

# Fund Assure

Investment Report, November 2015



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Dear Friends,

**The month of November 2015 saw the benchmark index BSE Sensex and Nifty 50 shed 1.92% and 1.62% respectively. The Mid-cap index, Nifty Mid-cap 100 gained 0.08% during the same period.**

On the global front, US GDP growth for the third quarter CY 2015 was revised upward from an initial estimate of 1.5% to 2.1% as against growth of 3.9% registered in the second quarter while US consumer price inflation picked up slightly even as the core inflation was unchanged at 1.9%. Given the stabilizing macroeconomic fundamentals in the US, the Federal Reserve's "lift-off" in interest rates in the December FOMC meet seems imminent but subsequent increases in interest rates in CY 2016 is expected to be gradual. Going forward, while the US Federal Reserve is expected to tighten its monetary policy, further easing is likely from major global central banks such as the ECB, BoJ and PBoC.

In an important milestone in China's integration into the global financial system as well as an acknowledgement of its reform agenda, the International Monetary Fund (IMF) admitted the Chinese Yuan into its benchmark currency basket with its decision to add it to the Special Drawing Rights (SDR) alongside the USD, Euro, Pound sterling and the Yen.

On the domestic front, it is anticipated that the winter session of Parliament would be productive with some progress expected on the landmark Goods and Services Tax (GST) legislation apart from the passage of pending bills such as the Real Estate (Regulation and Development) Bill. Other bills that could be taken up for discussion include the Bankruptcy Code Bill as well as amendments to the Reserve Bank of India Act to set up a public debt management authority and a monetary policy committee.

The RBI, in its fifth bi-monthly monetary policy review, kept the repo rate on hold and maintained its inflation and growth estimate albeit with some downside bias. The RBI estimated the Gross Value Added (GVA) growth at 7.4% for FY2016 even as it expected inflation to nudge lower to 5% by March 2017.

India's manufacturing PMI fell to 50.3 in November from 50.7 in the prior month, led by new orders, while new export orders ticked up. This is the fourth straight monthly fall registered by the manufacturing PMI.

India's GDP growth for the second quarter FY 2016 printed 7.4% on a year on year basis as compared to 7% in the prior quarter, largely led by investment and government spending. Gross Value Added (GVA) growth for the second quarter also came in at 7.4%. Manufacturing sector reported a 9.3% increase in GVA from 7.2% increase seen in Q1FY16 on the back of the tailwind of lower commodity prices expanding margins. Despite below average monsoon, agriculture sector registered a growth of 2.2% compared with 1.9% in Q1FY16 largely on account of allied activities. Services grew at 8.8%, similar to the prior quarter led by a 10.6% growth in "trade, hotels, transport and communication" and a 9.7% growth in "finance, insurance, real estate sector". While the second quarter GDP growth confirms a revival of the economy, a sustained acceleration in the growth trajectory would require urgent implementation of structural reforms such as the GST, bankruptcy law as well as land and labour reforms.

The fiscal deficit stood at 74% of the government's budget estimate (BE) during April to October 2015 as compared to the elevated 89.6% in the same period last year. The Central government expenditure was up 6% year on year during April to October 2015 as against the budgeted 8% increase, led by a 31% growth in capital expenditure while revenue expenditure ticked up a modest 3%. The central government's gross tax collections was up 23% year on year during April to October 2015, well above the budgeted 16% on the back of robust indirect tax collections growth at 38% year on year led by higher excise and customs duty collections. The buoyancy in tax collections could help the government meet its fiscal deficit target and overcome risks of a fiscal slippage on account of lower disinvestment proceeds.

Trade deficit in October 2015 narrowed to USD 9.8 bn from USD 10.5 bn in September with October exports contracting 17.5% year on year with the cumulative export growth at a negative 17.6% for the April to October 2015 period, reflecting weak global demand. Total imports in the month of October contracted by 21.2% year on year with the cumulative import growth at a negative 15.2% for the April to October 2015 period aided by lower crude oil prices.

The Consumer Price Index (CPI) inflation for October 2015 came in at 5%, higher than the market expectation of around 4.8% as well as higher than the 4.4% registered in the month of September. Wholesale Price Index (WPI) inflation for October 2015 was at a negative 3.8% as against a negative 4.5% in the prior month, registering the 12<sup>th</sup> consecutive month of negative inflation. CPI and WPI inflation prints for the month of October continue to confirm the presence of disinflationary forces in the economy.

Given the improving macro economic backdrop, we believe that the equity market offers an attractive entry point for a long-term investor with a 3-5 year view.

**Team Investment**

**Equity Market Outlook**

The month of November 2015 saw the benchmark index BSE Sensex and Nifty 50 shed 1.92 % and 1.62 % respectively. The Mid-cap index, Nifty Mid-cap 100 gained 0.08 % during the same period.

The FIIs were net sellers with outflows of around USD 1 bn in the month of November 2015 and the DIIs were net buyers to the tune of USD 1.2 bn with insurance companies net buyers to the tune of around USD 0.36 bn and domestic mutual funds, net buyers to the tune of USD 0.84 bn. FIIs have bought Indian equities to the tune of USD 3.2 bn in the first eleven months of the calendar year even as the DIIs have been net buyers of around USD 9.3 bn in the same period, with insurance companies selling around USD 0.7 bn even as domestic mutual funds bought around USD 10 bn.

In a significant move to increase the ease of doing business in India and to further promote 'Make in India', the Government announced a slew of FDI reforms across 15 sectors aimed at attracting more foreign investments through further easing, rationalizing and simplifying the process of foreign investments. The FDI reforms include increasing the FDI caps in several sectors such as air transport services, media & broadcasting and plantations, shifting existing limits from the discretionary to the automatic route as in defense sector, allowing fungible FPI and FDI limits in private sector banks as well as simplifying the rules in several sectors to facilitate inflows.

