# Investor fact sheet

October, 2010

A Joint Venture of

Bank of Baroda Legal & General Andhra Bank

IndiaFirst
LIFE INSURANCE

# Monthly Market Report

## October, 2010

### Economy

**Growth slumps to 5.6% in August, 2010**

Due to continued volatility in the capital goods sector, and a significant shrinkage in the manufacturing sector, industrial output growth slid down to 5.6% for the month of August, 2010. On the other hand, IIP growth for July, 2010 was revised upwards to 15.2%. The cumulative growth for the period April-August, 2010 was 10.6%, as compared to 5.9% for the corresponding period in 2009.

Industrial output slid down, recording a significant fall, primarily due to the volatile capital goods sector. There was a downturn across the other key sectors as well, especially in the manufacturing sector. However, this is supposedly a blip in an otherwise robust growth trend. The consumer demand in the economy is strong, and is complemented by continued foreign fund inflow. The upcoming festive season points out to a further growth across the manufacturing sector, when consumer demand is generally on an upswing. The upcoming months should therefore, see a notable growth in the IIP figures. However, whether it can topple over the strong base effect, remains the major hurdle towards regaining double-digit growth.

**WPI inflation at 8.62%**

Inflation numbers continue to show high price pressures in the economy. The new series shows inflation had reached its peak in May, 2010 at 10.6%. Within overall inflation, the concerns remain on both food and non-food articles. Both food and non-food articles inflation remains in the range of 15-18%. Despite a good monsoon, the price pressures continue to remain.

**RBI raises repo and reverse repo rates by 25bps**

The RBI raised repo and reverse repo rate by 25 bps to 6.25% and 5.25% respectively on Nov 2, 2010. The RBI was sufficiently confident about the strength of domestic demand and appropriately concerned about inflation to carry on without interruption but at the same time signaled a near-term pause. The tightening was appropriate in light of the strong domestic demand momentum and the stubbornly high food prices, both of which can unlock inflation expectations if left unchecked. However, with the explicit signaling of a pause, RBI is likely to skip tightening for one meeting and maybe, resume again in January with another 25 bps.

**USD/ INR exchange rate**

The Indian Rupee exchange rate for October, 2010 averaged 44.42 INR to USD. The high for the month was Rs. 44.69 and the low was Rs. 44.10. The rupee has appreciated in view of the large inflows of FIIs.

**Debt market update**

The benchmark 10-year G-sec yield has ended the month at 8.11%.

**Gilt performance:** Although the month of October began with 10 year gilt yield at 7.85%, it slowly rose up to 8.14% on high inflation and heavy weekly supply of bonds. The month ended with 10 year gilt yields at 8.11%.

**Commodities**

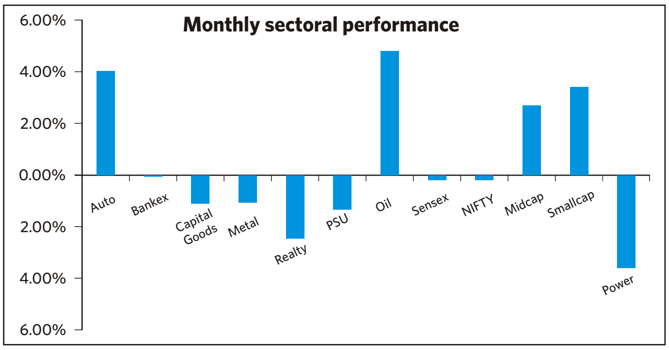
**Gold:** Gold prices rose to a high of USD 1,381 from USD 1,315 in the beginning of the month. The average gold price was around USD 1,345 on a weaker dollar.

**Crude:** Crude oil was between USD 80 to USD 84 per barrel with an average of USD 82.

**Equity market update**

In the month of October, the Indian markets remained volatile due to the result season and also the Coal India IPO leading to sucking out of money from the markets. Markets ended with minor losses for the month but managed to close above the crucial 6,000 mark.

Sectoral indices ended mixed for the month. Auto and oil ended in the green, while all other sectors ended in the red with power losing the most (3.5%). Mid-cap and small-cap indices out-performed. Sectoral performance for the month of October, 2010 is as given below:-




**Market valuations**

At the current levels of 20,500 the Sensex with an expected EPS of 1,100 for FY-11E 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 Rs. 14,388 crore, whereas domestic institutional investors (DIIs) sold Rs. 11,812 crore worth of shares in the month.

**Key events for the month**

**IMF raises growth forecasts:** The IMF has projected the Indian economy will grow by 9.7 % in 2010 and 8.4 % in the next fiscal, driven by robust industrial production and macroeconomic performance

**Core sector growth at 2.5% in September, 2010:** Output of six core industries moderated in the month of August, 2010 and grew by 2.5% vs. 4.3%, same month the previous year

**Industrial production moderates to 5.6% y-o-y in August, 2010:** The IIP for July had a growth rate of 5.6%, as compared to 10.6% for the same month previous year

**Exports continue showing recovery:** India's exports grew by 23.2% in September recording a two-year high of USD 18.02 bn. However, imports grew even faster, by 26.1% to USD 27.14 bn in September taking the trade deficit to USD 13 bn

**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 and 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. Outcome of the Fed meeting on the quantitative-easing front decide the global market direction in the short term.

We like IT, Pharma, Banking and Oil and Gas space and would maintain an overweight stance in these sectors. We continue to be cautious on Metals due to China's slowdown and global weakness.

Outlook:

The valuations are not cheaper any longer. At the same time, during the last phase of the bull run (January, 2008) the markets were trading at 25 PE, whereas now the market is at 19.5 PE levels. So, we do not consider this phase as overheated, but the upside potential is limited in the near future. We expect the market to remain range bound more on account of global economic factors, with sharp short term downward corrections with every unfavorable news follows. With the political scenario not going as strong as it was a year back and hang over of higher interest rate scenario, the mood will remain subdued for the next few months.

