

Fund Assure

Investment Report, May 2012



From the CIO's Desk

Fund Assure, Investment Report, May 2012



Dear Friends,

The month of May 2012 saw the benchmark indices BSE Sensex and CNX Nifty shed 6.35% and 6.17% respectively even as the Mid cap index, CNX Midcap closed the month lower by 7.66%.

The sharp increase in volatility in the Indian markets can be largely attributed to the escalation in the sovereign debt concerns from the Euro zone as well as a probable contagion risk in the Euro zone due to a possible disorderly exit of Greece. The increased global macro risks have affected capital flows into the Indian market and have put the Indian rupee (INR) under pressure.

The Indian fourth quarter GDP surprised on the downside at 5.3%, with a sharp slowdown visible in the industrial segment as well as a muted growth in the services segment, which had earlier been a bulwark of growth over the last few years. The GDP growth forecast for FY 2013 has been moderated by market experts to 6-7% as they closely track the recent policy efforts by the government to encourage investment as well as the trajectory of crude oil prices. The investors would want to see some concrete action on the ground regarding reining in the subsidy bill by raising the prices of diesel, LPG and kerosene as well as some reforms push to improve the sagging business sentiment.

It is now well understood that the S&P outlook downgrade of India could eventually lead to a rating downgrade unless there are urgent steps taken to control the fiscal deficit and the current account deficit and increase the economic activity to kick-start the weakening growth engine. To speed up economic activity, steps to ramp up capacity in key sectors of the economy such as facilitating the fuel supply agreements, concrete steps to improve coal and gas availability and attracting capital inflows are needed. Measures such as relaxing foreign investment norms in debt and dollar bond issuances targeted at NRIs would help stabilize the falling INR.

India has been grappling with the fundamental problems of a high current account deficit (CAD), which requires to be funded by capital inflow, difficult in weak global macro environment. Slowing economic growth along with high and sticky inflation has contributed to further uncertainty in the economy. The key reasons for the sharp deterioration in India's CAD from 2.7% of GDP in FY 2011 to around 4% of GDP forecasted for FY 2012 has been a surge in oil and gold imports.

However there is some cause to cheer as since the start of this fiscal year, Brent crude prices have fallen sharply, easing the pressure on the CAD. Lower oil prices also help trim the subsidy bill and cool the inflationary pressures. The recent actions taken by the government on curbing gold demand such as raising import duties on gold from 2% of the value to 4% also seemed to have had the desired effect in moderating the gold imports.

India can also take comfort from adequate forex reserves to withstand any global shock triggered by the turmoil in the Euro zone. Even in a tough global environment, India has managed to attract a fair share of FDI even as the Indian manufacturing has demonstrated proven ability to withstand global competition. The undervalued INR should boost exports and import-competing sectors even as the softening commodity prices could rein in the import bill, while a weak domestic demand would keep non-oil imports under check. The CAD would be contained due to the confluence of these factors.

On the Indian macro front, the Wholesale Price Index (WPI) inflation for April 2012 came in at 7.23%, higher than the consensus of 6.7% and above the March 2012 print of 6.89%. The negative surprise on the April 2012 WPI inflation can be attributed largely to a steep jump in vegetable prices and the impact of INR depreciation in the manufacturing sector. The Index of Industrial Production (IIP) for the month of March 2012 came in at a negative 3.5% much lower than the consensus expectation of around 1.7%. The IIP for the full year FY 2012 registered a disappointing 2.8% growth as against the FY 2011 print of 8.2%, clearly signaling a broad based industrial slowdown.

The Indian Meteorological Department (IMD) had initially forecasted a near normal monsoon this year but has now warned of a possible El-Niño phenomenon (caused due to warming of the Pacific Ocean), during the second half of the southwest monsoon, which may lead to less-than-expected rains in August and September. El-Niño conditions are generally considered unfavorable for the Indian monsoons and had last occurred in 2009 resulting in below normal rainfall that monsoon season, leading to a sharp increase in prices of food items, particularly of fruits and vegetables.

The earnings season for the fourth quarter of FY 2012 saw some positive surprises even as the revenue growth was muted at around 19% on a year on year basis for the companies making up the Sensex. The aggregate fourth quarter earnings growth for the Sensex companies was at 15% on a year on year basis. The equity markets are trading at around 13 times FY 2013 earnings and offer a reasonable entry point for a long term investor with a 3-5 year view.

Saravana Kumar
Chief Investment Officer

Pension Schemes

TATA AIA
L I F E

The month of May 2012 saw the benchmark 10 year Government security (G-sec) easing by around 29 basis points, opening at 8.67% levels and closing the month at 8.38% levels. At the start of the month, the G-secs was under pressure on the back of supply concerns, the S&P India outlook downgrade and the expectation of issuance of a new 10 year G-sec. The easing in the G-sec yields were largely due to a muted fourth quarter GDP growth of just 5.3%, raising hopes of a continuing rate cut scenario as there is expectation that the focus of the RBI would now shift towards accelerating growth rates.

In contrast with the easing G-sec yields, the corporate bond yield was flat at around 9.42% levels in the month of May 2012 due to lack of adequate interest from investors on the back of lower credit spreads. As a consequence, the corporate bond spread over the 10 year G-sec which stood at 50-60 bps in April 2012, rose sharply in May 2012 to around 80-90 bps on the back of the rally in the G-sec market.

