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Dear Friends,

*September 2010 saw the Indian equity markets regain the 20,000 levels after a gap of almost 30 months due to strong capital flows, mainly from the FIIs, who are keen to have a slice of the India growth story.*

*On 16th Sep 2010, the RBI hiked the repo rate by 25 bps to 6.00% and the reverse repo by 50 bps to 5.00% thereby narrowing the rate corridor to 100 bps, the lowest in the last few years. While 25bps hike was expected, additional hike of 25bps in Reverse repo was a surprise.*

*The government announced its borrowing calendar for the second half of the financial year, reducing the amount by ₹100 billion as compared to the earlier budget. The borrowing now stands at ₹1.63 trillion for the second half, ₹2.84 trillion being the first half borrowing. The bond markets rallied on this development.*

*The FII investment cap on government securities (with residual maturity greater than five years) and corporate bonds have been increased by US\$5 bn, taking the respective cap to US\$10 bn and US\$20 bn. This would bring in more inflows and ease the pressure on the Current account.*

*The cumulative rainfall for the period June 1st 2010 till Sep 22nd 2010 was at 4% above long period average. The first advance estimates of Kharif (summer) crop production for FY2011 shows a significant pick up from FY2010. Food grain production is expected to increase by 10% from FY2010.*

*The Index of Industrial Production (IIP) rebounded to 13.8% in July after dipping to 5.9% in June, reflecting buoyancy in the economy.*

*The new series of headline WPI inflation points to a moderating trend, apart from being more broad based and representing the current consumption basket. The headline inflation in the new series came in 100 bps lower than the old series, at 8.5% YoY in August 2010.*

*India stands out amidst global slowdown; and seems to be a preferred destination to emerging market flows as its growth dynamics is predominantly driven by domestic demand. Foreign investors have put in more than US\$ 6.4bn in the month of September 2010 taking the overall investment in the year to US\$ 19.2 bn.*

*The India growth story is in stark contrast to the muted economic recovery in the US and Europe. The Fed finally acknowledged the risk of deflation in its post-FOMC press brief, maintaining to be in a stand-by mode for further quantitative easing, should the risk of deflation increase significantly. ECB too warned of a slowdown ahead, even after raising the annual growth estimate.*

*At the current market levels, we believe that the valuations are rich and will look reasonable only as the market discounts the FY 2012 earnings, which would happen in the next 2-3 quarters.*

*I take this opportunity to convey that the Assets under management has crossed ₹11,500 crores as of Sep 30th 2010, an indication of the confidence shown by our esteemed policyholders in our fund performance.*

**Saravana Kumar**  
Chief Investment Officer

## INVESTMENT PHILOSOPHY

**Investment Objective :** To Generate a superior and consistent risk adjusted investment returns to meet investors long term objective and return expectation.

**The foundation of the investment philosophy rests on the following tenets:**

- ◆ We have a long term view based on fundamental research to meet our investor's long term objectives
- ◆ We follow a well defined research process & methodology with rigour
- ◆ We have a largely bottom up stock picking to identify quality stocks at reasonable valuations
- ◆ We follow the same philosophy used for Balance sheet and third party investment

**These make us well suited for insurance and pension fund investment.**

## DEBT MARKET OUTLOOK

On 16th Sep 2010, the RBI hiked the repo rate by 25 bps to 6% and reverse repo rate by 50 bps to 5% narrowing the Liquidity Adjustment Facility-LAF corridor to 100 bps. The higher raise in reverse repo rate effectively raised the floor of interest rates in the system; sending a stronger anti-inflationary signal. This will effectively reduce the band in which short-term rates are likely to trade. We expect a further 25bps hike on Nov 2nd, 2010.

As expected, India has hiked the FII limit in corporate bonds and government bonds (with residual maturity of more than 5 years), by US\$5bn to US\$20bn and US\$10bn, respectively. The latest move is in line with India's strategy of gradual opening up of the capital account of the balance of payments and to further develop the debt markets. There is a strong demand for local currency debt, given the much higher government bond yields compared to those in the developed world and expectations of the rupee to appreciate. The 10-year government bond yield in India is around 540bp higher than what it is in the US. In the current calendar year (as of 23rd September 2010), net FII investment in debt stands at US\$ 9.8bn, the inflow in debt has surged from a mere US\$1bn in 2009.

The WPI inflation on the new base fell sharply to 8.51% for August 2010 from 9.78% in July 2010. In the old WPI series with base FY1994, the WPI inflation would have fallen to 9.51% in August from 9.98% in July. More significantly, manufacturing inflation in August in new base is only 4.78% in the new index versus 6.17% in July as per old base. WPI inflation, primarily driven by high food inflation, is likely to ease further in the next few months on the back of an expected good kharif (summer) crop. Area sown under FY 2011 kharif crops is significantly higher by 10% as compared to the corresponding period of FY 2010.

IIP growth in July' 2010, at 13.8%, came in significantly ahead of consensus estimates of 7.8%. The rebound was led by the capital goods sector that grew by a robust 63% YoY in July 2010. IIP is likely to continue in the high growth trajectory in the ensuing months too. The cumulative IIP growth for the first four months of FY 2011 stood at 11.4%, significantly higher as compared with 4.7% registered during the corresponding period of FY 2010. Going forward, improved domestic demand and diminishing inflationary expectations in the coming months, can help IIP register double digit growth in FY 2011 too (IIP growth in FY2010 was at 10.4% YoY).