Mumbai

1st November, 2010

# 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 | To provide high growth opportunities with an objective of long term capital appreciation through investments primarily in equity and equity related instruments. | | |
| 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 | Equity | Debt | Money market |
| Minimum | 80 | 0 | 0 |
| Maximum | 100 | 10 | 20 |
| Chief Investment Officer | A. K. Sridhar | | |
| Fund manager | Prasanna Pathak | | |
| Date of launch | 25-Nov-09 | | |
| Net asset value | Declared every business day | | |
| Fund's fact sheet | Published monthly | | |
| Benchmark index - composition | S & P CNX Nifty - 90% weight CRISIL Liquid Fund Index - 10% weight | | |

| Name of the fund | Balanced Fund/Balanced Pension Fund | | |
|---|---|---|---|
| Nature of the fund | Balanced Fund with exposure to equity and debt investments. | | |
| Investment objective | To provide higher growth with reasonable security, by investing primarily in equity instruments and moderate allocation in debt securities/bonds. | | |
| 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 | Equity | Debt | Money market |
| Minimum | 50 | 30 | 0 |
| Maximum | 70 | 50 | 20 |
| Chief Investment Officer | A. K. Sridhar | | |
| Fund manager | Prasanna Pathak and Poonam Tandon | | |
| Date of launch | 25-Nov-09 | | |
| Net asset value | Declared every business day | | |
| Fund's fact sheet | Published monthly | | |
| Benchmark index - composition | S & P CNX Nifty - 60% Weight<br>CRISIL Composit Bond Fund Index - 30%<br>weight CRISIL Liquid Fund Index - 10% Weight | | |

| Name of the fund | Debt Fund/Debt Pension Fund | | |
|---|---|---|---|
| Nature of the fund | Primarily invested in debt instruments. | | |
| 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. | | |
| 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 a 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 | Equity | Debt | Money market |
| Minimum | 0 | 70 | 0 |
| Maximum | 0 | 100 | 30 |
| Chief Investment Officer | A. K. Sridhar | | |
| Fund manager | Poonam Tandon | | |
| Date of launch | 25-Nov-09 | | |
| Net asset value | Declared every business day | | |
| Fund's fact sheet | Published monthly | | |
| Benchmark index - composition | CRISIL Composit Bond Fund Index - 85% Weight CRISIL Liquid Fund Index - 15% Weight | | |

| Name of the fund | Liquid Pension Fund | | |
|---|---|---|---|
| Nature of the fund | Investment in liquid and money market instruments. | | |
| Investment objective | To provide capital protection with growth at short-term interest rates while providing a high level of liquidity. | | |
| 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 | Equity | Debt | Money market |
| Minimum | 0 | 80 | 0 |
| Maximum | 0 | 100 | 20 |
| Chief Investment Officer | A. K. Sridhar | | |
| Fund manager | Poonam Tandon | | |
| Date of launch | 25-Nov-09 | | |
| Net asset value | Declared every business day | | |
| Fund's fact sheet | Published monthly | | |
| Benchmark index - composition | CRISIL Liquid Fund Index - 100% Weight | | |

# Features of our funds

**Asset allocation pattern in percentage**

| Name of the fund | Value Fund | | |
|---|---|---|---|
| Nature of the fund | Growth Fund. | | |
| Investment objective | To provide high growth opportunities with an objective of long term capital appreciation through investments primarily in equity and equity related instruments. | | |
| Fund positioning | This fund will be positioned as a multi-cap pure value fund with clearly defined investment criteria for investing in value stocks.The fund will invest in stocks that are relatively undervalued to their intrinsic value and will create wealth for investors in the medium to long term. | | |
| Asset allocation | Equity | Debt | Money market |
| Minimum | 70 | 0 | 0 |
| Maximum | 100 | 0 | 30 |
| Chief Investment Officer | A. K. Sridhar | | |
| Fund manager | Prasanna Pathak | | |
| Date of launch | 16-Sep-10 | | |
| Net asset value | Declared every business day | | |
| Fund's fact sheet | Published monthly | | |
| Benchmark index - composition | BSE 100 Index - 90% Weight<br>CRISIL Liquid Fund Index - 10% Weight | | |

| Name of the fund | Index Tracker Fund | | |
|---|---|---|---|
| Nature of the fund | Equity Index Fund. | | |
| Investment objective | The principal investment objective of the scheme is to invest in stocks of companies comprising S&P CNX Nifty Index and endeavour to achieve return equivalent to Nifty by "passive" investment | | |
| Fund positioning | This will be a passively managed Fund, by investing the major portion of the fund, only in 50 equity stocks comprised in the S&P Nifty Index, in a proportion that is as close as possible to the weightages of these stocks in the index. The exposure/weightages of investment stocks will , however be subject to regulatory investment guidelines and exposure norms. | | |
| Asset allocation | Equity | Debt | Money market |
| Minimum | 90 | 0 | 0 |
| Maximum | 100 | 0 | 10 |
| Chief Investment Officer | A. K. Sridhar | | |
| Fund manager | Sandeep Shirsat | | |
| Date of launch | 22-Sep-10 | | |
| Net asset value | Declared every business day | | |
| Fund's fact sheet | Published monthly | | |
| Benchmark index - composition | S & P CNX Nifty - 95% Weight<br>CRISIL Liquid Fund Index - 5% Weight | | |

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

Equity Fund, Equity Fund pension, Balanced Fund , Balanced Fund pension and Index Tracker Fund are benchmarked to S&P CNX Nifty Index which is not sponsored endorsed, sold or promoted by India Index Services & Products Limited (IISL). IISL is nor responsible for any errors or omissions or the results obtained from the use of such index and in no event shall IISL have any liability to any party for any damages of whatsoever nature (including lost profits) resulted to such party due to purchase or sale or otherwise of such product benchmarked to such index.

