# Funds Available With Current Product Offerings
# - A Snapshot (as on 31st January 2013)

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

*Saravana Kumar*
*Chief Investment Officer*

## *Message from CIO's Desk*

**The month of January 2013 saw the benchmark indices; BSE Sensex and CNX Nifty gain around 2.41% and 2.20% respectively, even as the Mid-cap index, CNX Mid-cap shed 1.66% 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.

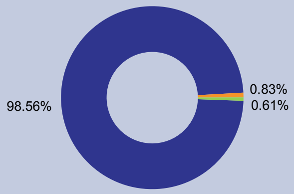
| | | |
|---|---|---|
| **Fund Manager** | : | Mr. Saravana Kumar |
| **NAV as on 31 Jan, 13** | : | ₹12.0870 |
| **Benchmark** | : | S&P CNX Nifty-100% |
| **Corpus as on 31 Jan, 13** | : | ₹972.39 Crs. |

### Fund Performance

| PERIOD | DATE | NAV | S&P CNX Nifty | NAV Change | INDEX Change |
|---|---|---|---|---|---|
| Last 6 Months | 31-Jul-12 | 10.5408 | 5229.00 | 14.67% | 15.41% |
| Last 1 Year | 31-Jan-12 | 10.2167 | 5199.25 | 18.31% | 16.07% |
| Last 2 Years | 31-Jan-11 | 10.9437 | 5505.90 | 5.09% | 4.69% |
| Last 3 Years | 29-Jan-10 | 9.5290 | 4882.05 | 8.25% | 7.32% |
| Last 4 Years | 30-Jan-09 | 5.6740 | 2874.80 | 20.81% | 20.37% |
| Last 5 Years | 31-Jan-08 | 10.0870 | 5137.45 | 3.68% | 3.27% |
| Since Inception | 07-Jan-08 | 10.0000 | 6279.10 | 3.81% | -0.78% |

**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.**

### 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.

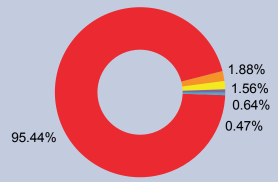
| | | |
|---|---|---|
| **Fund Manager** | : | Mr. Saravana Kumar |
| **NAV as on 31 Jan, 13** | : | ₹15.5173 |
| **Benchmark** | : | NSE CNX MIDCAP-100% |
| **Corpus as on 31 Jan, 13** | : | ₹1920.51 Crs. |

### Fund Performance

| PERIOD | DATE | NAV | NSE CNX MIDCAP | NAV Change | INDEX Change |
|---|---|---|---|---|---|
| Last 6 Months | 31-Jul-12 | 13.4248 | 7168.50 | 15.59% | 16.67% |
| Last 1 Year | 31-Jan-12 | 12.5780 | 7100.55 | 23.37% | 17.79% |
| Last 2 Years | 31-Jan-11 | 13.4128 | 7922.50 | 7.56% | 2.75% |
| Last 3 Years | 29-Jan-10 | 11.8340 | 7201.85 | 9.45% | 5.11% |
| Last 4 Years | 30-Jan-09 | 6.2010 | 3357.35 | 25.77% | 25.63% |
| Last 5 Years | 31-Jan-08 | 13.4340 | 7308.05 | 2.93% | 2.74% |
| Since Inception | 08-Jan-07 | 10.0000 | 5156.45 | 7.51% | 8.30% |

**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.

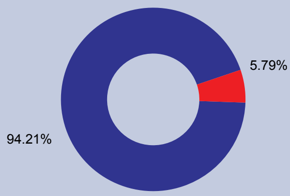
| | | |
|---|---|---|
| **Fund Manager** | : | Mr. Saravana Kumar |
| **NAV as on 31 Jan, 13** | : | ₹12.4733 |
| **Benchmark** | : | S & P India 500 Shariah Index - 100% |
| **Corpus as on 31 Jan, 13** | : | ₹515.40 Crs. |

### Fund Performance

| PERIOD | DATE | NAV | S & P India 500 Shariah Index | NAV Change | INDEX Change |
|---|---|---|---|---|---|
| Last 6 Months | 31-Jul-12 | 11.1458 | 1215.84 | 11.91% | 13.02% |
| Last 1 Year | 31-Jan-12 | 10.9215 | 1214.33 | 14.21% | 13.16% |
| Last 2 Years | 31-Jan-11 | 11.5054 | 1294.22 | 4.12% | 3.04% |
| Last 3 Years | 29-Jan-10 | 9.9780 | 1198.63 | 7.72% | 4.66% |
| Since Inception | 16-Oct-09 | 10.0000 | 1217.76 | 6.94% | 3.73% |