The Indian federal government will borrow ₹100bn less in the 2nd half of the current fiscal year (2010-11) than previously budgeted. The borrowing is now pegged at ₹1.63 trillion in the six months beginning October 1st, 2010. The lower borrowing owes to the windfall from the auction of telecom licences and buoyant revenue collection given the strength of economic recovery. In its Budget announced in February 2010, the federal government had planned gross borrowing of ₹4.57 trillion (net borrowing of ₹3.45 trillion). It has completed gross borrowing of ₹2.84 trillion so far.

The government will meet its fiscal deficit target of 5.5% of GDP in 2010-11 from a revised 6.6% of GDP in 2009-10. Improving fiscal finances have three main positive implications: (1) greater scope for government bond yields to ease (2) lower the risk of government borrowing crowding out credit to the private sector and (3) higher probability of a sustainable upturn in India's investment cycle.

The 10 year G-Sec breached the 8% mark post the RBI hike in the policy rates and rallied to 7.85% levels post the announcement of reduced second half borrowing and increase in FII limits. With the expectation of a 25 bps rate hike on Nov 2nd, which is already factored in the yield curve, the 10 year would trade in a range of 7.80%-8.00%.

## EQUITY MARKET OUTLOOK

The month of September 2010 was dominated by the stellar performance of the benchmark indices, Nifty and the Sensex clocking double digit returns. The broader markets, reflected by the CNX Midcap index demonstrated more muted returns of just over 4%.

The indices were powered by FII inflows in September 2010, as Indian growth story was getting a fair share of emerging market allocation from the FIIs. All sectors delivered positive performance for the month. FII inflows in the cash market surged to a record level (in excess of US\$6.4 billion), while domestic institutions sold a record level of shares (at US\$2.9 billion) during the month.

Year to date, foreign institutions have bought stock worth US\$19.2 billion whereas domestic institutions have sold US\$2.6 billion in the cash market. MSCI India's valuations touched a 31-month high at the end of September 2010 and are trading at a 68% premium to the MSCI Emerging market valuations.

Mergers and Acquisition activity picked up in August and touched a 31-month high. Macro indicators remained robust with IIP growth accelerating to 13.8% YoY in July, inflation coming off highs, and credit growth accelerating to a 21-month high.

The second quarter revenues are expected to be robust as domestic consumption drivers are intact, but the margins will be under pressure due to rising input costs. Steel, Aluminum and Crude have registered double digit price increases on a year on year basis and the companies are passing on prices to the customer on a lagged basis.

The consumption story is playing itself out on the back of a strong off take in rural demand, as autumn farm income growth could increase by a fourth, with a better-than-expected harvest likely in October-November 2010. Summer farm income growth has already doubled in 2010 to 18.9% from 2009 on agricultural inflation-agflation. While rains are lowering agflation, they are also compensating the farmer by watering a much larger crop, resulting in higher rural incomes, their by higher rural demand, which could buffer the economy against a possible global slowdown.

As the equity markets are currently trading at stretched valuations, a robust second quarter number is crucial to sustain the market fundamentals as markets transition to discounting the FY 2012 EPS in the next 6 months. The third and fourth quarter numbers will also be closely monitored as the base effect will come off sharply by that time.

**Debt Investment Style**

Credit Quality			Interest Rate Sensitivity
High	Med	Low	
			High
			Mid
			Low

**Fund Details**

**Investment Objective** : To deliver medium to long-term capital appreciation through a portfolio essentially comprising of large cap stocks that can perform well through market and economic cycles.

**Fund Manager** : Mr. Saravana Kumar

**NAV as on 30 Sep, 10** : ₹37.98

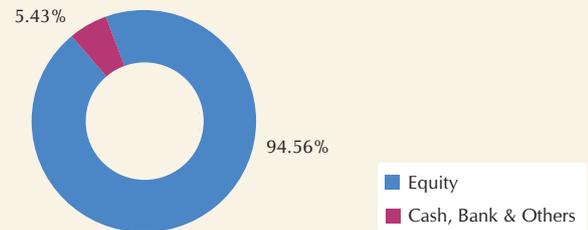
**Benchmark** : BSE Sensex - 100%

**Fund Performance**

PERIOD	DATE	NAV	BSE Sensex	NAV Change	INDEX Change
Last 1 Month	31-Aug-10	34.65	17971.12	9.62%	11.67%
Last 3 Months	30-Jun-10	33.21	17700.90	14.38%	13.38%
Last 6 Months	31-Mar-10	32.17	17527.77	18.06%	14.50%
Last 1 Year	30-Sep-09	30.43	17126.84	24.82%	17.18%
Last 3 Year	30-Sep-07	33.55	17291.10	4.23%	5.09%
Since Inception	29-Mar-04	10.00	5571.37	22.75%	21.76%

Note : The investment income and prices may go down as well as up. "Since Inception" and "3-years" period returns are calculated as per CAGR.

