

Quick Glance - Funds Performance

(Funds with AUM of more than ₹125 crores as on 29th May 2015)

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

Investment Report

The month of May 2015 saw the benchmark index BSE Sensex and CNX Nifty gain 3.03% and 3.08% respectively. The Mid-cap index, CNX Mid-cap gained 3.87% during the same period.

Equity Funds

Equity Fund (ULIF 001 04/02/04 TEL 110)

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 29 May, 15 : ₹49.9757

Benchmark : S&P BSE Sensex - 100%

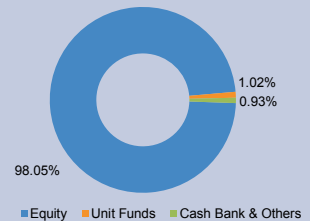
Corpus as on 29 May, 15 : ₹1,796.53 Crs.

Fund Performance

| PERIOD | DATE | NAV | S&P BSE Sensex | NAV Change | INDEX Change |
|-----------------|-----------|---------|----------------|------------|--------------|
| Last 3 Months | 28-Feb-15 | 51.9168 | 29361.50 | -3.74% | -5.22% |
| Last 6 Months | 28-Nov-14 | 50.4307 | 28693.99 | -0.90% | -3.02% |
| Last 1 Year | 30-May-14 | 42.6432 | 24217.34 | 17.20% | 14.91% |
| Last 2 Years | 31-May-13 | 34.6896 | 19760.30 | 20.03% | 18.67% |
| Last 3 Years | 31-May-12 | 28.1814 | 16218.53 | 21.04% | 19.72% |
| Last 4 Years | 31-May-11 | 32.9368 | 18503.28 | 10.99% | 10.74% |
| Last 5 Years | 31-May-10 | 29.9888 | 16944.63 | 10.75% | 10.43% |
| Since Inception | 02-Mar-04 | 10.0000 | 5823.17 | 15.38% | 14.92% |

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.

Asset Allocation



Whole Life Mid-Cap Equity Fund (ULIF 009 04/01/07 WLE 110)

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 Mid Cap Equity and Mid Cap Equity linked securities.

NAV as on 29 May, 15 : ₹32.5494

Benchmark : NSE CNX MIDCAP-100%

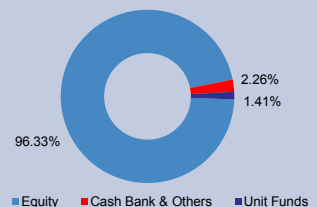
Corpus as on 29 May, 15 : ₹2,130.46 Crs.

Fund Performance

| PERIOD | DATE | NAV | NSE CNX MIDCAP | NAV Change | INDEX Change |
|-----------------|-----------|---------|----------------|------------|--------------|
| Last 3 Months | 28-Feb-15 | 31.3820 | 13117.50 | 3.72% | 0.48% |
| Last 6 Months | 28-Nov-14 | 28.1491 | 12389.25 | 15.63% | 6.39% |
| Last 1 Year | 30-May-14 | 20.9140 | 10141.05 | 55.63% | 29.97% |
| Last 2 Years | 31-May-13 | 16.0586 | 7821.80 | 42.37% | 29.81% |
| Last 3 Years | 31-May-12 | 12.7313 | 6898.40 | 36.74% | 24.09% |
| Last 4 Years | 31-May-11 | 13.8617 | 8064.80 | 23.79% | 13.07% |
| Last 5 Years | 31-May-10 | 12.8488 | 7755.95 | 20.43% | 11.19% |
| Since Inception | 08-Jan-07 | 10.0000 | 5156.45 | 15.10% | 11.83% |

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.

Asset Allocation



Large Cap Equity Fund (ULIF 017 07/01/08 TLC 110)

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 29 May, 15 : ₹18.5697

Benchmark : CNX Nifty-100%

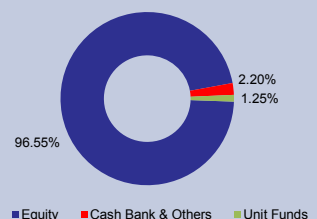
Corpus as on 29 May, 15 : ₹934.00 Crs.