On the liquidity front, the Liquidity Adjustment Facility -LAF has emerged as a primary mode of liquidity injection, maintaining an average shortfall of around Rs.0.8-1 trillion during the month of May 2012. However, the liquidity deficit was manageable due to the RBI injecting liquidity into the system through tactical Open market operations (OMOs) to offset the liquidity deficit from the forex market interventions.

Going forward, we could expect more space for the RBI to reduce policy rates as the economic growth has deteriorated sharply in the fourth quarter and this could rein in the non-food manufacturing inflation, a proxy to core inflation and closely tracked by the RBI. The unexpected sharp decline in Brent crude from USD 120 levels to a more moderate USD 100 levels augers well for the twin deficits, which India is grappling with as well as help in moderating the inflation trajectory

However, the concerns for the RBI on the inflation front emanate from the high food prices, weak rupee and the widening fiscal deficit, all of which continue to fuel inflationary pressures. Food inflation crossed the double digit mark, clocking 10.49% on a year on year basis in April 2012 as against the March 2012 print of 9.94%, on the back

of a surge in the prices of vegetables. The INR depreciation is largely a function of the worsening Balance of Payments (BoP) situation as the trade deficit has grown rapidly since July 2011 when the export growth slowed down below import growth. The invisibles surplus and capital flows have seen muted growth over the last 3-4 years, unable to offset the trade deficit, resulting in BoP deficit in the third quarter FY 2012 and rendering the INR vulnerable in global risk off scenarios.

In the near term, there is an urgent need for the RBI to deliver on the conflicting goals of easing the INR volatility as well as to address the liquidity in the system. RBI could deal with the liquidity issue through sustained OMOs and CRR cuts. The RBI and Government could come together and implement certain measures such as moving oil importers to a direct line of access to US Dollars from the RBI as well as targeting inflows to the tune of around USD 15 billion from NRIs through schemes like Resurgent India Bonds as well as consider increasing the FII limits in GSecs.

The RBI has announced the issuance of a new 10 year G-sec, which could attract investors and prevent upward pressure on yields in the near term even as the market watchers have begun to expect a 25 bps rate cut in the June 18th Mid-quarter monetary policy review in the wake of the sharply moderating economic growth and the recent fall in crude oil prices.

We could expect the RBI to continue with its tactical OMOs in the near term to infuse liquidity into the system to offset the liquidity drain through its forex intervention. The RBI has already infused around Rs.32,000 crores in FY 2013 thus far, through the OMO route.

Considering the moderating growth trajectory, softening interest rate bias as well as the possibility of continued OMOs, we could expect the new 10 year benchmark G-sec to trade in a range of 8.10-8.30% in the near term.

T benchmark indices, BSE Sensex and CNX Nifty shed around 6.35% and 6.17% respectively even as the Midcap index, CNX Midcap ended lower by 7.66% in the month of May 2012.

This weak performance of the Indian markets were due to the adverse news flow from the Euro zone due to the escalation in the sovereign debt crisis and the increasing possibility of a disorderly exit of Greece from the Euro zone. The muted market returns and a sharply depreciating INR combined to pull down the MSCI India (USD) by 12% over the month of May 2012.

FII's were marginal sellers to the tune of USD 58 million in equities in the month of May 2012 even as the DII's bought USD 130 million over the month, with Insurance companies investing USD 70 million and domestic mutual funds investing USD 60 million. In the first five months of the calendar year 2012, the FII's have bought Indian equities to the tune of around USD 8.6 billion even as DII's have sold around USD 4.1 billion during the same period. Among the DII's, the domestic mutual funds have been net sellers of around USD 1.1 billion even as the insurance companies have sold close to USD 3 billion during the period.

The fourth quarter earnings season had its share of positive surprises as the aggregate fourth quarter earnings growth for the Sensex companies stood at a reasonable 15% on a year on year basis, higher than single digit earnings growth estimates. The aggregate fourth quarter revenue for Sensex companies increased a healthy 19% year on year even as the margins stabilized on a sequential basis. The Consensus earnings estimates for the broad market (MSCI India) were revised down marginally over the month of May 2012 with the estimated earnings growth currently standing at 9% and 14% for FY 2013 (E) and FY 2014 (E) respectively.

Going forward, we could expect the support to earnings coming from the continuing interest rate cut cycle as well as the benefit from lower global commodity prices. However, there are headwinds to earnings from issues such as asset quality of SEB and Aviation accounts in the banking space as well as muted order inflows into the capital goods sector. In addition to these concerns, there are several key projects affected by administrative hurdles, land acquisition and high cost of capital with CMIE estimates pegging the quantum of shelved projects in FY 2012 at a new record figure of more than Rs5 trillion. There is some cause to cheer as the CMIE estimates that a total of Rs3.8trillion worth of projects were commissioned in FY 2012, an impressive increase over the FY 2011 print of Rs3.4 trillion, marking a turnaround in the decelerating trend seen since the 2008 crisis.

While valuations are below long term averages, the market is grappling with a sharp moderation in economic activity as evident from the fourth quarter GDP growth of 5.3%, almost at decadal lows and the deteriorating position of the twin deficits, worst in over a decade. Given this backdrop, the fall in crude oil prices from USD 120 levels to USD 100 levels does offer some space in reining in the twin deficits. Some announcements from the Government on kick starting infrastructure projects could improve the business confidence.

The equity markets are trading at around 13 times FY 2013 earnings. The current valuation is close to the long-term average, but it is well below its five-year average of 15.5 times. Hence we believe that there is valuation comfort for a long term investor at these levels over a 3-5 year horizon.