**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.

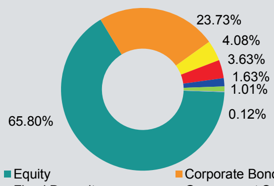
| | | |
|---|---|---|
| **Fund Manager** | : | Mr. Saravana Kumar |
| **NAV as on 31 Jan, 13** | : | ₹16.5505 |
| **Benchmark** | : | Nifty - 65% CRISIL Composite Bond Index -35% |
| **Corpus as on 31 Jan, 13** | : | ₹392.87 Crs. |

### Fund Performance

| PERIOD | DATE | NAV | NAV Change | INDEX Change |
|---|---|---|---|---|
| Last 6 Months | 31-Jul-12 | 14.6897 | 12.67% | 11.78% |
| Last 1 Year | 31-Jan-12 | 14.3389 | 15.42% | 13.73% |
| Last 2 Years | 31-Jan-11 | 14.5535 | 6.64% | 6.11% |
| Last 3 Years | 29-Jan-10 | 12.9730 | 8.46% | 7.29% |
| Last 4 Years | 30-Jan-09 | 8.9920 | 16.48% | 15.55% |
| Last 5 Years | 31-Jan-08 | 12.5520 | 5.69% | 4.49% |
| Since Inception | 08-Jan-07 | 10.0000 | 8.66% | 7.15% |

**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.

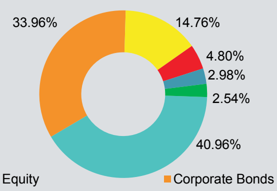
| | | |
|---|---|---|
| **Fund Manager** | : | Mr. Saravana Kumar |
| **NAV as on 31 Jan, 13** | : | ₹15.1358 |
| **Benchmark** | : | Nifty - 40% CRISIL Composite Bond Index - 60% |
| **Corpus as on 31 Jan, 13** | : | ₹83.29 Crs. |

### Fund Performance

| PERIOD | DATE | NAV | NAV Change | INDEX Change |
|---|---|---|---|---|
| Last 6 Months | 31-Jul-12 | 13.7616 | 9.99% | 9.18% |
| Last 1 Year | 31-Jan-12 | 13.3310 | 13.54% | 12.06% |
| Last 2 Years | 31-Jan-11 | 13.0609 | 7.65% | 7.12% |
| Last 3 Years | 29-Jan-10 | 12.0230 | 7.98% | 7.27% |
| Last 4 Years | 30-Jan-09 | 9.4020 | 12.64% | 12.11% |
| Last 5 Years | 31-Jan-08 | 11.0970 | 6.40% | 5.35% |
| Since Inception | 08-Jan-07 | 10.0000 | 7.07% | 7.04% |

**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

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# Funds Available With Current Product Offerings - A Snapshot (as on 31st January 2013)

# 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.

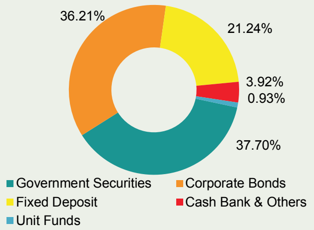
| | | |
|---|---|---|
| **Fund Manager** | : | Mr. Saravana Kumar |
| **NAV as on 31 Jan, 13** | : | ₹15.3585 |
| **Benchmark** | : | CRISIL Composite Bond Index -100% |
| **Corpus as on 31 Jan, 13** | : | ₹210.83 Crs. |

### Fund Performance

| PERIOD | DATE | NAV | Crisil Composite Bond Fund Index | NAV Change | INDEX Change |
|---|---|---|---|---|---|
| Last 6 Months | 31-Jul-12 | 14.4753 | 1849.96 | 6.10% | 5.03% |
| Last 1 Year | 31-Jan-12 | 13.8558 | 1776.42 | 10.85% | 9.38% |
| Last 2 Years | 31-Jan-11 | 12.6452 | 1643.29 | 10.21% | 8.74% |
| Last 3 Years | 29-Jan-10 | 12.0230 | 1575.32 | 8.50% | 7.24% |
| Last 4 Years | 30-Jan-09 | 11.0800 | 1504.76 | 8.51% | 6.60% |
| Last 5 Years | 31-Jan-08 | 10.1950 | 1402.36 | 8.54% | 6.74% |
| Since Inception | 08-Jan-07 | 10.0000 | 1298.79 | 7.33% | 6.86% |