Fund Performance

| PERIOD | DATE | NAV | CNX Nifty | NAV Change | INDEX Change |
|-----------------|-----------|---------|-----------|------------|--------------|
| Last 3 Months | 28-Feb-15 | 19.1285 | 8901.85 | -2.92% | -5.26% |
| Last 6 Months | 28-Nov-14 | 18.3245 | 8588.25 | 1.34% | -1.80% |
| Last 1 Year | 30-May-14 | 15.2905 | 7229.95 | 21.45% | 16.65% |
| Last 2 Years | 31-May-13 | 12.1819 | 5985.95 | 23.47% | 18.70% |
| Last 3 Years | 31-May-12 | 9.8346 | 4924.25 | 23.60% | 19.64% |
| Last 4 Years | 31-May-11 | 11.0814 | 5560.15 | 13.78% | 10.98% |
| Last 5 Years | 31-May-10 | 9.9696 | 5086.30 | 13.25% | 10.64% |
| Since Inception | 07-Jan-08 | 10.0000 | 6279.10 | 8.73% | 4.07% |

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.

Asset Allocation



Future Equity Pension Fund (ULIF 020 04/02/08 FEP 110)

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 29 May, 15 : ₹20.4339

Benchmark : CNX Nifty-100%

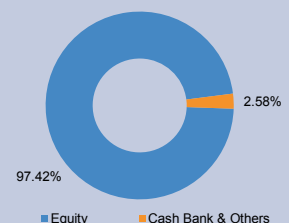
Corpus as on 29 May, 15 : ₹177.61 Crs.

Fund Performance

| PERIOD | DATE | NAV | CNX Nifty | NAV Change | INDEX Change |
|-----------------|-----------|---------|-----------|------------|--------------|
| Last 3 Months | 28-Feb-15 | 21.1327 | 8901.85 | -3.31% | -5.26% |
| Last 6 Months | 28-Nov-14 | 20.1024 | 8588.25 | 1.65% | -1.80% |
| Last 1 Year | 30-May-14 | 16.6142 | 7229.95 | 22.99% | 16.65% |
| Last 2 Years | 31-May-13 | 13.3866 | 5985.95 | 23.55% | 18.70% |
| Last 3 Years | 31-May-12 | 10.9417 | 4924.25 | 23.15% | 19.64% |
| Last 4 Years | 31-May-11 | 12.6721 | 5560.15 | 12.69% | 10.98% |
| Last 5 Years | 31-May-10 | 11.3508 | 5086.30 | 12.48% | 10.64% |
| Since Inception | 04-Feb-08 | 10.0000 | 5463.50 | 10.26% | 6.11% |

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.

Asset Allocation



Quick Glance - Funds Performance

(Funds with AUM of more than ₹125 crores as on 29th May 2015)

Select Equity Fund (ULIF 024 06/10/08 TSE 110)

| Fund Details | | Fund Performance | | | | | Asset Allocation | |
|--------------------------------|---|--|-----------|---------|-----------------------------|------------|------------------|--|
| Investment Objective | The primary investment objective of the fund is to provide income distribution over a period of medium to long term while at all times emphasizing the importance of capital appreciation. The fund will invest significant amount in equity and equity linked instruments specifically excluding companies predominantly dealing in Gambling, Lotteries/Contests, Animal Produce, Liquor, Tobacco, Entertainment (Films, TV etc) Hotels, Banks and Financial Institutions. | PERIOD | DATE | NAV | CNX India 500 Shariah Index | NAV Change | INDEX Change | |
| NAV as on 29 May, 15 | ₹33.2941 | Last 3 Months | 28-Feb-15 | 33.4794 | 2164.25 | -0.55% | 0.26% | |
| Benchmark | CNX India 500 Shariah Index - 100% | Last 6 Months | 28-Nov-14 | 31.3538 | 2111.49 | 6.19% | 2.76% | |
| Corpus as on 29 May, 15 | ₹187.68 Crs. | Last 1 Year | 30-May-14 | 24.5242 | 1721.22 | 35.76% | 26.06% | |
| | | Last 2 Years | 31-May-13 | 19.4961 | 1362.94 | 30.68% | 26.18% | |
| | | Last 3 Years | 31-May-12 | 16.4287 | 1178.04 | 26.55% | 22.58% | |
| | | Last 4 Years | 31-May-11 | 18.0099 | 1300.79 | 16.60% | 13.65% | |
| | | Last 5 Years | 31-May-10 | 16.2662 | 1242.87 | 15.40% | 11.79% | |
| | | Since Inception | 06-Oct-08 | 10.0000 | 844.46 | 19.84% | 15.26% | |
| | | 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. | | | | | | |