The Government has made a determined effort to address the anemic financial health of power distribution companies (discoms) by announcing UDAY (Ujwal Discom Assurance Yojna). UDAY intends to restructure the outstanding debt of the discoms so that they could break-even over the next 2-3 years and link their long-term recurring losses to states' finances. Apart from focusing on improving operational efficiencies, key features of the package include states taking over 75% of the discom debt as on September 30<sup>th</sup> 2015 over two years as well as absorbing future losses from FY 2018 onwards in a phased manner. If implemented well, UDAY scheme could materially improve the health of the discoms, giving them more room to enter into long term power purchase agreements (PPA's) with the generation companies, giving a boost to the entire power sector.

The seventh pay commission has recommended an average increase in the pay, allowances and pensions of 4.7 mn central government employees and 5.4 mn pensioners by 23.6% effective from January 2016. If the government accepts these recommendations, it would kick start consumption, benefiting a range of sectors such as autos, consumer durables, housing as well as banks.

Over the last year, the Indian equity markets have seen headwinds such as sluggish bank credit growth, elevated stressed assets in the banking system, declining exports, delayed private capex cycle as well as muted rural demand on the back of weak monsoons. While many of these concerns remain, there has been a meaningful improvement in the public capex in roads and railways as well as robust policy efforts in mining and power sectors. In addition, a cumulative 125bps cut in policy rates in this calendar year as well as the upcoming revision in salaries under the seventh pay commission could stimulate the urban consumption. Subdued commodity prices should help cushion input prices of manufacturers and help in maintaining robust margins. Government's successful effort to revive some stalled projects is an added catalyst for the economic activity on the ground.

Given the improving macro economic backdrop, we believe that the equity market offers an attractive entry point for a long-term investor with a 3-5 year view.

**Debt Market Outlook**

Debt market in the month of November 2015 saw the benchmark 10 year Government security (G-sec) close the month at 7.79%, hardening by 15 bps over the month. On the corporate bond side, the 10 year AAA corporate bond closed the month at around 8.30%, hardening by 17bps over the month.

In November 2015, the Foreign Portfolio Investors (FPIs) were sellers of Indian debt to the extent of USD 0.5 bn, taking the overall purchase to USD 7.9 bn in the first eleven months of CY 2015.

The RBI, in its fifth bi-monthly monetary policy review kept the repo rate on hold reiterating that it had front-loaded its policy action in the September review in response to weak domestic and global demand that was holding back investment, while noting that structural reforms and productivity improvements would continue to provide the main impetus for sustainable growth.

The RBI anticipated inflation to rise until December 2015 although the seasonal moderation in prices of vegetables and fruits is expected to provide some respite. The RBI noted that the El Nino induced shortening of winter, early indications of sub-par Rabi (winter crop) sowing together with low reservoir levels offer upside risks to food inflation that would have to be contained with astute supply management by the central government in close coordination with states. The RBI cautioned that while oil prices, barring geopolitical shocks, were expected to remain benign for a few more quarters, the uptick in CPI inflation (excluding food and fuel) for two months in succession warranted vigilance. Overall, the RBI expected inflation to broadly track the path set out in the September review with risks slightly to the downside.

The RBI expressed concern regarding the subdued outlook for agriculture, in view of both Rabi (winter crop) and Kharif (summer crop) prospects being hit by monsoon vagaries. The RBI expected robust growth in select sectors of manufacturing such as capital goods and passenger cars even as weak rural and external demand held back stronger overall growth. Similarly, the RBI was concerned that while prospects for a revival in service sector activity had been boosted by optimism on new business, pockets of muted activity such as construction weighed on the overall outlook. The RBI was of the view that the step-up in public capital spending and the easing stance of monetary policy provided the enabling environment for a revival in private investment demand, supported by easing input prices and improving conditions for doing business. The RBI kept the growth projection for 2015-16 unchanged at 7.4% with a mild downside bias.

Going forward, the RBI would monitor developments on commodity prices, especially food and crude oil, even while tracking inflationary expectations and external developments. The RBI expected the implementation of the seventh Pay Commission proposals and its effect on wages and rents to figure in its future deliberations even though the RBI opined that its direct effect on aggregate demand would likely be offset by appropriate budgetary tightening as the Government stayed on the fiscal consolidation path.

The RBI was disappointed that since the start of the rate reduction cycle in January, less than half of the cumulative policy repo rate reduction of 125 bps had been transmitted by banks as the median base lending rate had declined only by 60 bps. The RBI announced that it will finalize the methodology for determining the base rate around the marginal cost of funds, which all banks would have to follow. The RBI stated that the government was examining linking small savings interest rates to market interest rates and expected this to further help transmission of policy rates into lending rates. In addition, the RBI anticipated the on-going clean-up of bank balance sheets to help create room for fresh lending.

The RBI concluded that it will use the space for further accommodation, when available, while keeping the economy anchored to the projected disinflation path that should take inflation down to 5% by March 2017.

The G-sec market has seen yields hardening over the last month on the back of relentless weekly auctions, overhang due to the imminent lift off in interest rates by the US Fed as well as the possible inflationary impact of the seventh pay commission recommendations. Going forward, market watchers expect the next leg of the easing of bond yields to be on the back of an opening of the next tranche of G-sec limits for the FPIs as well as the possibility of the CPI inflation undershooting the RBI's January 2016 target.

## Content

# Fund Assure, Investment Report, November 2015

Equity Fund

Short Term Fixed  
Income Fund

Income Fund

Liquid Fund

Bond Fund

Balanced Fund

## EQUITY FUND

ULGF 001 02/03/04 E1 110  
Fund Assure, Investment Report, November 2015

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### Fund Details

**Investment Objective:** The primary investment objective of the fund is to generate long term capital appreciation from a portfolio that is invested predominantly in equity and equity linked securities.