"Standard & Poor's® and "S&P® are trademarks of The McGraw-Hill Companies, Inc. and have been licensed for use by India Index Services & Products Limited (IISL). The S&P CNX Nifty is not compiled, calculated or distributed by Standard & Poor's and Standard & Poor's and IISL make no representation regarding the advisability of investing in products that utilize any such Index as a component. All rights in the SENSEX/BSE 100 vest in Bombay Stock Exchange Ltd. ("BSE").
BSE and SENSEX are trademarks of BSE and are used by IndiaFirst Life Insurance Company Limited. BSE shall not be liable in any manner whatsoever (including in negligence) for any loss arising to any person whosoever out of use of or reliance on the SENSEX by any person.

**CRISIL Composite Bond Fund Index and CRISIL Liquid Fund Index**

CRISIL has taken due care and caution in compilation of data for CRISIL Composite BondFund Index and CRISIL Liquid Index. Information has been obtained by CRISIL from sources it considers reliable. However, CRISIL does not guarantee the accuracy, adequacy or completeness of the information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CRISIL is not responsible for any errors in data reproduction. CRISIL especially states that it has no financial liability whatsoever to the subscribers/users/transmitters/distributors of this bulletin.

# Debt Fund

## Fact sheet as on 31st October, 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 29th October, 2010 |
|---|---|---|
| Debt Fund | 25-11-09 | ₹ 10.40 |
| Debt1 Fund | 17-09-10 | ₹ 10.05 |

**Asset allocation pattern in percentage**

| | Minimum | Maximum | Actual |
|---|---|---|---|
| Equity shares | 0 | 0 | 0 |
| Debt securities & bonds | 70 | 100 | 65* |
| Cash & money market instruments | 0 | 30 | 35* |

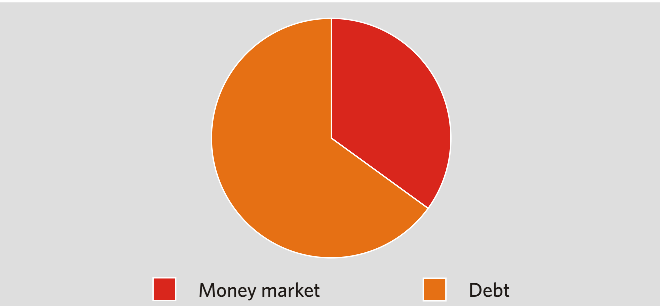
The actual asset allocation will remain the 'minimum' and 'maximum' range, based on market opportunities and future outlook of the markets.

* 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 a 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.

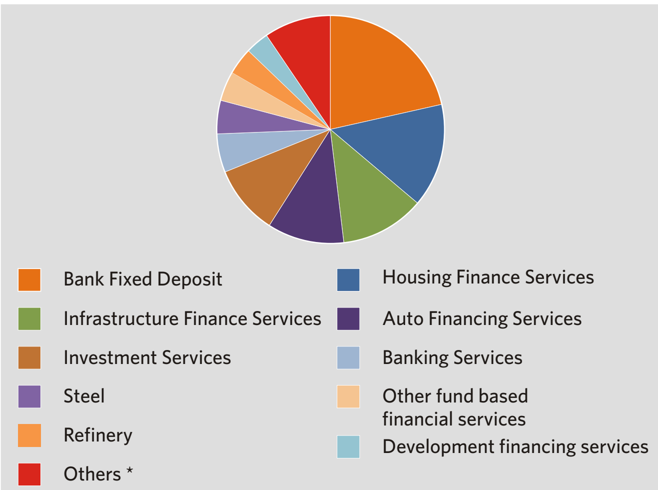
**Asset allocation pattern as on 31st October, 2010**




**Credit profile of debt and money market investments**

| Nature | Percentage |
|---|---|
| GSEC & T Bills | 0.00 |
| AAA & P1+ & PR1+ | 69.64 |
| AA+ | 13.22 |
| AA | 4.69 |
| Short term deposit with banks | 4.68 |
| CBLO/Other money market investments | 7.77 |
| **Total** | **100.00** |

**Industry wise exposure**




**Returns** Scheme: Debt Fund

| | Annualised returns in percentage | | |
|---|---|---|---|
| | 3 months | 6 months | Since inception |
| Debt Fund | 4.17 | 3.18 | 4.28 |
| Composite benchmark | 4.42 | 3.96 | 4.16 |

**Portfolio**

| Security | Holding percentage |
|---|---|
| Debt | 65.06 |
| Money market instruments | 34.94 |
| **Net assets** | **100.00** |

**Industry wise exposure**

| Industry | Percentage |
|---|---|
| Bank Fixed Deposit | 21.62 |
| Housing Finance Services | 14.59 |
| Infrastructure Finance Services | 11.76 |
| Auto Financing Services | 10.86 |
| Investment Services | 9.95 |
| Banking Services | 5.57 |
| Steel | 4.69 |
| Other fund based financial services | 4.34 |
| Refinery | 3.78 |
| Development financing services | 3.45 |
| Others * | 9.41 |
| **Grand total** | **100.00** |

* Others includes all industries having weightages lesser than 3%.

**Maturity profile of debt portfolio**

| Period | Exposure in percentage |
|---|---|
| 0-3 months | 11.04 |
| 3-12 months | 13.88 |
| 1-3 year | 50.28 |
| 3-5 year | 24.80 |
| 5-10 year | 0.00 |
| > 10 year | 0.00 |
| **Total** | **100.00** |

**Fund manager's comments**

The RBI has hiked the repo and reverse repo for the fifth time this year. It has also indicated that the end to the tightening cycle is not necessarily just around the corner, despite the signaled pause over the near term. They are essentially taking a wait-and-see position in the context of heightened global economic uncertainty and to assess the effectiveness of the tightening undertaken so far.

In view of the above, we will see the debt market to remain divided on future direction of interest rates and that would make the market volatile, giving some trading opportunities. We will keep a watch on the situation and decide on increasing the duration or otherwise of our debt portfolio over the next two to three months.

* the allocation between debt and money market will be aligned depending on market conditions.