Pension Equity Fund

**Pension Short Term
Income Fund**

**Pension
Income Fund**

Pension Liquid Fund

Pension Bond Fund

**Pension
Balance Fund**

**Pension
Growth Fund**

**Pension
Maxima Fund**

Pension Schemes

Pension Equity Fund

ULGF 001 02/03/04 E1 110

FundAssure, Investment Report, May 2012

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 May, 12 : ₹30.32

Benchmark : BSE Sensex - 100%

Investment Style

Investment Style			
Value	Blend	Growth	Size
			Large
			Mid
			Small

Portfolio

Instrument	Industry	% Of NAV
Equity		95.49
ITC Ltd.	Tobacco Products	8.58
ICICI Bank Ltd	Banks	7.71
HDFC Bank Ltd	Banks	7.39
Reliance Industries Ltd	Refineries	7.08
Infosys Technologies Ltd.	IT - Software	6.54
Tata Consultancy Services Limited	IT - Software	3.98
State Bank of India	Banks	3.75
Oil and Natural Gas Corpn Ltd	Crude Oil Natural Gas	3.23
Sun Pharmaceuticals Industries Ltd	Pharmaceuticals	3.10
Larsen and Toubro Limited	Capital Goods-Non Electrical	2.89
Bharti Airtel Limited	Telecomm-Service	2.76
Mahindra and Mahindra Ltd.	Automobile	2.38
Tata Motors Limited	Automobile	2.12
Tata Steel Limited	Steel	2.02
Dr. Reddys Laboratories Ltd	Pharmaceuticals	2.00
IDFC Limited	Finance	1.83
Axis Bank Limited	Banks	1.81

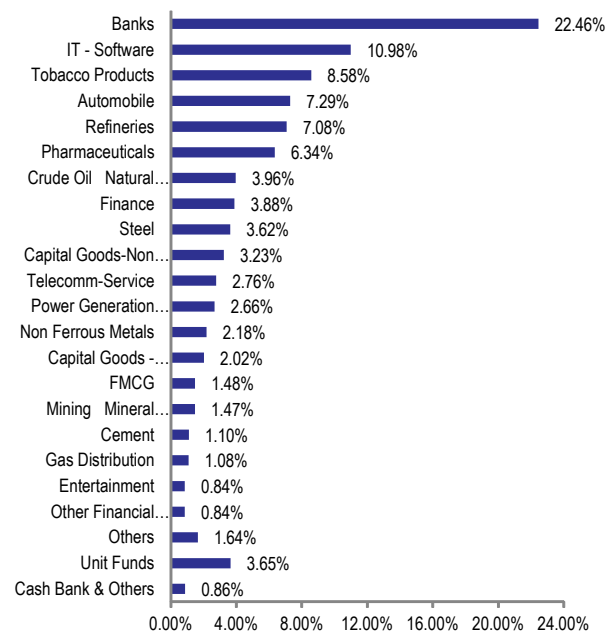
Instrument	Industry	% Of NAV
Jindal Steel and Power Ltd.	Steel	1.60
Bajaj Auto Limited	Automobile	1.59
Nestle India Limited	FMCG	1.48
Coal India Ltd	Mining Mineral Products	1.47
Bharat Heavy Electricals Ltd	Capital Goods - Electrical	1.35
Cipla Ltd.	Pharmaceuticals	1.24
Maruti Suzuki India Limited	Automobile	1.20
Housing Development Finance Corporation Ltd.	Finance	1.19
Sterlite Industries (India) Limited	Non Ferrous Metals	1.12
Ambuja Cements Ltd	Cement	1.10
GAIL (India) Limited	Gas Distribution	1.08
Hindalco Industries Ltd.	Non Ferrous Metals	1.06
Other Equity		10.84
Unit Funds		3.65
Kotak Liquid Insttit Premium-Growth		3.65
Cash Bank & Others		0.86
Total		100.00

Fund Performance

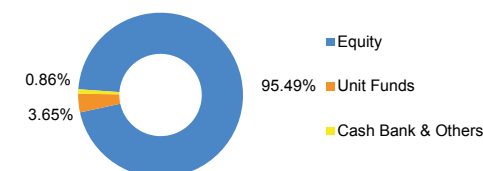
PERIOD	DATE	NAV	BSE Sensex	NAV Change	INDEX Change
Last 6 Months	30-Nov-11	30.12	16123.46	0.68%	0.59%
Last 1 Year	31-May-11	34.87	18503.28	-13.03%	-12.35%
Last 2 Years	31-May-10	31.69	16944.63	-2.17%	-2.17%
Last 3 Years	29-May-09	26.13	14625.25	5.09%	3.51%
Last 4 Years	30-May-08	30.56	16415.57	-0.19%	-0.30%
Last 5 Years	31-May-07	27.83	14544.46	1.73%	2.20%
Since Inception	29-Mar-04	10.00	5571.37	14.53%	13.96%

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.

