

# Funds Available With Current Product Offerings

- A Snapshot (as on 28<sup>th</sup> February 2014)

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

## Investment Report

The month of February 2014 saw the benchmark indices; BSE Sensex and CNX Nifty gain around 2.96% and 3.08% respectively, even as the Mid-cap index, CNX Mid-cap gained 3.52% during the same period.

## Equity Funds

### 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 28 Feb, 14** : ₹13.2557

**Benchmark** : CNX Nifty-100%

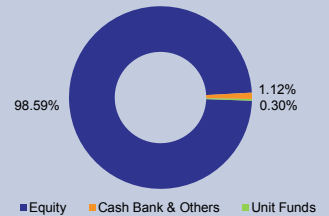
**Corpus as on 28 Feb, 14** : ₹929.61 Crs.

#### Fund Performance

PERIOD	DATE	NAV	CNX Nifty	NAV Change	INDEX Change
Last 6 Months	30-Aug-13	11.4223	5471.80	16.05%	14.71%
Last 1 Year	28-Feb-13	11.4758	5693.05	15.51%	10.26%
Last 2 Years	29-Feb-12	10.6256	5385.20	11.69%	7.96%
Last 3 Years	28-Feb-11	10.5701	5333.25	7.84%	5.58%
Last 4 Years	26-Feb-10	9.5500	4922.30	8.54%	6.27%
Last 5 Years	27-Feb-09	5.3580	2763.65	19.86%	17.83%
Since Inception	07-Jan-08	10.0000	6279.10	4.69%	-0.01%

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 28 Feb, 14** : ₹16.8065

**Benchmark** : NSE CNX MIDCAP-100%

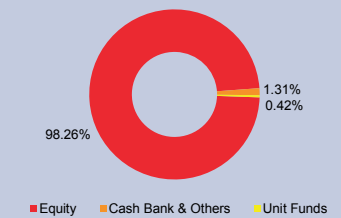
**Corpus as on 28 Feb, 14** : ₹1,529.60 Crs.

#### Fund Performance

PERIOD	DATE	NAV	NSE CNX MIDCAP	NAV Change	INDEX Change
Last 6 Months	30-Aug-13	13.9771	6589.80	20.24%	18.44%
Last 1 Year	28-Feb-13	14.7890	7540.35	13.64%	3.51%
Last 2 Years	29-Feb-12	13.3025	7705.60	12.40%	0.64%
Last 3 Years	28-Feb-11	12.6396	7370.10	9.96%	1.93%
Last 4 Years	26-Feb-10	11.9147	7167.25	8.98%	2.15%
Last 5 Years	27-Feb-09	5.9040	3175.70	23.27%	19.70%
Since Inception	08-Jan-07	10.0000	5156.45	7.54%	5.97%

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



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

#### Fund Details

**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.

**NAV as on 28 Feb, 14** : ₹14.0878

**Benchmark** : CNX India 500 Shariah Index - 100%

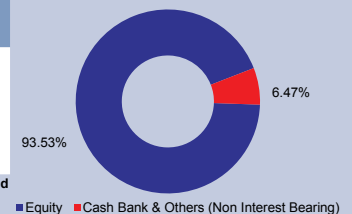
**Corpus as on 28 Feb, 14** : ₹654.35 Crs.

#### Fund Performance

PERIOD	DATE	NAV	CNX India 500 Shariah Index	NAV Change	INDEX Change
Last 6 Months	30-Aug-13	12.3348	1369.32	14.21%	12.38%
Last 1 Year	28-Feb-13	12.0303	1328.61	17.10%	15.82%
Last 2 Years	29-Feb-12	11.3377	1273.24	11.47%	9.94%
Last 3 Years	28-Feb-11	11.0033	1241.55	8.59%	7.42%
Last 4 Years	26-Feb-10	10.0827	1206.40	8.72%	6.27%
Since Inception	16-Oct-09	10.0000	1217.76	8.15%	5.50%

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



## Balanced Funds

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

#### Fund Details

**Investment Objective** : The primary investment objective of the fund is to maximize the returns with medium to high risk.

**NAV as on 28 Feb, 14** : ₹17.4236

**Benchmark** : Nifty - 65%  
CRISIL Composite Bond Index - 35%

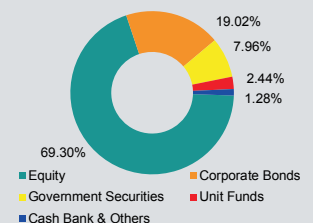
**Corpus as on 28 Feb, 14** : ₹365.87 Crs.

#### Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	30-Aug-13	15.4806	12.55%	11.26%
Last 1 Year	28-Feb-13	15.9356	9.34%	7.83%
Last 2 Years	29-Feb-12	14.7250	8.78%	7.32%
Last 3 Years	28-Feb-11	14.2406	6.96%	6.03%
Last 4 Years	26-Feb-10	13.0083	7.58%	6.31%
Last 5 Years	27-Feb-09	8.7570	14.75%	13.67%
Since Inception	08-Jan-07	10.0000	8.08%	6.62%

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 Stable Growth Fund (ULIF 011 04/01/07 WLS 110)

#### Fund Details

**Investment Objective** : The primary investment objective of the fund is provide reasonable returns with low to medium risk.

**NAV as on 28 Feb, 14** : ₹15.8370

**Benchmark** : Nifty - 40%  
CRISIL Composite Bond Index - 60%

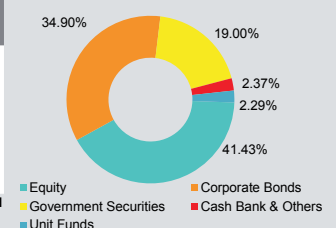
**Corpus as on 28 Feb, 14** : ₹83.83 Crs.

#### Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	30-Aug-13	14.5290	9.00%	8.80%
Last 1 Year	28-Feb-13	14.8087	6.94%	6.10%
Last 2 Years	29-Feb-12	13.6062	7.89%	6.87%
Last 3 Years	28-Feb-11	12.9231	7.01%	6.34%
Last 4 Years	26-Feb-10	12.0357	7.10%	6.34%
Last 5 Years	27-Feb-09	9.2910	11.26%	10.70%
Since Inception	08-Jan-07	10.0000	6.65%	6.52%

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



# Funds Available With Current Product Offerings

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## Fixed Income Funds

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

#### Fund Details

**Investment Objective** : The primary investment objective of the Fund is to generate income through investing in a range of debt and money market instruments of various maturities with a view to maximizing the optimal balance between yield, safety and liquidity. The Fund will have no investments in equity or equity linked instruments at any point in time.

**NAV as on 28 Feb, 14** : ₹16.0341

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

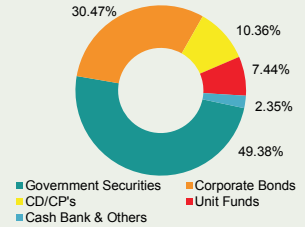
**Corpus as on 28 Feb, 14** : ₹237.77 Crs.

#### Fund Performance

PERIOD	DATE	NAV	CRISIL Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	30-Aug-13	15.3761	1923.46	4.28%	4.86%
Last 1 Year	28-Feb-13	15.4282	1951.91	3.93%	3.33%
Last 2 Years	29-Feb-12	13.9581	1790.26	7.18%	6.14%
Last 3 Years	28-Feb-11	12.7038	1653.11	8.07%	6.85%
Last 4 Years	26-Feb-10	12.0326	1574.18	7.44%	6.39%
Last 5 Years	27-Feb-09	11.2700	1510.38	7.31%	5.95%
Since Inception	08-Jan-07	10.0000	1298.79	6.83%	6.35%

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

#### Asset Allocation



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

#### Fund Details

**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.

**NAV as on 28 Feb, 14** : ₹16.4387

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

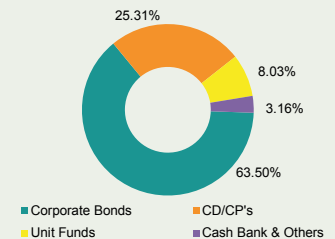
**Corpus as on 28 Feb, 14** : ₹142.24 Crs.

#### Fund Performance

PERIOD	DATE	NAV	CRISIL Short-Term Bond Index	NAV Change	INDEX Change
Last 6 Months	30-Aug-13	15.6632	2061.27	4.95%	5.76%
Last 1 Year	28-Feb-13	15.1928	2009.60	8.20%	8.48%
Last 2 Years	29-Feb-12	13.8760	1847.91	8.84%	8.61%
Last 3 Years	28-Feb-11	12.7181	1701.47	8.93%	8.61%
Last 4 Years	26-Feb-10	12.1254	1621.98	7.91%	7.67%
Last 5 Years	27-Feb-09	11.3650	1539.75	7.66%	7.20%
Since Inception	08-Jan-07	10.0000	1281.09	7.20%	7.72%

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



## Equity Outlook

The month of February 2014 saw the benchmark indices; BSE Sensex and CNX Nifty gain around 2.96% and 3.08% respectively, even as the Mid-cap index, CNX Mid-cap gained 3.52% during the same period.

FII's were net buyers with inflows of around USD 0.23 billion in the month of February 2014 and the DIIs were net buyers to the tune of around USD 0.04 billion, with Insurance companies' net buyers of around USD 0.24 billion and domestic mutual funds, net sellers to the extent of around USD 0.20 billion over the same period. In the first two months of the calendar year 2014, the FIIs had been net buyers to the tune of USD 0.35 billion with the DIIs net sellers to the tune of USD 0.2 billion, Insurance companies buying USD 0.4 billion and mutual funds selling Indian equities to the tune of USD 0.6 billion. Consensus earnings estimates for MSCI India stands at 9.1% and 18.1% for FY 2014(E) and FY 2015(E) respectively.