# Equity Fund

## Fact sheet as on 31st October, 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 29th October, 2010 |
|---|---|---|
| Equity Fund | 25-11-09 | ₹ 12.04 |
| Equity1 Fund | 15-09-10 | ₹ 10.36 |

### Asset allocation pattern in percentage

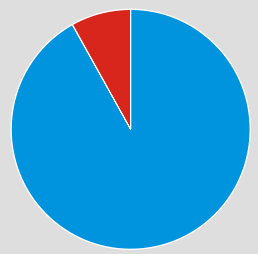
| | Minimum | Maximum | Actual |
|---|---|---|---|
| Equity shares | 80 | 100 | 92 |
| Debt securities & bonds | 0 | 10 | 0 |
| Cash & money market instruments | 0 | 20 | 8 |

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

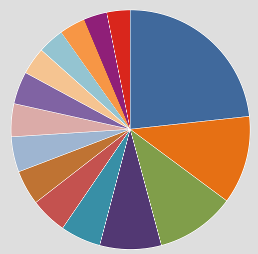
### Fund positioning

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 31st October, 2010




### Industry wise exposure




### Returns

| | Annualised returns in percentage | | |
|---|---|---|---|
| | 3 months | 6 months | Since inception |
| Equity Fund | 10.96 | 15.37 | 20.40 |
| Composite benchmark | 10.58 | 12.49 | 16.11 |

### Portfolio

Scheme: Equity Fund

| Security | Security name | Holding percentage |
|---|---|---|
| Equity shares | | |
| | Reliance Industries Ltd. | 7.60 |
| | Infosys Technologies Ltd. | 6.59 |
| | Larsen & Tubro Ltd. | 4.95 |
| | ICICI Bank Ltd. | 4.93 |
| | Bharat Heavy Electricals Ltd. | 3.59 |
| | HDFC | 3.51 |
| | ITC Ltd. | 3.48 |
| | Tata Consultancy Services Ltd. | 2.77 |
| | Maruti Suzuki India Ltd. | 2.65 |
| | ONGC Ltd. | 2.34 |
| | GAIL (India) Ltd. | 2.17 |
| | HDFC Bank | 2.16 |
| | State Bank of India | 2.08 |
| | Mahindra & Mahindra Ltd. | 2.07 |
| | Axis Bank Ltd. | 1.67 |
| | Bharti Airtel Ltd. | 1.65 |
| | Cipla Ltd. | 1.61 |
| | Tata Steel Ltd. | 1.58 |
| | Hindustan Unilever Ltd. | 1.51 |
| | NTPC Ltd. | 1.39 |
| | Other equity | 31.64 |
| | Total equity | 91.93 |
| Money market investments | | 8.07 |
| Debt | Debt securities | 0.00 |
| **Net assets** | | **100.00** |

### Industry wise exposure

| Industry | Percentage |
|---|---|
| Others * | 23.28 |
| Banking services | 11.88 |
| Computer software | 10.70 |
| Refinery | 8.19 |
| Drugs and pharmaceuticals | 5.51 |
| Industrial construction | 4.95 |
| LNG storage and distribution | 4.72 |
| Passenger cars and multi-utility vehicles | 4.72 |
| Housing finance services | 4.53 |
| Bank fixed deposit | 4.38 |
| Money market | 3.69 |
| Boilers and turbines | 3.59 |
| Tobacco products | 3.48 |
| Electricity generation | 3.26 |
| Steel | 3.12 |
| **Grand total** | **100.00** |

* Others includes all industries having weightages lesser than 3%.

### Fund manager's comments

In the month of October, the Indian markets remained volatile due to the result season and also the Coal India IPO leading to sucking out of money from the markets. Markets ended with minor losses for the month but managed to close above the crucial 6,000 mark. Results have been slightly better than expectations and stock specific reaction was visible based on quarterly numbers.

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, FII in-flow continues to be strong. Outcome of the Fed meeting on the quantitative-easing front will decide the global market direction in the short term.

During the month, we had maintained cash levels at around 8-10% and continued to be over-weight on Oil & Gas, Pharma, Banking, Auto and other consumption themes. Going ahead, we would 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 are having attractive value proposition.

# Balanced Fund

## Fact sheet as on 31st October, 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 29th October, 2010 |
|---|---|---|
| Balanced Fund | 25-11-09 | ₹ 11.33 |
| Balanced1 Fund | 14-09-10 | ₹ 10.22 |

### Asset allocation pattern in percentage

| | Minimum | Maximum | Actual |
|---|---|---|---|
| Equity shares | 50 | 70 | 63 |
| Debt securities & bonds | 30 | 50 | 23 |
| Cash & money market instruments | 0 | 20 | 14 |

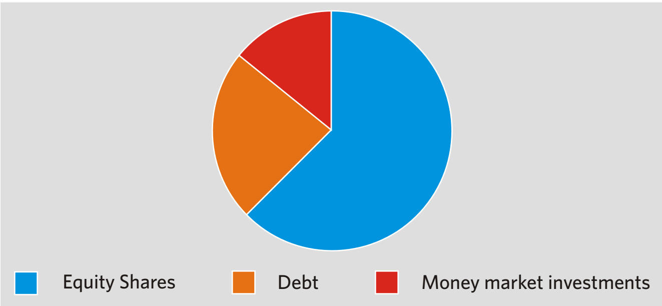
The actual asset allocation will remain the 'minimum' and 'maximum' range based on market opportunities and future outlook of the markets.

* See fund manager's comments

### Fund positioning

This fund is positioned as a 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.

