially comprising of large cap stocks that can perform well through market and economic cycles.

**Fund Manager** : Mr. Saravana Kumar

**NAV as on 31 August, 10** : ₹34.65

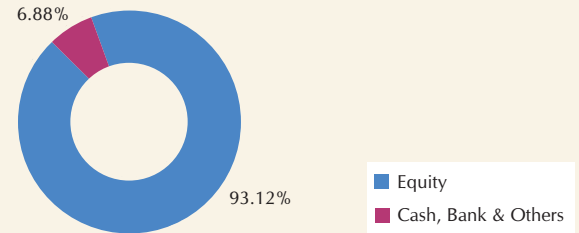
**Benchmark** : BSE Sensex - 100%

**Fund Performance**

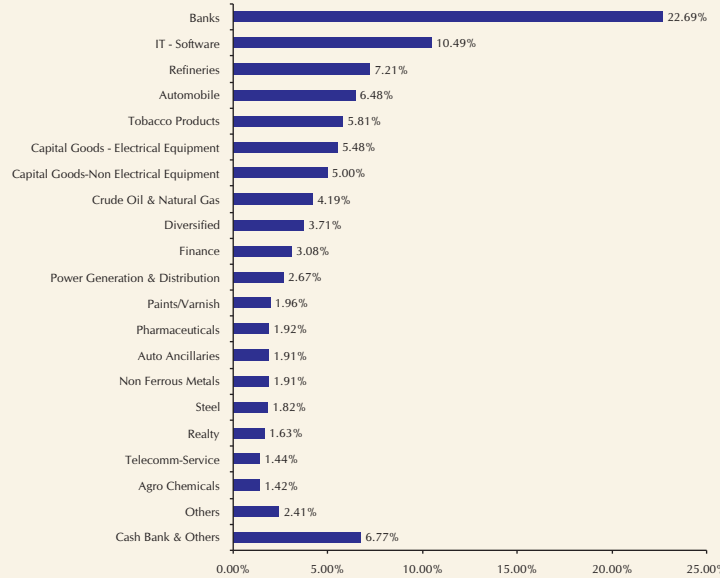
PERIOD	DATE	NAV	BSE Sensex	NAV Change	INDEX Change
Last 1 Month	30-Jul-10	34.24	17868.29	1.21%	0.58%
Last 3 Months	31-May-10	31.69	16944.63	9.36%	6.06%
Last 6 Months	26-Feb-10	30.20	16429.55	14.76%	9.38%
Last 1 Year	31-Aug-09	28.43	15666.64	21.89%	14.71%
Last 3 Year	31-Aug-07	29.90	15318.60	5.04%	5.47%
Since Inception	29-Mar-04	10.00	5571.37	21.33%	19.99%

Note : The investment income and prices may go down as well as up. "Since Inception" and "3-years" period returns are calculated as per CAGR.

**Asset Allocation**



**Sector Allocation**



**Portfolio**

Instrument	Industry	% of NAV
<b>Equity</b>		<b>93.12</b>
Infosys Technologies Ltd	IT - Software	7.33
Reliance Industries Ltd	Refineries	7.02
ITC Ltd	Tobacco Products	5.77
HDFC Bank	Banks	5.57
State Bank Of India	Banks	5.41
ICICI Bank Ltd	Banks	5.10
Larsen And Toubro Ltd	Capital Goods-Non Electrical Equipment	4.39
Oil & Natural Gas Corp Ltd	Crude Oil & Natural Gas	3.49
Axis Bank Ltd	Banks	3.22
Bharat Heavy Electricals Ltd	Capital Goods - Electrical Equipment	3.14
HDFC Ltd	Finance	2.92
Tata Motors Ltd	Automobile	2.63
Crompton Greaves Ltd	Capital Goods - Electrical Equipment	2.41
Bank Of Baroda	Banks	2.17
Mahindra And Mahindra Ltd	Automobile	2.10