**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.

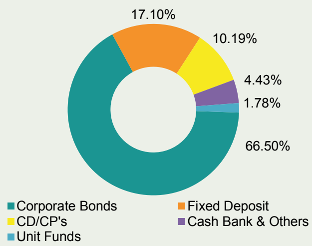
| | | |
|---|---|---|
| **Fund Manager** | : | Mr. Saravana Kumar |
| **NAV as on 31 Jan, 13** | : | ₹15.1248 |
| **Benchmark** | : | CRISIL Short Term Bond Index -100% |
| **Corpus as on 31 Jan, 13** | : | ₹100.43 Crs. |

### Fund Performance

| PERIOD | DATE | NAV | CRISIL Short- Term Bond Index | NAV Change | INDEX Change |
|---|---|---|---|---|---|
| Last 6 Months | 31-Jul-12 | 14.4325 | 1917.32 | 4.80% | 4.38% |
| Last 1 Year | 31-Jan-12 | 13.7834 | 1835.31 | 9.73% | 9.04% |
| Last 2 Years | 31-Jan-11 | 12.6624 | 1693.26 | 9.29% | 8.71% |
| Last 3 Years | 29-Jan-10 | 12.1230 | 1620.44 | 7.65% | 7.29% |
| Last 4 Years | 30-Jan-09 | 11.1910 | 1525.53 | 7.82% | 7.02% |
| Last 5 Years | 31-Jan-08 | 10.2520 | 1391.47 | 8.09% | 7.54% |
| Since Inception | 08-Jan-07 | 10.0000 | 1281.09 | 7.06% | 7.63% |

**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 January 2013 saw the benchmark indices; BSE Sensex and CNX Nifty gain 2.41% and 2.20% respectively, even as the Mid-cap index, CNX Mid-cap shed 1.66% during the same period.

FIIs were net buyers with net inflow of around USD 4 billion in January 2013 even as the DIIs were net sellers to the tune of around USD 3.2 billion, with domestic mutual funds net sellers of USD 0.8 billion and Insurance companies net sellers of around USD 2.4 billion over the month.

The Indian macro fundamentals remain muted as India's exports fell by 1.9%, to USD 24.9 billion in December 2012, while imports rose by 6.3% to USD 42.5 billion, leaving a trade deficit of USD 17.6 billion. In recent months, the sharp moderation in exports due to the weak global macro environment has brought the current account deficit concerns in focus and prevented a sharp appreciation of the INR despite robust FII inflows. The weak industrial production is led by a contraction in the output of key sectors such as natural gas, coal and fertilizer , which in turn have resulted in the muted core sector growth in December 2012 of 2.7%.

Standard & Poors (S&P) acknowledged the government's initiatives in recent months to pursue the reforms agenda by stating that the credit rating downgrade risk has receded for India, though there still exists a 1/3rd chance of a rating downgrade. It is believed by market watchers that the likelihood of a rating downgrade has diminished compared to April 2012. The rating agencies would like to see the reforms agenda carried forward into the next fiscal through a fiscally prudent Union budget for FY2014 and may revisit their stance post the upcoming Budget.A credible fiscal consolidation effort through reining in subsidies could nudge rating agencies to consider the possibility of even an upgrade, post the Union budget.

In terms of valuations based on one year forward earnings, the Indian equity markets are trading marginally higher than the long term average. The consensus earnings growth estimates for MSCI India index are at 10% and 16% year on year for FY13E and FY14 E respectively.

The Indian equity market has seen downward earnings revisions since 2011 but this trend seems to be reversing, albeit slowly, in recent months. The profit margins of corporate India seems to have stabilized to an extent, despite a slowdown in revenues, thereby indicating a shift in corporate focus from growth to profitability. The profit margins are expected to trend up in the coming months as the economic recovery gets underway,aided by improved business confidence and lower interest rates.

A slew of reforms since September 2012 such as liberalization of FDI in retail, aviation and broadcasting, deferment of general anti-avoidance rules (GAAR), setting up of the Cabinet Committee on Investment as well as some credible measures for fiscal consolidation have led to a positive market sentiment which, in due course, should spur investment. Further reforms such as hike in FDI in insurance sector, augmenting energy availability through coal linkages and fast tracking key infra projects stuck in inter-ministerial disputes are critical for raising the potential growth path to 8% by FY2015.