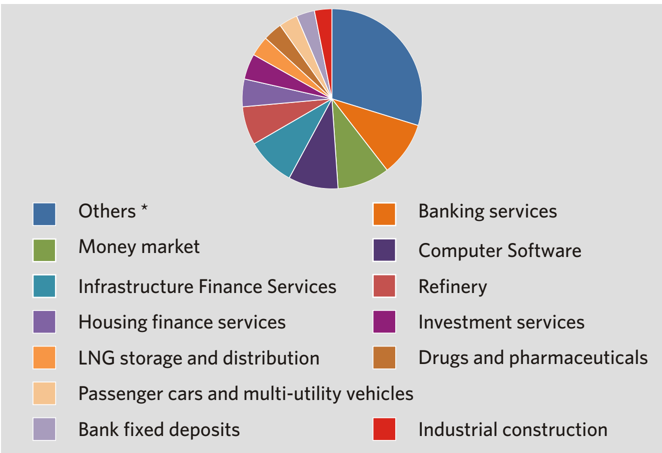
### Asset allocation pattern as on 31st October, 2010




### Credit profile of debt and money market investments

| Nature | Exposure in percentage |
|---|---|
| GSEC & T Bills | 0.00 |
| AAA & P1+ & PR1+ | 63.48 |
| AA+ | 4.46 |
| AA | 1.40 |
| Short term deposit with banks | 5.67 |
| CBLO/ Other money market investments | 24.99 |
| **Total** | **100.00** |

### Industry wise exposure




### Returns

| | Annualised returns percentage | | |
|---|---|---|---|
| | 3 months | 6 months | Since inception |
| Balanced Fund | 7.04 | 9.47 | 13.35 |
| Composite benchmark | 7.41 | 8.84 | 11.85 |

### Portfolio

Scheme: Balanced Fund

| Security | Security name | Holding percentage |
|---|---|---|
| Equity shares | | |
| | Reliance Industries Ltd. | 5.33 |
| | Infosys Technologies Ltd. | 4.30 |
| | Larsen & Tubro Ltd. | 3.16 |
| | ICICI Bank Ltd. | 3.12 |
| | ITC Ltd. | 2.56 |
| | HDFC | 2.45 |
| | Bharat Heavy Electricals Ltd. | 2.03 |
| | ONGC Ltd. | 1.91 |
| | Maruti Suzuki India Ltd. | 1.74 |
| | Tata Consultancy Services Ltd. | 1.68 |
| | Mahindra & Mahindra Ltd. | 1.61 |
| | Bharti Airtel Ltd. | 1.42 |
| | GAIL (India) Ltd. | 1.35 |
| | HDFC Bank | 1.35 |
| | State Bank of India | 1.23 |
| | Hindustan Unilever Ltd. | 1.22 |
| | Axis Bank Ltd. | 1.20 |
| | Cipla Ltd. | 1.09 |
| | Tata Steel Ltd. | 1.02 |
| | Gujarat State Petronet Ltd. | 1.02 |
| | Other equity | 21.77 |
| | Total equity | 62.57 |
| Debt | Debt securities | 23.22 |
| Money market investments | | 14.21 |
| **Net assets** | | **100.00** |

### Industry wise exposure

| Industry | Percentage |
|---|---|
| Others* | 29.74 |
| Banking services | 9.81 |
| Money market | 9.36 |
| Computer software | 8.97 |
| Infrastructure finance services | 8.77 |
| Refinery | 6.96 |
| Housing finance services | 4.98 |
| Investment services | 4.61 |
| LNG storage and distribution | 3.57 |
| Drugs and pharmaceuticals | 3.50 |
| Passenger cars and multi-utility vehicles | 3.35 |
| Bank fixed deposits | 3.23 |
| Industrial construction | 3.16 |
| **Grand total** | **100.00** |

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

### Maturity profile of debt portfolio

| Period | Exposure in percentage |
|---|---|
| 0-3 months | 13.27 |
| 3-12 months | 2.25 |
| 1-3 years | 51.58 |
| 3-5 years | 32.90 |
| 5-10 years | 0.00 |
| > 10 years | 0.00 |
| **Total** | **100.00** |

### Fund manager's comments

In the month of October, the Indian markets remained volatile due to the result season and also the Coal India IPO leading to sucking out of money from the markets. Markets ended with minor losses for the month but managed to close above the crucial 6000 mark. Results have been slightly better than expectations and stock specific reaction was visible based on quarterly numbers.

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, FII in-flow continues to be strong. Outcome of the Fed meeting on the quantitative-easing front will decide the global market direction in the short term.

During the month, we had maintained cash levels at around 8-10 % and continued to be over-weight on Oil & Gas, Pharma, Banking, Auto and other consumption themes. Going ahead, we would 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 attractive value proposition.

The RBI has hiked the repo and reverse repo for the fifth time this year. It has also indicated that the end to the tightening cycle is not necessarily just around the corner, despite the signaled pause over the near term. They are essentially taking a wait-and-see position in the context of heightened global economic uncertainty and to assess the effectiveness of the tightening undertaken so far. In view of the above, we will see the debt market to remain divided on future direction of interest rates and that would make the market volatile, giving some trading opportunities. We will keep a watch on the situation and decide on increasing the duration or otherwise of our debt portfolio over the next two to three months.

* the allocation between debt and money market will be aligned depending on market conditions

# Debt Fund - Pension

## Fact sheet as on 31st October, 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 29th Oct, 2010 | ₹ 10.39 |

### Asset allocation pattern in percentage

| | Minimum | Maximum | Actual |
|---|---|---|---|
| Equity shares | 00 | 00 | 00 |
| Debt securities & bonds | 70 | 100 | 58* |
| Cash & money market instruments | 0 | 30 | 42* |

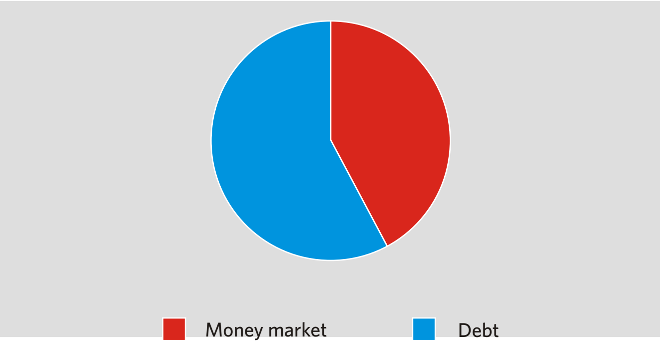
The actual asset allocation will remain the 'minimum' and 'maximum' range, based on market opportunities and future outlook of the markets.

*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 a low to moderate liquidity, government securities, money market investments with a 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.