Instrument	Industry	% of NAV
Asian Paints (India) Ltd	Paints/Varnish	2.06
Sintex Industries Ltd	Diversified	1.85
Tata Steel Ltd	Steel	1.75
Wipro Ltd	IT - Software	1.74
Exide Industries Ltd	Auto Ancillaries	1.65
Sterlite Industries (India) Ltd	Non Ferrous Metals	1.63
Bharti Airtel Ltd	Telecomm-Service	1.52
Voltas Limited	Diversified	1.49
United Phosphorus Ltd	Agro Chemicals	1.41
Bajaj Auto Ltd - New Shs	Automobile	1.40
Mphasis Ltd	IT - Software	1.12
Oil India Ltd	Crude Oil & Natural Gas	1.08
Jaiprakash Associates Ltd	Realty	1.02
Other Equity (less than 1.00% of corpus)		10.71
<b>Cash Bank &amp; Others</b>		<b>6.88</b>
<b>Total</b>		<b>100.00</b>

### Debt Investment Style

Credit Quality			Interest Rate Sensitivity
High	Med	Low	
			High
			Mid
			Low

### Fund Details

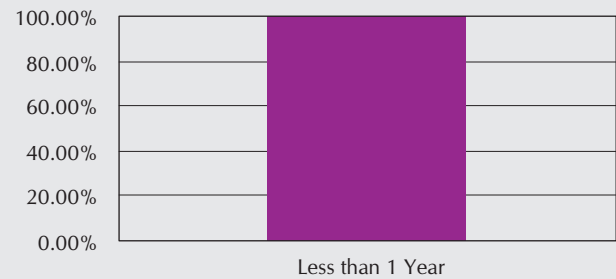
<b>Investment Objective</b>	: To provide safety of funds, liquidity and return on investments, in that order.
<b>Fund Manager</b>	: Mr. Saravana Kumar
<b>NAV as on 31 August, 10</b>	: ₹14.57
<b>Benchmark</b>	: CRISIL Liquid Fund Index -100%

### Fund Performance

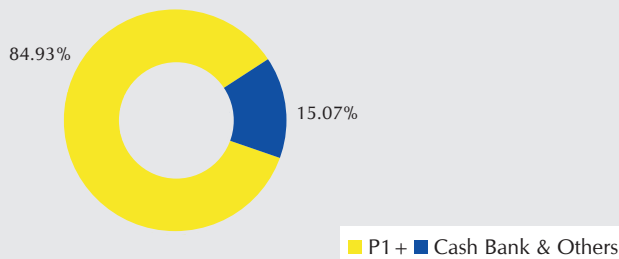
PERIOD	DATE	NAV	Crisil Liquid Fund Index	NAV Change	INDEX Change
Last 1 Month	30-Jul-10	14.51	1582.48	0.45%	0.49%
Last 3 Months	31-May-10	14.39	1569.37	1.28%	1.33%
Last 6 Months	26-Feb-10	14.22	1554.03	2.49%	2.33%
Last 1 Year	31-Aug-09	13.84	1532.04	5.25%	3.80%
Last 3 Year	31-Aug-07	11.79	1329.00	7.32%	6.16%
Since inception	25-May-04	10.00	1113.63	6.19%	5.84%

Note: The investment income and prices may go down as well as up. "Since Inception" and "3-years" period returns are calculated as per CAGR.

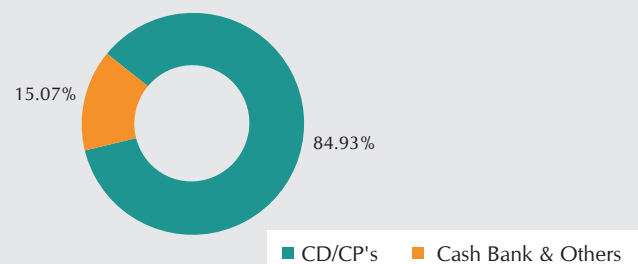
### Maturity Profile



### Rating Profile



### Asset Allocation



### Portfolio

Instrument	Rating	% of NAV
<b>CD/CP's</b>		<b>84.93</b>
RECL 2010 - CP	P1+	14.17
HDFC 2011 - CP	P1+	12.12
HDFC Bank Ltd 2010 - CD	P1+	9.47
Punjab National Bank 2011 - CD	P1+	9.30
State Bank of Mysore 2011 - CD	P1+	9.26
IDBI Bank 2011 - CD	P1+	8.77
Indian Oil Corp. 2010 - CP	P1+	7.70
Bank of Baroda 2010 - CD	P1+	4.73
State Bank of Patiala 2010 - CD	P1+	4.73
Bank of Baroda 2011 - CD	P1+	4.68
<b>Cash Bank &amp; Others</b>		<b>15.07</b>
<b>Net Assets</b>		<b>100.00</b>

