

# Fund Assure

*Investment Report, February 2013*



## From the CIO's Desk

Fund Assure, Investment Report, February 2013



**Dear Friends,**

**The month of February 2013 saw the benchmark indices; BSE Sensex and CNX Nifty shed around 5.19% and 5.66% respectively, even as the Mid-cap index, CNX Mid-cap lost 9.84% during the same period.**

*On the global front, there were some jitters in the Euro zone after months of calm as the Italian election results threw up a gridlock. The Italian elections have resulted in a potentially unstable coalition, which could remain a drag on the Euro zone already plagued by a shallow recession, potentially even leading to fresh elections. The Chinese Manufacturing PMI slipped to 50.1 in February from 52.3 in January, primarily due to the timing of the Chinese New year. The comparison of January-February 2013 PMI average with December 2012 points to a stabilization in manufacturing and not a slowdown.*

*The Indian Union budget for FY 2013-14 had no major surprises but given the imperative of fiscal consolidation and the need to raise revenues without hurting growth, the Finance Minister (FM) has tried to strike the fine balance and has succeeded to a large extent. The FM rationalized government expenditures in FY2012-13 to ensure that the fiscal deficit is contained at 5.2%, pegged the fiscal deficit at 4.8% in FY2013-14 and thus clearly walked the talk on the path of the fiscal consolidation roadmap.*

*The FM has spelt out that the clarity in tax laws, a stable tax regime, a non-adversarial tax administration, a fair mechanism for dispute resolution and independent judiciary for greater assurance were the underlying theme of tax proposals. Given this backdrop, the FM has kept the direct and indirect tax rates largely unchanged despite being under pressure to raise resources.*

*A one time scheme called 'Voluntary Compliance Encouragement Scheme' is an innovative scheme introduced and it would be interesting to see how successful it is as a revenue generator for the government by mopping up the Service tax dues.*

*The market watchers would now like to see the RBIs reaction in its mid quarter monetary policy review to the fiscal consolidation initiatives in the Union budget. The Union budget could also nudge the rating agencies to look at the fiscal consolidation efforts favourably.*

*The Budget session of parliament can see an ambitious legislative agenda lined up, including the Insurance Bill, the Pension Bill, the Companies Bill, Food Security Bill as well as the Land Acquisition Bill.*

*The RBI released the final guidelines for new bank licenses seeking to broaden the universe of eligible applicants, ring fence the lending activities from promoter entities, relax listing norms and lower the leverage at the time of commencement of banking operations. These guidelines have been broadly well received by prospective entrants.*

*The CSO's advance estimate for GDP growth in the fiscal 2012-13 has been placed at 5% - the lowest in a decade and represent sharp slowdown from 9.3% of FY2011 and 6.2% in FY2012. All three components of GDP, namely, agriculture, industry and services were seen to be poised for a year on year slowdown. Industry in particular could see the third lowest growth rate in two decades while services growth could be at decadal lows.*

*The third quarter FY 2013 GDP growth came in at 4.5%, slightly below consensus of 4.9%. Agricultural growth, at 1.1%, actually performed better than expected in spite of the weak Kharif (summer) output due to a sub-par south west monsoon. Industrial growth recovered to 2.3% in the third quarter fiscal 2012-13 from 1.1% in the second quarter. Services sector growth slowed down substantially to 6% in the third quarter fiscal 2012-13 from 7.1% registered in the second quarter.*

*The Index of Industrial Production (IIP) for the month of December 2012 continued to disappoint, as it was a negative 0.6% year on year, as against the consensus estimate of 1%. The IIP growth for the nine months of the fiscal 2013 stands at a muted 0.8%. On a 3-month moving average basis, the IIP growth was at a more acceptable 2.3%, on the back of the robust October 2012 IIP print of 8.3%.*

*The Wholesale Price Index (WPI) Inflation for the month of January 2013 came in at 6.62%, lower than the consensus estimate of 7% as well as the 7.18% registered in December 2012. The WPI inflation print has come in less than consensus for the fourth month in a row and has been steadily trending down since September 2012. Moreover, the WPI Inflation registered in January 2013 is the lowest print in more than 3 years. The WPI inflation for the April-January period this fiscal has averaged 7.5% levels compared to elevated 9% plus levels, in the same period last fiscal. The inflationary pressures, as reflected by the headline WPI has eased off, albeit from a high base and this trend is seen in the core inflation component too, creating some space for the RBI to nudge interest rates lower.*

*Going forward, we believe that the equity markets continue to trade at reasonable valuations and offer an attractive 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

## Market Outlook - Debt

Fund Assure, Investment Report, February 2013

February 2013 saw the benchmark 10 year Government security (G-sec) rally by 4 bps to close the month at 7.87% levels.

February 2013 saw the G-sec market rallying for most of the month due to a better than expected January WPI inflation print and muted net supply in the G-secs due to Open market operations (OMOs) and a cancellation of auction. though it hardened towards the end of the month post the Union Budget for FY 2013-14. The yields of the 30 year G-sec over the 10 year Gsec expanded to around 25 bps in February 2013 as against the 20 bps, seen in the prior month.

The corporate bond hardened during the month of February on the back of large supply, to close the month at around the 8.90% levels in the 5-10 year bonds, 15 bps higher than the January levels of 8.75%. As a consequence, the corporate bond spread over the benchmark 10 year G-sec stood at around 85 Bps in February 2013, 15 bps higher than the January 2013 bond spread of 70 Bps.

On the liquidity front, the Liquidity Adjustment Facility - LAF continued to be the primary mode of liquidity injection, maintaining a shortfall of over ₹ 1 trillion (USD 18.5 billion) levels for most of the month, largely due to the increase in government balances which was estimated at around 1 trillion (USD 18.5 billion) due to reduced government spending, as well as muted deposit growth in the banking system, thereby necessitating the RBI to shore up the liquidity through the Open Market Operations (OMOs). The Government cancelled the last bond auction of ₹ 12,000 crores (USD 2.2 billion) for FY 2013, scheduled on February 22<sup>nd</sup> 2013, after reviewing its cash position and funding requirements.

