

# Investor fact sheet

September, 2010

A Joint Venture of



## Features of our funds

### Asset allocation pattern in percentage

Name of the fund	Equity Fund/Equity Pension Fund
Nature of the fund	Equity Growth Fund - Primarily invested in equity .
Investment objective	
Fund positioning	To provide high growth opportunities with an objective of long term capital appreciation through investments primarily in equity and equity related instruments.
Asset allocation	
Minimum	
Maximum	
Chief Investment Officer	This fund is positioned as a highly diversified equity fund aiming to provide a stable and sustainable relative out performance vis-à-vis the benchmark. The fund will stick to the theme of discipline, diligence and dividend yield while selecting equity stocks. It will invest at least 70% of its exposure to equity in large cap stocks (from S&P CNX Nifty Index or BSE 100 Index ) and the remaining may be invested in mid/ small-cap equity stocks.
Fund manager	
Date of launch	
Net asset value	
Fund's Fact Sheet	
Benchmark Index -	
Composition	

### # S&P CNX NIFTY/BSE 100 Index

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### CRISIL Composite Bond Fund Index and CRISIL Liquid Fund Index

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# Monthly Market Report

September, 2010

## Economy

### Industrial output growth returns to 13.8% in Jul'10:

Propelled by a jump in the manufacturing sector growth, industrial output growth recovered rather steeply to 13.8% in Jul 10 much higher than the expectations. Capital goods growth scales to a new high of 63% in Jul 10. Basic goods also posted a recovery in growth to 4.1% in Jul 10 from 3.1% a month ago. Industrial output once again bounced back with robust growth in Jul 10 supported by a steep recovery in the capital goods sector.

The apparent trends suggest that the strong growth may sustain in the coming months as the investment environment continued to improve.

### WPI inflation

The Commerce ministry announced the new series for WPI inflation by shifting the base year from 1993-94 to 2004-05. The provisional inflation rate for the month of August, 2010 dropped by more than 100 bps under the new series to 8.51% (YoY) vis-à-vis 9.77% announced for the month of Jul 10.

The provisional inflation rate for August under the old series stood at 9.50%. The inflation rate for the month of June was revised upwards to 11.06% from the provisional estimate of 10.55%. Overall, high inflation continues to be a cause of concern.

### RBI raises repo and reverse repo rates

The RBI surprised the market with a 50bps hike in the reverse repo rate and 25bps hike in the repo rate citing inflationary concerns and the need for normalisation of policy rates. The Reserve Bank emphasized on monitoring the price situation, and taking further action as warranted by emerging macro economic conditions. This indicates that actions taken by RBI to contain inflation could be quick and rapid.

### USD/ INR exchange rate

The Indian Rupee exchange rate for August, 2010 averaged 46.03 INR to USD. The high for the month was ₹ 46.80 and the low was ₹ 44.93. The Rupee has appreciated in view of the large inflows from FIIs brought into the equity market.

### Debt market update

The benchmark 10-year G-sec yield has ended the month at 7.85%.

**Gilt performance:** Although the 10 year gilt yield increased to 7.97% briefly due to the rate hike by RBI on 16th September, 2010. The yields softened as the government borrowing for the second half was reduced by ₹ 10,000 crores and the Finance Ministry increased the FII limit in Government Bonds by USD 5 billion.

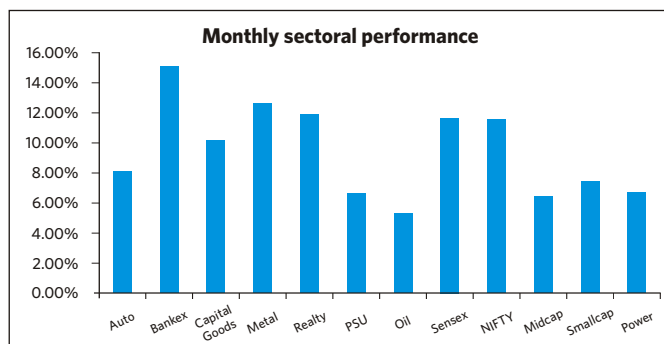
### Commodities

**Gold:** Gold prices rose to a high of USD 1,310 from USD 1,243 in the beginning of the month. The average gold price was around USD 1,272 on weaker dollar.

**Crude:** Crude oil was between USD 75 to USD 80 per barrel with an average of USD 76.

### Equity market update

Indian markets moved up in the month of September due to strong FII flows. Markets ended the month with gains of 10.8% with Nifty closing above the crucial 6000 mark. Sentiments remained buoyant globally on good macro data and Fed indicating further quantitative easing to bolster the economy. Advance tax numbers were also robust which further boosted confidence.



### Market valuations

At the current levels of 20100 the Sensex with an expected EPS of 1100 for FY11E trades at a PE of ~20 x 1-year forward. The markets are trading in the upper-range of the valuation band. However, either a positive surprise on EPS or a PE re-rating driven by liquidity might drive markets going ahead.

## Fund flows

Foreign institutional investors (FIIs) were net buyers to the tune of ₹ 2,3612 crores, whereas domestic institutional investors (DIIs) sold ₹ 12,929 crores worth of shares in the month.

## Key events for the month

**Industrial production moderates to 13.8% YoY in July, 2010:** The IIP for July had a growth rate of 13.8%, up from the 5.8% for the last month

**Food inflation goes up:** The food price index rose an annual 16.44% in the week to 18th September, compared with 15.46% a week ago

**Government launches 9th round of NELP auctions:** The government will launch the 9th round of the New Exploration Licensing Policy (NelP-IX), which will see an auction of around 35 oil and gas blocks, on October 18, with a road show in Mumbai

**Monsoons recover:** Cumulative rainfall was excess/normal in 31 and deficient/scanty in 5 out of 36 meteorological sub-divisions with overall rainfall in country below 5% of Long Period Average

**Banks raise base rate, deposit rates:** Banks like State Bank of India, PNB etc have raised deposit rates by 25-75bps. Also, barring SBI, which has kept its base rate unchanged at 7.5%, most other banks have increased their base rate by ~50bps.