**NAV as on 30 November, 15:** ₹50.7175

**Benchmark:** S&P BSE Sensex - 100%

### Investment Style

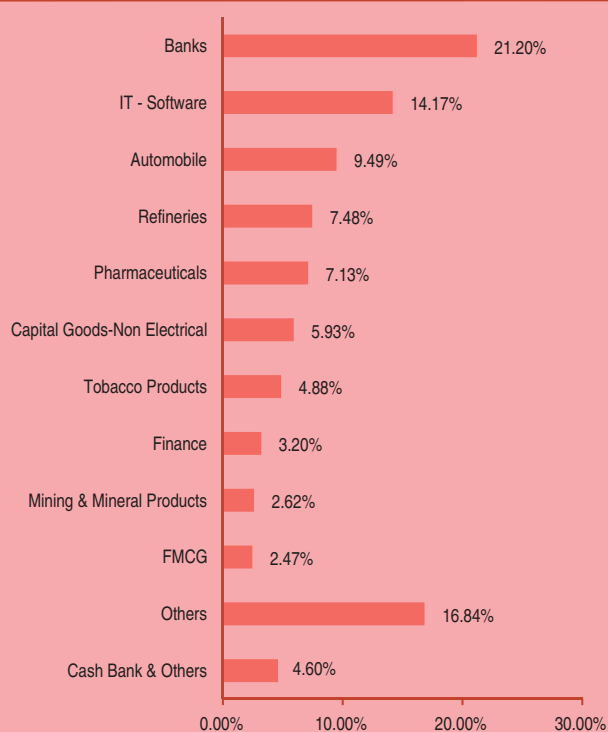
| Investment Style |       |        | Size  |
|------------------|-------|--------|-------|
| Value            | Blend | Growth | Large |
|                  |       |        | Mid   |
|                  |       |        | Small |

### Fund Performance

| Period          | Date      | NAV     | S&P BSE Sensex | NAV Change | INDEX Change |
|-----------------|-----------|---------|----------------|------------|--------------|
| Last 3 Months   | 31-Aug-15 | 50.9485 | 26283.09       | -0.45%     | -0.52%       |
| Last 6 Months   | 29-May-15 | 53.5664 | 27828.44       | -5.32%     | -6.05%       |
| Last 1 Year     | 28-Nov-14 | 53.9675 | 28693.99       | -6.02%     | -8.88%       |
| Last 2 Years    | 29-Nov-13 | 39.1148 | 20791.93       | 13.87%     | 12.14%       |
| Last 3 Years    | 30-Nov-12 | 36.5597 | 19339.90       | 11.53%     | 10.57%       |
| Last 4 Years    | 30-Nov-11 | 30.1172 | 16123.46       | 13.92%     | 12.85%       |
| Last 5 Years    | 30-Nov-10 | 37.1641 | 19521.25       | 6.42%      | 6.02%        |
| Since Inception | 29-Mar-04 | 10.0000 | 5571.37        | 14.91%     | 14.15%       |

**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.

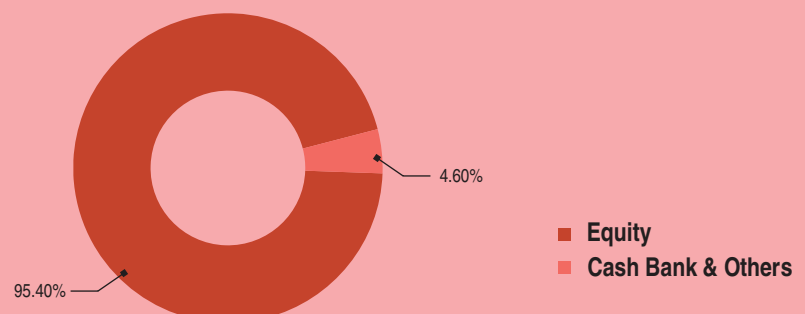
### Sector Allocation



### Portfolio

| Instrument                          | Industry/Rating              | % Of NAV      |
|-------------------------------------|------------------------------|---------------|
| <b>Equity</b>                       |                              | <b>95.40</b>  |
| HDFC Bank Ltd.                      | Banks                        | 8.41          |
| Infosys Technologies Ltd.           | IT - Software                | 8.18          |
| Reliance Industries Ltd.            | Refineries                   | 6.53          |
| ITC Ltd.                            | Tobacco Products             | 4.88          |
| ICICI Bank Ltd.                     | Banks                        | 4.56          |
| Tata Consultancy Services Ltd.      | IT - Software                | 4.12          |
| Larsen and Toubro Ltd.              | Capital Goods-Non Electrical | 3.96          |
| Tata Motors Ltd.                    | Automobile                   | 3.89          |
| Sun Pharmaceuticals Industries Ltd. | Pharmaceuticals              | 3.26          |
| State Bank of India                 | Banks                        | 3.17          |
| HDFC Ltd.                           | Finance                      | 3.07          |
| Coal India Ltd                      | Mining & Mineral Products    | 2.62          |
| Axis Bank Ltd.                      | Banks                        | 2.41          |
| Asian Paints Ltd.                   | Paints/Varnish               | 2.28          |
| Maruti Suzuki India Ltd.            | Automobile                   | 2.19          |
| Other Equity                        |                              | 31.89         |
| <b>Cash Bank &amp; Others</b>       |                              | <b>4.60</b>   |
| <b>Total</b>                        |                              | <b>100.00</b> |

### Asset Allocation



## SHORT TERM FIXED INCOME FUND

ULGF 004 01/07/06 S1 110  
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### 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.