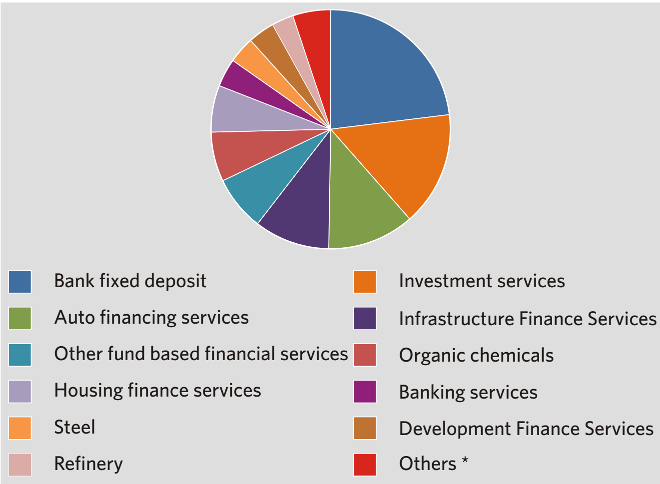
### Asset allocation pattern as on 31st October, 2010




### Credit profile of debt and money market investments

| Nature | Percentage |
|---|---|
| GSEC & T Bills | 0.00 |
| AAA & P1+ & PR1+ | 76.33 |
| AA+ | 12.45 |
| AA | 3.59 |
| Short term deposit with banks | 4.25 |
| CBLO/ Other money market investments | 3.38 |
| **Total** | **100.00** |

### Industry wise exposure




### Returns

Scheme: Debt Fund - Pension

| | Annualised returns in percentage | | |
|---|---|---|---|
| | 3 months | 6 months | Since inception |
| Debt Pension Fund | 3.81 | 3.23 | 4.18 |
| Composite benchmark | 4.42 | 3.96 | 4.16 |

### Portfolio

| Security | Holding percentage |
|---|---|
| Debt | 57.79 |
| Money market instruments | 42.21 |
| **Net assets** | **100.00** |

### Industry wise exposure

| Industry | Percentage |
|---|---|
| Bank fixed deposit | 23.07 |
| Investment services | 15.46 |
| Auto financing services | 11.62 |
| Infrasturcture finance services | 10.28 |
| Other fund based financial services | 7.38 |
| Organic chemicals | 6.76 |
| Housing finance services | 6.30 |
| Banking services | 3.83 |
| Steel | 3.59 |
| Development Finance Services | 3.59 |
| Refinery | 3.06 |
| Others * | 5.05 |
| **Grand total** | **100.00** |

* 'Others' includes all industries having weightages lesser than 3%.

### Maturity profile of debt portfolio

| Period | Exposure in percentage |
|---|---|
| 0-3 months | 10.12 |
| 3-12 months | 18.98 |
| 1-3 years | 47.82 |
| 3-5 years | 23.08 |
| 5-10 years | 0.00 |
| > 10 years | 0.00 |
| **Total** | **100.00** |

### Fund manager's comments

The RBI has hiked the repo and reverse repo for the fifth time this year. It has also indicated that the end to the tightening cycle is not necessarily just around the corner, despite the signaled pause over the near term. They are essentially taking a wait-and-see position in the context of heightened global economic uncertainty and to assess the effectiveness of the tightening undertaken so far.

In view of the above, we will see the debt market to remain divided on future direction of interest rates and that would make the market volatile, giving some trading opportunities. We will keep a watch on the situation and decide on increasing the duration or otherwise of our debt portfolio over the next two to three months.

* the allocation between debt and money market will be aligned depending on market conditions.

# Equity Fund - Pension

## Fact sheet as on 31st October, 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 29th Oct, 2010 | ₹ 12.06 |

**Asset allocation pattern in percentage**

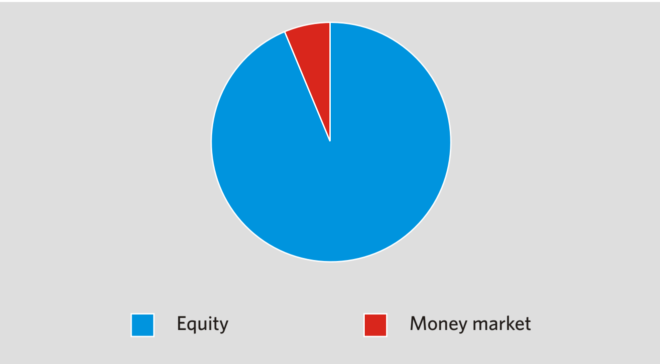
| | Minimum | Maximum | Actual |
|---|---|---|---|
| Equity shares | 80 | 100 | 94 |
| Debt securities & bonds | 0 | 10 | 0 |
| Cash & money market instruments | 0 | 20 | 6 |

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

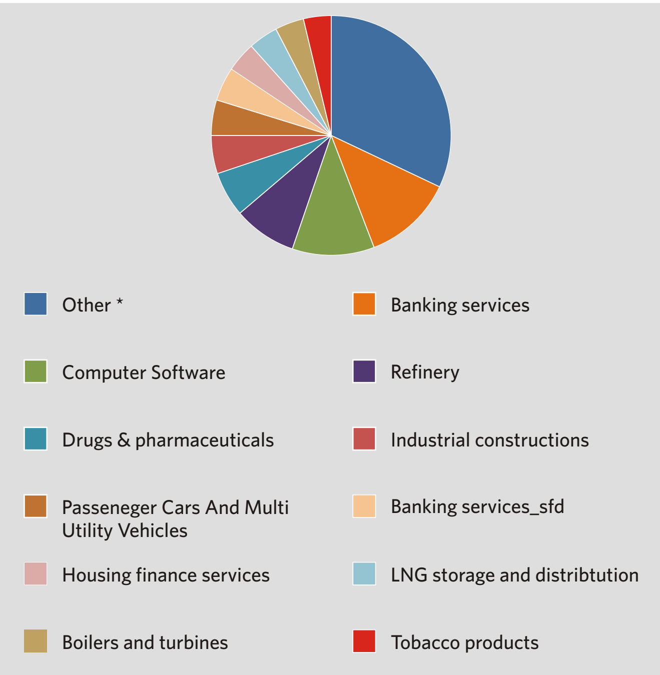
**Fund positioning**

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 the 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 31st October, 2010**