Super Select Equity Fund (ULIF 035 16/10/09 TSS 110)

| Fund Details | | Fund Performance | | | | | Asset Allocation | |
|--------------------------------|---|--|-----------|---------|-----------------------------|------------|------------------|--|
| Investment Objective | The primary investment objective of the fund is to provide income distribution over a period of medium to long term while at all times emphasizing the importance of capital appreciation | PERIOD | DATE | NAV | CNX India 500 Shariah Index | NAV Change | INDEX Change | |
| NAV as on 29 May, 15 | ₹22.2125 | Last 3 Months | 28-Feb-15 | 22.2377 | 2164.25 | -0.11% | 0.26% | |
| Benchmark | CNX India 500 Shariah Index - 100% | Last 6 Months | 28-Nov-14 | 20.7811 | 2111.49 | 6.89% | 2.76% | |
| Corpus as on 29 May, 15 | ₹880.38 Crs. | Last 1 Year | 30-May-14 | 16.1420 | 1721.22 | 37.61% | 26.06% | |
| | | Last 2 Years | 31-May-13 | 12.6156 | 1362.94 | 32.69% | 26.18% | |
| | | Last 3 Years | 31-May-12 | 10.7294 | 1178.04 | 27.45% | 22.58% | |
| | | Last 4 Years | 31-May-11 | 11.7307 | 1300.79 | 17.31% | 13.65% | |
| | | Last 5 Years | 31-May-10 | 10.5856 | 1242.87 | 15.98% | 11.79% | |
| | | Since Inception | 16-Oct-09 | 10.0000 | 1217.76 | 15.26% | 10.83% | |
| | | 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. | | | | | | |

Top 200 Fund (ULIF 027 12/01/09 ITT 110)

| Fund Details | | Fund Performance | | | | | Asset Allocation | |
|--------------------------------|---|--|-----------|---------|-------------|------------|------------------|--|
| Investment Objective | The Top 200 fund will invest primarily in select stocks and equity linked instruments which are a part of BSE 200 Index with a focus on generating long term capital appreciation. The fund will not replicate the index but aim to attain performance better than the performance of the Index. As a defensive strategy arising out of market conditions, the scheme may also invest in debt and money market instruments. | PERIOD | DATE | NAV | S&P BSE 200 | NAV Change | INDEX Change | |
| NAV as on 29 May, 15 | ₹33.2371 | Last 3 Months | 28-Feb-15 | 33.5159 | 3674.53 | -0.83% | -3.86% | |
| Benchmark | S&P BSE 200 - 100% | Last 6 Months | 28-Nov-14 | 31.5802 | 3510.28 | 5.25% | 0.64% | |
| Corpus as on 29 May, 15 | ₹181.61 Crs. | Last 1 Year | 30-May-14 | 25.2185 | 2951.21 | 31.80% | 19.70% | |
| | | Last 2 Years | 31-May-13 | 20.1494 | 2409.22 | 28.43% | 21.09% | |
| | | Last 3 Years | 31-May-12 | 16.8162 | 2003.10 | 25.50% | 20.82% | |
| | | Last 4 Years | 31-May-11 | 19.0266 | 2301.65 | 14.96% | 11.31% | |
| | | Last 5 Years | 31-May-10 | 17.4471 | 2152.21 | 13.76% | 10.42% | |
| | | Since Inception | 12-Jan-09 | 10.0000 | 1091.37 | 20.72% | 20.22% | |
| | | 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. | | | | | | |