## Sectoral update

**Oil & Gas:** Post APM gas price hike, the government announced partial fuel price deregulation. This led to a re-rating of OMC's and upstream companies like ONGC and OIL. We are bullish on the entire oil & gas space.

**Information Technology:** IT majors have guided a 5-6% volume growth for FY2011. However, currency movements and rising wages continue to put pressure on the margins. We are positive on the sector in the wake improving volume and pricing outlook.

**Auto:** J-shaped consumption curve is helping the sector to sustain high growth rates. Improved demand scenario for the automobile sector would also lead to good opportunities in the auto ancillaries' space. Many new models are being launched which would benefit the auto ancillary players to a large extent.

**Banking:** The banking sector was the best performer for the month of September, 2010 outperforming the Nifty handsomely. With expansion in credit growth, the banking sector is expected to do well in the initial expansionary cycle. Rate hikes will be a dampener for banks with higher mark-to-market bond portfolio.

The domestic market fundamentals seem to be intact with improving government finances, good growth and contained inflation expectations. Valuation appears to be on the upper end of the band. However, strong liquidity continues to propel the market higher. Going forward, global cues, macro-data and earnings momentum will drive the markets.

We expect relative outperformance in IT, Pharma, Banking and Oil & Gas space and hence, will maintain an overweight stance in these sectors under our funds. We continue to be cautious on Metals due to China slowdown and global weakness and would maintain underweight.

The recent run up of the stock market in the last two months is slightly different from the previous run witnessed in December, 2007. This time Indian market is one of the best performers among the emerging markets. Recent market run up so far has been only due to FII inflows and not yet hugely followed up by domestic institutional buying or retail participation. The valuations are at same level as that of Dec 2007, but the growth estimates are not on a high base now. Global interest rate movements carry trade position in US Dollar and Japanese Yen are more important factors to watch than of domestic factors to predict the future market movements. In addition, a close watch on IPO subscriptions and domestic participation vis-à-vis the continued FII inflow is also important. Having said that for the next one or two months, market correction and high volatility is possible but not a market crash.

Mumbai

1st October, 2010

# Debt Fund

## Fact sheet as on 30th September, 2010

### Investment objective

To generate a good level of income and prospects for capital growth through diversified investment in corporate debt instruments, government securities and money market investments.

Name	Date of Inception	NAV as on 30th September, 2010
Debt Fund	25-11-09	₹ 10.31
Debt1 Fund	17-9-10	₹ 10.02

### Asset allocation pattern in percentage

	Minimum	Maximum	Actual
Equity shares	0	0	0
Debt securities & bonds	70	100	57*
Cash & money market instruments	0	30	43*

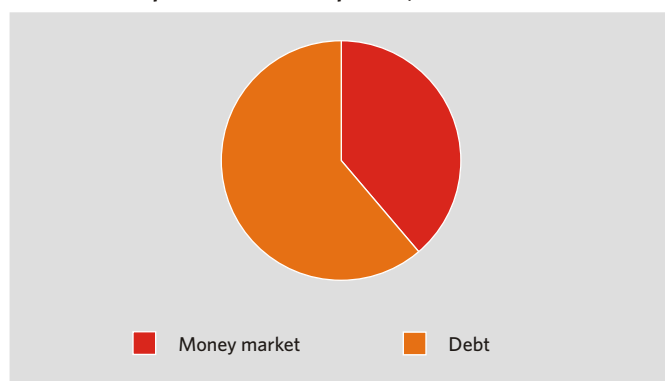
The actual asset allocation will remain well within the 'minimum' and 'maximum' range, based on market opportunities and future outlook of the markets.

\*See Fund Manager's comments

### Fund positioning

This Fund is positioned as a pure debt oriented fund, with asset allocation pattern providing a good opportunity to provide consistent and sustainable returns. The debt portfolio will comprise of high rated debt instruments with low to moderate liquidity, government securities and money market investments with very high safety and easy liquidity. The asset allocation between corporate debt and government securities/money market investments and the portfolio duration of the fund, will follow a macro level economic scenario while the individual corporate debt investments will follow with a micro level credit worthiness and debt servicing capacity of companies.

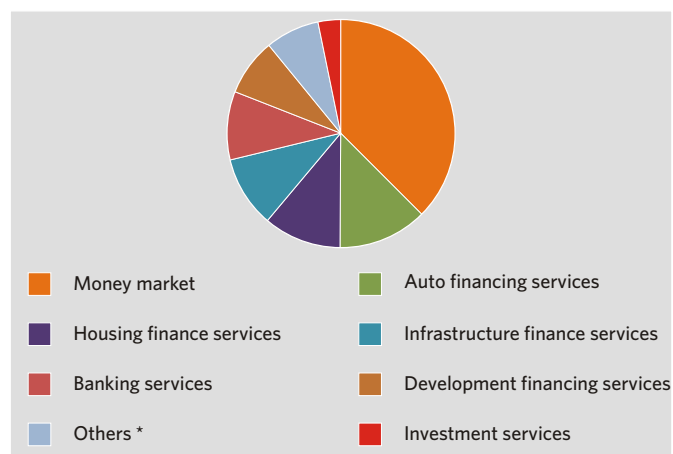
### Asset allocation pattern as on 30th September, 2010



### Credit profile of debt and money market investments

Nature	Percentage
GSEC & T Bills	0.00
AAA & P1+	70.56
AA+	15.33
Short term deposit with banks	5.40
CBLO/Other money market investments	8.71
<b>Total</b>	<b>100.00</b>

### Industry wise exposure



### Returns

Scheme: Debt Fund

	Annualised returns in percentage		
	3 months	6 months	Since inception
Debt Fund	1.96	4.66	4.34
Composite benchmark	3.47	5.18	4.31

### Portfolio

Security	Holding percentage
Debt	61.11
Money market instruments	38.89
<b>Net assets</b>	<b>100.00</b>

### Industry wise exposure

Industry	Percentage
Money market	37.46
Auto financing services	12.60
Housing finance services	11.11
Infrastructure finance services	10.08
Banking services	9.71
Development financing services	8.13
Others *	7.68
Investment services	3.23
<b>Grand total</b>	<b>100.00</b>

\*Others' includes all industries having weightage less than 3%.

