

## INDEX

<b>From the CIOs Desk . . . . .</b>	<b>2</b>
<b>Market Outlook. . . . .</b>	<b>3</b>
<b>Pension Equity Fund . . . . .</b>	<b>4</b>
<b>Pension Liquid Fund . . . . .</b>	<b>5</b>
<b>Pension Income Fund. . . . .</b>	<b>6</b>
<b>Pension Short Term Income Fund. . . . .</b>	<b>7</b>
<b>Pension Bond Fund . . . . .</b>	<b>8</b>
<b>Pension Balance Fund. . . . .</b>	<b>9</b>
<b>Pension Growth Fund . . . . .</b>	<b>10</b>



Dear Friends,

*November 2010 was a event heavy month for the global markets, which reacted to the news of the Quantitative easing-II and the tensions in the Korean Peninsula, apart from the concerns of Chinese economy slowing in order to cool down the threat of inflation even as there were worries from the Euro zone on the bailout required for the Irish economy.*

The Indian markets reacted to these global events, as well the news around the alleged telecom scam and bribe-for-loan scam, unearthed by the CBI, which led to a sharp sell off in various key sectors as well as a correction in the benchmark indices.

The November 2<sup>nd</sup> Monetary Policy announced hike in the repo rate (at which banks borrow from the RBI) and the reverse-repo rate (at which banks park money with the RBI) by 25bps each to 6.25% and 5.25% respectively. Since February 2010, repo rate rose by 150bps, reverse-repo by 200bps and CRR by 100bps. Despite noting some softening of headline inflation, the RBI emphasised the need to control the unacceptable high food inflation. This seems necessary to avert a generalised high inflationary scenario due to pass-through of high food prices and upward revision of inflationary expectation

Industrial Production (IIP) grew 4.4% year on year in September 2010, much below consensus expectation of 6.4% even as the headline wholesale price Index –WPI, moderated marginally from 8.62% in September 2010 to 8.58% in October 2010, the lowest since January 2010.

First Advance estimates of the kharif (summer) crop production peg the output at 114.6 million tonnes, up 10.4% year on year from the 103.8 million tonnes. While increase in soil moisture bodes well for the winter crop, the unseasonal rains are a slight concern as it could impact some of the crops and may keep food price inflation at elevated levels.

Encouragingly, the government's divestment program is yielding a positive response, following the success of recent public offerings. With this, the government would likely meet its budgeted divestment estimate of ₹400 billion. Tax collections remain buoyant, with gross tax revenues during April-September FY11 up 27.5% year on year. These factors, coupled with higher nominal GDP growth, could result in the government meeting its 5.5% of GDP deficit target for FY11.

The Bihar assembly election results is believed by many political analysts to be a resounding validation of the government's success in driving enormous social, economic and infrastructure growth in the state over the past five years. With parliamentary and other state elections due in the next few years, there could be more focus and spending on social and development sector, especially infrastructure. The bar is raised for all the governments, to prioritize development and speed up the reform process.

In November 2010, signals from China dominated in the global markets. In anticipation of inflationary pressures, the markets were abuzz with news of possible price control measures to be taken by the Chinese government. Consumer price inflation for October 2010 rose to 4.4%, much higher than the targeted 3%, with food inflation running at around 10%. The markets were anticipating a hike in the policy rates. The People's Bank of China hiked the banks' reserve requirement ratio by 50 bps.

The Korean peninsula was at the brink of a mounting escalation of tensions as North Korean artillery fire rained on the island of Yeonpyeong, even as South Korea scrambled its jets to return the fire. The world community urged restraint even as the global markets reacted to this added uncertainty by grinding lower.

The speculation over an Irish bailout finally ended with the Irish government requesting for financial aid from European authorities. However, the focus immediately shifted to contagion risks, most notably to Portugal. Markets remain skeptical about the ability of European policymakers to prevent contagion.

The main beneficiary from the concerns on the Euro zone bailout and the Korean tensions was the US Dollar which benefitted from the sharp rise in risk aversion.

In the middle of all these events, the Sensex aggregate performance was in-line with the broad estimates with a profit after tax (PAT) growth at 27%, thanks to stellar results from some heavy weights with robust global earnings.

With a correction of almost 10% from the recent peak, we believe that we are closer to fair value on FY 12 earnings, and see pockets of reasonable valuations emerging, post what appears to be a sharp correction triggered by a combination of unexpected global and local events.

**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 RBI raised the policy rates on November 2<sup>nd</sup> by 25 bps to rein in inflationary expectations. Since the normalization of the rate cycle, the repo and reverse repo rates have been raised by 150bps and 200bps, and now stand at 6.25% and 5.25% respectively. The RBI in its policy has said that 'the likelihood of rate actions in the immediate future is relatively low', which could be interpreted as no possible hike in December 2010 and 25 bps rate hike in the fourth quarter of FY 2011 and an overall rate hike of around 75 bps in the calendar year 2011.

Liquidity conditions have been in deficit for the last six months. Earlier, it was mainly attributed lumpy outflow because of 3G auction. However, structural factors appear to dominate.

Credit growth has been strong up 22% year on year, while deposits continue to lag currently at 15%. On 29<sup>th</sup> November 2010, the RBI extended and further relaxed the temporary liquidity easing measures for banks, which effectively reduces Statutory Liquidity Ratio (SLR) requirement by 2% to 23% for the purpose of availment of the borrowing facility from RBI under Repo window.