Sector Allocation



Asset Allocation



Pension Short Term Income Fund

ULGF 004 01/07/06 S1 110

FundAssure, Investment Report, May 2012

Fund Details

Investment Objective : Short Term Fixed Income Fund is a unit linked fund devised with the objective of generating 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 May, 12 : ₹14.47

Benchmark : CRISIL India Short Term Bond Index -100%

Investment Style

Credit Quality			Interest Rate Sensivity
High	Mid	Low	
			High
			Mid
			Low

Portfolio

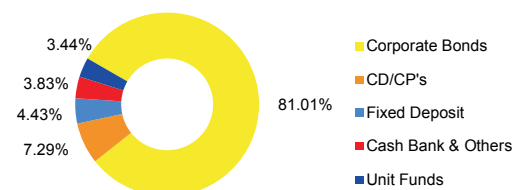
Instrument	Rating	% of NAV
CD/CP's		7.29
KOTAK MAHINDRA PRIME LTD 2013 - CP	A1+	7.29
Corporate Bonds		81.01
7.90% RECL 2012	AAA	9.77
7.40% Infrastructure 2012	AAA	8.84
9.68% IRFC 2012	AAA	8.37
2.00% Tata Motors Ltd 2014	AAA	7.59
9.40% National Housing Bank 2015	AAA	7.34
7.76% LIC Housing 2012	AAA	6.83
10.40% ICICI SEC Prim 2013	AAA	4.95
9.63% PFC 2014	AAA	4.92
9.55% HDFC Ltd 2013	AAA	4.91
9.25% Dr Reddys Lab Ltd 2014	AA+	4.91
9.20% Power Grid 2013	AAA	4.90
8.40% HDFC 2014	AAA	2.87
9.50% NABARD 2012	AAA	2.46
8.25% Britannia Industries Ltd 2013	AAA	2.35
Fixed Deposit		4.43
9.50% State Bank of Hyderabad 2014		4.43
Unit Funds		3.44
UTI- Liquid Fund-Cash Plan-Inst Growth		3.44
Cash Bank & Others		3.83
Total		100.00

Fund Performance

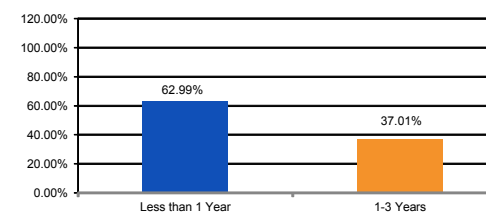
PERIOD	DATE	NAV	CRISIL Short-Term Bond Index	NAV Change	INDEX Change
Last 6 Months	30-Nov-11	13.86	1807.09	4.43%	4.37%
Last 1 Year	31-May-11	13.28	1730.34	9.02%	9.00%
Last 2 Years	31-May-10	12.70	1647.89	6.76%	6.98%
Last 3 Years	29-May-09	11.88	1570.64	6.81%	6.29%
Last 4 Years	30-May-08	10.59	1422.20	8.11%	7.31%
Last 5 Years	31-May-07	10.04	1313.89	7.59%	7.50%
Since Inception	3-Jul-06	10.00	1242.33	6.45%	7.31%

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.

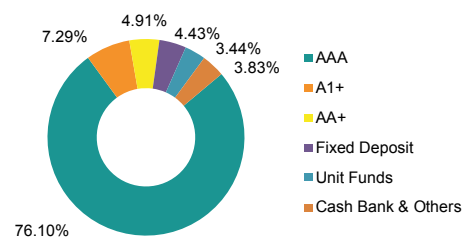
Rating Profile



Maturity Profile



Asset Allocation



Pension Income Fund

ULGF 002 02/03/04 11 110

FundAssure, Investment Report, May 2012

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 May, 12 : ₹16.42

Benchmark : CRISIL Composite Bond Index -100%

Investment Style

Credit Quality			Interest Rate Sensivity
High	Mid	Low	
			High
			Mid
			Low

Portfolio

Instrument	Rating	% of NAV
CD/CP's		12.95
Corporation Bank 2013 - CD	A1+	4.46
Canara Bank 2013 - CD	A1+	3.03
Punjab National Bank 2013 - CD	A1+	2.38
State Bank of Hyderabad 2013 - CD	A1+	0.62
Bank of India 2013 - CD	A1+	0.62
Bank of Baroda 2013 - CD	A1+	0.62
Vijaya Bank 2013 - CD	A1+	0.61
Allahabad Bank 2013 - CD	A1+	0.61
Corporate Bonds		49.31
2.00% TATA STEEL LTD 2022	AA	3.86
9.95% SBI 2026	AAA	3.74
9.55% HDFC Ltd 2013	AAA	3.55
HDFC Ltd 2013	AAA	3.17
8.60% PFC 2014	AAA	2.99
8.80% Tata Sons 2015	AAA	2.98
9.35% PGC 2016	AAA	2.53
9.50% United Phosphorus Ltd 2015	AA+	2.52
9.00% NTPC Ltd 2023	AAA	2.47
7.95% IDFC 2014	AAA	2.47
9.57% IRFC 2021	AAA	2.34
9.40% LIC Housing Finance Ltd 2013	AAA	2.28
9.30% SAIL 2021	AAA	2.27
9.40% NABARD 2015	AAA	1.77
10.75% Rural Elect Corp. 2013	AAA	1.54
7.45% LIC Housing Finance Ltd 2012	AAA	1.52