In the Union budget, the FM stressed the need for new and innovative instruments to mobilize funds for investment in

infrastructure and pegged the mobilization from infrastructure tax-free bonds at ₹ 50,000 crores (USD 9.2 billion) in FY 2013-14. He raised the corpus of Rural infrastructure development fund (RIDF) to ₹ 20,000 crores (USD 3.7 billion) and provided ₹ 5,000 crores (USD 925 million) to NABARD for financing warehouses.

The FM delivered the fiscal deficit for FY 2013 at 5.2% and attempted to rein in the fiscal deficit at 4.8% in FY 2014 by estimating ₹ 54,000 crore (USD 10 billion) from the divestment programme and capping the oil subsidy at ₹ 65,000 crores (USD 12 billion). The Government expects the revenue buoyancy in the fiscal 2013-14 with taxation revenues growing at 19%, overall revenues 21% and expenditure 16%. This will result in the net borrowings to the tune of ₹ 4,84,000 crores (USD 89 billion) and impart some pressure on the 10-year G-Sec yields.

The GDP growth for 3QFY13 came in at a near decade lows of 4.5% versus a consensus estimate of 4.9%, showing persistent signs of slowdown. The muted GDP print could nudge the RBI in acting on interest rates sooner than later.

The rally in G-secs could sustain if the RBI continues favour the OMO route to offset liquidity pressures, broadly seen prevailing in the system till March 2013. The RBI's 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 FY 2013 would provide cues for the G-sec market in the medium term.

In the near term, the absence of G-sec supply through weekly auctions in March 2013 would keep the yields soft and the 10-year yield G-sec may trade in the range of 7.65-7.95%.

## Market Outlook - Equity

Fund Assure, Investment Report, February 2013

The month of February 2013 saw the benchmark indices; BSE Sensex and CNX Nifty shed around 5.19% and 5.66% respectively, even as the Mid-cap index, CNX Mid-cap lost 9.84% during the same period

FIIIs were net buyers with net inflow of around USD 4.5 billion in February 2013 even as the DIIs were net sellers to the tune of around USD 1.6 billion, with domestic mutual funds net sellers of around USD 0.2 billion and Insurance companies net sellers of around USD 1.4 billion over the month. In the first two months of the calendar year 2013, the FIIIs have been net buyers to the tune of USD 8.6 billion with the DIIs net sellers to the tune of USD 4.8 billion, Insurance Companies and mutual funds selling Indian equities to the tune of USD 3.7 billion and USD 1.1 billion respectively.

Consensus earnings estimates for the broad market (MSCI India) were cut by 0.7% and 0.5% for FY13 (E) and FY14 (E) over the month. The street now estimates earnings growth of 11% and 15% for FY2013 (E) and FY2014 (E) respectively.

The Finance minister (FM) delivered the Indian Union Budget in the backdrop of a slowing global economy with India, despite a sharp moderation in growth, still the third fastest growing economy among large countries, after China and Indonesia.

The Fiscal deficit for the fiscal FY 2013 has been pegged at 5.2% and could be reined in at 4.8% in FY 2014. Marginal increase in taxes for cigarettes, SUVs and the surcharge on the incomes of the super rich was largely in line with expectations. The increase in surcharge on corporate profits will impact the corporate earnings growth by about 1-2% .

In the Union budget, the FM stressed the need for new and innovative instruments to mobilize funds for investment in infrastructure. The FM assured that the Cabinet committee on investment (CCI) would speed up decision making on key large ticket infrastructure projects with decisions already taken in gas, power and coal projects. In a bid to kick start the stalled capex cycle, the FM stated that the companies investing ₹ 100 crore ( USD 18.5 million) or more in plant and machinery during the period 01.04.2013 to 31.03.2015 will be entitled to deduct an investment allowance of 15% of the investment. There were some initiatives around constructing two new smart industrial cities, providing more funds for Delhi Mumbai Industrial Corridor (DMIC), two major ports in West Bengal and

Andhra Pradesh as well as creating a PPP policy framework on reducing dependency on imported coal.

FM elaborated specific initiatives for the growth of the Micro, Small and Medium Enterprises (MSME) and extended the benefits enjoyed by them to three years after they grow out of the category. The FM extended the Technology up gradation fund scheme (TUFS) in the 12th Five year plan with an investment target of ₹ 1,51,000 crores ( USD 28 billion). FM provided an allocation of ₹ 14,000 crores (USD 2.6 billion) to the PSU bank recapitalization in line with Basel III regulations in the fiscal 2013-14.

The FM set aside a sum of ₹ 9,000 crore ( USD 1.6 billion) towards the first installment of the balance of CST compensation provided in the budget and expected the work on draft GST Constitutional amendment bill and GST law to be taken forward.

The Railway budget announced a 5-6% rail freight hike and carried the reforms forward by introducing fuel adjusted component (FAC)-linked revision in freight tariff.

The RBI has released final guidelines for issuing new bank licenses without specifically excluding any segment of the corporate but indicated that promoters whose business activities are subject to high asset price volatility or those which are speculative in nature will not be considered as "fit and proper". The RBI has kept subjectivity in cases like diversified ownership, professional management, feedback from regulators, and assessment of business plan with regard to financial inclusion.

After eight months of contraction, exports growth turned positive in January with growth of 0.8%. However, the export growth failed to lower the trade deficit as it continued to remain wide at USD 20 billion in January. Exports in January were at USD 25.6 billion while imports grew 6.1% to USD 45.5 billion.

Oil marketing companies have announced a second diesel price hike of INR0.45/ltr (within a month of first price hike). This announcement is a positive and allays to some extent, investor concerns on the likelihood of regular price hikes.