In the current fiscal, portfolio inflows have seen a significant rise year on year, up 46% to USD19.6billion in contrast to the last few years where FDI was key driver of the capital account. With recent rally in commodities posing upside risks to the Current Account Deficit estimates, the slowdown in FDI is seen as a concern as portfolio flows track the global risk appetite.

The buoyant tax revenues and a successful disinvestment program has given the government some cushion to offset gross under-recoveries in oil, pegged at ₹540 billion at current prices, where government share could be around 50%. This cushion is vital as the additional spending via the two supplementary budgets has wiped out nearly all the 3G auction surplus revenues of ₹715bn.

The southern peninsula and western region has received ill-timed excessive rainfall over past two weeks. The excess ranges between 7-100% across various states. These states contribute 30% of the total area under cultivation and 21% of the total food grain production in India. The crops which can be especially damaged are rice, maize, Jowar, Gram, Tur and cash crops like onion. Gujarat, Maharashtra and Andhra Pradesh produce 40% of the total oilseed production in India hence the production may be affected. This could put some upward pressure on the prices of the certain Kharif crops.

At the global platform, the recently concluded G20 meeting appeared to focus on ironing out the ruffles between the export-oriented countries and deficit laden countries. Key takeaways from the meeting were a broad commitment to work towards addressing current account imbalances, a pledge to refrain from protectionist policies and recognition of the growing clout of emerging nations in the G20.

September IIP growth at 4.4% decelerated sharply displaying lowest growth in 16 months. Manufacturing sector growth, at 4.5% in September 2010 from 7.5% in August 2010, led the softness in the headline number. On the use-based classification, apart from capital goods that showed a sharp fall (from 2.1% in August to -4.2% in September, Y-o-Y), consumer durables was also a big drag (from 27.1% in August to 10.9% in September, Y-o-Y). Meanwhile, IIP growth number for August 2010 was revised upwards to 6.9% against 5.5% reported earlier.

However, the stellar performance in earlier months still implies double-digit IIP growth for 1HFY11. Besides, a massive USD2.6 trillion of outstanding projects, surge in various service sectors and continued buoyancy in various industry outlook surveys suggest economic growth is on track.

Headline WPI moderated marginally from 8.62% in September 2010 to 8.58% in October 2010, the lowest since January 2010. However, the index actually rose by 0.4% over the previous month, led by all the three sub-indices. Manufactured products inflation firmed to 4.75%, while fuel inflation came in at 11% and primary articles at 16.7%. The August inflation rate was revised upwards to 8.82% from the provisional reading of 8.51%.

We could expect inflation to moderate only gradually to around 7% by December 2010 and to around 6.0-6.5% by end-FY2011, assuming that a likely fuel price increase will reduce the under-recoveries. The RBI had, in its monetary policy statement on November 2<sup>nd</sup> signaled a pause in the policy interest rates for now. Thus, there is unlikely to be any policy action in next monetary policy meeting on December 16<sup>th</sup> 2010. However, we could expect another 25 bps increase in both the Reverse Repo and the Repo Rate by the end of FY2011. Thus, so far as monetary policy stance is concerned, RBI would continue to be bothered by the high and sticky inflation levels, rather than the lower-than-expected IIP numbers.

The 10 Year Government securities had discounted the RBI's rate hike on 2<sup>nd</sup> November and have traded in a tight range around 8% and are expected to track a range of 10 bps either side of 8% in the month of December 2010. The range could be broken on the downside if there is a sudden escalation in risk aversion triggered by the tension in the Korean peninsula or renewed fears of Chinese tightening its policy.

The credit spread on AAA bonds is currently between 60-70 bps and is expected to widen going forward as the credit growth is expected to be strong going forward and the tight liquidity in the system could push up the rates.

## EQUITY MARKET OUTLOOK

The Indian equity markets had to grapple with a series of global and local events in November 2010, as the benchmark indices BSE Sensex and CNX Nifty corrected by around 2.5% for the month. The correction in the broader market, represented by CNX Midcap was sharper at around 5%.

Global fears dominated the landscape, including the Irish contagion, tensions in the Korean peninsula in addition to the risk of aggressive monetary tightening in China, on the back of unexpectedly high food inflation for October 2010.

In India, close on the heels of the telecom corruption charges, came the housing finance scam. The Economic Offence Wing registered cases against the officials of a slew of banks and financial service companies. The officials were arrested on corruption charges of accepting bribes from private financiers to route loans to corporates. The charges of corruption on officials of PSU banks/institutions are currently confined to the exposed companies and financiers. Moreover, the quantum involved was minuscule and the act would not necessarily pose any systemic risk to asset quality. The market has been more concerned with the possible overly cautious approach to housing/infrastructure lending by all financiers, thereby starving these sectors of much needed funds.

The second quarter earnings season was broadly in-line with expectations, with PAT growth of 27% year on year. As expected, the Indian earnings growth was driven by the global growth trajectory, rather than India's strong GDP growth. The Q2FY11 results' season saw the Sensex companies' post a year on year revenue growth of 17.9%, the same on a quarter on quarter basis was 6.5%. Dissecting the growth figures of the much larger basket of companies, i.e. BSE-500, it can be seen that the trend was similar, with a year on year and quarter on quarter revenue growth of 20.4% and 0.9% respectively.

In November 2010, signals from China dominated in the global markets. In anticipation of inflationary pressures, the markets were preparing for a possible price control measure to be taken by the Chinese government. Consumer price inflation for October 2010 rose to 4.4%, much higher than the targeted 3%, with food inflation running at around 10%. The markets were anticipating a hike in the policy rates. The People's Bank of China hiked the banks' reserve requirement ratio by 50 bps, effective November 29<sup>th</sup> to 18.5%. This comes on the back of a similar hike in the reserve requirement a fortnight back. The effects on the commodities markets were most prominent as the LME metals index fell and the Baltic Dry Index tanked.