### Maturity profile of debt portfolio

Period	Exposure in percentage
0-3 months	5.31
3-12 months	8.26
1-3 year	48.16
3-5 year	38.27
5-10 year	0.00
> 10 year	0.00
<b>Total</b>	<b>100.00</b>

### Fund manager's comments

RBI raised repo and reverse repo rates by 25bps and 50bps respectively on 16th September. Although RBI has stated that the rates are nearing normal it is still concerned with the high inflation. Therefore macro economic data will be important going forward. IIP growth has been strong and inflation is still high with food inflation touching 18%. On the positive side, the Government borrowing has been reduced by ₹ 10,000 crores and the FII limit for subscribing to Government and Corporate Bonds have been increased by USD 5 billion each.

However, the RBI has clearly stated that liquidity will be tight and the repo rate will be the operative policy rate for sometime to come. Therefore although the long term bond rates will remain stable, the short term rates could tend to be higher and volatile.

We will be in a mix of very short term corporate bonds and medium term bonds which will give stable return with minimal interest rate risk.

\*The allocation between debt and money market will be suitably aligned, depending on market conditions.

# Equity Fund

Fact sheet as on 30th September, 2010

## Investment objective

To provide high growth opportunities with an objective of long term capital appreciation through investments primarily in equity and equity related instruments.

Name	Date of Inception	NAV as on 30th September, 2010
Equity Fund	25-11-09	₹ 11.98
Equity1 Fund	15-9-10	₹ 10.34

## Asset allocation pattern in percentage

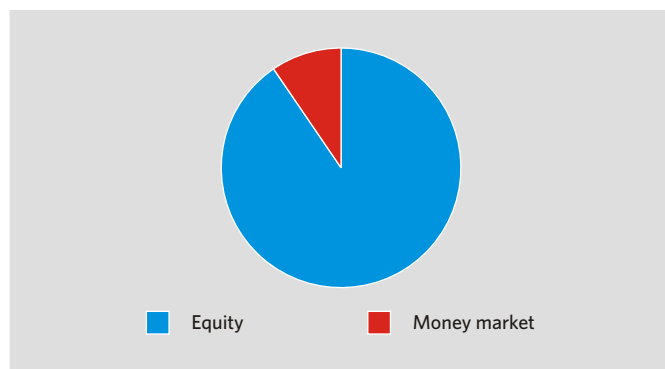
	Minimum	Maximum	Actual
Equity shares	80	100	91
Debt securities & bonds	0	10	0
Cash & money market instruments	0	20	9

The actual asset allocation will remain well within the 'minimum' and 'maximum' range, based on market opportunities and future outlook of the markets.

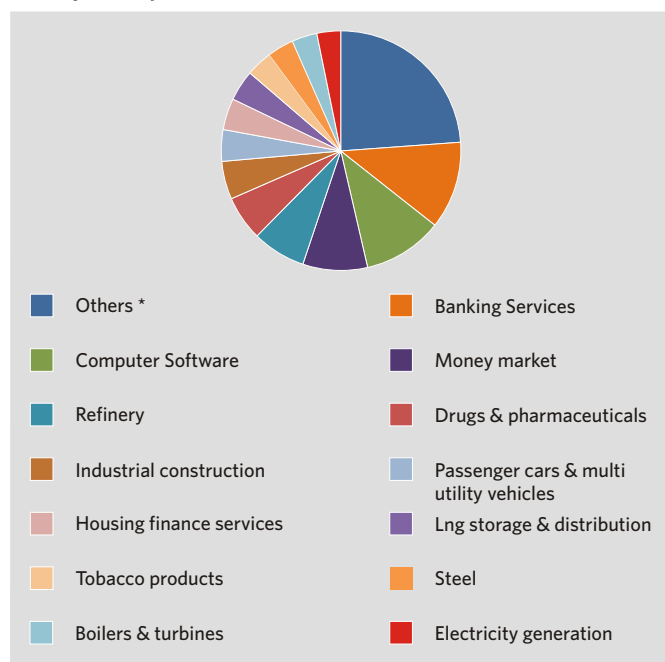
## Fund positioning

This Fund is positioned as a highly diversified equity fund aiming to provide a stable and sustainable relative out performance vis-à-vis the benchmark. The fund will stick to the theme of discipline, diligence and dividend yield while selecting equity stocks. It will invest at least 70% of its exposure to equity in large cap stocks (from S&P CNX Nifty Index or BSE 100 Index) and the remaining may be invested in mid/small cap equity stocks.