The market offers the comfort of reasonable valuations at around 14 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

**Equity Fund**

**Short Term Fixed  
Income Fund**

**Income Fund**

**Liquid Fund**

**Bond Fund**

**Balanced Fund**

**Growth Fund**

**Maxima Fund**



**Pension Schemes**

# Equity Fund

ULGF 001 02/03/04 E1 110

FundAssure, Investment Report, February 2013

## 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 28 Feb, 13** : ₹35.5413

**Benchmark** : BSE Sensex - 100%

## Investment Style

Investment Style			
Value	Blend	Growth	Size
			Large
			Mid
			Small

## Portfolio

Instrument	Industry/Rating	% Of NAV
<b>Equity</b>		<b>95.71</b>
Reliance Industries Ltd.	Refineries	8.14
HDFC Bank Ltd.	Banks	7.82
ICICI Bank Ltd.	Banks	7.32
ITC Ltd.	Tobacco Products	6.68
Infosys Technologies Ltd.	IT - Software	6.36
Tata Consultancy Services Ltd.	IT - Software	4.27
HDFC Ltd.	Finance	4.20
Larsen and Toubro Ltd.	Capital Goods-Non Electrical	3.85
Oil and Natural Gas Corpn Ltd.	Crude Oil & Natural Gas	3.67
Tata Motors Ltd.	Automobile	3.46
State Bank of India	Banks	3.25
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	3.01
Hindustan Unilever Ltd.	FMCG	2.42
Bharti Airtel Ltd.	Telecomm-Service	2.42
Mahindra and Mahindra Ltd.	Automobile	1.91

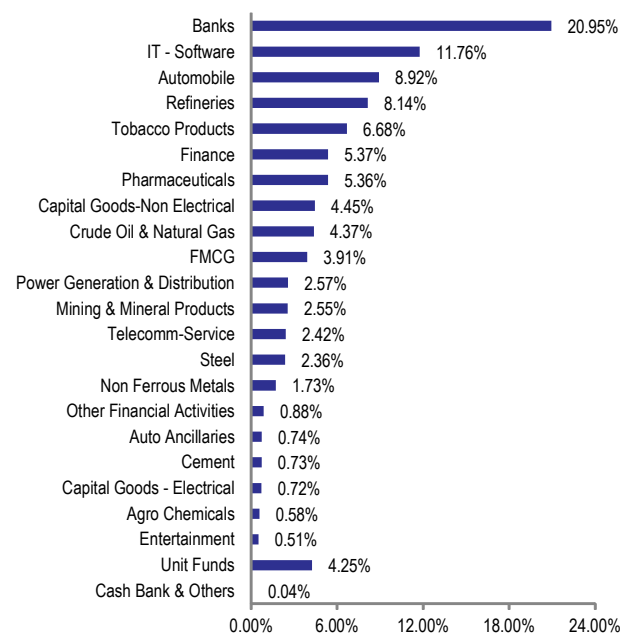
Instrument	Industry/Rating	% Of NAV
Coal India Ltd	Mining & Mineral Products	1.69
Nestle India Ltd.	FMCG	1.49
Tata Steel Ltd.	Steel	1.47
Dr. Reddys Laboratories Ltd.	Pharmaceuticals	1.37
Maruti Suzuki India Ltd.	Automobile	1.27
Bajaj Auto Ltd.	Automobile	1.23
Power Grid Corporation of India Ltd.	Power Generation & Distribution	1.18
IDFC Ltd.	Finance	1.17
HCL Technologies Ltd.	IT - Software	1.13
Axis Bank Ltd.	Banks	1.10
Hero Motocorp Ltd.	Automobile	1.04
Other Equity below 1% corpus		12.79
<b>Unit Funds</b>		<b>4.25</b>
Birla Sun Life Cash Plus - Growth - Direct Plan		4.25
<b>Cash Bank &amp; Others</b>		<b>0.04</b>
<b>Total</b>		<b>100.00</b>

## Fund Performance

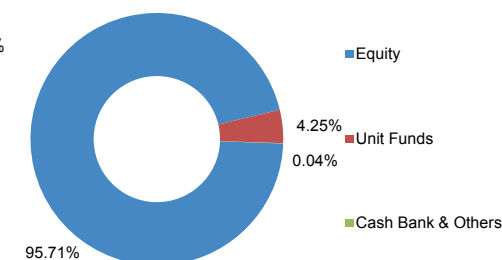
PERIOD	DATE	NAV	BSE Sensex	NAV Change	INDEX Change
Last 6 Months	31-Aug-12	32.6493	17429.56	8.86%	8.22%
Last 1 Year	29-Feb-12	33.4592	17752.68	6.22%	6.25%
Last 2 Years	28-Feb-11	33.2751	17823.40	3.35%	2.87%
Last 3 Years	26-Feb-10	30.1960	16429.55	5.58%	4.71%
Last 4 Years	27-Feb-09	15.6199	8891.61	22.82%	20.68%
Last 5 Years	29-Feb-08	34.8184	17578.72	0.41%	1.42%
Since Inception	29-Mar-04	10.0000	5571.37	15.27%	14.64%