**NAV as on 30 November, 15:** ₹19.2795

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

#### Investment Style

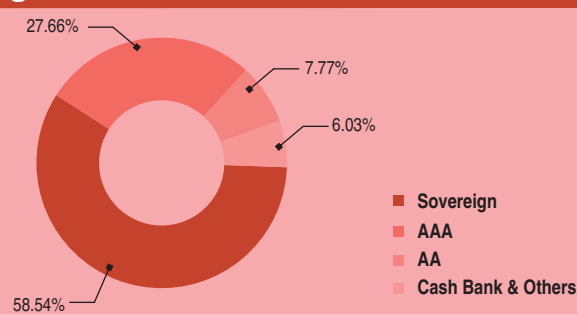
| Credit Quality |     |     | Interest Rate Sensitivity |
|----------------|-----|-----|---------------------------|
| High           | Mid | Low |                           |
|                |     |     | High                      |
|                |     |     | Mid                       |
|                |     |     | Low                       |

### Fund Performance

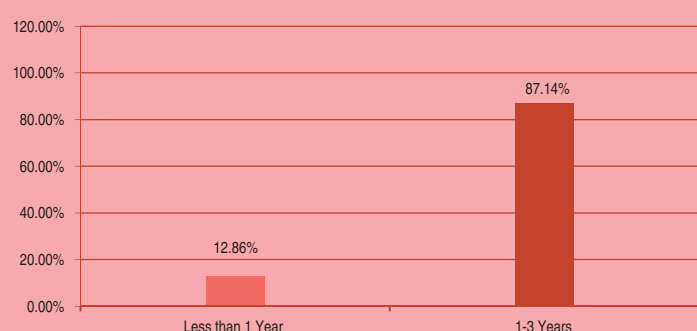
| Period          | Date      | NAV     | Crisil Short Term Bond Index | NAV Change | INDEX Change |
|-----------------|-----------|---------|------------------------------|------------|--------------|
| Last 3 Months   | 31-Aug-15 | 18.8991 | 2515.34                      | 2.01%      | 2.08%        |
| Last 6 Months   | 29-May-15 | 18.5488 | 2464.40                      | 3.94%      | 4.19%        |
| Last 1 Year     | 28-Nov-14 | 17.8301 | 2357.70                      | 8.13%      | 8.90%        |
| Last 2 Years    | 29-Nov-13 | 16.3316 | 2134.67                      | 8.65%      | 9.67%        |
| Last 3 Years    | 30-Nov-12 | 15.1744 | 1974.32                      | 8.31%      | 9.15%        |
| Last 4 Years    | 30-Nov-11 | 13.8597 | 1807.09                      | 8.60%      | 9.18%        |
| Last 5 Years    | 30-Nov-10 | 12.8919 | 1682.27                      | 8.38%      | 8.82%        |
| Since Inception | 03-Jul-06 | 10.0000 | 1242.33                      | 7.22%      | 8.01%        |

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

### Rating Profile



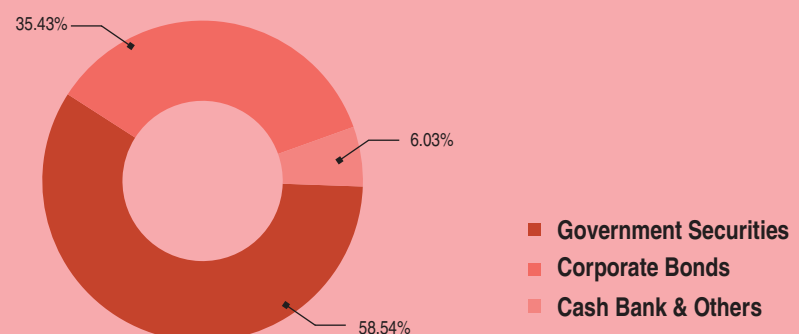
### Maturity Profile



### Portfolio

| Instrument                             | Industry/Rating | % Of NAV      |
|--|-----------------|---------------|
| <b>Government Securities</b>           |                 | <b>58.54</b>  |
| 8.78% Haryana SDL 23-Jul-17            | Sovereign       | 17.26         |
| 8.39% Gujarat SDL 27-Mar-18            | Sovereign       | 17.21         |
| 8.67% Karnataka SDL 18-Jul-17          | Sovereign       | 12.07         |
| 7.83% GOI 11-Apr-18                    | Sovereign       | 11.99         |
| <b>Corporate Bonds</b>                 |                 | <b>35.43</b>  |
| 9.43% IRFC Ltd. 23-May-18              | AAA             | 8.78          |
| 9.30% Blue Dart Express Ltd. 20-Nov-17 | AA              | 7.77          |
| 8.43% IDFC Bank Ltd. 02-Feb-18         | AAA             | 6.87          |
| 9.35% HDFC Ltd. 04-Mar-16              | AAA             | 6.82          |
| 8.90% PFC Ltd. 21-Oct-17               | AAA             | 5.18          |
| <b>Cash Bank &amp; Others</b>          |                 | <b>6.03</b>   |
| <b>Total</b>                           |                 | <b>100.00</b> |

### Asset Allocation



## INCOME FUND

ULGF 002 02/03/04 11 110  
Fund Assure, Investment Report, November 2015

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### Fund Details

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

**NAV as on 30 November, 15:** ₹22.5131

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

#### Investment Style

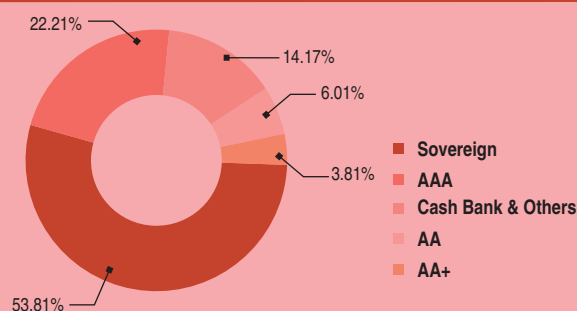
| Credit Quality |     |     | Interest Rate Sensitivity |
|----------------|-----|-----|---------------------------|
| High           | Mid | Low |                           |
|                |     |     | High                      |
|                |     |     | Mid                       |
|                |     |     | Low                       |