Balanced Funds

Aggressive Growth Fund (ULIF 006 01/07/06 TAL 110)

| Fund Details | | Fund Performance | | | | | Asset Allocation |
|--------------------------------|---|--|-----------|---------|------------|--------------|------------------|
| Investment Objective | The primary investment objective of the fund is to maximize the returns with medium to high risk. | PERIOD | DATE | NAV | NAV Change | INDEX Change | |
| NAV as on 29 May, 15 | ₹24.0682 | Last 3 Months | 28-Feb-15 | 24.7183 | -2.63% | -2.86% | |
| Benchmark | S&P BSE Sensex - 65%, CRISIL Composite Bond Index - 35% | Last 6 Months | 28-Nov-14 | 23.9564 | 0.47% | -0.23% | |
| Corpus as on 29 May, 15 | ₹191.83 Crs. | Last 1 Year | 30-May-14 | 20.4197 | 17.87% | 13.96% | |
| | | Last 2 Years | 31-May-13 | 17.3022 | 17.94% | 14.71% | |
| | | Last 3 Years | 31-May-12 | 14.8033 | 17.59% | 16.00% | |
| | | Last 4 Years | 31-May-11 | 15.9127 | 10.90% | 10.15% | |
| | | Last 5 Years | 31-May-10 | 14.8731 | 10.11% | 9.59% | |
| | | Since Inception | 01-Jul-06 | 10.0000 | 10.35% | 9.98% | |
| | | 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. | | | | | |

Whole Life Aggressive Growth Fund (ULIF 010 04/01/07 WLA 110)

| Fund Details | | Fund Performance | | | | | Asset Allocation |
|--------------------------------|---|--|-----------|---------|------------|--------------|------------------|
| Investment Objective | The primary investment objective of the fund is to maximize the returns with medium to high risk. | PERIOD | DATE | NAV | NAV Change | INDEX Change | |
| NAV as on 29 May, 15 | ₹23.9719 | Last 3 Months | 28-Feb-15 | 24.6033 | -2.57% | -2.89% | |
| Benchmark | Nifty - 65%, CRISIL Composite Bond Index - 35% | Last 6 Months | 28-Nov-14 | 23.4617 | 2.17% | 0.56% | |
| Corpus as on 29 May, 15 | ₹391.07 Crs. | Last 1 Year | 30-May-14 | 19.7698 | 21.26% | 15.09% | |
| | | Last 2 Years | 31-May-13 | 16.7777 | 19.53% | 14.73% | |
| | | Last 3 Years | 31-May-12 | 14.0448 | 19.51% | 15.95% | |
| | | Last 4 Years | 31-May-11 | 14.7557 | 12.90% | 10.30% | |
| | | Last 5 Years | 31-May-10 | 13.5789 | 12.04% | 9.73% | |
| | | Since Inception | 08-Jan-07 | 10.0000 | 10.98% | 8.78% | |
| | | 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. | | | | | |

Quick Glance - Funds Performance

(Funds with AUM of more than ₹125 crores as on 29th May 2015)

Growth Fund (ULIF 004 04/02/04 TGL 110)

| Fund Details | | Fund Performance | | | | Asset Allocation |
|--------------------------------|---|------------------|-------------|------------|-------------------|---------------------|
| Investment Objective | : The primary investment objective of the fund is to maximize the returns with medium to high risk. | PERIOD | DATE | NAV | NAV Change | INDEX Change |
| NAV as on 29 May, 15 | : ₹38.1073 | Last 3 Months | 28-Feb-15 | 39.1812 | -2.74% | -2.86% |
| Benchmark | : S&P BSE Sensex - 65%, CRISIL Composite Bond Index - 35% | Last 6 Months | 28-Nov-14 | 37.4518 | 1.75% | -0.23% |
| Corpus as on 29 May, 15 | : ₹138.75 Crs. | Last 1 Year | 30-May-14 | 32.3248 | 17.89% | 13.96% |
| | | Last 2 Years | 31-May-13 | 27.4284 | 17.87% | 14.71% |
| | | Last 3 Years | 31-May-12 | 23.0230 | 18.29% | 16.00% |
| | | Last 4 Years | 31-May-11 | 25.1636 | 10.93% | 10.15% |
| | | Last 5 Years | 31-May-10 | 23.6579 | 10.00% | 9.59% |
| | | Since Inception | 02-Mar-04 | 10.0000 | 12.63% | 11.90% |

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.