**Asset Allocation**



**Sector Allocation**



**Asset Mix**

Instrument	Asset Mix as per F&U	Actual Asset Mix
Equity	Upto 100%	95%
Debt *	Upto 100%	5%
Cash & Money Market **	Upto 100%	5%

\* Exposure to Debt is restricted to exposure to Cash & Money Market  
\*\* Cash & Money Market includes current assets

**Portfolio**

Instrument	Industry	% of NAV
<b>Equity</b>		<b>94.56</b>
Infosys Technologies Ltd	IT - Software	7.83
Reliance Industries Ltd	Refineries	6.64
HDFC Bank	Banks	5.73
ITC Ltd	Tobacco Products	5.52
ICICI Bank Ltd	Banks	5.52
State Bank of India	Banks	4.88
Larsen and Toubro Ltd	Capital Goods-Non Electrical Equipment	4.73
Oil & Natural Gas Corp Ltd	Crude Oil & Natural Gas	3.48
Bharat Heavy Electricals Ltd	Capital Goods - Electrical Equipment	3.07
HDFC Ltd	Finance	2.99
Tata Motors Ltd	Automobile	2.72
Axis Bank Ltd	Banks	2.72
Crompton Greaves Ltd	Capital Goods - Electrical Equipment	2.42
Mahindra and Mahindra Ltd	Automobile	2.33
Bank of Baroda	Banks	2.24
Tata Steel Ltd	Steel	2.08

Instrument	Industry	% of NAV
Sintex Industries Ltd	Diversified	1.90
Asian Paints (India) Ltd	Paints/Varnish	1.89
Wipro Ltd	IT - Software	1.86
Sterlite Industries (India) Ltd	Non Ferrous Metals	1.71
Volta Limited	Diversified	1.71
Bharti Airtel Ltd	Telecomm-Service	1.62
Exide Industries Ltd	Auto Ancillaries	1.59
Bajaj Auto Ltd - New Shs	Automobile	1.43
NTPC Ltd	Power Generation & Distribution	1.34
United Phosphorus Ltd	Agro Chemicals	1.30
Sun Pharmaceutical Industries Ltd	Pharmaceuticals	1.25
Mphasis Ltd	IT - Software	1.16
Jaiprakash Associates Ltd	Realty	1.07
Oil India Ltd	Crude Oil & Natural Gas	1.06
Other Equity (less than 1.00% of corpus)		8.77
<b>Cash Bank &amp; Others</b>		<b>5.43</b>
<b>Total</b>		<b>100.00</b>

### Debt Investment Style

Credit Quality			Interest Rate Sensitivity
High	Med	Low	
			High
			Mid
			Low

### Fund Details

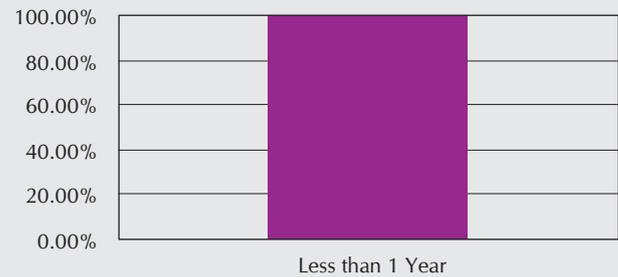
<b>Investment Objective</b>	: To provide safety of funds, liquidity and return on investments, in that order.
<b>Fund Manager</b>	: Mr. Saravana Kumar
<b>NAV as on 30 Sep, 10</b>	: ₹14.63
<b>Benchmark</b>	: CRISIL Liquid Fund Index -100%

### Fund Performance

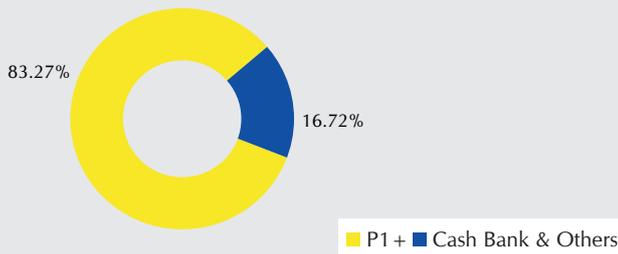
PERIOD	DATE	NAV	Crisil Liquid Fund Index	NAV Change	INDEX Change
Last 1 Month	31-Aug-10	14.57	1590.19	0.40%	0.48%
Last 3 Months	30-Jun-10	14.45	1575.66	1.27%	1.41%
Last 6 Months	31-Mar-10	14.28	1560.20	2.47%	2.41%
Last 1 Year	30-Sep-09	13.92	1535.67	5.08%	4.05%
Last 3 Year	30-Sep-07	11.90	1337.28	7.14%	6.11%
Since inception	25-May-04	10.00	1113.63	6.17%	5.85%

Note: The investment income and prices may go down as well as up. "Since Inception" and "3-years" period returns are calculated as per CAGR.

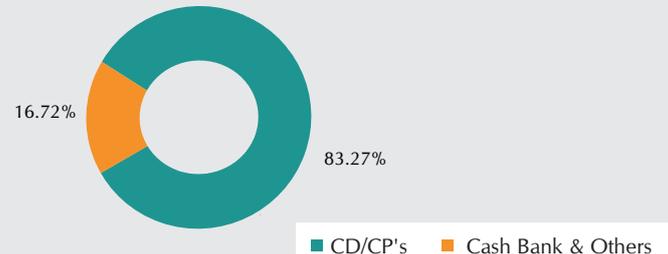
### Maturity Profile



### Rating Profile



### Asset Allocation



### Portfolio

Instrument	Rating	% of NAV
<b>CD/CP's</b>		<b>83.27</b>
RECL 2010 - CP	P1 +	13.70
HDFC 2011 - CP	P1 +	11.72
HDFC Bank Ltd 2010 - CD	P1 +	9.15
Punjab National Bank 2011 - CD	P1 +	8.99
State Bank of Mysore 2011 - CD	P1 +	8.95
Andhra Bank 2011 - CD	P1 +	8.59
IDBI Bank 2011 - CD	P1 +	8.49
State Bank of Patiala 2010 - CD	P1 +	4.58
Bank of Baroda 2010 - CD	P1 +	4.57
Bank of Baroda 2011 - CD	P1 +	4.52
<b>Cash Bank &amp; Others</b>		<b>16.72</b>
<b>Net Assets</b>		<b>100.00</b>