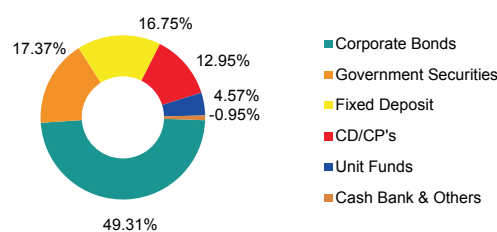
Instrument	Rating	% of NAV
7.45% LIC Housing Finance Ltd 2012	AAA	1.52
7.20% Rural Elect Corp. 2012	AAA	1.51
8.25% Britannia Industries Ltd 2013	AAA	1.50
8.50% PFC 2014	AAA	0.99
9.64% PGC 2015	AAA	0.64
9.64% PGC 2016	AAA	0.64
9.64% PGC 2018	AAA	0.64
9.64% PGC 2021	AAA	0.64
8.80% SAIL 2015	AAA	0.50
9.40% NABARD 2014	AAA	0.25
Fixed Deposit		16.75
10.70% Punjab National Bank 2013		5.08
9.50% State Bank of Hyderabad 2014		3.55
10.80% Canara Bank 2013		2.79
10.70% Bank of Baroda 2013		2.79
10.70% Bank of Baroda 2013		2.54
Government Securities		17.37
9.15% GOI 2024	Sovereign	6.16
8.79% GOI 2021	Sovereign	5.86
8.19% GOI 2020	Sovereign	4.29
8.33% GOI 2036	Sovereign	0.73
7.38% GOI 2015	Sovereign	0.33
Unit Funds		4.57
UTI- Liquid Fund-Cash Plan-Inst Growth		4.57
Cash Bank & Others		-0.95
Total		100.00

Fund Performance

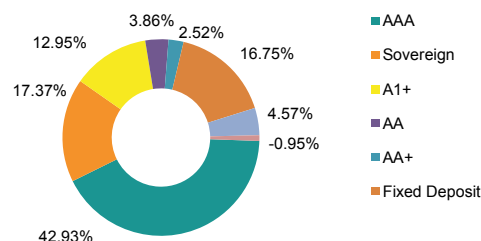
PERIOD	DATE	NAV	Crisil Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	30-Nov-11	15.56	1740.31	5.56%	4.71%
Last 1 Year	31-May-11	14.94	1673.27	9.94%	8.91%
Last 2 Years	31-May-10	14.26	1607.49	7.31%	6.47%
Last 3 Years	29-May-09	13.33	1534.70	7.21%	5.89%
Last 4 Years	30-May-08	11.87	1410.86	8.45%	6.61%
Last 5 Years	31-May-07	10.91	1309.82	8.53%	6.83%
Since Inception	2-Mar-04	10.00	1193.20	6.20%	5.27%

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.

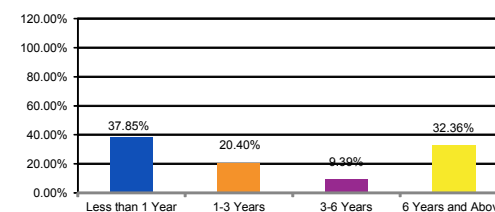
Rating Profile



Asset Allocation



Maturity Profile



Pension Liquid Fund

ULGF 003 02/03/04 L1 110

FundAssure, Investment Report, May 2012

Fund Details

Investment Objective : The primary investment objective of the fund is to provide reasonable returns, commensurate with low risk while providing a high level of liquidity, through investments made primarily in money market and debt securities. 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 May, 12 : ₹16.62

Benchmark : CRISIL Liquid Fund Index -100%

Investment Style

Credit Quality			Interest Rate Sensivity
High	Mid	Low	
			High
			Mid
			Low

Portfolio

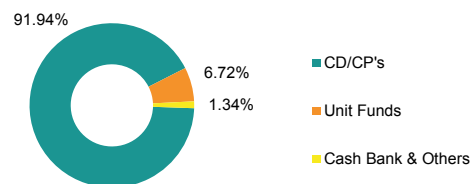
Instrument	Rating	% of NAV
CD/CP's		91.94
Canara Bank 2013 - CD	A1+	8.81
Bank of India 2013 - CD	A1+	8.80
Bank of Baroda 2013 - CD	A1+	8.77
State Bank of Hyderabad 2013 - CD	A1+	8.76
Allahabad Bank 2013 - CD	A1+	8.76
Vijaya Bank 2013 - CD	A1+	8.72
Corporation Bank 2013 - CD	A1+	8.59
Andhra Bank 2012 - CD	A1+	8.57
Punjab National Bank 2013 - CD	A1+	8.41
KOTAK MAHINDRA PRIME LTD 2013 - CP	A1+	8.29
Indian Bank 2013 - CD	A1+	5.46
Unit Funds		6.72
UTI- Liquid Fund-Cash Plan-Inst Growth		4.48
Uti- Liquid Fund-Cash Plan-Inst Growth		2.24
Cash Bank & Others		1.34
Total		100.00

Fund Performance

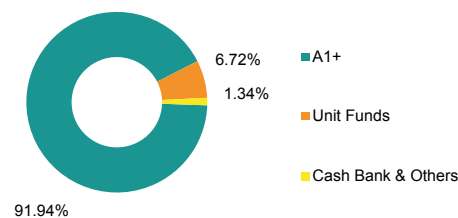
PERIOD	DATE	NAV	Crisil Liquid Fund Index	NAV Change	INDEX Change
Last 6 Months	30-Nov-11	15.93	1745.47	4.35%	4.48%
Last 1 Year	31-May-11	15.28	1677.73	8.75%	8.69%
Last 2 Years	31-May-10	14.39	1569.37	7.49%	7.80%
Last 3 Years	29-May-09	13.59	1521.72	6.96%	6.22%
Last 4 Years	30-May-08	12.57	1400.70	7.24%	6.82%
Last 5 Years	31-May-07	11.52	1311.34	7.60%	6.82%
Since Inception	25-May-04	10.00	1113.63	6.54%	6.34%

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.