**Debt Investment Style**

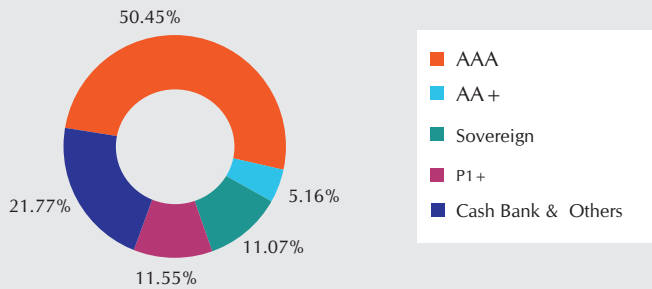
Credit Quality			Interest Rate Sensitivity
High	Med	Low	
			High
			Mid
			Low

**Fund Performance**

PERIOD	DATE	NAV	Crisil Composite Bond Fund Index	NAV Change	INDEX Change
Last 1 Month	30-Jul-10	14.31	1614.01	0.33%	0.29%
Last 3 Months	31-May-10	14.26	1607.49	0.67%	0.70%
Last 6 Months	26-Feb-10	13.92	1574.18	3.17%	2.83%
Last 1 Year	31-Aug-09	13.51	1530.92	6.30%	5.73%
Last 3 Year	31-Aug-07	11.23	1341.12	8.52%	6.47%
Since Inception	02-Mar-04	10.00	1193.20	5.72%	4.80%

Note: The investment income and prices may go down as well as up. "Since Inception" and "3-years" period returns are calculated as per CAGR.

**Rating Profile**



**Fund Details**

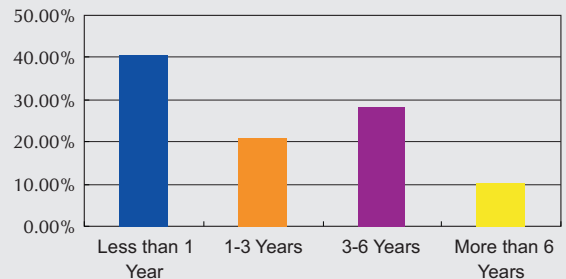
**Investment Objective** : To provide long-term capital appreciation by investing in high credit quality fixed income instruments. Stability of return and protection of principal over a long-term investment horizon will be the prime driver for investment management.

**Fund Manager** : Mr. Saravana Kumar

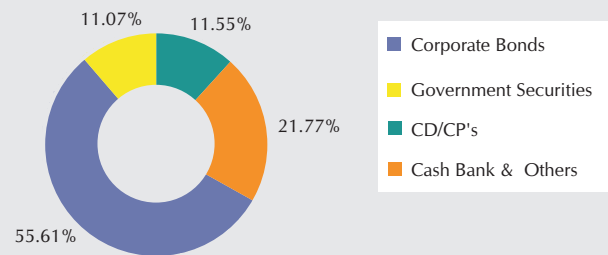
**NAV as on 31 August, 10** : ₹14.36

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

**Maturity Profile**



**Asset Allocation**



**Portfolio**

Instrument	Rating	% of NAV
<b>Government Securities</b>		<b>11.07</b>
8.20% GOI 2022	Sovereign	5.69
7.02% GOI 2016	Sovereign	2.79
9.39% GOI 2011	Sovereign	1.41
8.32% GOI 2032	Sovereign	0.70
7.38% GOI 2015	Sovereign	0.47
<b>Corporate Bonds</b>		<b>55.61</b>
2.00% Tata Motors Ltd 2014	AAA	4.60
8.60% PFC 2014	AAA	4.27
7.95% IDFC 2014	AAA	3.50
2.00% Indian Hotels Company Ltd 2014	AA+	3.05
9.80% PFC 2012	AAA	2.57
8.70% PFC 2015	AAA	2.50
7.35% HPCL 2012	AAA	2.46
10.75% RECL 2013	AAA	2.26
8.84% Power Grid 2016	AAA	2.14
9.35% ILFS 2010	AAA	2.14
7.40% Tata Chemicals 2011	AA+	2.11
7.45% LIC Housing 2012	AAA	2.11
7.20% RECL 2012	AAA	2.10
10.95% RECL 2011	AAA	1.82
9.15% LIC Housing 2010	AAA	1.78
10.75% Reliance Industries 2018	AAA	1.58
9.80% ICICI Bank 2013	AAA	1.48