**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 Schemes



# Short Term Fixed Income Fund

ULGF 004 01/07/06 S1 110

FundAssure, Investment Report, February 2013

## 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 28 Feb, 13** : ₹15.4372

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

## Investment Style

Credit Quality			Interest Rate Sensivity
High	Mid	Low	
			High
			Mid
			Low

## Portfolio

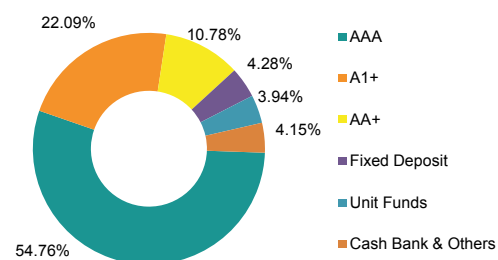
Instrument	Industry/Rating	% of NAV
<b>CD/CP's</b>		
Cholamandalam Invest & Fin. Co. Ltd CP 10-Oct-13	A1+	9.43
Kotak Mahindra Prime Ltd. CP 07-MAR-13	A1+	7.59
Indiabulls Fin. Services Ltd. CP 17-JUL-13	A1+	4.59
Vijaya Bank CD 04-Mar-13	A1+	0.47
<b>Corporate Bonds</b>		
9.75% IDFC Ltd. 11-Jul-14	AAA	8.14
9.40% NHB 10-Jan-15	AAA	7.16
9.25% Dr Reddy's Lab Ltd. 24-Mar-14	AA+	5.98
10.20% Sundaram Finance Ltd. 21-Jul-14	AA+	4.80
9.40% NABARD 31-Jul-15	AAA	4.80
9.63% PFC Ltd. 15-Dec-14	AAA	4.79
9.655% NABARD 18-Oct-14	AAA	4.79
10.40% ICICI Sec Prim Deal Ltd. 27-Jun-13	AAA	4.77
9.55% HDFC Ltd. 11-Apr-13	AAA	4.76
9.20% PGC Ltd. 12-Mar-13	AAA	4.75
8.80% SAIL 26-Oct-15	AAA	4.73
8.40% HDFC Ltd. 08-Dec-14	AAA	2.82
7.65% REC Ltd. 31-Jan-16	AAA	2.30
11.40% PFC Ltd. 28-Nov-13	AAA	0.96
<b>Fixed Deposit</b>		
9.50% State Bank Of Hyderabad FD 04-Jan-14		4.28
<b>Unit Funds</b>		
Kotak Liquid-Plan A -(Growth) - Direct		3.94
<b>Cash Bank &amp; Others</b>		
		4.15
<b>Total</b>		<b>100.00</b>

## Fund Performance

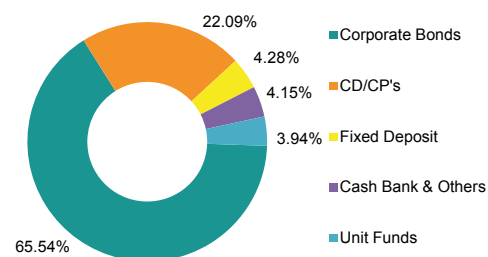
PERIOD	DATE	NAV	CRISIL Short-Term Bond Index	NAV Change	INDEX Change
Last 6 Months	31-Aug-12	14.8352	1931.78	4.06%	4.03%
Last 1 Year	29-Feb-12	14.1397	1847.91	9.18%	8.75%
Last 2 Years	28-Feb-11	13.0187	1701.47	8.89%	8.68%
Last 3 Years	26-Feb-10	12.4252	1621.98	7.50%	7.40%
Last 4 Years	27-Feb-09	11.5422	1539.75	7.54%	6.88%
Last 5 Years	29-Feb-08	10.5351	1394.91	7.94%	7.58%
Since Inception	3-Jul-06	10.0000	1242.33	6.73%	7.49%

**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.

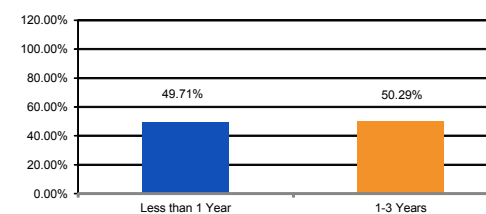
## Rating Profile



## Asset Allocation



## Maturity Profile



Pension Schemes

# Income Fund

ULGF 002 02/03/04 11 110

FundAssure, Investment Report, February 2013

## 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 28 Feb, 13** : ₹17.7632

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

## Investment Style

Credit Quality			Interest Rate Sensivity
High	Mid	Low	
			High
			Mid
			Low

## Portfolio

Instrument	Industry/Rating	% of NAV
<b>CD/CP's</b>		
Vijaya Bank CD 04-Mar-13	A1+	0.19
Kotak Mahindra Prime Ltd. CP 07-MAR-13	A1+	0.19
Cholamandalam Invest & Fin. Co. Ltd CP 10-Oct-13	A1+	0.18
<b>Government Securities</b>		
8.83% GOI 12-Dec-41	Sovereign	9.33
8.20% GOI 24-Sep-25	Sovereign	7.55
8.97% GOI 05-Dec-30	Sovereign	5.95
8.19% GOI 16-Jan-20	Sovereign	4.93
8.15% GOI 11-Jun-22	Sovereign	3.67
8.33% GOI 09-Jul-26	Sovereign	1.74
8.91% Gujarat SDL 22-Aug-22	Sovereign	1.38
8.84% Maharashtra SDL 17-Oct-22	Sovereign	1.38
8.79% Gujarat SDL 25-Oct-22	Sovereign	1.37
8.79% GOI 08-Nov-21	Sovereign	0.33
7.38% GOI 03-Sep-15	Sovereign	0.28
<b>Corporate Bonds</b>		
9.57% IRFC Ltd. 31-May-21	AAA	9.69
9.09% IRFC Ltd. 31-Mar-26	AAA	4.14
2.00% Tata Steel Ltd. 23-Apr-22	AA	3.47
9.70% HDFC Ltd. 07-Jun-17	AAA	3.13
8.80% Tata Sons Ltd. 21-Sep-15	AAA	2.53
9.75% HDFC Ltd. 07-Dec-16	AAA	2.17
9.35% PGC Ltd. 29-Aug-16	AAA	2.14
9.5% United Phosphorus Ltd. 12-Jan-15	AA+	2.12