### Fund Performance

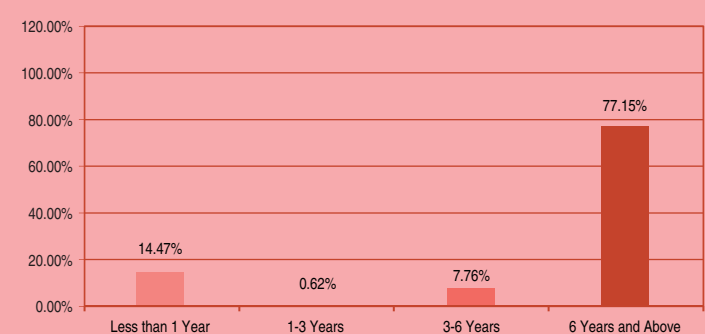
| Period          | Date      | NAV     | Crisil Composite Bond Index | NAV Change | INDEX Change |
|-----------------|-----------|---------|-----------------------------|------------|--------------|
| Last 3 Months   | 31-Aug-15 | 22.0772 | 2410.46                     | 1.97%      | 2.24%        |
| Last 6 Months   | 29-May-15 | 21.6881 | 2365.60                     | 3.80%      | 4.18%        |
| Last 1 Year     | 28-Nov-14 | 20.5968 | 2254.22                     | 9.30%      | 9.33%        |
| Last 2 Years    | 29-Nov-13 | 18.1498 | 1985.39                     | 11.37%     | 11.41%       |
| Last 3 Years    | 30-Nov-12 | 17.2966 | 1906.42                     | 9.18%      | 8.93%        |
| Last 4 Years    | 30-Nov-11 | 15.5598 | 1740.31                     | 9.68%      | 9.09%        |
| Last 5 Years    | 30-Nov-10 | 14.5529 | 1638.39                     | 9.12%      | 8.51%        |
| Since Inception | 02-Mar-04 | 10.0000 | 1193.20                     | 7.15%      | 6.37%        |

**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



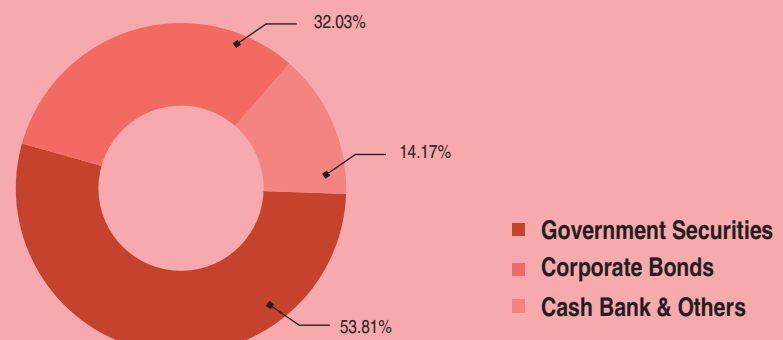
### Maturity Profile



### Portfolio

| Instrument                                       | Industry/Rating | % Of NAV      |
|--|-----------------|---------------|
| <b>Government Securities</b>                     |                 | <b>53.81</b>  |
| 8.17% GOI 01-Dec-44                              | Sovereign       | 14.22         |
| 9.23% GOI 23-Dec-43                              | Sovereign       | 7.56          |
| 8.40% GOI 28-Jul-24                              | Sovereign       | 6.29          |
| 7.68% GOI 15-Dec-23                              | Sovereign       | 5.53          |
| 8.24% GOI 10-Nov-33                              | Sovereign       | 4.01          |
| 8.29% Rajasthan SDL 29-Jul-25                    | Sovereign       | 3.96          |
| 8.23% Gujarat SDL 09-Sep-25                      | Sovereign       | 3.93          |
| 8.26% Maharashtra SDL 12-Aug-25                  | Sovereign       | 3.91          |
| 6.90% GOI 04-Feb-26                              | Sovereign       | 3.62          |
| 8.28% GOI 21-Sep-27                              | Sovereign       | 0.78          |
| <b>Corporate Bonds</b>                           |                 | <b>32.03</b>  |
| 8.49% NTPC Ltd. 25-Mar-25                        | AAA             | 6.92          |
| 2.00% Tata Steel Ltd. 23-Apr-22                  | AA              | 6.01          |
| 8.85% Yes Bank Ltd. 24-Feb-25                    | AA+             | 3.81          |
| 10.40% Reliance Ports & Terminals Ltd. 18-Jul-21 | AAA             | 3.77          |
| 8.40% NPCIL 28-Nov-26                            | AAA             | 3.31          |
| 8.70% IDFC Bank Ltd. 20-May-25                   | AAA             | 2.30          |
| 0.00% NABARD 01-Jan-19                           | AAA             | 2.02          |
| 9.30% PGC Ltd. 28-Jun-21                         | AAA             | 1.35          |
| 8.14% NPCIL 25-Mar-26                            | AAA             | 0.78          |
| 9.70% HDFC Ltd. 07-Jun-17                        | AAA             | 0.62          |
| 8.75% SAIL 23-Apr-20                             | AAA             | 0.44          |
| 9.35% HDFC Ltd. 04-Mar-16                        | AAA             | 0.30          |
| 9.35% REC Ltd. 15-Jun-22                         | AAA             | 0.23          |
| 9.57% IRFC Ltd. 31-May-21                        | AAA             | 0.09          |
| 8.93% NTPC Ltd. 19-Jan-21                        | AAA             | 0.09          |
| <b>Cash Bank &amp; Others</b>                    |                 | <b>14.17</b>  |
| <b>Total</b>                                     |                 | <b>100.00</b> |

### Asset Allocation





## LIQUID FUND

ULGF 003 02/03/04 L1 110  
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### 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.