Instrument	Rating	% of NAV
9.50% Exim Bank 2013	AAA	1.47
9.45% REC 2013	AAA	1.46
9.20% Power Grid 2013	AAA	1.45
9.20% Larsen & Toubro 2012	AAA	1.44
8.50% PFC 2014	AAA	1.42
8.40% HDFC 2014	AAA	1.41
8.75% Reliance Industries Ltd 2020	AAA	1.27
8.70% PFC 2020	AAA	1.06
10.00% IDFC 2012	AAA	0.73
8.80% SAIL 2015	AAA	0.72
8.5% Exim Bank 2011	AAA	0.71
<b>CD/CP's</b>		<b>11.55</b>
PNB 2011 - CD	P1+	3.43
Bank of Baroda 2011 - CD	P1+	2.76
Canara Bank 2011 - CD	P1+	1.37
State Bank of Patiala 2010 - CD	P1+	1.05
Bank of Baroda 2010 - CD	P1+	1.05
RECL 2010 - CP	P1+	0.70
IDBI Bank 2011 - CD	P1+	0.51
HDFC Bank 2010 - CD	P1+	0.35
State Bank of Mysore 2011 - CD	P1+	0.34
<b>Cash Bank &amp; Others</b>		<b>21.77</b>
<b>Net Assets</b>		<b>100.00</b>

### Debt Investment Style

Credit Quality			Interest Rate Sensitivity
High	Med	Low	
			High
			Mid
			Low

### Fund Details

**Investment Objective** : The primary objective is to generate stable returns by investing in fixed-income securities having maturities between 1 & 3 years.

**Fund Manager** : Mr. Saravana Kumar

**NAV as on 31 August, 10** : ₹12.77

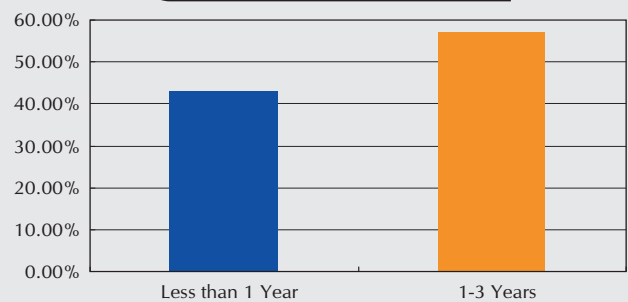
**Benchmark** : CRISIL India Short Term Bond Fund Index -100%

### Fund Performance

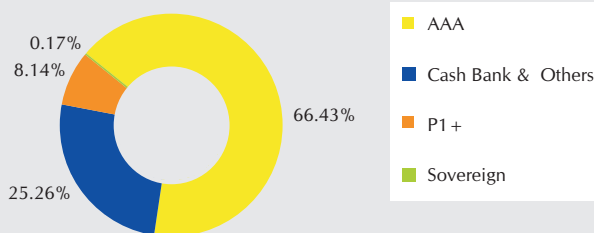
PERIOD	DATE	NAV	CRISIL India Short Term Bond Fund Index	NAV Change	INDEX Change
Last 1 Month	30-Jul-10	12.72	1655.29	0.45%	0.44%
Last 3 Months	31-May-10	12.70	1647.89	0.58%	0.89%
Last 6 Months	26-Feb-10	12.43	1621.98	2.81%	2.50%
Last 1 Year	31-Aug-09	12.06	1583.39	5.93%	5.00%
Last 3 Year	31-Aug-07	10.10	1341.94	8.14%	7.40%
Since Inception	03-Jul-06	10.00	1242.33	6.06%	7.25%

Note: The investment income and prices may go down as well as up. "Since Inception" and "3-years" period returns are calculated as per CAGR.