## Asset allocation pattern as of 30th September, 2010



## Industry wise exposure



## Returns

	Annualised returns in percentage		
	3 months	6 months	Since inception
Equity Fund	11.64	16.31	19.79
Composite benchmark	11.97	13.22	16.23

## Portfolio

Scheme: Equity Fund

Security	Security name	Holding percentage
Equity shares		
	Reliance Industries Ltd.	6.69
	Infosys Technologies Ltd.	6.67
	Larsen & Toubro Ltd.	5.10
	ICICI Bank Ltd.	4.68
	HDFC	3.72
	ITC Ltd.	3.59
	Bharat Heavy Electricals Ltd.	3.37
	Tata Consultancy Services Ltd.	2.89
	Maruti Suzuki India Ltd.	2.45
	HDFC Bank	2.43
	ONGC Ltd.	2.40
	State Bank of India	2.33
	Gail (india) Ltd.	2.20
	Mahindra & Mahindra Ltd.	1.83
	Tata Steel Ltd.	1.83
	Axis Bank Ltd.	1.61
	Indraprastha Gas Ltd.	1.58
	Bharti Airtel Ltd.	1.57
	Cipla Ltd.	1.52
	Hindustan Unilever Ltd.	1.43
	Other Equity	31.36
	Total equity	91.26
Money market investments		8.74
Debt	Debt securities	0.00
<b>Net assets</b>		<b>100.00</b>

## Industry wise exposure

Industry	Percentage
Others *	23.85
Banking services	11.82
Computer software	10.75
Money market	8.74
Refinery	7.26
Drugs & pharmaceuticals	6.03
Industrial construction	5.10
Passenger cars & multi utility vehicles	4.28
Housing finance services	4.24
Lng storage & distribution	4.21
Tobacco products	3.59
Steel	3.54
Boilers & turbines	3.37
Electricity generation	3.23
<b>Grand total</b>	<b>100.00</b>

\* 'OTHERS' includes all industries having weightage of less than 3%.

## Fund manager's comments

Indian markets moved up in the month of September due to strong FII flows. Markets ended the month with gains of 10.8%, with Nifty closing above the crucial 6000 mark. Sentiments remained buoyant globally on good macro data and Fed indicating further quantitative easing to bolster the economy. The domestic market fundamentals seem to be intact with improving government finances, good growth and contained inflation expectations. Valuation appears to be on the upper end of the band. However, strong global liquidity continues to propel the market higher. Going forward global interest rates, supply of easy money and fresh participation by domestic institutional money and retail interest will determine the sustainability of this momentum.

During the month, we had maintained cash levels at around 10% and continued to be over weight on Oil & Gas, Pharma, Banking, Auto and other consumption themes. Going ahead, we will maintain around 5-15% cash to buy into above stories at lower levels. The exposure to equity will be tilted towards low beta stocks that have an attractive value proposition.

# Balanced Fund

Fact sheet as on 30th September, 2010

## Investment objective

To provide higher growth with reasonable security, by investing primarily in equity instruments and moderate allocation in debt securities/bonds.

Name	Date of Inception	NAV as on 30th September, 2010
Balanced Fund	25-11-09	₹ 11.30
Balanced1 Fund	14-9-10	₹ 10.21

## Asset allocation pattern in percentage

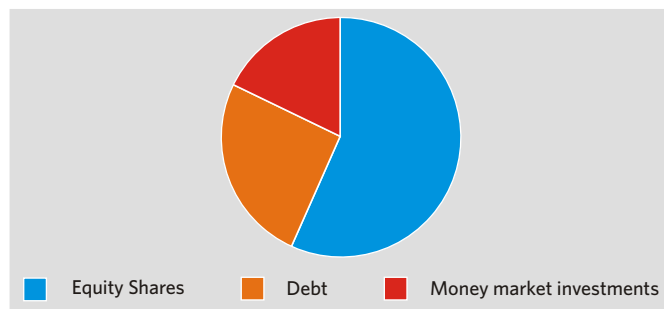
	Minimum	Maximum	Actual
Equity shares	50	70	57
Debt securities & bonds	30	50	25
Cash & money market instruments	0	20	18

The actual asset allocation will remain well within the 'minimum' and 'maximum' range based on market opportunities and future outlook of the markets.

## Fund positioning

This Fund is positioned as a balanced mix of debt and equity, with the asset allocation pattern providing a good opportunity to provide consistent and sustainable returns. The equity portion will have a highly diversified portfolio with high liquidity while the debt portion will comprise of high rated debt instruments with a low to moderate liquidity. The asset allocation will follow a macro level market scenario and the individual stock selection will be with micro level performance expectations of the stocks and securities.

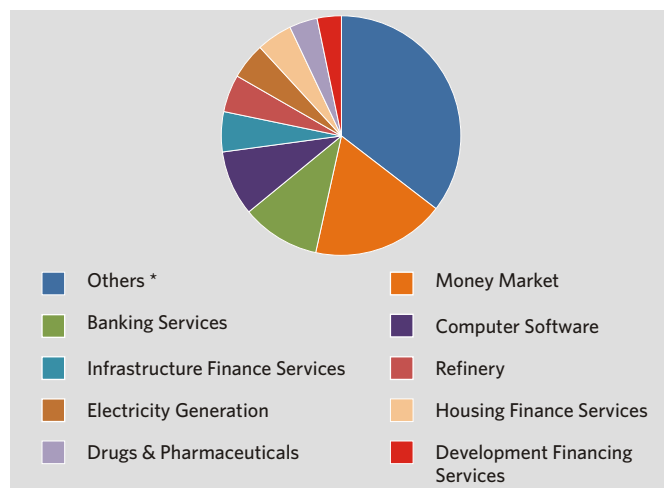
## Asset allocation pattern as on 30th September, 2010



## Credit profile of debt and money market investments

Nature	Exposure in percentage
GSEC & T Bills	0.00
AAA & P1+	60.92
AA+	3.25
Short term deposit with banks	1.90
CBLO/Other money market investments	33.93
<b>Total</b>	<b>100.00</b>

## Industry wise exposure



## Returns

	Annualised returns percentage		
	3 months	6 months	Since inception
Balanced Fund	7.14	10.57	13.00
Composite benchmark	8.27	9.54	11.66