In the interim, however, the market experts estimate the GDP growth to recover to 6.5% levels in FY 2014, driven by an enabling policy environment, continued government effort to kick start the investment cycle and a favourable base effect in agriculture growth. Asustained investment cycle requires the recovery in capex cycle , which could be led by the cash-rich public sector undertakings.

The market offers the comfort of reasonable valuations at around 15 times one year forward price earnings.We believe that the Indian equities offer an attractive entry point for a long term investor with a 3-5 year view.

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## Debt Outlook

January 2013 saw the benchmark 10 year Government security (G-sec) rally by 14 bps over the month, extending the 12 bps rally seen in the previous month, to close the month of January at 7.91% levels.

January 2013 saw the G-sec market rallying due to a better than expected December WPI inflation print and muted fresh issuances in the G-secs, though it hardened towards the end of the month, post the RBI policy .The yields of the 30 year G-sec over the 10 year G-sec contracted to around 20 bps in January 2013 as against the 25 bps, seen in the prior month.

The Finance Minister's expectations of meeting the revised fiscal deficit target of 5.3% of GDP for FY 2013 as well as an assurance of a fiscally tight Union budget for FY 2014 were seen as positive for the bond market sentiments.

The corporate bond market remained steady during the month on the back of muted supply, to close the month of January 2013 at around the 8.75% levels in the 5-10 year bonds, lower than December levels of 8.90%.As a consequence, the corporate bond spread over the benchmark 10 year G-sec stood at around 70 Bps in January 2013.

On the liquidity front, the Liquidity Adjustment Facility -LAF continued to be the primary mode of liquidity injection, maintaining a shortfall of around Rs.0.9 trillion levels for most of the month, largely due to the increase in government balances due to reduced government spending, festival season cash demand as well as muted deposit growth in the banking system, thereby necessitating the RBI to shore up the systemic liquidity through the reduction in the cash reserve ratio (CRR).

In its third quarter review of the Monetary Policy, the RBI cut the repo rate by 25 bps to 7.75%, largely along expected lines as well as the CRR by 25 bps from 4.25% to 4%. This reduction in the CRR would inject primary liquidity of around Rs.180 billion into the banking system.

The RBI stated that both WPI inflation and its core component, nonfood manufactured products inflation, had softened through the third quarter. Moreover, several indicators such as the weaker pricing power of corporate India, excess capacity in some sectors, the possibility of international commodity prices stabilizing as well as inflation momentum measures suggested that inflationary pressures had peaked.

The RBI believed that growth had decelerated significantly below trend and overall economic activity remained tepid due to subdued investment activity, lower external demand due to subpar global growth and decelerating consumption demand. However, the RBI conceded that the series of policy measures announced by the Government had boosted market sentiment though the investment outlook remained muted, especially in terms of demand for new projects.

The RBI also stated that the three broad contours of their monetary policy stance were to provide an appropriate interest rate environment to support growth as inflation risks moderate; contain inflation and anchor inflation expectations as well as to continue to manage liquidity to ensure adequate flow of credit to the productive sectors of the economy.

The RBI was concerned about the widening of the Current Account Deficit (CAD) to historically high levels, especially in the context of a large fiscal deficit and slowing growth. The RBI opined that financing the CAD with increasingly risky and volatile flows increased the economy's vulnerability to sudden shifts in risk appetite and liquidity preference, potentially threatening macroeconomic and exchange rate stability. Moreover, large fiscal deficits accentuate the CAD risk, further crowding out private investment and stunting growth impulses.

The Government, in a bid to reduce the CAD and lower external vulnerability, increased the import duty on gold to 6% from 4%, proposed the linking of Gold exchange traded fund with the Gold Deposit Scheme (GDS) and reducing the minimum threshold of gold quantum and tenure to avail of GDS for retail investors.

The RBI notified the FII limit increases for Rupee-denominated Government and corporate bonds by USD 5 billion each. The three-year residual maturity restrictions in G-secs have been removed for the new USD 5 billion, though the limits are not extended to short-term papers like Treasury bills.

The rally in G-secs could sustain if the RBI continues to favour the OMO route to offset liquidity pressures, broadly seen prevailing in the system till March 2013. The RBIs policy response in the Mid quarter monetary policy review on March 19 2013 and their view on the Government's fiscal consolidation initiatives in the Union budget for FY2014 would provide cues for the G-sec market in the medium term.

In the near term, the increased G-sec supply through four weekly auctions in February 2013 would keep the G-secs under pressure and the benchmark 10-year G-sec may trade in the range of 7.75-7.95%.



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