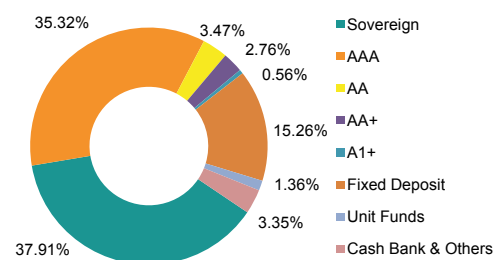
Instrument	Industry/Rating	% of NAV
7.95% IDFC Ltd. 04-May-14	AAA	2.09
9.40% LIC Housing Finance Ltd. 20-12-13	AAA	1.91
9.40% NABARD 31-Jul-15	AAA	1.50
9.00% NTPC Ltd. 25-Jan-23	AAA	1.07
8.50% PFC Ltd. 15-Dec-14	AAA	0.84
10.75% REC Ltd. 24-Jul-13	AAA	0.64
9.40% Sterlite Industries Ltd. 25-Oct-22	AA+	0.64
9.64% PGC Ltd. 31-May-21	AAA	0.55
9.64% PGC Ltd. 31-May-18	AAA	0.55
9.64% PGC Ltd. 31-May-16	AAA	0.54
9.64% PGC Ltd. 31-May-15	AAA	0.53
9.95% SBI 16-Mar-26	AAA	0.45
8.19% IRFC Ltd. 27-Apr-19	AAA	0.41
9.35% REC Ltd. 15-Jun-22	AAA	0.22
9.29% PFC Ltd. 21-Aug-2022	AAA	0.22
<b>Fixed Deposit</b>		<b>15.26</b>
10.70% Punjab National Bank FD 29-Mar-13		4.24
9.50% State Bank Of Hyderabad FD 04-Jan-14		2.97
10.70% Bank of Baroda FD 26-Mar-13		2.33
10.80% Canara Bank FD 22-Mar-13		2.33
10.70% Bank of Baroda FD 22-Mar-13		2.12
9.50% State Bank of Hyderabad FD 10-Feb-2014		1.27
<b>Unit Funds</b>		<b>1.36</b>
Kotak Liquid-Plan A -(Growth) - Direct		1.36
<b>Cash Bank &amp; Others</b>		<b>3.35</b>
<b>Total</b>		<b>100.00</b>

## Fund Performance

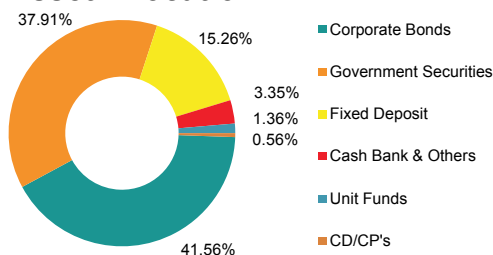
PERIOD	DATE	NAV	Crisil Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	31-Aug-12	16.8449	1862.92	5.45%	4.78%
Last 1 Year	29-Feb-12	16.1186	1790.26	10.20%	9.03%
Last 2 Years	28-Feb-11	14.6743	1653.11	10.02%	8.66%
Last 3 Years	26-Feb-10	13.9177	1574.18	8.47%	7.43%
Last 4 Years	27-Feb-09	12.9730	1510.38	8.17%	6.62%
Last 5 Years	29-Feb-08	11.7977	1402.41	8.53%	6.84%
Since Inception	2-Mar-04	10.0000	1193.20	6.59%	5.62%

**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.

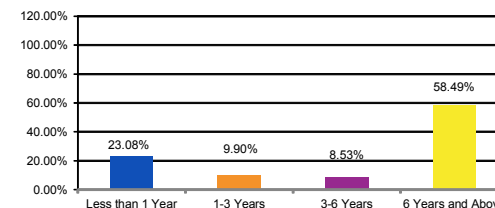
## Rating Profile



## Asset Allocation



## Maturity Profile



Pension Schemes



# Liquid Fund

ULGF 003 02/03/04 L1 110

FundAssure, Investment Report, February 2013

## 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 28 Feb, 13** : ₹17.7291

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

## Investment Style

Credit Quality			Interest Rate Sensivity
High	Mid	Low	
			High
			Mid
			Low

## Portfolio

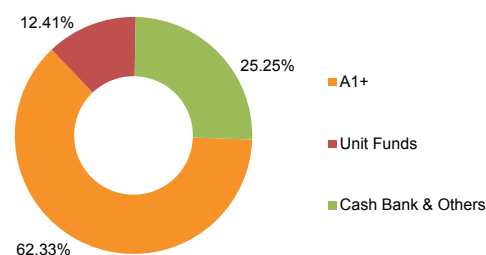
Instrument	Industry/Rating	% of NAV
<b>CD/CP's</b>		<b>62.33</b>
Oriental Bank of Commerce CD 16-Jan-14	A1+	9.46
Vijaya Bank CD 16-Jan-14	A1+	9.46
Kotak Mahindra Prime Ltd. CP 07-MAR-13	A1+	9.14
Cholamandalam Invest & Fin. Co. Ltd CP 10-Oct-13	A1+	9.14
IDBI Bank CD 17-Feb-14	A1+	8.39
Canara Bank CD 24-Feb-14	A1+	8.39
Indiabulls Fin. Services Ltd. CP 17-JUL-13	A1+	8.35
<b>Unit Funds</b>		<b>12.41</b>
Kotak Liquid-Plan A -(Growth) - Direct - Direct		4.48
HDFC Liquid Fund -Direct Plan - Growth Option		3.97
Reliance Liquid Fund - Treasury Plan - Direct Plan Growth		3.97
<b>Cash Bank &amp; Others</b>		<b>25.25</b>
<b>Total</b>		<b>100.00</b>

## Fund Performance

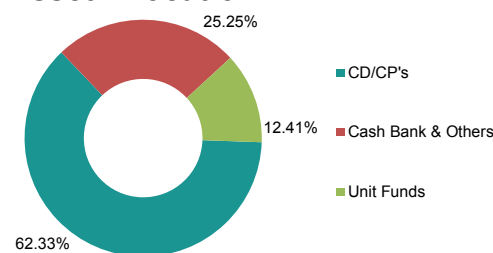
PERIOD	DATE	NAV	Crisil Liquid Fund Index	NAV Change	INDEX Change
Last 6 Months	31-Aug-12	16.9925	1860.23	4.33%	3.84%
Last 1 Year	29-Feb-12	16.2583	1782.95	9.05%	8.34%
Last 2 Years	28-Feb-11	14.9875	1645.33	8.76%	8.35%
Last 3 Years	26-Feb-10	14.2176	1554.03	7.63%	7.52%
Last 4 Years	27-Feb-09	13.3379	1496.11	7.37%	6.60%
Last 5 Years	29-Feb-08	12.3207	1372.88	7.55%	7.07%
Since inception	25-May-04	10.0000	1113.63	6.75%	6.48%