## Portfolio

Scheme: Balanced Fund

Security	Security name	Holding percentage
Equity shares		
	Reliance Industries Ltd.	4.05
	Infosys Technologies Ltd.	3.78
	Larsen & Toubro Ltd.	2.76
	ICICI Bank Ltd.	2.61
	ITC Ltd.	2.28
	HDFC	2.18
	Bharat Heavy Electricals Ltd.	2.03
	Tata Consultancy Services Ltd.	1.91
	Maruti Suzuki India Ltd.	1.65
	ONGC Ltd.	1.49
	State Bank of India	1.43
	HDFC Bank	1.37
	Gail (india) Ltd.	1.34
	Mahindra & Mahindra Ltd.	1.13
	Indraprastha Gas Ltd.	1.08
	Tata Steel Ltd.	1.05
	Axis Bank Ltd.	1.00
	Hindustan Unilever Ltd.	0.98
	Cipla Ltd.	0.92
	Siemens Ltd.	0.89
	Other equity	20.81
	Total equity	56.77
Debt	Debt securities	25.32
Money market investments		17.91
<b>Net assets</b>		<b>100.00</b>

## Industry wise exposure

Industry	Percentage
Others *	35.47
Money Market	17.91
Banking Services	10.61
Computer Software	8.82
Infrastructure Finance Services	5.39
Refinery	5.08
Electricity Generation	4.87
Housing Finance Services	4.84
Drugs & Pharmaceuticals	3.79
Development Financing Services	3.22
<b>Grand total</b>	<b>100.00</b>

\*Others\* includes all industries having weightage of less than 3%.

## Maturity profile of debt portfolio

Period	Exposure in percentage
0-3 months	5.13
3-12 months	8.63
1-3 years	51.82
3-5 years	34.42
5-10 years	0.00
> 10 years	0.00
<b>Total</b>	<b>100.00</b>

## Fund manager's comments

Indian markets moved up in the month of September due to strong FII flows. Markets ended the month with gains of 10.8%, with Nifty closing above the crucial 6000 mark. Sentiments remained buoyant globally on good macro data and Fed indicating further quantitative easing to bolster the economy. The domestic market fundamentals seem to be intact with improving government finances, good growth and contained inflation expectations. Valuation appears to be on the upper end of the band. However, strong global liquidity continues to propel the market higher. Going forward global interest rates, supply of easy money and fresh participation by domestic institutional money and retail interest will determine the sustainability of this momentum. During the month, we had maintained cash levels at around 10% and continued to be over weight on Oil & Gas, Pharma, Banking, Auto and other consumption themes. Going ahead, we will maintain around 5-15% cash to buy into above stories at lower levels. The exposure to equity will be tilted towards low beta stocks that have an attractive value proposition.

RBI raised repo and reverse repo rates by 25bps and 50bps respectively on 16th September. Although RBI has stated that the rates are nearing normal it is still concerned with the high inflation. Therefore macro economic data will be important going forward. IIP growth has been strong and inflation is still high with food inflation touching 18%. On the positive side, the Government borrowing has been reduced by ₹ 10,000 crores and the FII limit for subscribing to Government and Corporate Bonds have been increased by USD 5 billion each.

However, the RBI has clearly stated that liquidity will be tight and the repo rate will be the operative policy rate for sometime to come. Therefore, although the long term bond rates will remain stable, the short term rates could tend to be higher and volatile. We will be in a mix of very short term corporate bonds and medium term bonds which will give stable return with minimal interest rate risk.

# Debt Fund - Pension

Fact sheet as on 30th September, 2010

## Investment objective

To generate a good level of income and prospects for capital growth through diversified investment in corporate debt instruments, government securities and money market investments.

Inception date	25th November, 2009
NAV per unit as on 30th Sep, 2010	₹ 10.37

## Asset allocation pattern in percentage

	Minimum	Maximum	Actual
Equity shares	00	00	00
Debt securities & bonds	70	100	68*
Cash & money market instruments	0	30	32*

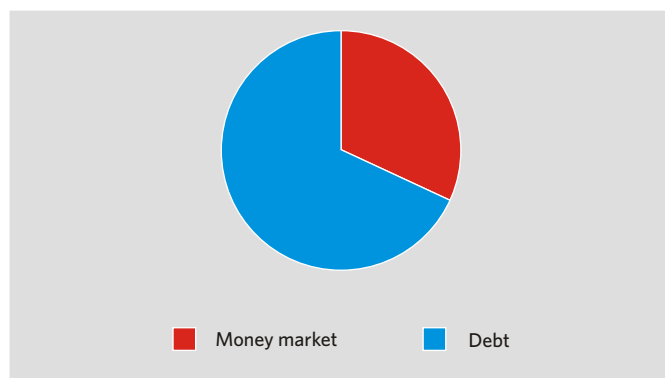
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\*See Fund Manager's comments

## Fund positioning

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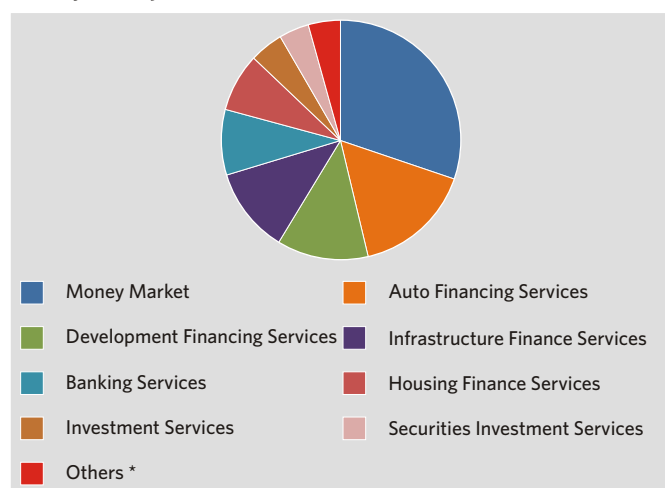
## Asset allocation pattern as on 30th September, 2010



## Credit profile of debt and money market investments

Nature	Percentage
GSEC & T Bills	0.00
AAA & P1+	73.72
AA+	17.11
Short term deposit with banks	5.32
CBLO/Other money market investments	3.85
<b>Total</b>	<b>100.00</b>

## Industry wise exposure



## Returns

Scheme: Debt Fund - Pension

	Annualised returns in percentage		
	3 months	6 months	Since inception
Debt Pension Fund	2.14	4.83	4.33
Composite benchmark	3.47	5.18	4.31

## Portfolio

Security	Holding percentage
Debt	68.15
Money market instruments	31.85
<b>Net assets</b>	<b>100.00</b>

## Industry wise exposure

Industry	Percentage
Money Market	30.20
Auto Financing Services	16.07
Development Financing Services	12.41
Infrastructure Finance Services	11.63
Banking Services	8.85
Housing Finance Services	7.95
Investment Services	4.49
Securities Investment Services	4.13
Others *	4.28
<b>Grand total</b>	<b>100.00</b>

\*Others includes all industries having weightage of less than 3%.