Fixed Income Funds

Whole Life Income Fund (ULIF 012 04/01/07 WLI 110)

| Fund Details | | Fund Performance | | | | Asset Allocation | |
|--------------------------------|--|------------------|-------------|------------|---|-------------------|---------------------|
| 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. | PERIOD | DATE | NAV | Crisil Composite Bond Fund Index | NAV Change | INDEX Change |
| NAV as on 29 May, 15 | : ₹18.9509 | Last 3 Months | 28-Feb-15 | 18.7641 | 2330.28 | 1.00% | 1.52% |
| Benchmark | : CRISIL Composite Bond Index -100% | Last 6 Months | 28-Nov-14 | 17.9714 | 2254.22 | 5.45% | 4.94% |
| Corpus as on 29 May, 15 | : ₹246.76 Crs. | Last 1 Year | 30-May-14 | 16.7037 | 2108.45 | 13.45% | 12.20% |
| | | Last 2 Years | 31-May-13 | 16.2666 | 2052.61 | 7.94% | 7.35% |
| | | Last 3 Years | 31-May-12 | 14.2264 | 1822.28 | 10.03% | 9.09% |
| | | Last 4 Years | 31-May-11 | 12.9271 | 1673.27 | 10.04% | 9.04% |
| | | Last 5 Years | 31-May-10 | 12.3409 | 1607.49 | 8.96% | 8.03% |
| | | Since Inception | 08-Jan-07 | 10.0000 | 1298.79 | 7.92% | 7.41% |

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.

Whole Life Short Term Fixed Income Fund (ULIF 013 04/01/07 WLF 110)

| Fund Details | | Fund Performance | | | | Asset Allocation | |
|--------------------------------|--|------------------|-------------|------------|-------------------------------------|-------------------|---------------------|
| Investment Objective | : The primary investment objective of the Fund is to generate 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. | PERIOD | DATE | NAV | Crisil Short Term Bond Index | NAV Change | INDEX Change |
| NAV as on 29 May, 15 | : ₹18.4020 | Last 3 Months | 28-Feb-15 | 18.0825 | 2412.61 | 1.77% | 2.15% |
| Benchmark | : CRISIL Short Term Bond Index -100% | Last 6 Months | 28-Nov-14 | 17.6731 | 2357.70 | 4.12% | 4.53% |
| Corpus as on 29 May, 15 | : ₹126.81 Crs. | Last 1 Year | 30-May-14 | 16.8837 | 2244.44 | 8.99% | 9.80% |
| | | Last 2 Years | 31-May-13 | 15.5714 | 2068.02 | 8.71% | 9.16% |
| | | Last 3 Years | 31-May-12 | 14.1705 | 1886.09 | 9.10% | 9.32% |
| | | Last 4 Years | 31-May-11 | 13.0072 | 1730.34 | 9.06% | 9.24% |
| | | Last 5 Years | 31-May-10 | 12.3971 | 1647.89 | 8.22% | 8.38% |
| | | Since Inception | 08-Jan-07 | 10.0000 | 1281.09 | 7.54% | 8.11% |

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.

Guaranteed NAV Funds

The fund would be predominantly invested in equity at inception, wherein the dynamic asset allocation mechanism allocates the portfolio between equity and debt. This dynamic asset allocation is based on the performance of equity markets and movements in interest rates. The equity allocation may be reallocated to debt if the equity markets or interest rates fall, to safeguard the guarantee.