**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.

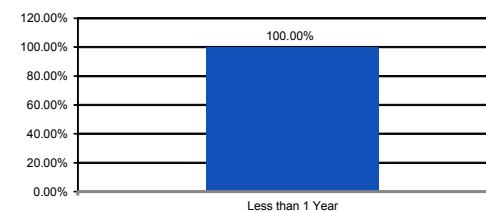
## Rating Profile



## Asset Allocation



## Maturity Profile



Pension Schemes

# Bond Fund

ULGF 005 17/08/07 BO 110

FundAssure, Investment Report, February 2013

## 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 28 Feb, 13** : ₹15.1625

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

## Investment Style

Credit Quality			Interest Rate Sensivity
High	Mid	Low	
			High
			Mid
			Low

## Portfolio

Instrument	Industry/Rating	% of NAV
<b>Government Securities 41.97</b>		
8.83% GOI 12-Dec-41	Sovereign	10.26
8.19% GOI 16-Jan-20	Sovereign	8.93
8.20% GOI 24-Sep-25	Sovereign	5.49
8.97% GOI 05-Dec-30	Sovereign	5.29
8.15% GOI 11-Jun-22	Sovereign	4.99
8.33% GOI 09-Jul-26	Sovereign	2.52
8.91% Gujarat SDL 22-Aug-22	Sovereign	1.50
8.84% Maharashtra SDL 17-Oct-22	Sovereign	1.49
8.79% Gujarat SDL 25-Oct-22	Sovereign	1.49
<b>Corporate Bonds 43.72</b>		
9.09% IRFC Ltd. 31-Mar-26	AAA	8.07
9.57% IRFC Ltd. 31-May-21	AAA	7.71
9.75% HDFC Ltd. 07-Dec-16	AAA	7.03
2.00% Indian Hotels Ltd. 09-Dec-14	AA	4.91
8.80% Tata Sons Ltd. 21-Sep-15	AAA	2.93
9.30% SAIL 25-May-21	AAA	2.00
9.64% PGC Ltd. 31-May-21	AAA	1.28
9.64% PGC Ltd. 31-May-18	AAA	1.26

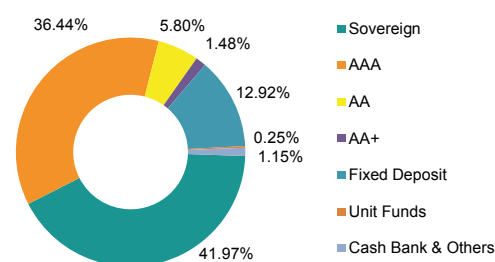
Instrument	Industry/Rating	% of NAV
9.64% PGC Ltd. 31-May-16	AAA	1.25
9.64% PGC Ltd. 31-May-15	AAA	1.24
9.48% REC Ltd. 10-Aug-21	AAA	1.01
9.40% NABARD 31-Jul-15	AAA	0.99
9.30% Tata Sons Ltd. 24-Dec-15	AAA	0.99
9.5% United Phosphorus Ltd. 12-Jan-15	AA+	0.98
2.00% Tata Steel Ltd. 23-Apr-22	AA	0.89
9.95% SBI 16-Mar-26	AAA	0.60
10.70% Sundaram Finance Ltd. 06-Jun-14	AA+	0.50
9.75% SBI Series 3 Lower Tier II 16-Mar-21	AAA	0.07
<b>Fixed Deposit</b>		<b>12.92</b>
9.50% State Bank of Hyderabad FD 10-Feb-2014		3.92
10.70% Bank of Baroda FD 22-Mar-13		2.94
10.00% State Bank Of Travancr FD 01-Mar-13		2.91
10.70% Bank of Baroda FD 26-Mar-13		1.96
9.50% State Bank Of Hyderabad FD 04-Jan-14		1.18
<b>Unit Funds</b>		<b>0.25</b>
Kotak Liquid-Plan A -(Growth) - Direct		0.25
<b>Cash Bank &amp; Others</b>		<b>1.15</b>
<b>Total</b>		<b>100.00</b>

## Fund Performance

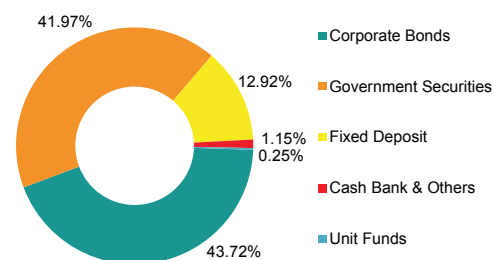
PERIOD	DATE	NAV	Crisil Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	31-Aug-12	14.3688	1862.92	5.52%	4.78%
Last 1 Year	29-Feb-12	13.7478	1790.26	10.29%	9.03%
Last 2 Years	28-Feb-11	12.5241	1653.11	10.03%	8.66%
Last 3 Years	26-Feb-10	11.8724	1574.18	8.50%	7.43%
Last 4 Years	27-Feb-09	11.1387	1510.38	8.02%	6.62%
Last 5 Years	29-Feb-08	10.2786	1402.41	8.09%	6.84%
Since Inception	17-Aug-07	10.0000	1339.53	7.80%	7.03%

**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.

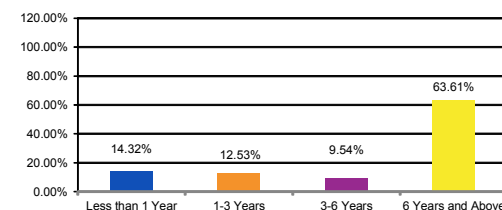
## Rating Profile



## Asset Allocation



## Maturity Profile



Pension Schemes

# Balanced Fund

ULGF 006 17/08/07 BL 110

FundAssure, Investment Report, February 2013

## 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 28 Feb, 13** : ₹14.2843

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

### Debt Investment Style

Credit Quality			Interest Rate Sensitivity
High	Mid	Low	
			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	31-Aug-12	13.5302	5.57%	5.13%
Last 1 Year	29-Feb-12	13.1486	8.64%	8.70%
Last 2 Years	28-Feb-11	12.2532	7.97%	8.13%
Last 3 Years	26-Feb-10	11.6486	7.04%	7.19%
Last 4 Years	27-Feb-09	10.7172	7.45%	7.94%
Last 5 Years	29-Feb-08	10.3632	6.63%	6.33%
Since Inception	17-Aug-07	10.0000	6.65%	6.94%