**NAV as on 30 November, 15:** ₹21.9016

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

#### Investment Style

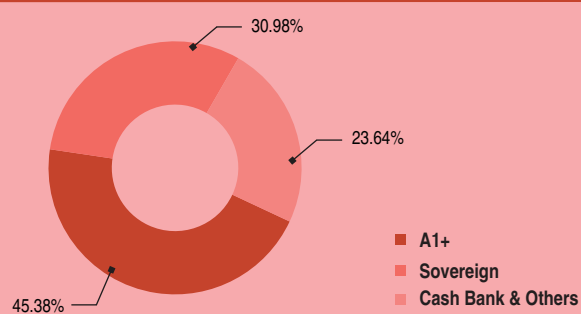
| Credit Quality |     |     | Interest Rate Sensitivity |
|----------------|-----|-----|---------------------------|
| High           | Mid | Low |                           |
|                |     |     | High                      |
|                |     |     | Mid                       |
|                |     |     | Low                       |

### Fund Performance

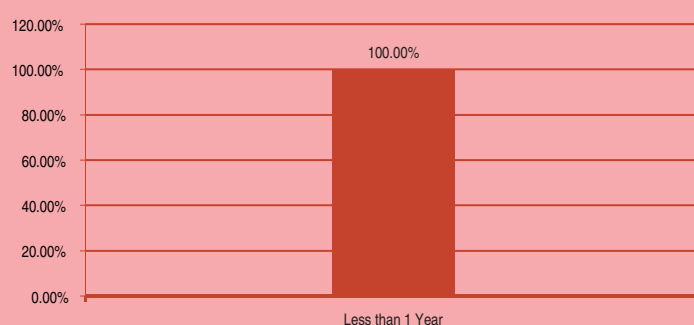
| Period          | Date      | NAV     | Crisil Liquid Fund Index | NAV Change | INDEX Change |
|-----------------|-----------|---------|--------------------------|------------|--------------|
| Last 3 Months   | 31-Aug-15 | 21.5199 | 2398.49                  | 1.77%      | 1.86%        |
| Last 6 Months   | 29-May-15 | 21.1292 | 2350.95                  | 3.66%      | 3.92%        |
| Last 1 Year     | 28-Nov-14 | 20.3502 | 2254.93                  | 7.62%      | 8.34%        |
| Last 2 Years    | 29-Nov-13 | 18.7875 | 2063.79                  | 7.97%      | 8.80%        |
| Last 3 Years    | 30-Nov-12 | 17.3695 | 1895.39                  | 8.03%      | 8.83%        |
| Last 4 Years    | 30-Nov-11 | 15.9293 | 1745.47                  | 8.29%      | 8.77%        |
| Last 5 Years    | 30-Nov-10 | 14.7566 | 1614.97                  | 8.22%      | 8.63%        |
| Since Inception | 25-May-04 | 10.0000 | 1113.63                  | 7.04%      | 7.06%        |

**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



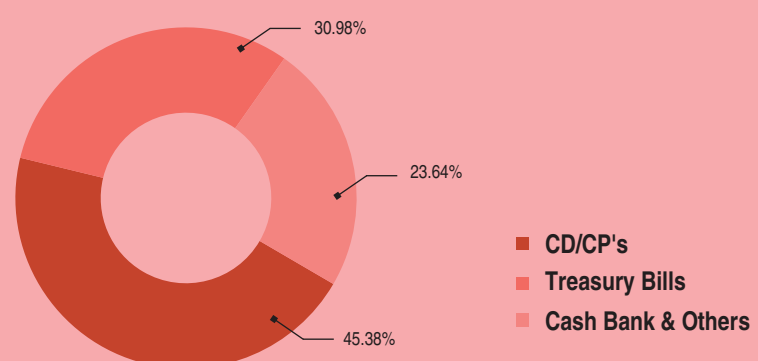
### Maturity Profile



### Portfolio

| Instrument                    | Industry/Rating | % Of NAV      |
|-------------------------------|-----------------|---------------|
| <b>CD/CP's</b>                |                 | <b>45.38</b>  |
| Axis Bank CD 28-Oct-16        | A1+             | 9.20          |
| EXIM BANK CD 16-Mar-16        | A1+             | 9.15          |
| Andhra Bank CD 24-Mar-16      | A1+             | 9.14          |
| ICICI BANK CD 17-Jun-16       | A1+             | 8.98          |
| HDFC Ltd. CP 20-Jul-16        | A1+             | 8.90          |
| <b>Treasury Bills</b>         |                 | <b>30.98</b>  |
| 364 Days Tbill 16-Sep-16      | Sovereign       | 30.98         |
| <b>Cash Bank &amp; Others</b> |                 | <b>23.64</b>  |
| <b>Total</b>                  |                 | <b>100.00</b> |

### Asset Allocation



## BOND FUND

ULGF 005 17/08/07 BO 110  
Fund Assure, Investment Report, November 2015

**TATA AIA LIFE**  
making Good happen

### Fund Details

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

**NAV as on 30 November, 15:** ₹19.2328

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

#### Investment Style

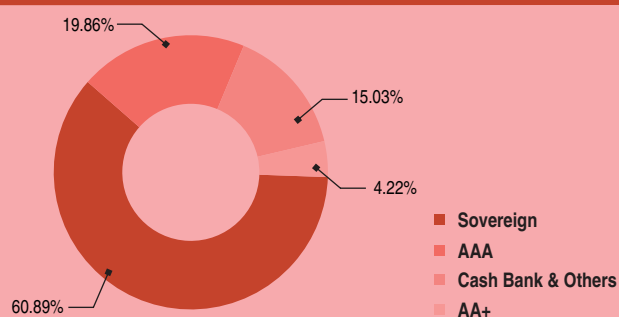
| Credit Quality |     |     | Interest Rate Sensitivity |
|----------------|-----|-----|---------------------------|
| High           | Mid | Low |                           |
|                |     |     | High                      |
|                |     |     | Mid                       |
|                |     |     | Low                       |