Over time, the asset mix will predominantly shift to debt to protect the guarantee. This dynamic asset allocation process will drive the returns generated by the Apex Return Lock-in Fund. The dynamic asset allocation shifts the allocation of the fund from an equity bias to a debt bias, over time. This would mean that the Guaranteed NAV would not mimic the highest level of the equity market, over the period the guarantee is applicable. Any unexpected and sharp falls in equity market and/or interest rates, during the period the guarantee is applicable, may trigger the allocation to completely move towards debt, to protect the highest NAV achieved prior to the fall. Overall, it is an ideal fund for an investor who wants to take advantage of high returns in a positive market scenario while safe-guarding the investment during any downturn.

APEX Return Lock-In Fund (ULIF 032 18/02/09 ARL 110)

| Fund Details | | Fund Performance | | | | Asset Allocation |
|---|--|------------------|-------------|------------|-------------------|------------------|
| Investment Objective | : The investment objective for Apex Return Lock-in Fund is to use the participation in an actively managed well diversified equity portfolio of large cap companies to generate capital appreciation and use high credit quality debt instruments to lock-in that capital appreciation. The initial asset allocation in equities is targeted at 80% to 100%. | PERIOD | DATE | NAV | NAV Change | |
| The highest NAV recorded on reset date | : ₹17.2876 | Last 3 Months | 28-Feb-15 | 17.2184 | -0.82% | |
| Corpus as on 29 May, 15 | : ₹270.86 Crs. | Last 6 Months | 28-Nov-14 | 16.7835 | 1.75% | |
| | | Last 1 Year | 30-May-14 | 14.8833 | 14.74% | |
| | | Last 2 Years | 31-May-13 | 13.2539 | 13.51% | |
| | | Last 3 Years | 31-May-12 | 11.2203 | 15.03% | |
| | | Last 4 Years | 31-May-11 | 11.6365 | 10.06% | |
| | | Last 5 Years | 31-May-10 | 10.9673 | 9.26% | |
| | | Since Inception | 10-Jun-09 | 10.0000 | 9.38% | |

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

Quick Glance - Funds Performance

(Funds with AUM of more than ₹125 crores as on 29th May 2015)

APEX Return Lock-In Fund II (ULIF 033 03/08/09 AR2 110)

| Fund Details | | Fund Performance | | | | Asset Allocation | |
|---|---|------------------|-------------|------------|-------------------|----------------------|-------------------------|
| Investment Objective | : The investment objective for Apex Return Lock-in Fund II is to use the participation in an actively managed well diversified equity portfolio of large cap companies to generate capital appreciation and use high credit quality debt instruments to lock-in that capital appreciation. The initial asset allocation in equities is targeted at 80% to 100%. | PERIOD | DATE | NAV | NAV Change | | |
| The highest NAV recorded on reset date | : ₹16.2505 | Last 3 Months | 28-Feb-15 | 16.1974 | -0.72% | ■ Corporate Bonds | ■ Equity |
| Corpus as on 29 May, 15 | : ₹197.86 Crs. | Last 6 Months | 28-Nov-14 | 15.8197 | 1.65% | ■ Cash Bank & Others | ■ Government Securities |
| | | Last 1 Year | 30-May-14 | 13.9949 | 14.91% | | |
| | | Last 2 Years | 31-May-13 | 12.4223 | 13.78% | | |
| | | Last 3 Years | 31-May-12 | 10.4715 | 15.37% | | |
| | | Last 4 Years | 31-May-11 | 10.9089 | 10.19% | | |
| | | Last 5 Years | 31-May-10 | 10.1637 | 9.61% | | |
| | | Since Inception | 10-Nov-09 | 10.0000 | 8.94% | | |
| 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. | | | | | | | |