## Maturity profile of debt portfolio

Period	Exposure in percentage
0-3 months	5.88
3-12 months	4.90
1-3 years	51.70
3-5 years	37.52
5-10 years	0.00
> 10 years	0.00
<b>Total</b>	<b>100.00</b>

## Fund manager's comments

RBI raised repo and reverse repo rates by 25bps and 50bps respectively on Sept 16. Although RBI has stated that the rates are nearing normal but is concerned with the high inflation. Therefore macroeconomic data will be important going forward. IIP Growth has been strong and inflation is still high with food inflation touching 18%. On the positive side, the Government borrowing has been reduced by ₹10,000 crores and the FII limit for subscribing to Government and Corporate Bonds have been increased by \$5bn each.

However, the RBI has clearly stated that the liquidity will be tight and the repo rate will be operative policy rate for sometime to come. Therefore although the Long Term Bond rates will remain stable, the short term rates could tend higher and volatile.

We will be in a mix of very short term corporate bonds and medium term bonds which will give stable return with minimal interest rate risk.

\*The allocation in debt and money market will be suitably aligned, depending on market conditions.



# Equity Fund - Pension

Fact sheet as on 30th September, 2010

## Investment objective

To provide high growth opportunities with an objective of long term capital appreciation through investments primarily in equity and equity related instruments.

Inception date	25th November, 2009
NAV per unit as on 30th Sep, 2010	₹ 11.97

## Asset allocation pattern in percentage

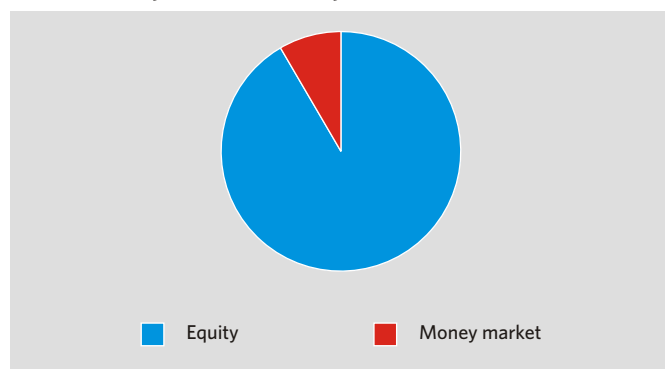
	Minimum	Maximum	Actual
Equity shares	80	100	92
Debt securities & bonds	0	10	0
Cash & money market instruments	0	20	8

The actual asset allocation will remain well within the 'minimum' and 'maximum' range, based on market opportunities and future outlook of the markets.

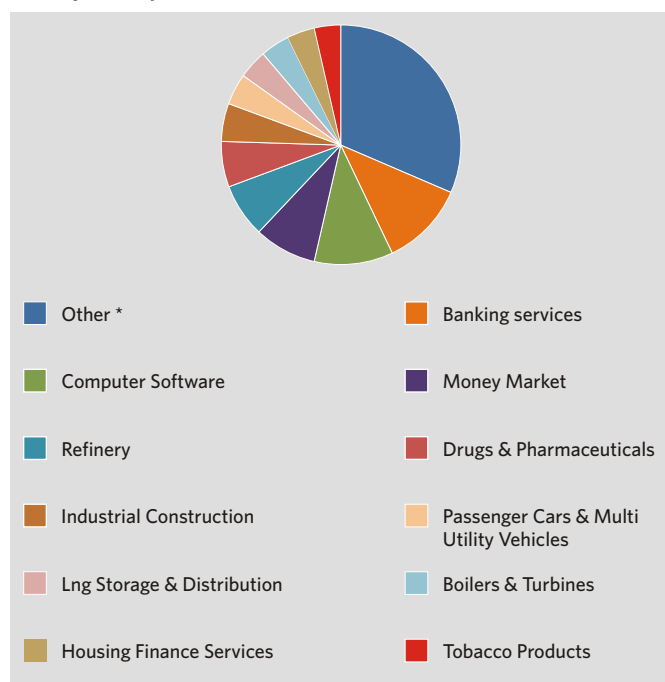
## Fund positioning

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## Asset allocation pattern as of 30th September, 2010



## Industry wise exposure



## Returns

	Annualised returns in percentage		
	3 months	6 months	Since inception
Equity Pension Fund	11.44	15.99	19.70
Composite benchmark	11.97	13.22	16.23

## Portfolio

Scheme: Equity Fund - Pension

Security	Security name	Holding percentage
Equity shares		
	Infosys Technologies Ltd.	6.46
	Reliance Industries Ltd.	6.34
	Larsen & Toubro Ltd.	5.11
	ICICI Bank Ltd.	4.07
	Bharat Heavy Electricals Ltd.	3.93
	ITC Ltd.	3.60
	HDFC	3.27
	Tata Consultancy Services Ltd.	3.08
	State Bank of India	2.77
	HDFC Bank	2.39
	Maruti Suzuki India Ltd.	2.28
	ONGC Ltd.	2.25
	Gail (india) Ltd.	2.02
	Mahindra & Mahindra Ltd.	1.96
	Hindustan Unilever Ltd.	1.66
	Cipla Ltd.	1.57
	Jain Irrigation Systems Ltd.	1.56
	Tata Steel Ltd.	1.53
	Axis Bank Ltd.	1.50
	Indraprastha Gas Ltd.	1.47
	Other equity	32.73
	Total equity	91.55
Debt		0.00
Money market investments		8.45
<b>Net assets</b>		<b>100.00</b>