### Asset Mix

Instrument	Asset Mix as per F&U	Actual Asset Mix
Equity	0%	0%
Debt *	Upto 100%	100%
Cash & Money Market **	Upto 100%	100%

\* Exposure to Debt is restricted to exposure to Cash & Money Market  
\*\* Cash & Money Market includes current assets

**Debt Investment Style**

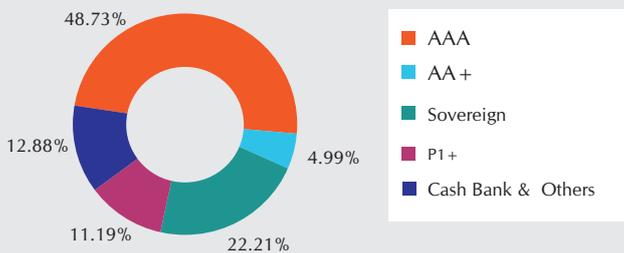
Credit Quality			Interest Rate Sensitivity
High	Med	Low	
			High
			Mid
			Low

**Fund Performance**

PERIOD	DATE	NAV	Crisil Composite Bond Fund Index	NAV Change	INDEX Change
Last 1 Month	31-Aug-10	14.36	1618.71	0.70%	0.57%
Last 3 Months	30-Jun-10	14.33	1613.87	0.90%	0.88%
Last 6 Months	31-Mar-10	14.03	1586.80	3.09%	2.60%
Last 1 Year	30-Sep-09	13.61	1543.70	6.26%	5.46%
Last 3 Year	30-Sep-07	11.37	1353.09	8.34%	6.36%
Since Inception	02-Mar-04	10.00	1193.20	5.76%	4.83%

Note: The investment income and prices may go down as well as up. "Since Inception" and "3-years" period returns are calculated as per CAGR.

**Rating Profile**



**Fund Details**

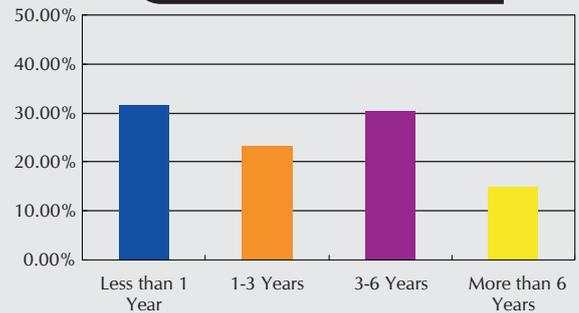
**Investment Objective** : To provide long-term capital appreciation by investing in high credit quality fixed income instruments. Stability of return and protection of principal over a long-term investment horizon will be the prime driver for investment management.

**Fund Manager** : Mr. Saravana Kumar

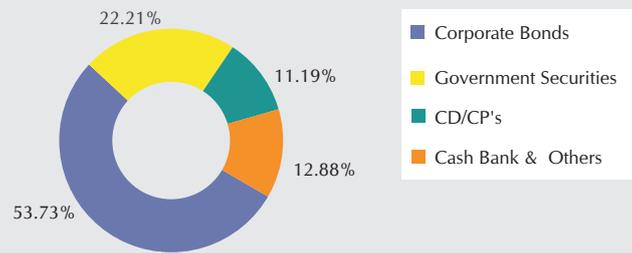
**NAV as on 30 Sep, 10** : ₹14.46

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

**Maturity Profile**



**Asset Allocation**



**Portfolio**

Instrument	Rating	% of NAV
<b>Government Securities 22.21</b>		
7.17% GOI 2015	Sovereign	5.69
8.20% GOI 2022	Sovereign	5.53
8.30% GOI 2040	Sovereign	3.41
7.02% GOI 2016	Sovereign	2.70
7.80% GOI 2020	Sovereign	2.39
9.39% GOI 2011	Sovereign	1.35
8.32% GOI 2032	Sovereign	0.68
7.38% GOI 2015	Sovereign	0.45
<b>Corporate Bonds 53.73</b>		
8.80% Tata Sons 2015	AAA	4.15
8.60% PFC 2014	AAA	4.11
HDFC LTD 2013	AAA	3.81
7.95% IDFC 2014	AAA	3.39
2.00% Indian Hotels Company Ltd 2014	AA+	2.95
9.80% PFC 2012	AAA	2.47
7.35% HPCL 2012	AAA	2.37
10.75% RECL 2013	AAA	2.18
8.84% Power Grid 2016	AAA	2.07
9.35% ILFS 2010	AAA	2.06
7.40% Tata Chemicals 2011	AA+	2.04
7.45% LIC Housing 2012	AAA	2.03
7.20% RECL 2012	AAA	2.02
10.95% RECL 2011	AAA	1.75
9.15% LIC Housing 2010	AAA	1.71
10.75% Reliance Industries Ltd 2018	AAA	1.53
9.80% ICICI Bank 2013	AAA	1.42
9.50% Exim Bank 2013	AAA	1.42
9.45% REC 2013	AAA	1.41
9.20% Power Grid 2013	AAA	1.40
9.20% Larsen & Toubro 2012	AAA	1.39
8.50% PFC 2014	AAA	1.37
8.40% HDFC 2014	AAA	1.36