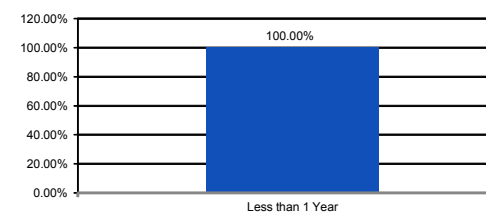
Rating Profile



Asset Allocation



Maturity Profile



Pension Bond Fund

ULGF 005 17/08/07 BO 110

FundAssure, Investment Report, May 2012

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 May, 12 : ₹14.03

Benchmark : CRISIL Composite Bond Index -100%

Investment Style

Credit Quality			Interest Rate Sensivity
High	Mid	Low	
			High
			Mid
			Low

Portfolio

Instrument	Rating	% of NAV
CD/CP's		
Canara Bank 2013 - CD	A1+	5.27
Corporation Bank 2013 - CD	A1+	4.78
Punjab National Bank 2013 - CD	A1+	3.23
Corporate Bonds		
2.00% Indian Hotels Company Ltd 2014	AA+	5.40
7.45% LIC Housing Finance Ltd 2012	AAA	4.57
8.25% Britannia Industries Ltd 2013	AAA	4.53
9.95% SBI 2026	AAA	4.37
9.55% HDFC Ltd 2013	AAA	4.00
9.50% United Phosphorus Ltd 2015	AA+	3.99
8.80% Tata Sons 2015	AAA	3.36
9.30% SAIL 2021	AAA	2.85
9.57% IRFC 2021	AAA	2.35
9.35% PGC 2021	AAA	2.29
9.70% PFC 2018	AAA	1.86
10.70% Sundaram Finance 2014	AA+	1.75
9.64% PGC 2021	AAA	1.46
9.64% PGC 2018	AAA	1.45
9.64% PGC 2016	AAA	1.44

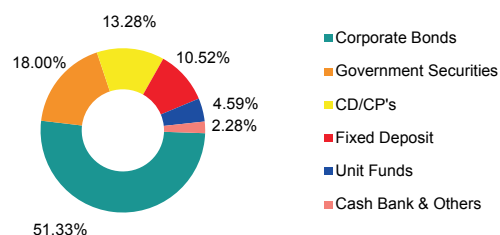
Instrument	Rating	% of NAV
9.64% PGC 2015	AAA	1.43
9.40% NABARD 2015	AAA	1.14
9.30% Tata Sons 2015	AAA	1.13
2.00% TATA STEEL LTD 2022	AA	0.97
7.76% LIC Housing 2012	AAA	0.91
9.75% SBI Series 2021	AAA	0.08
Fixed Deposit		10.52
10.70% Bank of Baroda 2013		3.44
10.00% State Bank of Travancore 2013		3.41
10.70% Bank of Baroda 2013		2.29
9.50% State Bank of Hyderabad 2014		1.38
Government Securities		18.00
8.19% GOI 2020	Sovereign	10.84
9.15% GOI 2024	Sovereign	5.45
7.00% GOI 2012	Sovereign	1.71
Unit Funds		4.59
UTI- Liquid Fund-Cash Plan-Inst Growth		4.59
Cash Bank & Others		2.28
Total		100.00

Fund Performance

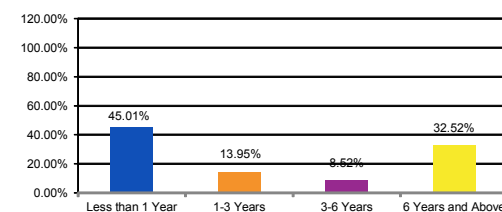
PERIOD	DATE	NAV	Crisil Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	30-Nov-11	13.27	1740.31	5.68%	4.71%
Last 1 Year	31-May-11	12.76	1673.27	9.98%	8.91%
Last 2 Years	31-May-10	12.21	1607.49	7.20%	6.47%
Last 3 Years	29-May-09	11.37	1534.70	7.25%	5.89%
Last 4 Years	30-May-08	10.43	1410.86	7.68%	6.61%
Since Inception	17-Aug-07	10.00	1339.53	7.32%	6.63%

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.

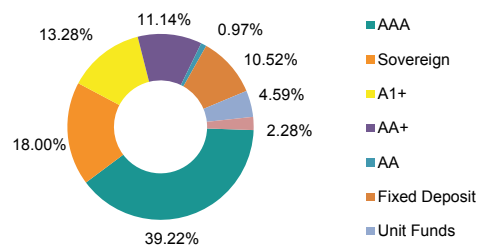
Rating Profile



Maturity Profile



Asset Allocation



Pension Balance Fund

ULGF 006 17/08/07 BL 110

FundAssure, Investment Report, May 2012

Fund Details

Investment Objective : The objective of the fund is to supplement the income generation from the fixed income instruments with capital appreciation of the equity assets.