On 23<sup>rd</sup> November 2010, North Korea opened artillery fire on the South Korean island of Yeonpyeong destroying more than 60 buildings and causing casualties in what was the most serious act of aggression against the civilians in the last 20 years. South Korea retaliated as it recorded the highest peacetime emergency footing, returning fire on North Korea. The Global commodities and equities sold off even as the flight to safety trade panned out as investors sought the safety of the US dollar and US treasury. Despite an escalation in tensions in the Korean peninsula, a risk of a full-blown war is minimal and certainly not the base case scenario.

In the calendar year to date, the FIIs have invested around USD 28 billion into equities – the highest ever in a calendar year. However, domestic institutions have net sold USD 5 billion worth of equities.

India's economy grew a faster-than-expected in the second quarter of FY 2011 as the GDP came in at 8.9% versus 8.7% year on year. Factoring in the new WPI series, the April-June quarter GDP growth too has been revised to 8.9% versus 8.8% earlier. Q2FY2011 GDP rose 8.9%, higher than consensus expectations of 8.2%. Growth was led by services up 9.8%, industry up 8.9% and agriculture up 4.4%. The robust GDP growth reflects the underlying buoyancy in the economy and is a key indicator of the growth in consumption and investment, the two drivers of the Indian economic growth engine.

As the markets have corrected 10% from the recent peak, we see reasonable value emerging in certain pockets of the market as the benchmark index trades closer to fair value on FY 12 earnings.

## Equity Investment Style

Credit Quality			Interest Rate Sensitivity
High	Med	Low	
			High
			Mid
			Low

## Fund Performance

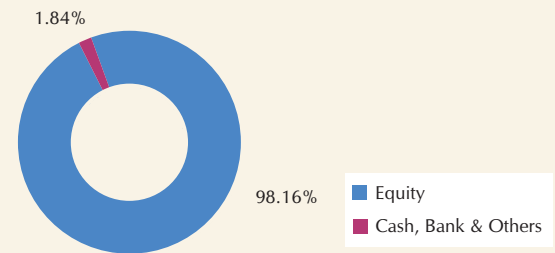
PERIOD	DATE	NAV	BSE Sensex	NAV Change	INDEX Change
Last 1 Month	29-Oct-10	37.87	20032.34	-1.87%	-2.55%
Last 3 Months	31-Aug-10	34.65	17971.12	7.25%	8.63%
Last 6 Months	31-May-10	31.69	16944.63	17.29%	15.21%
Last 1 Year	30-Nov-09	30.91	16926.22	20.25%	15.33%
Last 3 Year	30-Nov-07	40.44	19363.19	-2.78%	0.27%
Since Inception	29-Mar-04	10.00	5571.37	21.73%	20.66%

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.

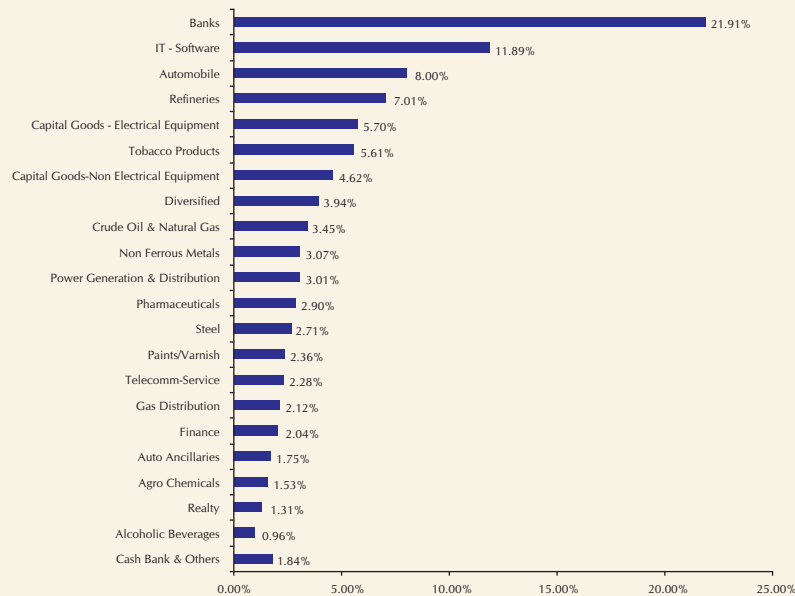
## Fund Details

<b>Investment Objective</b>	: 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.
<b>Fund Manager</b>	: Mr. Saravana Kumar
<b>NAV as on 30 Nov, 2010</b>	: ₹37.16
<b>Benchmark</b>	: BSE Sensex - 100%

## Asset Allocation



## Sector Allocation



## Portfolio

Instrument	Industry	% of NAV
<b>Equity</b>		<b>98.16</b>
Infosys Technologies Ltd	IT - Software	7.54
Reliance Industries Ltd	Refineries	7.01
ICICI Bank Ltd	Banks	6.09
HDFC Bank	Banks	5.87
ITC Ltd	Tobacco Products	5.61
State Bank of India	Banks	4.88
Larsen and Toubro Ltd	Capital Goods-Non Electrical Equipment	4.62
Oil & Natural Gas Corp Ltd	Crude Oil & Natural Gas	3.45
Tata Motors Ltd	Automobile	3.42
Bharat Heavy Electricals Ltd	Capital Goods - Electrical Equipment	3.05
Mahindra and Mahindra Ltd	Automobile	2.87
Crompton Greaves Ltd	Capital Goods - Electrical Equipment	2.65
Axis Bank Ltd	Banks	2.57
Bank of Baroda	Banks	2.50
Asian Paints (India) Ltd	Paints/Varnish	2.36
Bharti Airtel Ltd	Telecomm-Service	2.28
Tata Steel Ltd	Steel	2.08
HDFC Ltd	Finance	2.04