Apex Plus Return Lock-in-Fund (ULIF 047 01/02/10 RA1 110)

| Fund Details | | Fund Performance | | | | Asset Allocation | |
|---|---|------------------|-------------|------------|-------------------|----------------------|-------------------------|
| Investment Objective | : The investment objective for Apex Plus Return Lock-in Fund is to use the participation in an actively managed well diversified equity portfolio of large cap companies to generate capital appreciation and use high credit quality debt instruments to lock-in that capital appreciation. The initial asset allocation in equities is targeted at 80% to 100%. | PERIOD | DATE | NAV | NAV Change | | |
| The highest NAV recorded on reset date | : ₹16.0768 | Last 3 Months | 28-Feb-15 | 16.0505 | -1.38% | ■ Corporate Bonds | ■ Equity |
| Corpus as on 29 May, 15 | : ₹132.50 Crs. | Last 6 Months | 28-Nov-14 | 15.5190 | 2.00% | ■ Cash Bank & Others | ■ Government Securities |
| | | Last 1 Year | 30-May-14 | 13.5660 | 16.68% | | |
| | | Last 2 Years | 31-May-13 | 11.9843 | 14.93% | | |
| | | Last 3 Years | 31-May-12 | 10.0657 | 16.29% | | |
| | | Last 4 Years | 31-May-11 | 10.6287 | 10.47% | | |
| | | Last 5 Years | 31-May-10 | 9.9342 | 9.77% | | |
| | | Since Inception | 10-May-10 | 10.0000 | 9.51% | | |
| 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. | | | | | | | |

Equity Outlook

The month of May 2015 saw the benchmark index BSE Sensex and CNX Nifty gain 3.03% and 3.08% respectively. The Mid-cap index, CNX Mid-cap gained 3.87% during the same period.

The FIIs were net sellers with outflows of around USD 0.07 bn in the month of May 2015 and the DIIs were net buyers to the tune of USD 1.7 bn with insurance companies net buyers to the tune of USD 0.98 bn and domestic mutual funds, net buyers to the tune of USD 0.72 bn. FIIs have bought Indian equities to the tune of USD 7 bn in the first five months of the calendar year even as the DIIs have been net buyers of around USD 2.7 bn in the same period, with insurance companies selling around USD 0.65 bn even as domestic mutual funds bought around USD 3.3 bn.

The fourth quarter earnings disappointed with the aggregate earnings for the companies in the BSE Sensex contracting by 6.4% year on year as against the expectation of around 1% growth. The positive surprises in the earnings were concentrated in a few sectors. Robust results were seen from some private sector banks, which continued to deliver impressive performance on margins and asset quality as compared to the PSU banks. Other pockets of earnings strength were from telecom companies on the back of strong revenue growth in the data segment. Some investment linked sectors such as industrials and utilities surprised positively, albeit on extremely low expectations. Overall, the aggregate EBITDA margins for the companies in the BSE Sensex nudged lower by 50bps year on year as against estimates of an increase of 150 bps.

India's GDP growth in fiscal FY 2015 has rebounded to 7.3% but this does not seem to be reflected by high frequency indicators like auto production, PMIs, credit growth, exports etc. and has not percolated into corporate earnings as yet. Moreover, the rural demand has faced headwinds from muted increases in Minimum support prices (MSPs) of crops, unseasonal rains early this year impacting the Rabi (winter crop) output as well as the prospect of below normal south west monsoon affecting the Kharif (summer crop) output. Additionally, the uptick in private sector capex is constrained by high levels of leverage in the infrastructure sector as well as elevated non-performing assets of PSU banks that have made them more risk averse to lend in the near term.

There are early signs of a sharp pick up in government spending this fiscal as the government expenditure in April 2015 was at 9% of the budgeted amount, highest in the last 18 years, indicating a front loading of government expenditure. Moreover, the quality of spending has been encouraging with a thrust in Plan expenditure, especially in the segments of roads and rural development.

On the legislative front, the budget session of the parliament concluded in May but the government could not ensure passage of the GST bill as well as the land acquisition bill as both the bills were referred to parliamentary committees in order to evolve a consensus on contentious clauses. The passage of GST bill and land acquisition bill in the monsoon session of the parliament would signal the determination of the government to pursue the reform agenda.