## Industry wise exposure

Industry	Percentage
Others *	31.53
Banking Services	11.44
Computer Software	10.61
Money Market	8.45
Refinery	7.32
Drugs & Pharmaceuticals	6.13
Industrial Construction	5.11
Passenger Cars & Multi Utility Vehicles	4.24
Lng Storage & Distribution	3.95
Boilers & Turbines	3.93
Housing Finance Services	3.70
Tobacco Products	3.60
<b>Grand Total</b>	<b>100.00</b>

\*Others' includes all industries having weightage of less than 3%.

## Fund manager's comments

Indian markets moved up in the month of September due to strong FII flows. Markets ended the month with gains of 10.8%, with Nifty closing above the crucial 6000 mark. Sentiments remained buoyant globally on good macro data and Fed indicating further quantitative easing to bolster the economy. The domestic market fundamentals seem to be intact with improving government finances, good growth and contained inflation expectations. Valuation appears to be on the upper end of the band. However, strong global liquidity continues to propel the market higher. Going forward global interest rates, supply of easy money and fresh participation by domestic institutional money and retail interest will determine the sustainability of this momentum.

During the month, we had maintained cash levels at around 10% and continued to be over weight on Oil & Gas, Pharma, Banking, Auto and other consumption themes. Going ahead, we will maintain around 5-15% cash to buy into above stories at lower levels. The exposure to equity will be tilted towards low beta stocks that have an attractive value proposition.



# Balanced Fund - Pension

Fact sheet as on 30th September, 2010

## Investment objective

To provide higher growth with reasonable security, by investing primarily in equity instruments with moderate allocation in debt securities/bonds.

Inception date	25th November, 2009
NAV per unit as on 30th Sep, 2010	₹ 11.35

## Asset allocation pattern in percentage

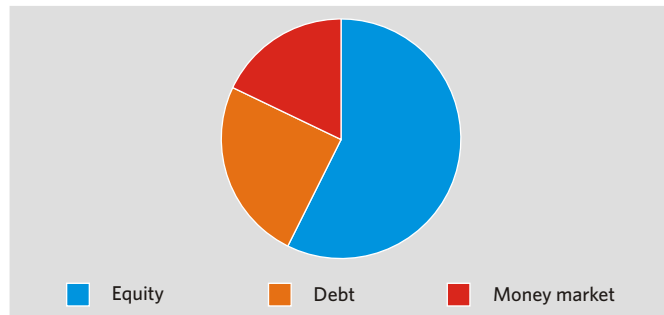
	Minimum	Maximum	Actual
Equity shares	40	70	57
Debt securities & bonds	30	50	25
Cash & money market instruments	0	20	18

The actual asset allocation will remain well within the 'minimum' and 'maximum' range, based on market opportunities and future outlook of the markets.

## Fund positioning

This Fund is positioned as a balanced mix of debt and equity, with the asset allocation pattern providing a good opportunity to provide consistent and sustainable returns. The equity portion will have a highly diversified portfolio with high liquidity while the debt portion will comprise of high rated debt instruments with low to moderate liquidity. The asset allocation will follow a macro level market scenario and the individual stock selection will be with micro level performance expectations of the stocks and securities.

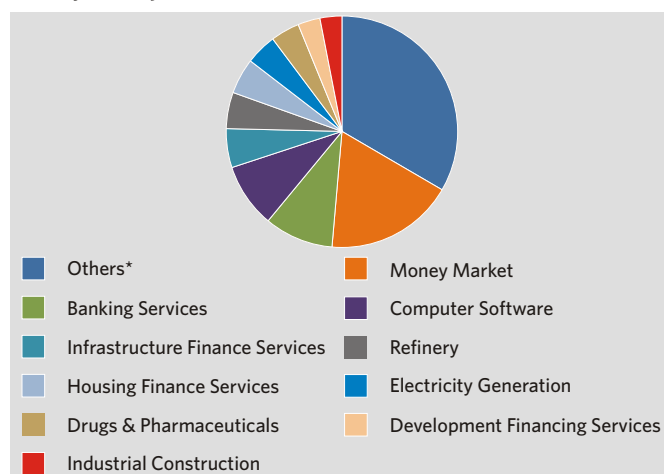
## Asset allocation pattern as of 30th September, 2010



## Credit profile of debt and money market investments

Nature	Percentage
GSEC & T Bills	0.00
AAA & P1+	60.44
AA+	6.00
Short term deposit with banks	1.73
CBLO/Other money market investments	31.83
<b>Total</b>	<b>100.00</b>

## Industry wise exposure



## Returns

	Annualised returns percentage		
	3 months	6 months	Since inception
Balanced Pension Fund	7.47	10.83	13.49
Composite benchmark	8.27	9.54	11.66

## Portfolio

Scheme: Balanced Fund - Pension

Security	Security name	Holding percentage
Equity shares		
	Reliance Industries Ltd.	4.05
	Infosys Technologies Ltd.	3.95
	Larsen & Toubro Ltd.	3.07
	Bharat Heavy Electricals Ltd.	2.90
	ICICI Bank Ltd.	2.38
	ITC Ltd.	2.34
	HDFC	2.15
	Tata Consultancy Services Ltd.	1.93
	State Bank of India	1.56
	ONGS Ltd.	1.51
	HDFC Bank	1.44
	Gail (india) Ltd.	1.21
	Hindustan Unilever Ltd.	1.21
	Mahindra & Mahindra Ltd.	1.18
	Maruti Suzuki India Ltd.	1.12
	Indraprastha Gas Ltd.	1.07
	Cipla Ltd.	0.97
	Axis Bank Ltd.	0.96
	SPI Ltd.	0.92
	Tata Motors Ltd.	0.83
	Other Equity	20.50
	Total Equity	57.25
Debt	Debt Securities	24.81
Money market investments		17.94
<b>Net assets</b>		<b>100.00</b>