Instrument	Industry	% of NAV
Sintex Industries Ltd	Diversified	2.02
Voltas Limited	Diversified	1.93
Sterlite Industries (India) Ltd	Non Ferrous Metals	1.85
Exide Industries Ltd	Auto Ancillaries	1.75
Bajaj Auto Ltd - New Shs	Automobile	1.71
Tata Consultancy Services Ltd	IT - Software	1.59
Sun Pharmaceutical Industries Ltd	Pharmaceuticals	1.55
United Phosphorus Ltd	Agro Chemicals	1.53
Wipro Ltd	IT - Software	1.49
Cipla Ltd	Pharmaceuticals	1.36
NTPC Ltd	Power Generation & Distribution	1.27
Mphasis Ltd	IT - Software	1.27
Hindalco Industries Ltd	Non Ferrous Metals	1.22
Petronet Lng Ltd	Gas Distribution	1.15
Jaiprakash Associates Ltd	Realty	1.09
Tata Power Co Ltd	Power Generation & Distribution	1.02
Other Equity (less than 1.00% of corpus)		3.49
<b>Cash Bank &amp; Others</b>		<b>1.84</b>
<b>Total</b>		<b>100.00</b>

### Debt Investment Style

Credit Quality			Interest Rate Sensitivity
High	Med	Low	
			High
			Mid
			Low

### Fund Details

**Investment Objective** : To provide safety of funds, liquidity and return on investments, in that order.

**Fund Manager** : Mr. Saravana Kumar

**NAV as on 30 Nov, 2010** : ₹14.76

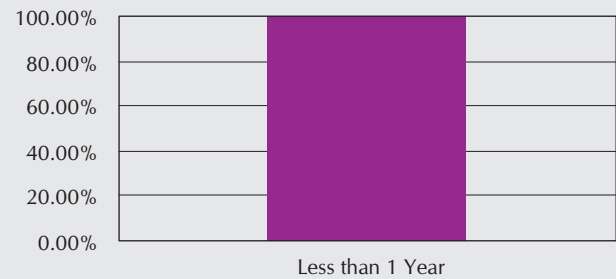
**Benchmark** : CRISIL Liquid Fund Index -100%

### Fund Performance

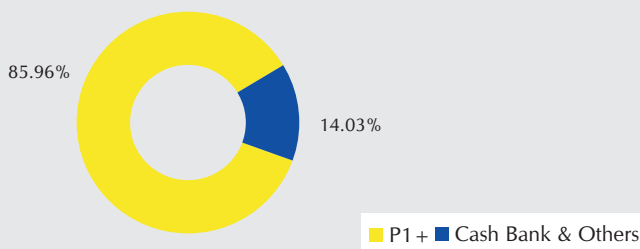
PERIOD	DATE	NAV	Crisil Liquid Fund Index	NAV Change	INDEX Change
Last 1 Month	29-Oct-10	14.69	1605.61	0.46%	0.58%
Last 3 Months	31-Aug-10	14.57	1590.19	1.27%	1.56%
Last 6 Months	31-May-10	14.39	1569.37	2.57%	2.91%
Last 1 Year	30-Nov-09	14.05	1542.38	5.04%	4.71%
Last 3 Year	30-Nov-07	12.07	1350.99	6.94%	6.13%
Since inception	25-May-04	10.00	1113.63	6.15%	5.87%

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.

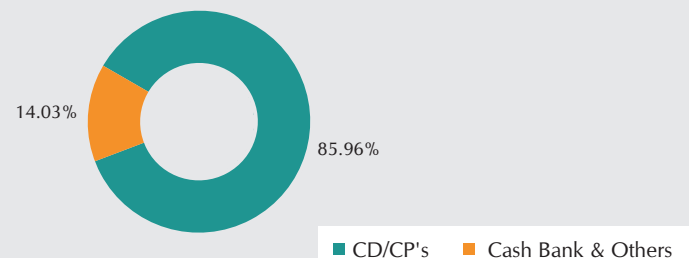
### Maturity Profile



### Rating Profile



### Asset Allocation



### Portfolio

Instrument	Rating	% of NAV
<b>CD/CP's</b>		<b>85.96</b>
RECL 2010 - CP	P1+	12.83
HDFC 2011 - CP	P1+	10.99
HDFC Bank Ltd 2010 - CD	P1+	8.57
Punjab National Bank 2011 - CD	P1+	8.43
State Bank of Mysore 2011 - CD	P1+	8.39
Andhra Bank 2011 - CD	P1+	8.08
IDBI Bank 2011 - CD	P1+	7.95
Aditya Birla Finance Ltd 2011- CP	P1+	7.89
State Bank of Patiala 2010 - CD	P1+	4.29
Bank of Baroda 2010 - CD	P1+	4.28
Bank of Baroda 2011 - CD	P1+	4.24
<b>Cash Bank &amp; Others</b>		<b>14.03</b>
<b>Net Assets</b>		<b>100.00</b>