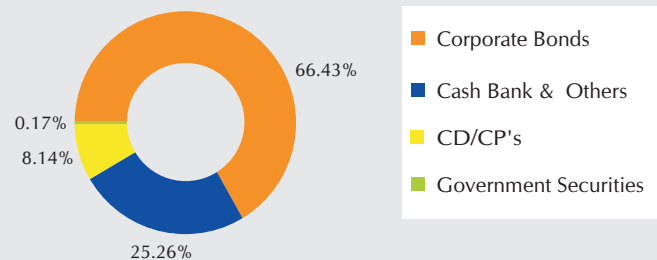
### Maturity Profile



### Rating Profile



### Asset Allocation



### Portfolio

Instrument	Rating	% of NAV
<b>Government Securities</b>		<b>0.17</b>
9.39% GOI 2011	Sovereign	0.17
<b>Corporate Bonds</b>		<b>66.43</b>
8.40% LIC Housing Finance 2013	AAA	12.77
7.90% RECL 2012	AAA	7.73
7.76% LIC Housing 2012	AAA	6.61
7.35% HPCL 2012	AAA	6.01
6.90% PFC 2012	AAA	5.98
10.00% PFC 2012	AAA	5.71
6.84% HDFC 2011	AAA	5.48
7.40% Infrastructure 2012	AAA	4.93
9.50% Nabard 2012	AAA	4.27
8.40% EXIM Bank 2010	AAA	3.87
9.68% IRFC 2012	AAA	2.00
7.74% Tata Communication Ltd 2012	AAA	1.10
<b>CD/CP's</b>		<b>8.14</b>
Bank of Baroda 2010 - CD	P1+	4.07
State Bank of Patiala 2010 - CD	P1+	4.07
<b>Cash Bank &amp; Others</b>		<b>25.26</b>
<b>Net Assets</b>		<b>100.00</b>



**Debt Investment Style**

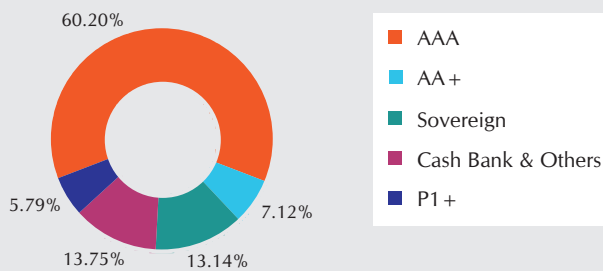
Credit Quality			Interest Rate Sensitivity
High	Med	Low	
			High
			Mid
			Low

**Fund Performance**

PERIOD	DATE	NAV	Crisil Composite Bond Fund Index	NAV Change	INDEX Change
Last 1 Month	30-Jul-10	12.23	1614.01	0.33%	0.29%
Last 3 Months	31-May-10	12.21	1607.49	0.49%	0.70%
Last 6 Months	26-Feb-10	11.87	1574.18	3.33%	2.83%
Last 1 Year	31-Aug-09	11.50	1530.92	6.65%	5.73%
Last 3 Year	31-Aug-07	10.00	1341.12	7.05%	6.47%
Since Inception	17-Aug-07	10.00	1339.53	6.95%	6.42%

Note: The investment income and prices may go down as well as up. \*Since Inception\* and \*3-years\* period returns are calculated as per CAGR.

**Rating Profile**



**Fund Details**

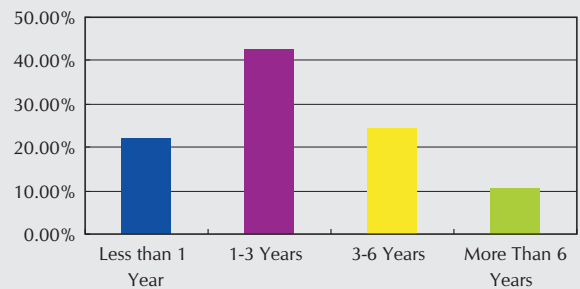
**Investment Objective** : To generate income through investing in a range of debt and money market instruments of various maturities with a view to maximising the optimal balance between yield, safety and liquidity.