## Industry wise exposure

Industry	Percentage
Others *	33.40
Money Market	17.94
Banking Services	9.66
Computer Software	8.93
Infrastructure Finance Services	5.46
Refinery	5.05
Housing Finance Services	4.98
Electricity Generation	4.35
Drugs & Pharmaceuticals	4.05
Development Financing Services	3.09
Industrial Construction	3.07
<b>Grand total</b>	<b>100.00</b>

\* 'OTHERS' includes all industries having weightage of less than 3%.

## Maturity profile of debt portfolio

Period	Exposure in percentage
0-3 months	5.55
3-12 months	7.90
1-3 years	52.01
3-5 years	34.54
5-10 years	0.00
> 10 years	0.00
<b>Total</b>	<b>100.00</b>

## Fund manager's comments

Indian markets moved up in the month of September due to strong FII flows. Markets ended the month with gains of 10.8%, with Nifty closing above the crucial 6000 mark. Sentiments remained buoyant globally on good macro data and Fed indicating further quantitative easing to bolster the economy. The domestic market fundamentals seem to be intact with improving government finances, good growth and contained inflation expectations. Valuation appears to be on the upper end of the band. However, strong global liquidity continues to propel the market higher. Going forward global interest rates, supply of easy money and fresh participation by domestic institutional money and retail interest will determine the sustainability of this momentum.

During the month, we had maintained cash levels at around 10% and continued to be over weight on Oil & Gas, Pharma, Banking, Auto and other consumption themes. Going ahead, we will maintain around 5-15% cash to buy into above stories at lower levels. The exposure to equity will be tilted towards low beta stocks that have an attractive value proposition.

RBI raised repo and reverse repo rates by 25bps and 50bps respectively on 16th September. Although RBI has stated that the rates are nearing normal it is still concerned with the high inflation. Therefore macro economic data will be important going forward. IIP growth has been strong and inflation is still high with food inflation touching 18%. On the positive side, the Government borrowing has been reduced by ₹ 10,000 crores and the FII limit for subscribing to Government and Corporate Bonds have been increased by USD 5 billion each.

However, the RBI has clearly stated that liquidity will be tight and the repo rate will be the operative policy rate for sometime to come. Therefore although the long term bond rates will remain stable, the short term rates could tend to be higher and volatile.

We will be in a mix of very short term corporate bonds and medium term bonds which will give stable return with minimal interest rate risk.

# Liquid Fund - Pension

Fact sheet as on 30th September, 2010

## Investment objective

To provide capital protection with growth at short term interest rates while providing a high level of liquidity.

Inception date	25th November, 2009
NAV per unit as on 30th Sep, 2010	₹ 10.25

## Asset allocation pattern in percentage

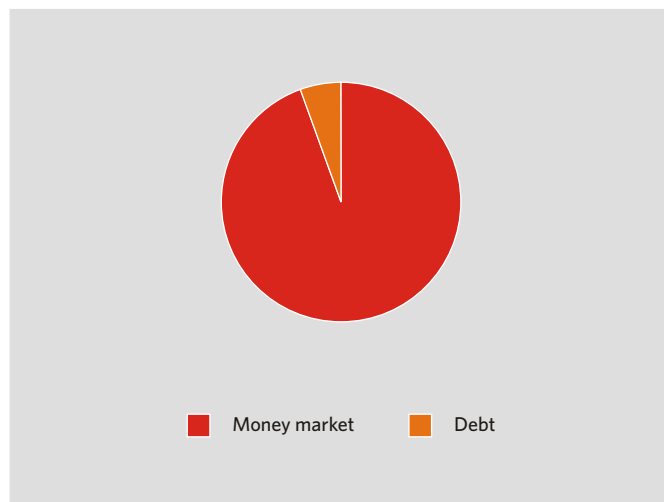
	Minimum	Maximum	Actual
Equity shares	0	0	0
Debt securities & bonds	0	20	5
Cash & money market instruments	80	100	95

The actual asset allocation will remain well within the 'minimum' and 'maximum' range, based on market opportunities and future outlook of the markets.

## Fund positioning

This Fund is positioned as a pure debt oriented short term liquid fund with the asset allocation pattern giving a reasonable opportunity to provide consistent and sustainable returns, with very high liquidity. The investment portfolio will primarily comprise of high rated short term money market investments with very high safety and easy liquidity. The maturity profile and the portfolio duration will follow a macro level economic scenario and the expected liquidity needs of the fund.

## Asset allocation pattern as of 30th September, 2010



## Credit profile of debt and money market investments

	Percentage
GSEC & T Bills	0.00
AAA & P1+	15.85
AA+	0.00
Short term deposit with banks	0.00
CBLO/Other money market investments	84.15
<b>Total</b>	<b>100.00</b>

## Returns

	Annualised returns percentage		
	3 months	6 months	Since inception
Liquid Pension Fund	3.74	3.55	2.96
Composite benchmark	4.42	5.56	4.14

## Portfolio

Scheme: Liquid Fund - Pension

Security	Holding percentage
Money market instruments	94.60
Debt (Fixed deposits)	5.40
<b>Net assets</b>	<b>100.00</b>

## Industry wise exposure

Industry	Percentage
Money market	89.35
Infrastructure Finance Services	5.40
Electricity generation	5.25
<b>Grand total</b>	<b>100.00</b>

## Fund manager's comments

The funds under the Liquid Fund category continued to be invested in highly liquid short term papers having very high safety and liquidity, as per the investment mandates, set out for this fund.

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