**Portfolio**

Instrument	Rating	% of NAV
8.75% Reliance Industries Ltd 2020	AAA	1.24
10.00% IDFC 2012	AAA	0.70
8.80% SAIL 2015	AAA	0.69
8.5% Exim Bank 2011	AAA	0.69
<b>CD/CP's 11.19</b>		
PNB 2011 - CD	P1+	3.32
Bank of Baroda 2011 - CD	P1+	2.67
Canara Bank 2011 - CD	P1+	1.33
State Bank of Patiala 2010 - CD	P1+	1.01
Bank of Baroda 2010 - CD	P1+	1.01
RECL 2010 - CP	P1+	0.67
IDBI Bank 2011 - CD	P1+	0.49
HDFC Bank 2010 - CD	P1+	0.34
State Bank of Mysore 2011 - CD	P1+	0.33
<b>Cash Bank &amp; Others 12.88</b>		
<b>Net Assets</b>		<b>100.00</b>

**Asset Mix**

Instrument	Asset Mix as per F&U	Actual Asset Mix
Equity	0%	0%
Debt *	60% - 100%	100%
Cash & Money Market **	Upto 100%	24%

\* Exposure to Debt is restricted to exposure to Cash & Money Market  
 \*\* Cash & Money Market includes current assets

## Debt Investment Style

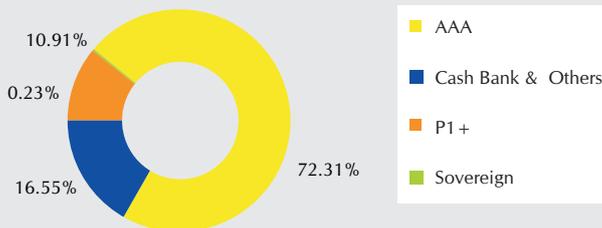
Credit Quality			Interest Rate Sensitivity
High	Med	Low	
			High
			Mid
			Low

## Fund Performance

PERIOD	DATE	NAV	CRISIL India Short Term Bond Fund Index	NAV Change	INDEX Change
Last 1 Month	31-Aug-10	12.77	1662.57	0.51%	0.46%
Last 3 Months	30-Jun-10	12.75	1654.29	0.73%	0.97%
Last 6 Months	31-Mar-10	12.54	1632.46	2.41%	2.32%
Last 1 Year	30-Sep-09	12.11	1591.88	5.99%	4.92%
Last 3 Year	30-Sep-07	10.23	1354.36	7.86%	7.24%
Since Inception	03-Jul-06	10.00	1242.33	6.06%	7.22%

Note: The investment income and prices may go down as well as up. "Since Inception" and "3-years" period returns are calculated as per CAGR.

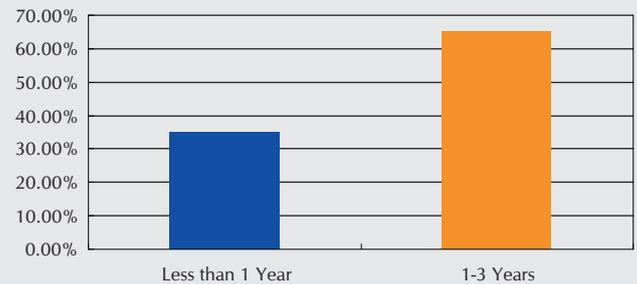
## Rating Profile



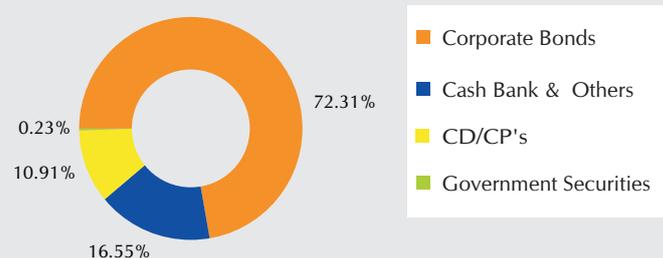
## Fund Details

<b>Investment Objective</b>	: The primary objective is to generate stable returns by investing in fixed-income securities having maturities between 1 & 3 years.
<b>Fund Manager</b>	: Mr. Saravana Kumar
<b>NAV as on 30 Sep, 10</b>	: ₹12.84
<b>Benchmark</b>	: CRISIL India Short Term Bond Fund Index -100%

## Maturity Profile



## Asset Allocation



## Portfolio

Instrument	Rating	% of NAV
<b>Government Securities</b>		<b>0.23</b>
9.39% GOI 2011	Sovereign	0.23
<b>Corporate Bonds</b>		<b>72.31</b>
7.90% RECL 2012	AAA	10.30
7.76% LIC Housing 2012	AAA	8.80
7.35% HPCL 2012	AAA	8.02
6.90% PFC 2012	AAA	7.97
10.00% PFC 2012	AAA	7.59
6.84% HDFC 2011	AAA	7.32
7.40% Infrastructure 2012	AAA	6.57
9.50% Nabard 2012	AAA	5.68
HDFC LTD 2013	AAA	3.73
9.68% IRFC 2012	AAA	2.66
8.40% LIC Housing Finance 2013	AAA	2.22
7.74% Tata Communication Ltd 2012	AAA	1.47
<b>CD/CP's</b>		<b>10.91</b>
Bank of Baroda 2010 - CD	P1+	5.46
State Bank of Patiala 2010 - CD	P1+	5.46
<b>Cash Bank &amp; Others</b>		<b>16.55</b>
<b>Net Assets</b>		<b>100.00</b>