### Fund Performance

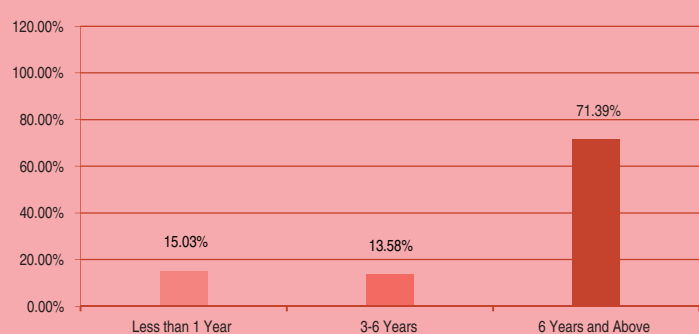
| Period          | Date      | NAV     | Crisil Composite Bond Index | NAV Change | INDEX Change |
|-----------------|-----------|---------|-----------------------------|------------|--------------|
| Last 3 Months   | 31-Aug-15 | 18.8446 | 2410.46                     | 2.06%      | 2.24%        |
| Last 6 Months   | 29-May-15 | 18.5221 | 2365.60                     | 3.84%      | 4.18%        |
| Last 1 Year     | 28-Nov-14 | 17.5792 | 2254.22                     | 9.41%      | 9.33%        |
| Last 2 Years    | 29-Nov-13 | 15.5267 | 1985.39                     | 11.30%     | 11.41%       |
| Last 3 Years    | 30-Nov-12 | 14.7636 | 1906.42                     | 9.22%      | 8.93%        |
| Last 4 Years    | 30-Nov-11 | 13.2740 | 1740.31                     | 9.71%      | 9.09%        |
| Last 5 Years    | 30-Nov-10 | 12.4197 | 1638.39                     | 9.14%      | 8.51%        |
| Since Inception | 17-Aug-07 | 10.0000 | 1339.53                     | 8.21%      | 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.

### Rating Profile



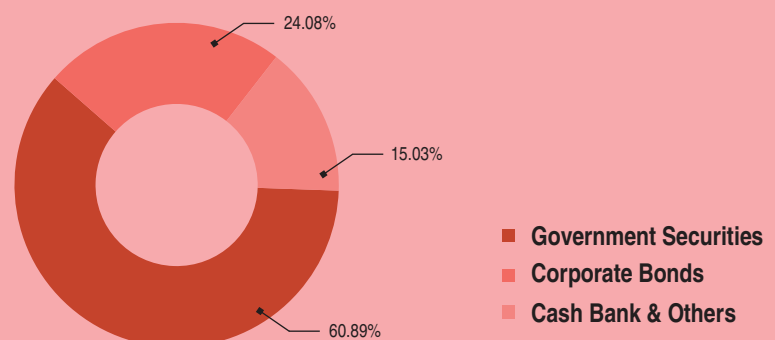
### Maturity Profile



### Portfolio

| Instrument                                       | Industry/Rating | % Of NAV      |
|--|-----------------|---------------|
| <b>Government Securities</b>                     |                 | <b>60.89</b>  |
| 8.17% GOI 01-Dec-44                              | Sovereign       | 14.29         |
| 9.23% GOI 23-Dec-43                              | Sovereign       | 8.95          |
| 8.28% GOI 21-Sep-27                              | Sovereign       | 7.81          |
| 8.40% GOI 28-Jul-24                              | Sovereign       | 6.32          |
| 7.68% GOI 15-Dec-23                              | Sovereign       | 5.29          |
| 8.24% GOI 10-Nov-33                              | Sovereign       | 3.83          |
| 8.23% Gujarat SDL 09-Sep-25                      | Sovereign       | 3.68          |
| 8.29% Rajasthan SDL 29-Jul-25                    | Sovereign       | 3.67          |
| 8.26% Maharashtra SDL 12-Aug-25                  | Sovereign       | 3.64          |
| 6.90% GOI 04-Feb-26                              | Sovereign       | 3.43          |
| <b>Corporate Bonds</b>                           |                 | <b>24.08</b>  |
| 8.75% SAIL 23-Apr-20                             | AAA             | 5.29          |
| 8.85% Yes Bank Ltd. 24-Feb-25                    | AA+             | 4.22          |
| 9.48% REC Ltd. 10-Aug-21                         | AAA             | 3.47          |
| 8.40% NPCIL 28-Nov-26                            | AAA             | 2.83          |
| 10.40% Reliance Ports & Terminals Ltd. 18-Jul-21 | AAA             | 2.65          |
| 8.70% IDFC Bank Ltd. 20-May-25                   | AAA             | 2.14          |
| 0.00% NABARD 01-Jan-19                           | AAA             | 2.05          |
| 8.14% NPCIL 25-Mar-26                            | AAA             | 0.70          |
| 8.49% NTPC Ltd. 25-Mar-25                        | AAA             | 0.61          |
| 9.75% SBI Series 3 Lower Tier II 16-Mar-21       | AAA             | 0.13          |
| <b>Cash Bank &amp; Others</b>                    |                 | <b>15.03</b>  |
| <b>Total</b>                                     |                 | <b>100.00</b> |

### Asset Allocation



## BALANCED FUND

ULGF 006 17/08/07 BL 110  
Fund Assure, Investment Report, November 2015

**TATA AIA LIFE**  
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### 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.

**NAV as on 30 November, 15:** ₹18.3374

**Benchmark:** Nifty 50 - 10%

CRISIL Composite Bond Index - 90%

#### Debt Investment Style

| Credit Quality |     |     | Interest Rate Sensitivity |
|----------------|-----|-----|---------------------------|
| High           | Mid | Low |                           |
|                |     |     | High                      |
|                |     |     | Mid                       |
|                |     |     | Low                       |

#### Equity Investment Style

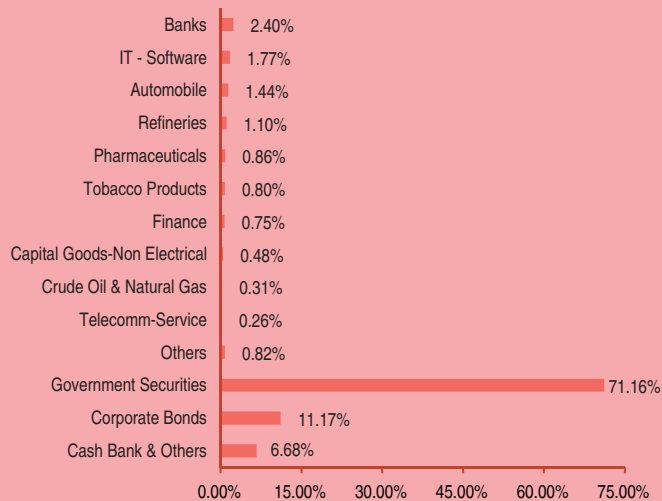
| Investment Style |       |        | Size  |
|------------------|-------|--------|-------|
| Value            | Blend | Growth |       |
|                  |       |        | Large |
|                  |       |        | Mid   |
|                  |       |        | Small |