Fund Manager : Mr. Saravana Kumar

NAV as on 31 May, 12 : ₹13.12

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

Debt Investment Style

Credit Quality			Interest Rate Sensitivity
High	High	High	
			High
			Mid
			Low

Equity Investment Style

Investment Style			Size
Value	Blend	Growth	
			Large
			Mid
			Small

Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	30-Nov-11	12.63	3.86%	4.43%
Last 1 Year	31-May-11	12.50	4.93%	6.88%
Last 2 Year	31-May-10	11.96	4.74%	5.66%
Last 3 Year	29-May-09	11.22	5.35%	5.65%
Last 4 Year	30-May-08	10.34	6.14%	5.98%
Since Inception	17-Aug-07	10.00	5.83%	6.35%

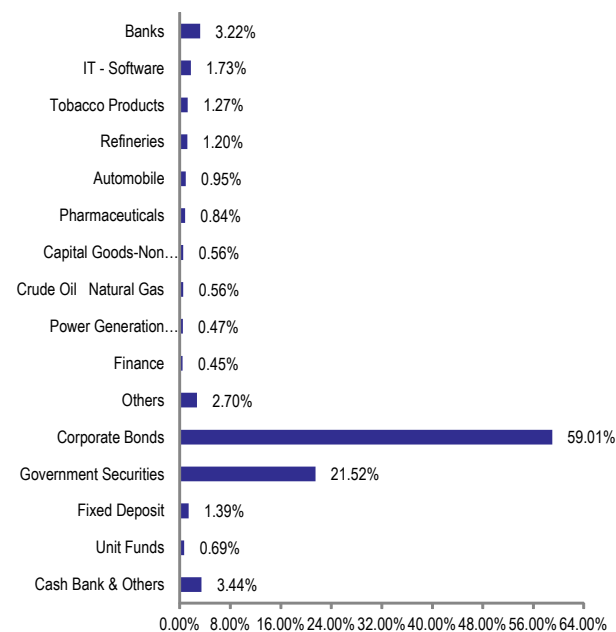
Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

Portfolio

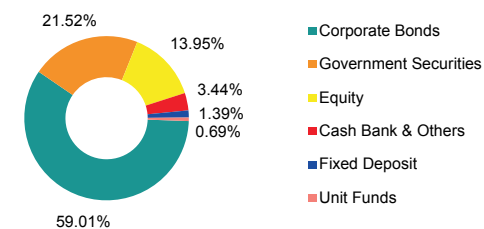
Instrument	Industry	% Of NAV
Equity		13.95
ITC Ltd.	Tobacco Products	1.27
Reliance Industries Ltd	Refineries	1.03
Infosys Ltd	It - Software	0.91
HDFC Bank Ltd	Banks	0.88
ICICI Bank Ltd	Banks	0.87
State Bank of India	Banks	0.57
Tata Consultancy Services Limited	It - Software	0.52
Larsen And Toubro Limited	Capital Goods-Non Electrical	0.49
Oil And Natural Gas Corp Ltd	Crude Oil Natural Gas	0.42
Sun Pharmaceutical Industries Ltd	Pharmaceuticals	0.39
Other Equity		6.60
Corporate Bonds		59.01
8.28% LIC Housing Fin 2015	AAA	9.38
9.95% SBI 2026	AAA	6.03
7.75% RECL 2012	AAA	5.77
8.80% Power Grid 2015	AAA	5.09
8.70% PFC 2015	AAA	4.75
9.97% IL&FS 2016	AAA	4.24
8.35% HDFC 2015	AAA	4.03

Instrument	Industry	% Of NAV
9.655% NABARD 2014	AAA	3.47
7.90% RECL 2012	AAA	3.17
9.30% Tata Sons 2015	AAA	2.75
9.20% Power Grid 2015	AAA	2.75
8.40% HDFC 2014	AAA	2.03
9.25% Dr Reddys Lab Ltd 2014	AA+	1.79
10.40% ICICI SEC Prim 2013	AAA	1.40
9.50% NABARD 2012	AAA	1.39
9.80% PFC 2012	AAA	0.69
8.83% IRFC 2012	AAA	0.28
Fixed Deposit		1.39
10.70% Bank of Baroda 2013		1.39
Government Securities		21.52
8.79% GOI 2021	Sovereign	9.98
9.15% GOI 2024	Sovereign	7.33
8.83% GOI 2041	Sovereign	4.21
Unit Funds		0.69
UTI- Liquid Fund-Cash Plan-Inst Growth		0.69
Cash Bank & Others		3.44
Total		100.00

Sector Allocation



Asset Allocation



Pension Growth Fund

ULGF 007 17/08/07 G2 110

FundAssure, Investment Report, May 2012

Fund Details

Investment Objective : The objective of this fund is to grow the portfolio by generating capital appreciation alongwith a steady income stream.

Fund Manager : Mr. Saravana Kumar

NAV as on 31 May, 12 : ₹12.69

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

Debt Investment Style

Credit Quality			Interest Rate Sensitivity
High	High	High	
			High
			Mid
			Low

Equity Investment Style

Investment Style			Size
Value	Blend	Growth	
			Large
			Mid
			Small

Fund Performance

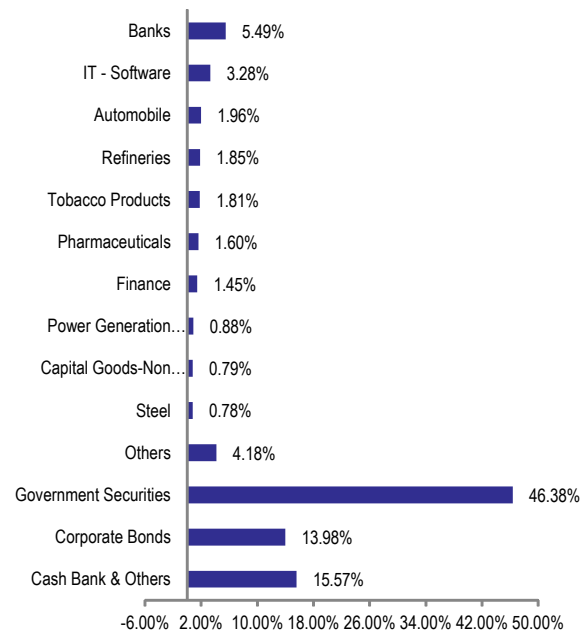
PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	30-Nov-11	12.33	2.92%	3.87%
Last 1 Year	31-May-11	12.54	1.22%	2.81%
Last 2 Year	31-May-10	12.02	2.76%	4.05%
Last 3 Year	29-May-09	11.13	4.48%	5.16%
Last 4 Year	30-May-08	9.99	6.16%	4.71%
Since Inception	17-Aug-07	10.00	5.10%	5.80%

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.