## Asset Mix

Instrument	Asset Mix as per F&U	Actual Asset Mix
Equity	0%	0%
Debt *	60%-100%	100%
Cash & Money Market **	Upto 100%	27%

\* Exposure to Debt is restricted to exposure to Cash & Money Market  
\*\* Cash & Money Market includes current assets

**Debt Investment Style**

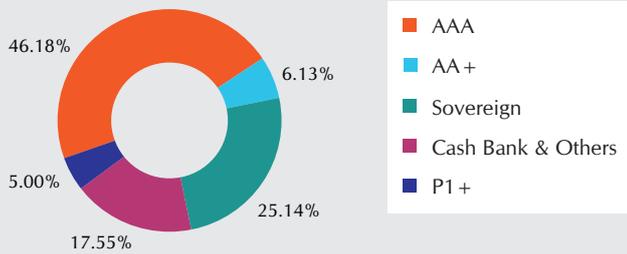
Credit Quality			Interest Rate Sensitivity
High	Med	Low	
			High
			Mid
			Low

**Fund Performance**

PERIOD	DATE	NAV	Crisil Composite Bond Fund Index	NAV Change	INDEX Change
Last 1 Month	31-Aug-10	12.27	1618.71	0.65%	0.57%
Last 3 Months	30-Jun-10	12.27	1613.87	0.66%	0.88%
Last 6 Months	31-Mar-10	11.98	1586.80	3.06%	2.60%
Last 1 Year	30-Sep-09	11.58	1543.70	6.58%	5.46%
Last 3 Year	30-Sep-07	10.00	1353.09	7.27%	6.36%
Since Inception	17-Aug-07	10.00	1339.53	6.98%	6.44%

Note: The investment income and prices may go down as well as up. \*Since Inception" and "3-years" period returns are calculated as per CAGR.

**Rating Profile**



**Fund Details**

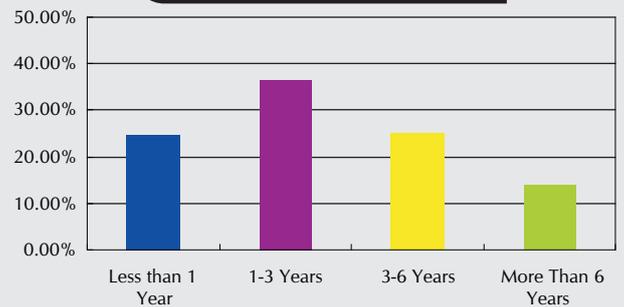
**Investment Objective** : To generate income through investing in a range of debt and money market instruments of various maturities with a view to maximising the optimal balance between yield, safety and liquidity.

**Fund Manager** : Mr. Saravana Kumar

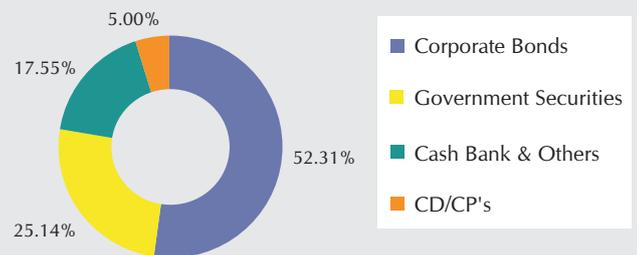
**NAV as on 30 Sep, 10** : ₹12.35

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

**Maturity Profile**



**Asset Allocation**



**Portfolio**

Instrument	Rating	% of NAV
<b>Government Securities 25.14</b>		
7.17% GOI 2015	Sovereign	7.48
7.02% GOI 2016	Sovereign	4.29
8.30% GOI 2040	Sovereign	3.81
8.20% GOI 2022	Sovereign	2.57
8.32% GOI 2032	Sovereign	2.54
7.80% GOI 2020	Sovereign	2.54
7.00% GOI 2012	Sovereign	1.90
<b>Corporate Bonds 52.31</b>		
10.00% PFC 2012	AAA	6.30
9.50% HDFC Ltd. 2013	AAA	5.50
2.00% Indian Hotels Company Ltd 2014	AA+	5.50
7.45% LIC Housing 2012	AAA	5.05
9.50% Exim Bank 2013	AAA	3.95
9.20% Power Grid 2013	AAA	3.90
8.80% Tata Sons Ltd 2015	AAA	3.86
7.35% HPCL 2012	AAA	3.15
11.75% Rural Electric Corp Ltd 2011	AAA	2.64
9.80% ICICI Bank 2013	AAA	2.64
8.75% Reliance Industries Ltd 2020	AAA	2.30
9.05% IDFC 2010	AAA	2.29
6.98% IRFC 2012	AAA	1.76
9.20% Larsen & Toubro 2012	AAA	1.29
7.76% LIC Housing 2012	AAA	1.01
7.40% Tata Chemical 2011	AA+	0.63
9.45% LIC Housing 2012	AAA	0.52
<b>CD/CP's 5.00</b>		
Bank of Baroda 2010 - CD	P1+	1.26
State Bank of Patiala 2010 - CD	P1+	1.26
Bank of Baroda 2011 - CD	P1+	1.24
PNB 2011 - CD	P1+	1.24
<b>Cash Bank &amp; Others 17.55</b>		
<b>Net Assets 100.00</b>		