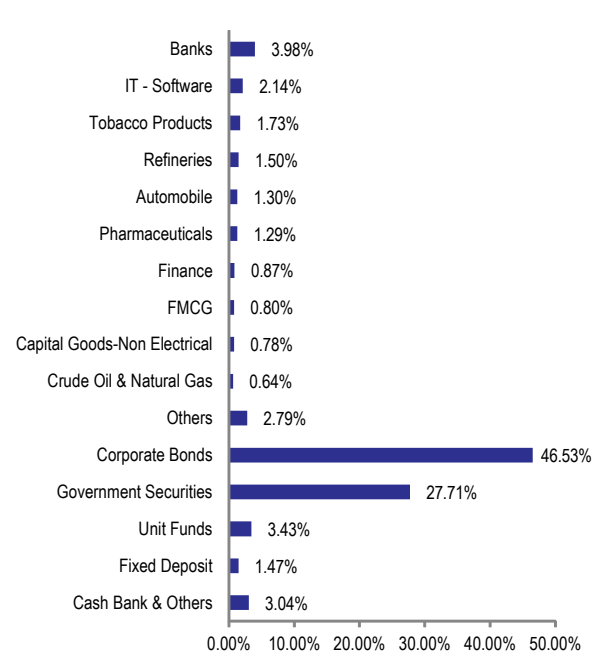
**Note** : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

## Portfolio

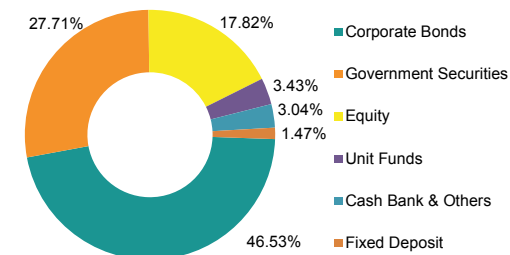
Instrument	Industry/Rating	% Of NAV
<b>Equity</b>		<b>17.82</b>
ITC Ltd.	Tobacco Products	1.73
Reliance Industries Ltd.	Refineries	1.31
HDFC Bank Ltd.	Banks	1.28
ICICI Bank Ltd.	Banks	1.22
Infosys Technologies Ltd.	IT - Software	1.15
Larsen and Toubro Ltd.	Capital Goods-Non Electrical	0.70
Tata Consultancy Services Ltd.	IT - Software	0.67
Sun Pharmaceuticals Industries Ltd.	Pharmaceuticals	0.59
HDFC Ltd.	Finance	0.56
Oil and Natural Gas Corpn Ltd.	Crude Oil & Natural Gas	0.51
Other Equity		8.09
<b>Government Securities</b>		<b>27.71</b>
8.79% GOI 08-Nov-21	Sovereign	10.76
8.33% GOI 09-Jul-26	Sovereign	7.55
8.83% GOI 12-Dec-41	Sovereign	4.75
9.15% GOI 14-Nov-24	Sovereign	3.17
8.15% GOI 11-Jun-22	Sovereign	1.49
<b>Corporate Bonds</b>		<b>46.53</b>

Instrument	Industry/Rating	% Of NAV
8.28% LIC Housing Finance Ltd. 29-Jun-15	AAA	10.10
9.95% SBI 16-Mar-26	AAA	6.52
8.70% PFC Ltd. 14-May-15	AAA	5.09
9.97% IL&FS 28-Sep-16	AAA	4.53
8.35% HDFC Ltd. 19-Jul-15	AAA	4.33
9.65% NABARD 18-Oct-14	AAA	3.69
9.30% Tata Sons Ltd. 24-Dec-15	AAA	2.96
9.20% PGC Ltd. 12-Mar-15	AAA	2.94
8.40% HDFC Ltd. 08-Dec-14	AAA	2.18
10.40% ICICI Sec Prim Deal Ltd. 27-Jun-13	AAA	1.47
7.65% REC Ltd. 31-Jan-16	AAA	1.42
9.25% Dr Reddy's Lab Ltd. 24-Mar-14	AA+	1.30
<b>Fixed Deposit</b>		<b>1.47</b>
10.70% Bank of Baroda FD 26-Mar-13		1.47
<b>Unit Funds</b>		<b>3.43</b>
Kotak Liquid-Plan A -(Growth) - Direct		3.43
<b>Cash Bank &amp; Others</b>		<b>3.04</b>
<b>Total</b>		<b>100.00</b>