**Fund Manager** : Mr. Saravana Kumar

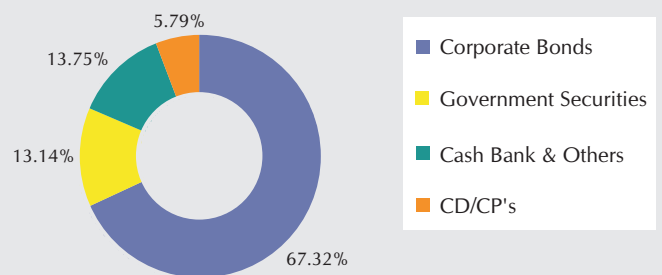
**NAV as on 31 August, 10** : ₹12.27

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

**Maturity Profile**



**Asset Allocation**



**Portfolio**

Instrument	Rating	% of NAV
<b>Government Securities</b>		<b>13.14</b>
7.02% GOI 2016	Sovereign	4.99
8.20% GOI 2022	Sovereign	2.98
8.32% GOI 2032	Sovereign	2.95
7.00% GOI 2012	Sovereign	2.22
<b>Corporate Bonds</b>		<b>67.32</b>
10.00% PFC 2012	AAA	7.37
9.50% HDFC Ltd. 2013	AAA	6.42
2.00% Indian Hotels Company 2014	AA+	6.38
7.45% LIC Housing 2012	AAA	5.90
2.00% Tata Motors Ltd 2014	AAA	4.81
9.50% Exim Bank 2013	AAA	4.62
9.20% Power Grid 2013	AAA	4.55
8.70% PFC 2015	AAA	3.73
7.35% HPCL 2012	AAA	3.67
11.75% Rural Electric Corp Ltd 2011	AAA	3.10

Instrument	Rating	% of NAV
9.80% ICICI Bank 2013	AAA	3.09
9.05% IDFC 2010	AAA	2.68
8.75% Reliance Industries 2020	AAA	2.67
8.70% PFC 2020	AAA	2.22
6.98% IRFC 2012	AAA	2.06
9.20% Larsen & Toubro 2012	AAA	1.51
7.76% LIC Housing 2012	AAA	1.19
7.40% Tata Chemical 2011	AA+	0.74
9.45% LIC Housing 2012	AAA	0.61
<b>CD/CP's</b>		<b>5.79</b>
Bank of Baroda 2010 - CD	P1+	1.46
State Bank of Patiala 2010 - CD	P1+	1.46
Bank of Baroda 2011 - CD	P1+	1.44
PNB 2011 - CD	P1+	1.43
<b>Cash Bank &amp; Others</b>		<b>13.75</b>
<b>Net Assets</b>		<b>100.00</b>



**Debt Investment Style**

Credit Quality			Interest Rate Sensitivity
High	Med	Low	
			High
			Mid
			Low

**Equity Investment Style**

Investment Style			Size
Value	Blend	Growth	
			Large
			Mid
			Small

**Fund Details**

**Investment Objective** : To supplement the income generation from the fixed income instruments with capital appreciation of the equity assets.

**Fund Manager** : Mr. Saravana Kumar

**NAV as on 31 August, 10** : ₹12.17

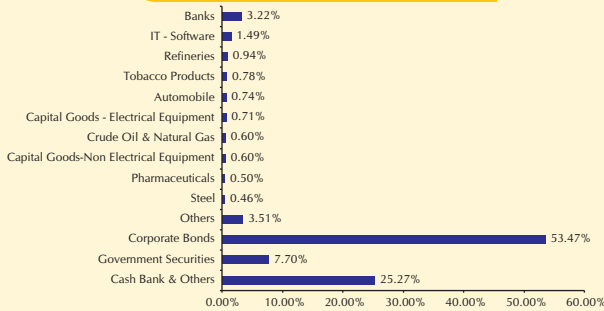
**Benchmark** : Nifty - 10%  
CRISIL Composite Bond Fund Index - 90%

**Fund Performance**

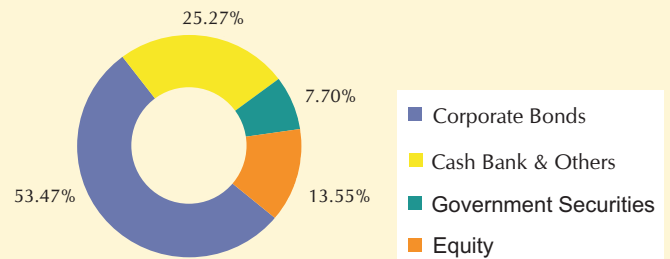
PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 1 Month	30-Jul-10	12.12	0.44%	0.33%
Last 3 Months	31-May-10	11.96	1.78%	1.25%
Last 6 Months	26-Feb-10	11.65	4.48%	3.52%
Last 1 Year	31-Aug-09	11.40	6.76%	6.75%
Last 3 Year	31-Aug-07	10.01	6.73%	6.48%
Since Inception	17-Aug-07	10.00	6.67%	6.72%

Note: The investment income and prices may go down as well as up. "Since Inception" and "3-years" period returns are calculated as per CAGR.