The market would like to see a concrete plan from the government to adequately capitalize the state owned banks to ensure sufficient funds to productive sectors of the economy. The government also needs to address the long pending issues plaguing the power distribution sector, particularly the finances of the state electricity boards so that the off take of the power generated can be improved. These measures, along with a robust plan to contain food inflation on the back of a possible deficient monsoon would help reduce supply bottlenecks and open up more space for the RBI to nudge interest rates lower in the medium term.

We believe that the equity markets continue to offer comfort of reasonable valuations for a long-term investor with a 3-5 year view.

Quick Glance - Funds Performance

(Funds with AUM of more than ₹125 crores as on 29th May 2015)

Debt Outlook

Debt market in the month of May 2015 saw the new benchmark 10 year Government security (G-sec) close the month at 7.64% levels. The erstwhile benchmark 10 year G-sec closed the month at 7.82% levels, easing by 4 bps from April levels. On the corporate bond side, the 10 year AAA corporate bonds closed the month at around 8.39% levels, hardening by 3 bps over the month.

The foreign portfolio investors (FPIs) have sold Indian debt to the tune of USD 1.4 bn in the month of May 2015. However, they have bought Indian debt to the tune of USD 6 bn in the first five months of the calendar year 2015.

In the month of May, the Indian debt markets continued to face headwinds such as the sub-par monsoon forecast from the Indian Meteorological Department (IMD), depreciation bias of the INR as well as hardening of the global bond yields.

The RBI, in its second Bi-monthly monetary policy review, reduced the repo rate by 25bps to 7.25%, on expected lines, on the back of contained inflation and subdued growth. The RBI explained that its rate action was in response to a favourable set of circumstances such as the banks starting to pass through some of the past rate cuts into their lending rates, headline inflation evolving along the projected path, moderate inflationary impact of unseasonal rains thus far, as well as the push back in the timing of normalization of US monetary policy. Additionally, low domestic capacity utilization, continued mixed indicators of recovery, and subdued investment and credit growth further contributed to the RBI's decision to reduce interest rates.

The RBI reiterated the key risks to inflation it had identified in the month of April. These were the IMD's sub-par southwest monsoon, firming up of crude oil prices amidst considerable volatility and geo-political risks as well as the volatility in the external environment. The RBI ideally would have preferred a conservative strategy to wait, especially for more certainty on both the monsoon outturn as well as the effects of government responses if the monsoon turns out to be weak. However, the still weak investment scenario and the need to reduce supply constraints over the medium term to stay on the proposed disinflationary path of 4 % in early 2018 nudged the RBI to front-load a rate cut and then wait for data that clarify uncertainty.

The RBI guided that assuming reasonable food management, the CPI inflation was expected to be pulled down by base effects till August but start rising thereafter to about 6% by January 2016. The RBI stated that putting more weight on the IMD's monsoon projections than the more optimistic projections of private forecasters as well as accounting for the possible inflationary effects of the increases in the service tax rate to 14 %, the risk to the central trajectory of CPI inflation was tilted to the upside.

The RBI concluded that a strong food policy and food management would be important to help keep inflation and inflationary expectations contained over the near term. Moreover, they conceded that monetary easing could only create the enabling conditions for a fuller government policy thrust that hinged around a step up in public investment in several areas that could also crowd in private investment. They believed that this would be important to relieve supply constraints and aid disinflation over the medium term. The RBI noted that a targeted infusion of bank capital into scheduled public sector commercial banks, especially those that implemented concerted strategies to clean up stressed assets, was also warranted so that adequate credit flows to the productive sectors as investment picks up.

The bond markets expect the front loaded rate cut in RBI's second Bi-monthly policy to be followed by an extended pause as the RBI had limited space at this juncture to nudge the interest rates lower. Subsequent monetary policy would take cues from the onset and progress of the monsoon and the trajectory of the international crude oil prices, among other factors. Additionally, the government's policies to contain food inflation, especially if the monsoon is at sub-par levels as well as commentary on interest rate action from the US Federal Reserve would be other factors which would continue to determine the trajectory of yields in the Indian fixed income market in the near term.

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