**Debt Investment Style**

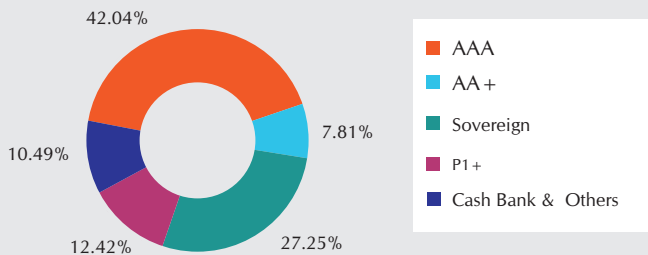
Credit Quality			Interest Rate Sensitivity
High	Med	Low	
			High
			Mid
			Low

**Fund Performance**

PERIOD	DATE	NAV	Crisil Composite Bond Fund Index	NAV Change	INDEX Change
Last 1 Month	29-Oct-10	14.47	1630.21	0.55%	0.50%
Last 3 Months	31-Aug-10	14.36	1618.71	1.35%	1.22%
Last 6 Months	31-May-10	14.26	1607.49	2.03%	1.92%
Last 1 Year	30-Nov-09	13.83	1567.57	5.19%	4.52%
Last 3 Year	30-Nov-07	11.59	1375.11	7.89%	6.01%
Since Inception	02-Mar-04	10.00	1193.20	5.72%	4.81%

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**

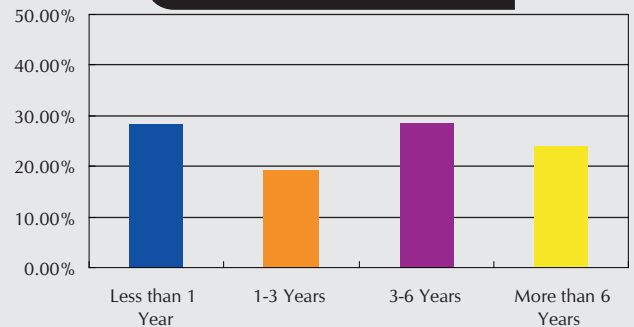
**Investment Objective** : To provide long-term capital appreciation by investing in high credit quality fixed income instruments. Stability of return and protection of principal over a long-term investment horizon will be the prime driver for investment management.

**Fund Manager** : Mr. Saravana Kumar

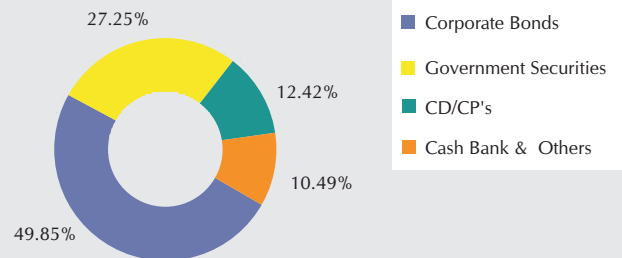
**NAV as on 30 Nov, 2010** : ₹14.55

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

**Maturity Profile**



**Asset Allocation**



**Portfolio**

Instrument	Rating	% of NAV
<b>Government Securities</b>		<b>27.25</b>
8.30% GOI 2040	Sovereign	5.87
7.17% GOI 2015	Sovereign	5.20
8.20% GOI 2022	Sovereign	5.06
7.99% GOI 2017	Sovereign	4.78
8.08% GOI 2022	Sovereign	4.08
9.39% GOI 2011	Sovereign	1.23
8.32% GOI 2032	Sovereign	0.62
7.38% GOI 2015	Sovereign	0.41
<b>Corporate Bonds</b>		<b>49.85</b>
8.80% Tata Sons 2015	AAA	3.79
8.60% PFC 2014	AAA	3.77
HDFC LTD 2013	AAA	3.52
9.50% United Phosphorus Ltd 2015	AA+	3.21
7.95% IDFC 2014	AAA	3.09
2.00% Indian Hotels Company Ltd 2014	AA+	2.73
9.80% PFC 2012	AAA	2.24
7.35% HPCL 2012	AAA	2.16
10.75% RECL 2013	AAA	1.98
8.84% Power Grid 2016	AAA	1.90
7.40% Tata Chemicals 2011	AA+	1.86
7.45% LIC Housing 2012	AAA	1.86
7.20% RECL 2012	AAA	1.85
10.95% RECL 2011	AAA	1.59
10.75% Reliance Industries Ltd 2018	AAA	1.40

Instrument	Rating	% of NAV
9.80% ICICI Bank 2013	AAA	1.29
9.50% Exim Bank 2013	AAA	1.29
9.45% REC 2013	AAA	1.28
9.20% Power Grid 2013	AAA	1.27
9.20% Larsen & Toubro 2012	AAA	1.26
8.50% PFC 2014	AAA	1.25
8.40% HDFC 2014	AAA	1.25
8.75% Reliance Industries Ltd 2020	AAA	1.13
9.18% Tata Sons 2020	AAA	0.97
10.00% IDFC 2012	AAA	0.64
8.80% SAIL 2015	AAA	0.63
8.50% Exim Bank 2011	AAA	0.63
<b>CD/CP's</b>		<b>12.42</b>
PNB 2011 - CD	P1+	3.09
Bank of Baroda 2011 - CD	P1+	2.48
Bank of Baroda 2011 - CD	P1+	2.02
Canara Bank 2011 - CD	P1+	1.23
State Bank of Patiala 2010 - CD	P1+	0.94
Bank of Baroda 2010 - CD	P1+	0.94
RECL 2010 - CP	P1+	0.63
IDBI Bank 2011 - CD	P1+	0.46
HDFC Bank 2010 - CD	P1+	0.31
State Bank of Mysore 2011 - CD	P1+	0.31
<b>Cash Bank &amp; Others</b>		<b>10.49</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