## Sector Allocation



## Asset Allocation



Pension Schemes

# Growth Fund

ULGF 007 17/08/07 G2 110

FundAssure, Investment Report, February 2013

## 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 28 Feb, 13** : ₹13.8302

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

### Debt Investment Style

Credit Quality			Interest Rate Sensitivity
High	Mid	Low	
			High
			Mid
			Low

### Equity Investment Style

Investment Style			Size
Value	Blend	Growth	
			Large
			Mid
			Small

## Fund Performance

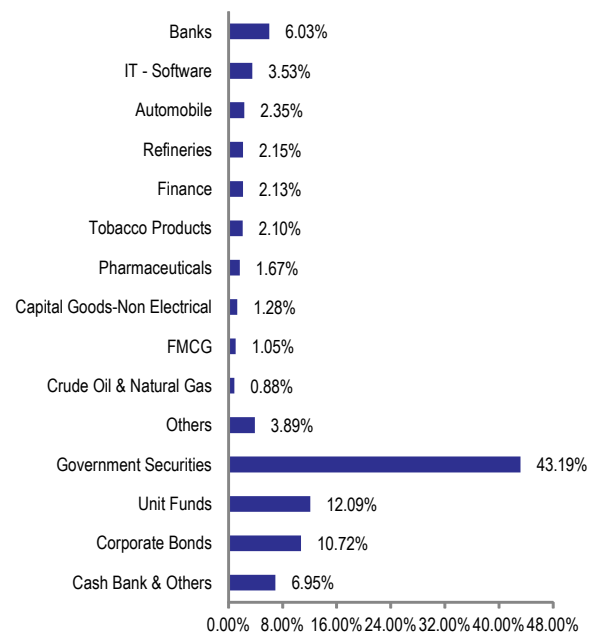
PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	31-Aug-12	13.0982	5.59%	5.82%
Last 1 Year	29-Feb-12	12.9125	7.11%	8.04%
Last 2 Years	28-Feb-11	12.3419	5.86%	7.06%
Last 3 Years	26-Feb-10	11.7400	5.61%	6.69%
Last 4 Years	27-Feb-09	9.6828	9.32%	10.58%
Last 5 Years	29-Feb-08	9.9992	6.70%	5.31%
Since Inception	17-Aug-07	10.000	6.03%	6.74%

**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.

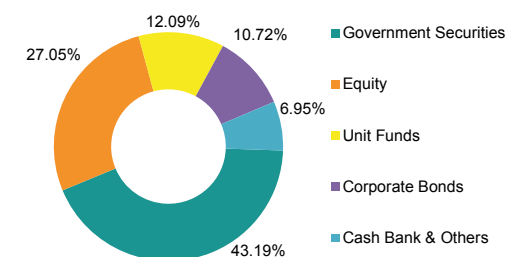
## Portfolio

Instrument	Industry/Rating	% Of NAV
<b>Equity</b>		<b>27.05</b>
HDFC Bank Ltd.	Banks	2.22
ITC Ltd.	Tobacco Products	2.10
Reliance Industries Ltd.	Refineries	1.88
Infosys Technologies Ltd.	IT - Software	1.86
ICICI Bank Ltd.	Banks	1.76
HDFC Ltd.	Finance	1.55
Larsen and Toubro Ltd.	Capital Goods-Non Electrical	1.22
Other Equity		14.47
<b>Government Securities</b>		<b>43.19</b>
9.15% GOI 14-Nov-24	Sovereign	11.51
8.79% GOI 08-Nov-21	Sovereign	11.17
8.97% GOI 05-Dec-30	Sovereign	7.67
7.83% GOI 11-04-2018	Sovereign	7.09
8.83% GOI 12-Dec-41	Sovereign	5.75
<b>Corporate Bonds</b>		<b>10.72</b>
9.57% IRFC Ltd. 31-May-21	AAA	3.73
8.30% HDFC Ltd. 23-Jun-15	AAA	3.50
8.28% LIC Housing Finance Ltd. 29-Jun-15	AAA	3.49
<b>Unit Funds</b>		<b>12.09</b>
Kotak Liquid-Plan A -(Growth) - Direct		4.27
Reliance Liquid Fund - Treasury Plan - Direct Plan Growth		3.91
HDFC Liquid Fund -Direct Plan - Growth Option		3.91
<b>Cash Bank &amp; Others</b>		<b>6.95</b>
<b>Total</b>		<b>100.00</b>

## Sector Allocation



## Asset Allocation



Pension Schemes

# Maxima Fund

ULGF 008 17/08/07 M1 110

FundAssure, Investment Report, February 2013

## 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 28 Feb, 13** : ₹11.0074

**Benchmark** : -

## Debt Investment Style

Credit Quality			Interest Rate Sensitivity
High	Mid	Low	
			High
			Mid
			Low

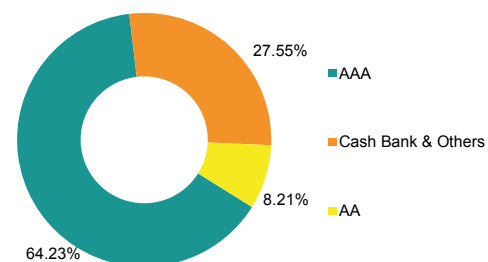
## Equity Investment Style

Investment Style			Size
Value	Blend	Growth	
			Large
			Mid
			Small

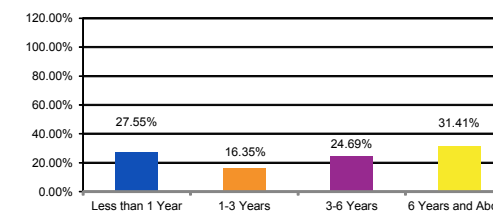
## Portfolio

Instrument	Industry/Rating	% of NAV
<b>Corporate Bonds</b>		<b>72.45</b>
9.70% GE Shipping 02-Feb-21	AAA	8.47
9.48% REC Ltd. 10-Aug-21	AAA	8.37
9.43% LIC Housing Finance Ltd. 10-Feb-22	AAA	8.37
9.60% HDFC Ltd. 07-Apr-16	AAA	8.25
9.00% EXIM Bank 10-Jan-19	AAA	8.23
9.90% Indian Hotels Ltd. 24-Feb-17	AA	8.21
9.40% NABARD 31-Jul-15	AAA	8.20
9.40% NHB 10-Jan-15	AAA	8.15
9.95% SBI 16-Mar-26	AAA	6.20
<b>Cash Bank &amp; Others</b>		<b>27.55</b>
<b>Total</b>		<b>100.00</b>

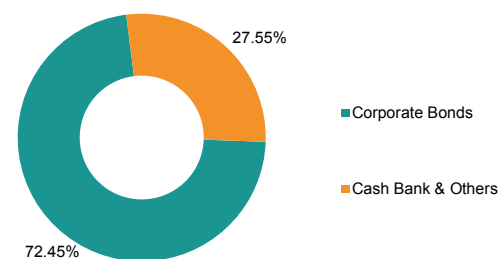
## Rating Profile



## Maturity Profile



## Asset Allocation



Pension Schemes

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more than 10 years duration - High
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11. 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.

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