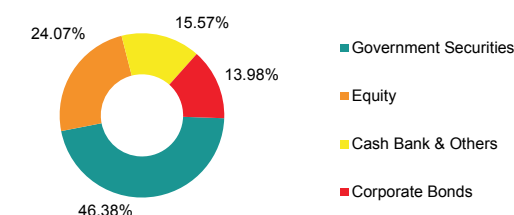
Portfolio

Instrument	Industry	% Of NAV
Equity		24.07
HDFC Bank Ltd	Banks	1.81
ITC Ltd.	Tobacco Products	1.81
Infosys Technologies Ltd.	IT - Software	1.74
Reliance Industries Ltd	Refineries	1.52
ICICI Bank Ltd	Banks	1.50
State Bank of India	Banks	1.23
Tata Consultancy Services Limited	IT - Software	1.01
Other Equity		13.45
Corporate Bonds		13.98
7.40% Infrastructure 2012	AAA	4.76
8.28% LIC Housing Fin 2015	AAA	4.61
8.30% HDFC 2015	AAA	4.61
Government Securities		46.38
9.15% GOI 2024	Sovereign	15.12
8.79% GOI 2021	Sovereign	14.71
7.83% GOI 2018	Sovereign	9.32
8.83% GOI 2041	Sovereign	7.23
Cash Bank & Others		15.57
Total		100.00

Sector Allocation



Asset Allocation



Pension Schemes

Pension Maxima Fund

ULIF 052 20/01/10 PR2 110

FundAssure, Investment Report, May 2012

Fund Details

Investment Objective : The objective of the fund is to generate superior returns by taking active asset allocation calls between equity, Corporate Bonds/PSU Bonds/Securitized paper and government securities and other assets depending upon market conditions

Fund Manager : Mr. Saravana Kumar

NAV as on 29 Feb, 12 : ₹10.25

Benchmark : -

Debt Investment Style

Credit Quality			Interest Rate Sensitivity
High	High	High	
			High
			Mid
			Low

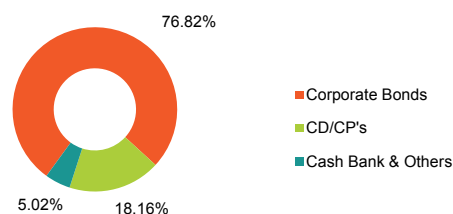
Equity Investment Style

Investment Style			Size
Value	Blend	Growth	
			Large
			Mid
			Small

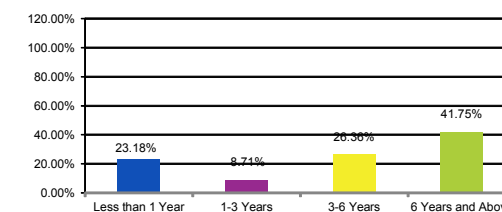
Portfolio

Instrument	Industry	% Of NAV
CD/CP's		18.16
State Bank of Hyderabad 2013 - CD	A1+	9.08
Bank of Baroda 2013 - CD	A1+	9.08
Corporate Bonds		76.82
9.70% GE Shipping 2021	AAA	8.92
9.90% Indian Hotels Ltd 2017	AA+	8.85
9.48% RECL 2021	AAA	8.82
9.60% HDFC Ltd 2016	AAA	8.80
9.43% LIC Housing Finance Ltd 2022AAA		8.79
9.40% NABARD 2015	AAA	8.71
9.40% National Housing Bank 2015	AAA	8.71
9.00% Exim Bank 2019	AAA	8.68
9.95% SBI 2026	AAA	6.54
Cash Bank & Others		5.02
Total		100.00

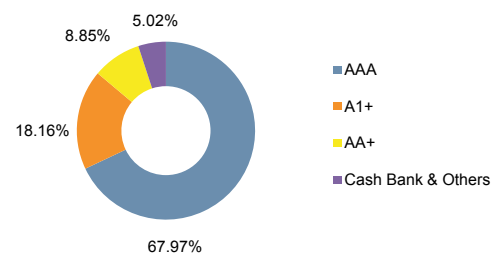
Sector Allocation



Asset Allocation



Rating Profile Chart



Pension Schemes

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Tata AIG Life Peninsula Tower, 6th Floor,
Peninsula Corporate Park, Ganpatrao Kadam Marg,
Lower Parel, Mumbai 400 013.

Disclaimer

1. The fund is managed by Tata AIG Life Insurance Company Ltd. (hereinafter the "Company").
2. Past performance is not indicative of future performance. 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.
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9. ULIP products are different from traditional Life Insurance products and are subject to risk factors.
10. Interest Rate Sensitivity
 - Less than 3 year duration - Low
 - 3 to 10 years duration - Medium
 - more than 10 years duration - High
11. Shading indicates the general representative nature of the portfolio to a particular style or cap".
12. 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

Pension Schemes

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