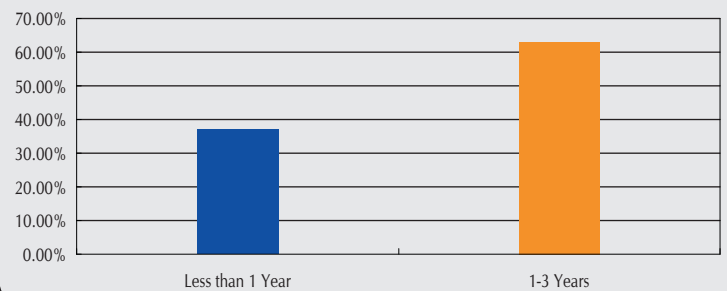
<b>Investment Objective</b>	: The primary objective is to generate stable returns by investing in fixed-income securities having maturities between 1 & 3 years.
<b>Fund Manager</b>	: Mr. Saravana Kumar
<b>NAV as on 30 Nov, 2010</b>	: ₹12.89
<b>Benchmark</b>	: CRISIL India Short Term Bond Fund Index -100%

### Fund Performance

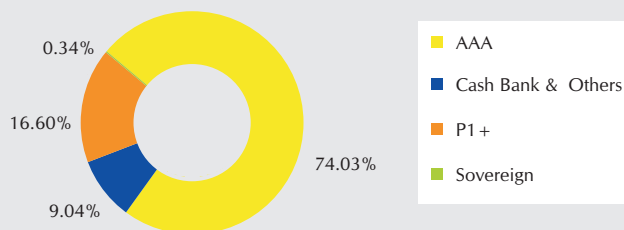
PERIOD	DATE	NAV	CRISIL India Short Term Bond Fund Index	NAV Change	INDEX Change
Last 1 Month	29-Oct-10	12.84	1675.18	0.37%	0.42%
Last 3 Months	31-Aug-10	12.77	1662.57	0.92%	1.18%
Last 6 Months	31-May-10	12.70	1647.89	1.51%	2.09%
Last 1 Year	30-Nov-09	12.34	1609.64	4.49%	4.51%
Last 3 Years	30-Nov-07	10.37	1371.58	7.51%	7.04%
Since Inception	03-Jul-06	10.00	1242.33	5.92%	7.11%

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.

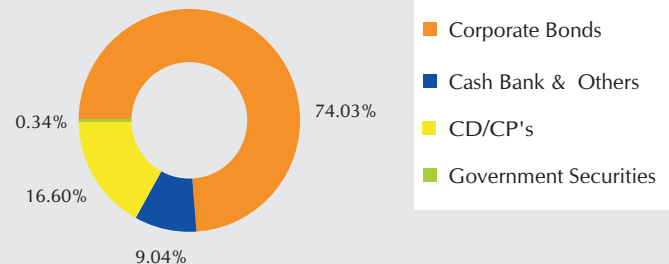
### Maturity Profile



### Rating Profile



### Asset Allocation



### Portfolio

Instrument	Rating	% of NAV
<b>Government Securities</b>		<b>0.34</b>
9.39% GOI 2011	Sovereign	0.34
<b>Corporate Bonds</b>		<b>74.03</b>
7.90% RECL 2012	AAA	15.36
7.76% LIC Housing 2012	AAA	13.13
6.90% PFC 2012	AAA	11.93
6.84% HDFC 2011	AAA	11.03
7.40% Infrastructure 2012	AAA	9.81
9.68% IRFC 2012	AAA	3.96
7.35% HPCL 2012	AAA	3.81
9.50% NABARD 2012	AAA	2.82
7.74% Tata Communication Ltd 2012	AAA	2.20
<b>CD/CP's</b>		<b>16.60</b>
Bank of Baroda 2010 - CD	P1+	8.30
State Bank of Patiala 2010 - CD	P1+	8.30
<b>Cash Bank &amp; Others</b>		<b>9.04</b>
<b>Net Assets</b>		<b>100.00</b>

### Debt Investment Style

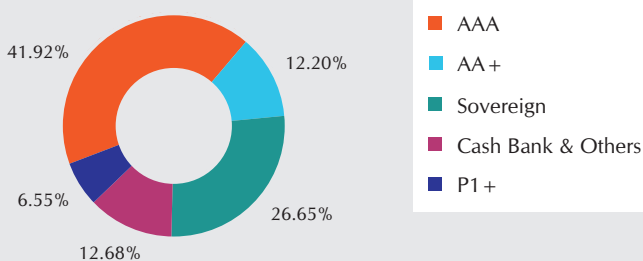
Credit Quality			Interest Rate Sensitivity
High	Med	Low	
			High
			Mid
			Low

### Fund Performance

PERIOD	DATE	NAV	Crisil Composite Bond Fund Index	NAV Change	INDEX Change
Last 1 Month	29-Oct-10	12.36	1630.21	0.52%	0.50%
Last 3 Months	31-Aug-10	12.27	1618.71	1.24%	1.22%
Last 6 Months	31-May-10	12.21	1607.49	1.73%	1.92%
Last 1 Year	30-Nov-09	11.79	1567.57	5.34%	4.52%
Last 3 Year	30-Nov-07	10.12	1375.11	7.07%	6.01%
Since Inception	17-Aug-07	10.00	1339.53	6.81%	6.31%

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.