**Sector Allocation**



**Asset Allocation**



**Portfolio**

Instrument	Industry	% of NAV
<b>Equity</b>		<b>13.55</b>
Infosys Technologies Ltd	IT - Software	0.99
Reliance Industries Ltd	Refineries	0.94
State Bank Of India	Banks	0.80
ITC Ltd	Tobacco Products	0.78
HDFC Bank	Banks	0.71
ICICI Bank Ltd	Banks	0.63
Larsen And Toubro Ltd	Capital Goods-Non Electrical Equipment	0.59
Bharat Heavy Electricals Ltd	Capital Goods - Electrical Equipment	0.44
Oil & Natural Gas Corp Ltd	Crude Oil & Natural Gas	0.39
Asian Paints (India) Ltd	Paints/Varnish	0.30
Other Equity		6.98
<b>Corporate Bonds</b>		<b>53.47</b>
8.28% LIC Housing 2015	AAA	10.08
7.75% RECL 2012	AAA	6.09
8.80% Power Grid 2015	AAA	5.51
8.95% PFC 2015	AAA	5.46

Instrument	Industry	% of NAV
8.35% HDFC 2015	AAA	4.33
9.20% HDFC 2012	AAA	3.70
7.90% RECL 2012	AAA	3.35
7.40% Tata Chemical 2011	AA+	3.32
9.20% Power Grid 2015	AAA	2.98
8.40% HDFC 2014	AAA	2.17
7.35% HPCL 2012	AAA	2.16
10.75% Reliance Ind 2018	AAA	1.62
9.50% NABARD 2012	AAA	1.50
9.80% PFC 2012	AAA	0.75
8.83% IRFC 2012	AAA	0.30
10.00% PFC 2012	AAA	0.15
<b>Government Securities</b>		<b>7.70</b>
7.02% GOI 2016	Sovereign	6.98
8.32% GOI 2032	Sovereign	0.72
<b>Cash Bank &amp; Others</b>		<b>25.27</b>
<b>Net Assets</b>		<b>100.00</b>

**Debt Investment Style**

Credit Quality			Interest Rate Sensitivity
High	Med	Low	
			High
			Mid
			Low

**Equity Investment Style**

Investment Style			Size
Value	Blend	Growth	
			Large
			Mid
			Small

**Fund Details**

**Investment Objective** : The objective of this Fund is to generate long term capital appreciation and income by investing a considerable percentage of the fund in equity and equity linked instruments and the balance in Government Bonds and high quality fixed income instruments.

**Fund Manager** : Mr. Saravana Kumar

**NAV as on 31 August, 10** : ₹12.37

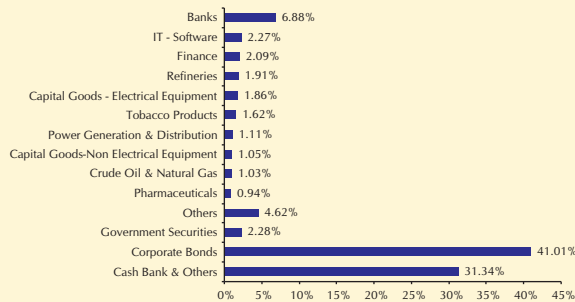
**Benchmark** : Nifty - 30%  
CRISIL Composite Bond Fund Index - 70%