### Fund Performance

| Period          | Date      | NAV     | NAV Change | INDEX Change |
|-----------------|-----------|---------|------------|--------------|
| Last 3 Months   | 31-Aug-15 | 18.0363 | 1.67%      | 1.97%        |
| Last 6 Months   | 29-May-15 | 17.9654 | 2.07%      | 3.17%        |
| Last 1 Year     | 28-Nov-14 | 17.3541 | 5.67%      | 7.63%        |
| Last 2 Years    | 29-Nov-13 | 14.8546 | 11.11%     | 11.61%       |
| Last 3 Years    | 30-Nov-12 | 14.0663 | 9.24%      | 9.09%        |
| Last 4 Years    | 30-Nov-11 | 12.6310 | 9.77%      | 9.50%        |
| Last 5 Years    | 30-Nov-10 | 12.4198 | 8.10%      | 8.28%        |
| Since Inception | 17-Aug-07 | 10.0000 | 7.59%      | 7.69%        |

**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.

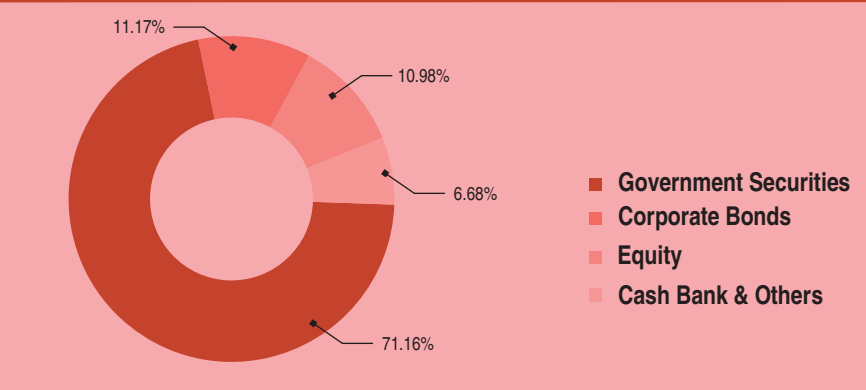
### Sector Allocation



### Portfolio

| Instrument                                       | Industry/Rating              | % Of NAV      |
|--|------------------------------|---------------|
| <b>Equity 10.98</b>                              |                              |               |
| HDFC Bank Ltd.                                   | Banks                        | 1.17          |
| Infosys Technologies Ltd.                        | IT - Software                | 1.01          |
| ICICI Bank Ltd.                                  | Banks                        | 0.91          |
| ITC Ltd.   | Tobacco Products             | 0.80          |
| HDFC Ltd.  | Finance                      | 0.75          |
| Reliance Industries Ltd.                         | Refineries                   | 0.75          |
| Tata Motors Ltd.                                 | Automobile                   | 0.55          |
| Tata Consultancy Services Ltd.                   | IT - Software                | 0.55          |
| Larsen and Toubro Ltd.                           | Capital Goods-Non Electrical | 0.48          |
| Sun Pharmaceuticals Industries Ltd.              | Pharmaceuticals              | 0.40          |
| Dr. Reddys Laboratories Ltd.                     | Pharmaceuticals              | 0.36          |
| Maruti Suzuki India Ltd.                         | Automobile                   | 0.36          |
| Bharat Petroleum Corporation Ltd.                | Refineries                   | 0.35          |
| Oil and Natural Gas Corpn Ltd.                   | Crude Oil & Natural Gas      | 0.31          |
| State Bank of India                              | Banks                        | 0.29          |
| Other Equity                                     |                              | 1.94          |
| <b>Government Securities 71.16</b>               |                              |               |
| 7.68% GOI 15-Dec-23                              | Sovereign                    | 16.05         |
| 8.40% GOI 28-Jul-24                              | Sovereign                    | 15.29         |
| 7.88% GOI 19-Mar-30                              | Sovereign                    | 11.92         |
| 9.23% GOI 23-Dec-43                              | Sovereign                    | 8.55          |
| 8.17% GOI 01-Dec-44                              | Sovereign                    | 7.18          |
| 8.90% Rajasthan SDL 24-Sep-24                    | Sovereign                    | 6.68          |
| 8.29% Maharashtra SDL 26-Aug-25                  | Sovereign                    | 5.49          |
| <b>Corporate Bonds 11.17</b>                     |                              |               |
| 9.97% IL&FS 28-Sep-16                            | AAA                          | 4.73          |
| 8.49% NTPC Ltd. 25-Mar-25                        | AAA                          | 3.33          |
| 9.30% SAIL 25-May-19                             | AAA                          | 2.09          |
| 10.40% Reliance Ports & Terminals Ltd. 18-Jul-21 | AAA                          | 1.02          |
| <b>Cash Bank &amp; Others 6.68</b>               |                              |               |
| <b>Total</b>                                     |                              | <b>100.00</b> |

### Asset Allocation



### Tata AIA Life Insurance's Investment team

**Harshad Patil**  
Chief Investment Officer

**Cheenu Gupta**  
Senior Analyst & Fund Manager

**Nalin Ladiwala**  
Analyst

**Rajeev Tewari**  
Head of Equities

**Pankaj Khetan**  
Fund Manager

**H S Bharath**  
Dealer

**Jayanth Udupa**  
Head of Credit Analysis & Economist

**Nimesh Mistry**  
Analyst

**Pankaj Agarwal**  
Dealer

**Nitin Bansal**  
Senior Analyst & Fund Manager

**Anirban Ray**  
Analyst

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