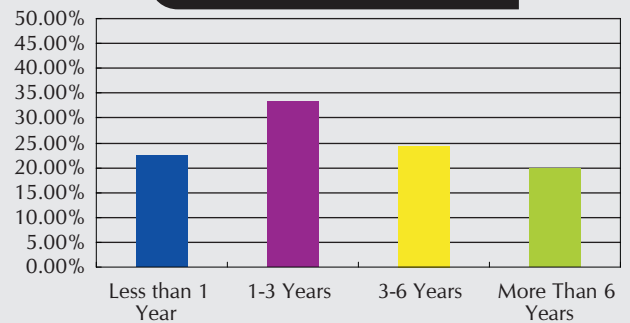
### Rating Profile



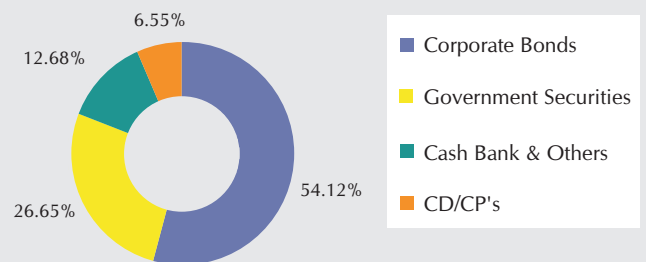
### Fund Details

<b>Investment Objective</b>	: 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.
<b>Fund Manager</b>	: Mr. Saravana Kumar
<b>NAV as on 30 Nov, 2010</b>	: ₹12.42
<b>Benchmark</b>	: CRISIL Composite Bond Fund Index -100%

### Maturity Profile



### Asset Allocation



### Portfolio

Instrument	Rating	% of NAV
<b>Government Securities</b>		<b>26.65</b>
7.17% GOI 2015	Sovereign	7.16
7.99% GOI 2017	Sovereign	6.75
8.30% GOI 2040	Sovereign	6.03
8.20% GOI 2022	Sovereign	2.47
8.32% GOI 2032	Sovereign	2.42
7.00% GOI 2012	Sovereign	1.82
<b>Corporate Bonds</b>		<b>54.12</b>
10.00% PFC 2012	AAA	6.01
2.00% Indian Hotels Company Ltd 2014	AA+	5.34
9.50% HDFC Ltd. 2013	AAA	5.25
7.45% LIC Housing 2012	AAA	4.83
9.50% United Phosphorus LTD 2015	AA+	4.39
9.50% Exim Bank 2013	AAA	3.77
9.20% Power Grid 2013	AAA	3.73
8.80% Tata Sons Ltd 2015	AAA	3.70
7.35% HPCL 2012	AAA	3.01

Instrument	Rating	% of NAV
11.75% Rural Electric Corp Ltd 2011	AAA	2.52
9.80% ICICI Bank 2013	AAA	2.52
8.75% Reliance Industries Ltd 2020	AAA	2.20
9.30% Sundaram Finance Ltd 2013	AA+	1.87
6.98% IRFC 2012	AAA	1.69
9.20% Larsen & Toubro 2012	AAA	1.23
7.76% LIC Housing 2012	AAA	0.97
7.40% Tata Chemical 2011	AA+	0.61
9.45% LIC Housing 2012	AAA	0.49
<b>CD/CP's</b>		<b>6.55</b>
Bank of Baroda 2011 - CD	P1+	1.69
State Bank of Patiala 2010 - CD	P1+	1.23
Bank of Baroda 2010 - CD	P1+	1.22
Bank of Baroda 2011 - CD	P1+	1.21
PNB 2011 - CD	P1+	1.20
<b>Cash Bank &amp; Others</b>		<b>12.68</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 30 Nov, 2010** : ₹12.42

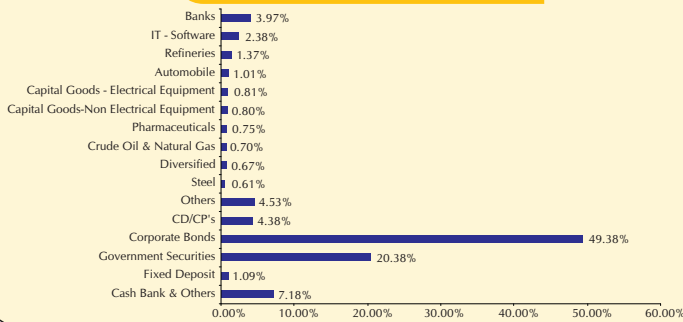
**Benchmark** : Nifty - 10%  
CRISIL Composite Bond Fund Index - 90%

**Fund Performance**

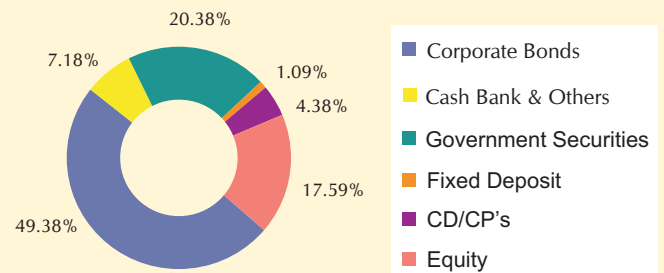
PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 1 Month	29-Oct-10	12.41	0.09%	0.19%
Last 3 Months	31-Aug-10	12.17	2.05%	1.95%
Last 6 Months	31-May-10	11.96	3.86%	3.26%
Last 1 Year	30-Nov-09	11.67	6.47%	5.71%
Last 3 Year	30-Nov-07	10.27	6.52%	5.47%
Since Inception	17-Aug-07	10.00	6.81%	6.82%