**Industry wise exposure**




**Returns**

| | Annualised returns percentage | | |
|---|---|---|---|
| | 3 months | 6 months | Since inception |
| Equity Pension Fund | 11.05 | 15.47 | 20.58 |
| Composite benchmark | 10.58 | 12.49 | 16.11 |

**Portfolio** Scheme: Equity Fund - Pension

| Security | Security name | Holding percentage |
|---|---|---|
| Equity shares | | |
| | Reliance Industries Ltd. | 7.52 |
| | Infosys Technologies Ltd. | 6.47 |
| | Larsen & Tubro Ltd. | 5.20 |
| | ICICI Bank Ltd. | 4.45 |
| | Bharat Heavy Electricals Ltd. | 3.95 |
| | ITC Ltd. | 3.68 |
| | HDFC | 3.42 |
| | Tata Consultancy Services Ltd. | 3.16 |
| | State Bank of India | 2.74 |
| | Maruti Suzuki India Ltd. | 2.50 |
| | Mahindra & Mahindra Ltd. | 2.26 |
| | HDFC Bank | 2.23 |
| | ONGC Ltd. | 2.13 |
| | GAIL (India) Ltd. | 2.11 |
| | Cipla Ltd. | 1.83 |
| | Tata Motors Ltd. | 1.64 |
| | Hindustan Unilever Ltd. | 1.61 |
| | Axis Bank Ltd. | 1.58 |
| | Jain Irrigation Systems Ltd. | 1.55 |
| | SPI Ltd. | 1.49 |
| | Other equity | 32.27 |
| | Total equity | 93.79 |
| Debt | | 0.00 |
| Money market investments | | 6.21 |
| **Net assets** | | **100.00** |

**Industry wise exposure**

| Industry | Percentage |
|---|---|
| Others * | 32.12 |
| Banking services | 12.03 |
| Computer software | 11.07 |
| Refinery | 8.49 |
| Drugs & pharmaceuticals | 6.05 |
| Industrial constructions | 5.20 |
| Passeneger cars and multi-utility vehicles | 4.76 |
| Banking services_sfd | 4.54 |
| Housing finance services | 4.12 |
| LNG storage and distribtution | 3.99 |
| Boilers and turbines | 3.95 |
| Tobacco products | 3.68 |
| **Grand Total** | **100.00** |

* Others includes all industries having weightages lesser than 3%.

**Fund manager's comments**

In the month of October, the Indian markets remained volatile due to the result season and also the Coal India IPO leading to sucking out money from the markets. Markets ended with minor losses for the month but managed to close above the crucial 6,000 mark. Results have been slightly better than expectations and stock specific reaction was visible based on quarterly numbers.

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, FII in-flow continues to be strong. Outcome of the Fed meeting on the quantitative-easing front will decide the global market direction in the short term.

During the month, we had maintained cash levels at around 8-10% and continued to be over-weight on Oil & Gas, Pharma, Banking, Auto and other consumption themes. Going ahead, we would 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 attractive value proposition.

# Balanced Fund - Pension

## Fact sheet as on 31st October, 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 29th Oct, 2010 | ₹ 11.40 |

### Asset allocation pattern in percentage

| | Minimum | Maximum | Actual |
|---|---|---|---|
| Equity shares | 40 | 70 | 64 |
| Debt securities & bonds | 30 | 50 | 26* |
| Cash & money market instruments | 0 | 20 | 11 |

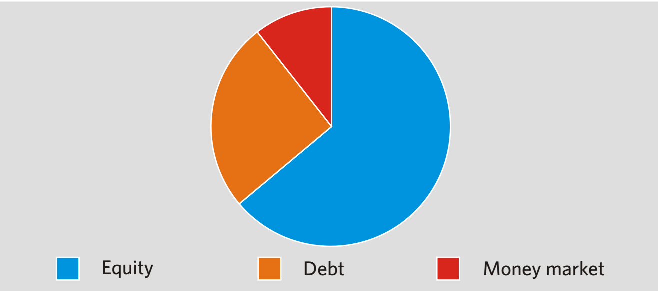
The actual asset allocation will remain the 'minimum' and 'maximum' range, based on market opportunities and future outlook of the markets.

* See fund manager's comments

### Fund positioning

This fund is positioned as a 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.

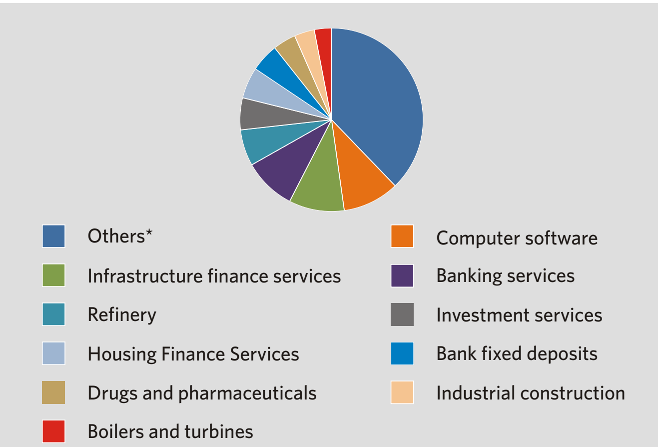
### Asset allocation pattern as of 31st October, 2010




### Credit profile of debt and money market investments

| Nature | Percentage |
|---|---|
| GSEC & T Bills | 0.00 |
| AAA & P1+ & PR1+ | 71.98 |
| AA+ | 7.40 |
| AA | 1.54 |
| Short term deposit with banks | 6.86 |
| CBLO/ Other money market investments | 12.21 |
| **Total** | **100.00** |