**Fund Performance**

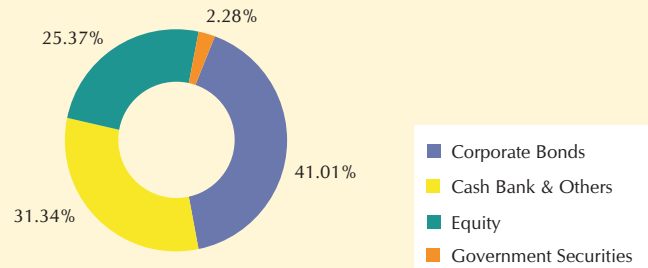
PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 1 Month	30-Jul-10	12.31	0.50%	0.40%
Last 3 Months	31-May-10	12.02	2.92%	2.35%
Last 6 Months	26-Feb-10	11.74	5.38%	4.91%
Last 1 Year	31-Aug-09	11.40	8.53%	8.78%
Last 3 Year	31-Aug-07	10.00	7.35%	6.50%
Since Inception	17-Aug-07	10.00	7.25%	7.32%

Note: The investment income and prices may go down as well as up. "Since Inception" and "3-years" period returns are calculated as per CAGR.

**Sector Allocation**



**Asset Allocation**



**Portfolio**

Instrument	Industry	% of NAV
<b>Equity</b>		<b>25.27</b>
Equity		25.37
Reliance Industries Ltd	Refineries	1.91
HDFC Bank	Banks	1.76
Infosys Technologies Ltd	IT - Software	1.68
ITC Ltd	Tobacco Products	1.62
ICICI Bank Ltd	Banks	1.33
HDFC Ltd	Finance	1.29
State Bank Of India	Banks	1.14
Axis Bank Ltd	Banks	1.10
Oriental Bank Of Commerce	Banks	1.05
Larsen and Toubro Ltd	Capital Goods-Non Electrical Equipment	1.05
Other Equity (less than 1.00% of corpus)		11.42
<b>Government Securities</b>		<b>2.28</b>
9.39% GOI 2011	Sovereign	2.28
<b>Corporate Bonds</b>		<b>41.01</b>
8.28% LIC Housing 2015	AAA	16.36
8.40% Exim Bank 2010	AAA	8.27
7.40% Infrastructure 2012	AAA	8.20
8.30% HDFC Ltd 2015	AAA	8.18
<b>Cash Bank &amp; Others</b>		<b>31.34</b>
<b>Net Assets</b>		<b>100.00</b>

## Disclaimer

1. The fund is managed by Tata AIG Life Insurance Company Ltd. (hereinafter the "Company").
2. Past performance is not indicative of future results. Returns are calculated on an absolute basis for a period of less than (or equal to) a year, with reinvestment of dividends (if any).
3. All investments made by the Company are subject to market risks. The Company does not guarantee any assured returns. The investment income and price may go down as well as up depending on several factors influencing the market.
4. Every effort is made to ensure that all information contained in this publication is accurate at the date of publication, but no responsibility or liability in respect of any error or omission is accepted by the Company.
5. Tax benefits are as per the Income Tax Act, 1961 and are subject to amendments made therein from time to time.
6. This material belongs to Tata AIG Life Insurance Company Ltd. Any unauthorised use, reprint or circulation is prohibited.
7. Please know the associated risks and the applicable charges from your Insurance agent or the intermediary or policy document of the Insurer.
8. Various funds offered under this contract are the names of funds and do not, in any way, indicate the quality of the plans, their future prospects & returns.
9. Premium paid in ULIPs are subject to Investment risks associated with capital markets & the NAV of the units may go up or down based on the performance of the fund and factors influencing capital markets & the insured is responsible for his/her decision.
10. ULIP products are different from traditional Life Insurance products and are subject to risk factors.
11. Tata AIG Life Insurance Company Limited is only the name of insurance company and i. Pension Short-term Fixed Income, ii. Pension Income, iii. Pension Equity, iv. Pension Liquid, v. Pension Balanced, vi. Pension Bond, vii. Pension Growth, are only the names of the funds and does not in any way indicate the quality of the contracts, its future prospects or returns.
12. Interest Rate Sensitivity
  - Less than 3 year duration - Low
  - 3 to 10 years duration - Medium
  - more than 10 years duration - High
13. Shading indicates the general representative nature of the portfolio to a particular style or cap".
14. Whilst every care has been taken in the preparation of this document, it is subject to correction and markets may not perform in a similar fashion based on factors influencing the capital and debt markets; hence this review note does not individually confer any legal rights or duties.

Insurance is the subject matter of the solicitation

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