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>17.59</b>
Infosys Technologies Ltd	IT - Software	1.35
Reliance Industries Ltd	Refineries	1.21
ICICI Bank Ltd	Banks	1.09
ITC Ltd	Tobacco Products	0.84
State Bank of India	Banks	0.81
Larsen and Toubro Ltd	Capital Goods-Non Electrical Equipment	0.80
HDFC Bank	Banks	0.72
Oil & Natural Gas Corp Ltd	Crude Oil & Natural Gas	0.51
Asian Paints (India) Ltd	Paints/Varnish	0.45
Bharat Heavy Electricals Ltd	Capital Goods - Electrical Equipment	0.45
Other Equity		9.36
<b>Corporate Bonds</b>		<b>49.38</b>
8.28% LIC Housing 2015	AAA	9.39
7.75% RECL 2012	AAA	5.64
8.80% Power Grid 2015	AAA	5.13
8.70% PFC 2015	AAA	4.77
8.35% HDFC 2015	AAA	4.04
9.20% HDFC 2012	AAA	3.42
7.90% RECL 2012	AAA	3.10

Instrument	Industry	% of NAV
7.40% Tata Chemical 2011	AA+	3.09
9.20% Power Grid 2015	AAA	2.77
8.40% HDFC 2014	AAA	2.03
7.35% HPCL 2012	AAA	2.00
10.75% Reliance Ind 2018	AAA	1.52
9.50% NABARD 2012	AAA	1.38
9.80% PFC 2012	AAA	0.69
8.83% IRFC 2012	AAA	0.27
10.00% PFC 2012	AAA	0.14
<b>CD/CP's</b>		<b>4.38</b>
Bank of Baroda 2011 - CD	P1+	4.38
<b>Fixed Deposit</b>		<b>1.09</b>
5.50% HSBC Bank 2010		1.09
<b>Government Securities</b>		<b>20.38</b>
7.02% GOI 2016	Sovereign	13.02
8.30% GOI 2040	Sovereign	6.68
8.32% GOI 2032	Sovereign	0.67
<b>Cash Bank &amp; Others</b>		<b>7.18</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 30 Nov, 2010** : ₹12.66

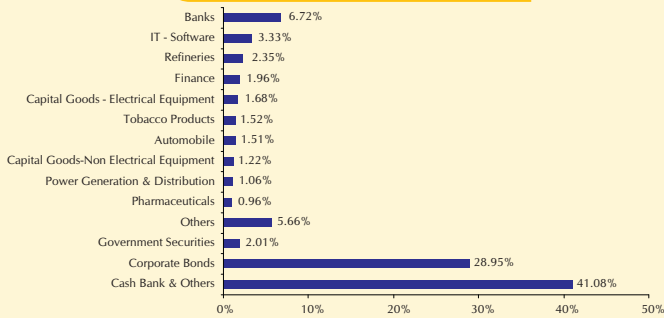
**Benchmark** : Nifty - 30%  
CRISIL Composite Bond Fund Index - 70%

### Fund Performance

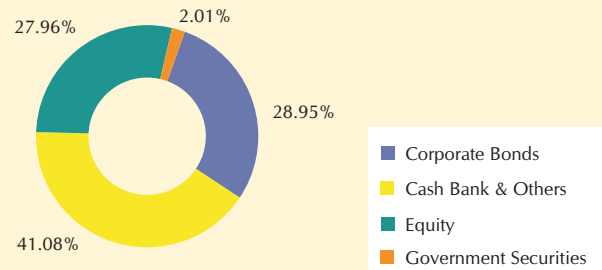
PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 1 Month	29-Oct-10	12.71	-0.38%	-0.42%
Last 3 Months	31-Aug-10	12.37	2.37%	3.41%
Last 6 Months	31-May-10	12.02	5.36%	5.92%
Last 1 Year	30-Nov-09	11.77	7.64%	8.11%
Last 3 Year	30-Nov-07	10.00	8.19%	4.38%
Since Inception	17-Aug-07	10.00	7.44%	7.84%

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.

### Sector Allocation



### Asset Allocation



### Portfolio

Instrument	Industry	% of NAV
<b>Equity</b>		<b>27.96</b>
Infosys Technologies Ltd	IT - Software	2.02
Reliance Industries Ltd	Refineries	2.01
HDFC Bank	Banks	1.68
ICICI Bank Ltd	Banks	1.55
ITC Ltd	Tobacco Products	1.52
State Bank Of India	Banks	1.32
HDFC Ltd	Finance	1.26
Larsen And Toubro Ltd	Capital Goods-Non Electrical Equipment	1.22
Axis Bank Ltd	Banks	1.00
Exide Industries Ltd	Auto Ancillaries	0.89
Other Equity (less than 1.00% of corpus)		13.49
<b>Government Securities</b>		<b>2.01</b>
9.39% GOI 2011	Sovereign	2.01
<b>Corporate Bonds</b>		<b>28.95</b>
8.28% LIC Housing 2015	AAA	14.48
8.30% HDFC Ltd 2015	AAA	7.25
7.40% Infrastructure 2012	AAA	7.22
<b>Cash Bank &amp; Others</b>		<b>41.08</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

Tata AIG Life Insurance Company Ltd. (Reg. No. 110)  
Registered and Corporate Office  
Delphi-B Wing, 2nd Floor, Orchard Avenue  
Hiranandani Business Park, Powai, Mumbai - 400076