**Asset Mix**

Instrument	Asset Mix as per F&U	Actual Asset Mix
Equity	0%	0%
Debt *	60% - 100%	100%
Cash & Money Market **	Upto 100%	23%

\* Exposure to Debt is restricted to exposure to Cash & Money Market  
 \*\* Cash & Money Market includes current assets

**Debt Investment Style**

Credit Quality			Interest Rate Sensitivity
High	Med	Low	
			High
			Mid
			Low

**Equity Investment Style**

Investment Style			Size
Value	Blend	Growth	
			Large
			Mid
			Small

**Fund Details**

**Investment Objective** : 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 30 Sep, 10** : ₹12.39

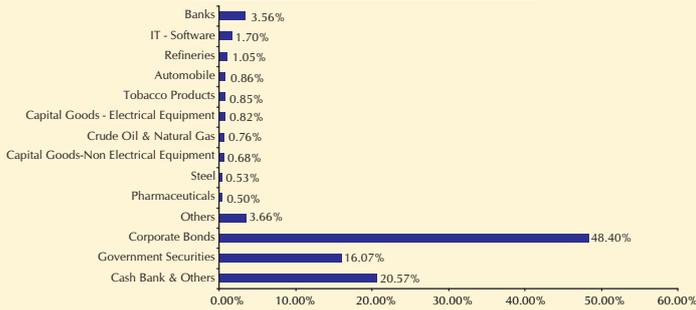
**Benchmark** : Nifty - 10%  
CRISIL Composite Bond Fund Index - 90%

**Fund Performance**

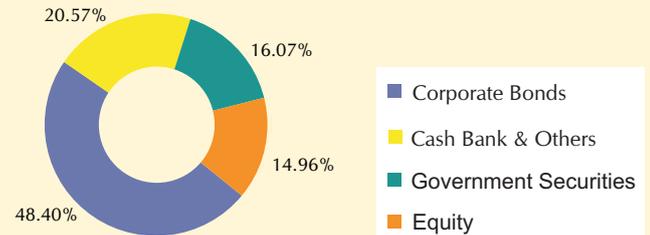
PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 1 Month	31-Aug-10	12.17	1.82%	1.68%
Last 3 Months	30-Jun-10	12.10	2.44%	2.14%
Last 6 Months	31-Mar-10	11.81	4.91%	3.83%
Last 1 Year	30-Sep-09	11.51	7.69%	6.78%
Last 3 Year	30-Sep-07	10.10	7.04%	6.35%
Since Inception	17-Aug-07	10.00	7.11%	7.11%

Note: The investment income and prices may go down as well as up. "Since Inception" and "3-years" period returns are calculated as per CAGR.

**Sector Allocation**



**Asset Allocation**



**Portfolio**

Instrument	Industry	% of NAV
<b>Equity</b>		<b>14.96</b>
Reliance Industries Ltd	Refineries	1.05
Infosys Technologies Ltd	IT - Software	1.01
State Bank of India	Banks	0.86
ITC Ltd	Tobacco Products	0.85
HDFC Bank	Banks	0.76
ICICI Bank Ltd	Banks	0.74
Larsen and Toubro Ltd	Capital Goods-Non Electrical Equipment	0.68
Oil & Natural Gas Corp Ltd	Crude Oil & Natural Gas	0.56
Bharat Heavy Electricals Ltd	Capital Goods - Electrical Equipment	0.49
Mahindra and Mahindra Ltd	Automobile	0.37
Other Equity		7.60
<b>Corporate Bonds</b>		<b>48.40</b>
8.28% LIC Housing 2015	AAA	9.19
7.75% RECL 2012	AAA	5.54
8.80% Power Grid 2015	AAA	5.02
8.70% PFC 2015	AAA	4.67
8.35% HDFC 2015	AAA	3.95
9.20% HDFC 2012	AAA	3.36
7.90% RECL 2012	AAA	3.04
7.40% Tata Chemical 2011	AA +	3.03
9.20% Power Grid 2015	AAA	2.71
8.40% HDFC 2014	AAA	1.98
7.35% HPCL 2012	AAA	1.97
10.75% Reliance Ind 2018	AAA	1.48
9.50% NABARD 2012	AAA	1.36
9.80% PFC 2012	AAA	0.68
8.83% IRFC 2012	AAA	0.27
10.00% PFC 2012	AAA	0.14
<b>Government Securities</b>		<b>16.07</b>
7.02% GOI 2016	Sovereign	12.76
8.30% GOI 2040	Sovereign	2.64
8.32% GOI 2032	Sovereign	0.66
<b>Cash Bank &amp; Others</b>		<b>20.57</b>
<b>Net Assets</b>		<b>100.00</b>

**Asset Mix**

Instrument	Asset Mix as per F&U	Actual Asset Mix
Equity	Upto 20%	15%
Debt *	80%-100%	85%
Cash & Money Market **	Upto 100%	21%

\* Exposure to Debt is restricted to exposure to Cash & Money Market  
\*\* Cash & Money Market includes current assets

**Debt Investment Style**

Credit Quality			Interest Rate Sensitivity
High	Med	Low	
			High
			Mid
			Low

**Equity Investment Style**

Investment Style			Size
Value	Blend	Growth	
			Large
			Mid
			Small

**Fund Details**

**Investment Objective** : The objective of this Fund is to generate long term capital appreciation and income by investing a considerable percentage of the fund in equity and equity linked instruments and the balance in Government Bonds and high quality fixed income instruments.