The third quarter FY 2014 earnings season saw robust results, with the companies in the BSE Sensex clocking a revenue growth of 15% year on year, the highest in last six quarters, while the PAT growth on a year on year basis was at an impressive 21%, highest in last 13 quarters. The rebound in the earnings have been on the back of a moderate recovery in the global economy leading to a traction in the export sectors benefiting from the INR depreciation. However, there was continued sluggishness in the capex cycle and further slowdown in consumption. Revenue for the industrial sector declined for the second consecutive quarter even as Healthcare and IT sectors saw a sharp acceleration in revenue in the last few quarters on the back of a weak INR.

Revenue growth, margins and profit growth has accelerated for large-cap companies in the past couple of quarters even as it has contracted for smaller companies.

The 900 MHz and 1800 MHz auction concluded after 68 rounds with ₹ 609.4 billion in spectrum value, resulting in the government receiving an upfront payment of ₹ 182.2 billion under the deferred payment method. The auction saw a high level of competitive intensity with the auction prices in the 1800 MHz and 900 MHz ending 84% and 29% above the reserve price. The enthusiastic response to the auctions from the telecom companies was largely due to its technology-neutral characteristics, which would enable their 3G rollout plans.

Credit growth remained modest at 14.8% year on year in January 2014 driven by large corporate and services sector. Deposit growth has been stable at 15.6% year on year with the credit to deposit ratio at 77%.

There was some movement in the stalled projects over the last seven months as the Project Management Group (PMG) has cleared 147 projects worth ₹ 5.4 trillion. Most of the clearances have been for power plants delayed due to pending Fuel supply agreements (FSAs). The clearances of PMG could trigger some action on the ground and bring in new orders for Corporate India.

The Indian equity market would continue to be dependent on FII flows, which in turn take cues from the US Fed's QE taper action. The FIIs would be inclined to wait for the outcome of the Indian general elections before committing

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significant allocations to Indian equities.

We continue to believe that the Indian equities offer an attractive entry point for a long term investor with a 3-5 year view.

### Debt Outlook

February 2014 saw the new benchmark 10 year Government securities (G-sec) harden by around 9 bps during the month to 8.86% levels. The spread of 10 year G-sec over the 30 year G-sec was at 36 bps in February 2014.

The corporate bonds hardened during February 2014 to close the month at around 9.70% levels in the 10 year bonds, 7 bps higher than the January 2014 levels of 9.63%. As a consequence, the corporate bond spread over the new benchmark 10 year G-sec contracted by 4 bps over the month to around 62 bps in February 2014.

The Finance Minister has pegged the FY 2014 fiscal deficit at 4.6% as against the target of 4.8%. The market watchers expect the fiscal deficit target to be met through a sharp reduction in the plan expenditure in order to offset the shortfall in tax collections due to a moderating economy. The fixed income market participants are relieved that the government would meet its targeted fiscal deficit considering that historically, overshooting the fiscal deficit targets were a routine in a pre-election year. The net borrowing target for FY 2014 has been reduced by ₹ 150 billion as against the initial estimates, on account of a lower revised estimate of the fiscal deficit.

The vote-on-account has budgeted 8% increase in non-plan expenditure and an ambitious 19% growth in gross tax revenue on the back of an elevated nominal GDP growth estimate of 13.4% in FY 2015. Consequently, the fiscal deficit is estimated at 4.1% of the GDP in FY 2015, resulting in a net borrowing of ₹ 4.57 trillion. The gross market borrowing figure of ₹ 5.97 trillion and the debt switch of ₹ 500 billion worth in FY 2015 is largely in line with market expectations. The cautious response from the debt market to the government borrowing estimates stems from the fact that this is an interim budget and there is a possibility that the full-year market borrowing could change in the budget presented post the general elections.

The interim budget has provided for a capital infusion of just ₹ 112 billion in public sector bank for fiscal FY 2015, lower than ₹ 140 billion in the prior year as the banks would be expected to raise the additional capital requirement on their own.

In a clear reflection of the monetary policy stance, the RBI maintains that inflation management remained its prime objective and that a tight monetary policy was necessary to contain inflation expectations and sustain growth in the long term. The RBI is concerned about the elevated core CPI inflation and is keen to moderate the trajectory of the CPI inflation in line with the Urjit Patel committee recommendations.

Bond yields have remained at elevated levels primarily taking cues from the RBIs anti-inflationary stance and tight liquidity conditions resulting in weak sentiments for the bond markets.

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