**Fund Manager** : Mr. Saravana Kumar

**NAV as on 30 Sep, 10** : ₹12.73

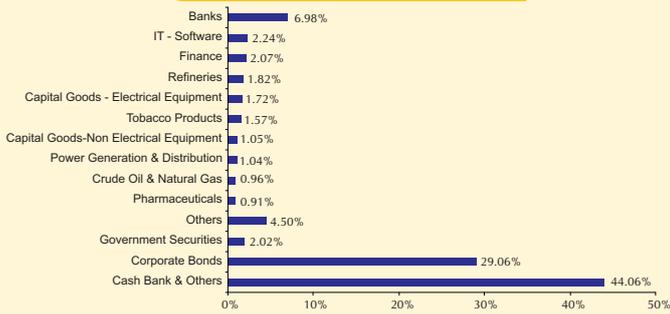
**Benchmark** : Nifty - 30%  
CRISIL Composite Bond Fund Index - 70%

**Fund Performance**

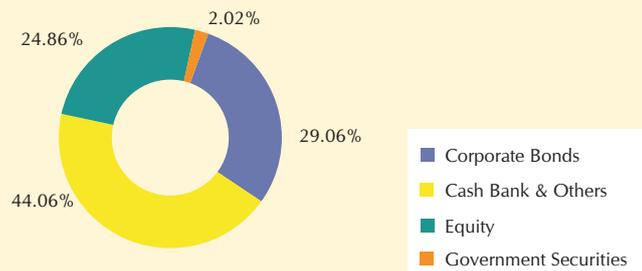
PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 1 Month	31-Aug-10	12.37	2.86%	3.89%
Last 3 Months	30-Jun-10	12.20	4.26%	4.66%
Last 6 Months	31-Mar-10	12.00	6.03%	6.28%
Last 1 Year	30-Sep-09	11.68	8.96%	9.41%
Last 3 Year	30-Sep-07	10.00	8.36%	6.34%
Since Inception	17-Aug-07	10.00	8.02%	8.43%

Note: The investment income and prices may go down as well as up. "Since Inception" and "3-years" period returns are calculated as per CAGR.

**Sector Allocation**



**Asset Allocation**



**Portfolio**

Instrument	Industry	% of NAV
<b>Equity</b>		<b>24.86</b>
HDFC Bank	Banks	1.83
Reliance Industries Ltd	Refineries	1.82
Infosys Technologies Ltd	IT - Software	1.68
ITC Ltd	Tobacco Products	1.57
ICICI Bank Ltd	Banks	1.35
HDFC Ltd	Finance	1.34
State Bank of India	Banks	1.19
Axis Bank Ltd	Banks	1.13
Larsen and Toubro Ltd	Capital Goods-Non Electrical Equipment	1.05
Oriental Bank of Commerce	Banks	1.01
Other Equity (less than 1.00% of corpus)		10.89
<b>Government Securities</b>		<b>2.02</b>
9.39% GOI 2011	Sovereign	2.02
<b>Corporate Bonds</b>		<b>29.06</b>
8.28% LIC Housing 2015	AAA	14.52
8.30% HDFC Ltd 2015	AAA	7.27
7.40% Infrastructure 2012	AAA	7.26
<b>Cash Bank &amp; Others</b>		<b>44.06</b>
<b>Net Assets</b>		<b>100.00</b>

**Asset Mix**

Instrument	Asset Mix as per F&U	Actual Asset Mix
Equity	20% - 40%	25%
Debt *	60% - 80%	75%
Cash & Money Market **	Upto 80%	44%

\* Exposure to Debt is restricted to exposure to Cash & Money Market  
\*\* Cash & Money Market includes current assets

## Disclaimer

1. The fund is managed by Tata AIG Life Insurance Company Ltd. (hereinafter the "Company").
2. Past performance is not indicative of future results. 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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8. Various funds offered under this contract are the names of funds and do not, in any way, indicate the quality of the plans, their future prospects & returns.
9. Premium paid in ULIPs are subject to Investment risks associated with capital markets & the NAV of the units may go up or down based on the performance of the fund and factors influencing capital markets & the insured is responsible for his/her decision.
10. ULIP products are different from traditional Life Insurance products and are subject to risk factors.
11. Tata AIG Life Insurance Company Limited is only the name of insurance company and i. Pension Short-term Fixed Income, ii. Pension Income, iii. Pension Equity, iv. Pension Liquid, v. Pension Balanced, vi. Pension Bond, vii. Pension Growth, are only the names of the funds and does not in any way indicate the quality of the contracts, its future prospects or returns.
12. Interest Rate Sensitivity
  - Less than 3 year duration - Low
  - 3 to 10 years duration - Medium
  - more than 10 years duration - High
13. Shading indicates the general representative nature of the portfolio to a particular style or cap".
14. 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

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