### Industry wise exposure




### Returns

| | Annualised returns percentage | | |
|---|---|---|---|
| | 3 months | 6 months | Since inception |
| Balanced Pension Fund | 7.46 | 9.95 | 14.01 |
| Composite benchmark | 7.41 | 8.84 | 11.85 |

### Portfolio

Scheme: Balanced Fund - Pension

| Security | Security name | Holding percentage |
|---|---|---|
| Equity shares | | |
| | Reliance Industries Ltd. | 5.32 |
| | Infosys Technologies Ltd. | 4.45 |
| | Larsen and Tubro Ltd. | 3.53 |
| | Bharat Heavy Electricals Ltd. | 3.01 |
| | ICICI Bank Ltd. | 2.75 |
| | ITC Ltd. | 2.56 |
| | HDFC | 2.51 |
| | Tata Consultancy Services Ltd. | 2.06 |
| | ONGC Ltd. | 1.62 |
| | State Bank of India | 1.59 |
| | Mahindra & Mahindra Ltd. | 1.53 |
| | HDFC Bank | 1.52 |
| | GAIL (India) Ltd. | 1.32 |
| | Maruti Suzuki India Ltd. | 1.27 |
| | Hindustan Unilever Ltd. | 1.22 |
| | Cipla Ltd. | 1.20 |
| | Axis Bank Ltd. | 1.08 |
| | Tata Motors Ltd. | 1.05 |
| | Sun Pharmaceuticals Ltd. | 1.02 |
| | Bharti Airtel Ltd. | 0.98 |
| | Other equity | 22.18 |
| | Total Equity | 63.75 |
| Debt | Debt securities | 25.66 |
| Money market investments | | 10.59 |
| **Net assets** | | **100.00** |

### Industry wise exposure

| Industry | Percentage |
|---|---|
| Others * | 37.80 |
| Computer software | 9.93 |
| Infrastructure finance services | 9.80 |
| Banking services | 9.21 |
| Refinery | 6.44 |
| Investment services | 5.65 |
| Housing finance services | 5.62 |
| Bank fixed deposits | 4.90 |
| Drugs and pharmaceuticals | 4.11 |
| Industrial construction | 3.53 |
| Boilers and turbines | 3.01 |
| **Grand total** | **100.00** |

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

### Maturity profile of debt portfolio

| Period | Exposure in percentage |
|---|---|
| 0-3 months | 13.67 |
| 3-12 months | 2.18 |
| 1-3 years | 52.65 |
| 3-5 years | 31.50 |
| 5-10 years | 0.00 |
| > 10 years | 0.00 |
| **Total** | **100.00** |

### Fund manager's comments

In the month of October, the Indian markets remained volatile due to the result season and also the Coal India IPO leading to sucking out money from the markets. Markets ended with minor losses for the month but managed to close above the crucial 6,000 mark. Results have been slightly better than expectations and stock specific reaction was visible based on quarterly numbers.

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, FII in-flow continues to be strong. Outcome of the Fed meeting on the quantitative-easing front will decide the global market direction in the short term.

During the month, we had maintained cash levels at around 8-10% and continued to be over-weight on Oil & Gas, Pharma, Banking, Auto and other consumption themes. Going ahead, we would 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 attractive value proposition.

The RBI has hiked the repo and reverse repo for the fifth time this year. It has also indicated that the end to the tightening cycle is not necessarily just around the corner, despite the signaled pause over the near term. They are essentially taking a wait-and-see position in the context of heightened global economic uncertainty and to assess the effectiveness of the tightening undertaken so far. In view of the above, we will see the debt market to remain divided on future direction of interest rates and that would make the market volatile, giving some trading opportunities. We will keep a watch on the situation and decide on increasing the duration or otherwise of our debt portfolio over the next two to three months.

* the allocation between debt and money market will be aligned depending on market conditions.

# Liquid Fund - Pension

## Fact sheet as on 31st October, 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 29th Oct, 2010 | ₹ 10.29 |

**Asset allocation pattern in percentage**

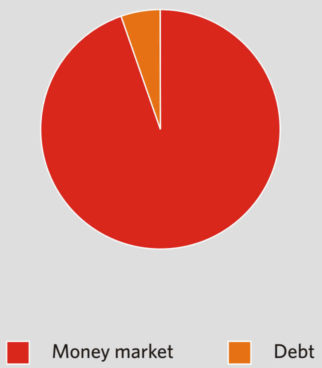
| | Minimum | Maximum | Actual |
|---|---|---|---|
| Equity shares | 0 | 0 | 0 |
| Debt securities & bonds | 0 | 20 | 5 |
| Cash & money market instruments | 80 | 100 | 95 |

The actual asset allocation will remain 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 31st October, 2010**




**Credit profile of debt and money market investments**

| | Percentage |
|---|---|
| GSEC & T Bills | 70.87 |
| AAA & P1+ & PR1+ | 24.76 |
| AA+ | 0.00 |
| AA | 0.00 |
| Short term deposit with banks | 0.00 |
| CBLO/ Other money market investments | 4.38 |
| **Total** | **100.00** |

**Returns**

| | Annualised returns percentage | | |
|---|---|---|---|
| | 3 months | 6 months | Since inception |
| Liquid Pension Fund | 2.69 | 3.01 | 3.21 |
| Composite benchmark | 6.02 | 5.31 | 4.38 |

**Portfolio** Scheme: Liquid Fund - Pension

| Security | Holding percentage |
|---|---|
| Money market instruments | 95.54 |
| Debt (Fixed deposits) | 5.46 |
| **Net assets** | **100.00** |

**Industry wise exposure**

| Industry | Percentage |
|---|---|
| Sovereign | 70.87 |
| Infrastructure finance services | 19.43 |
| Banking services_sfd | 5.33 |
| Money market | 4.38 |
| **Grand total** | **100.00** |

**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.

# Value Fund

## Fact sheet as on 31st October, 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 | 16th September, 2010 |
| NAV per unit as on 29th Oct, 2010 | ₹ 10.29 |

**Asset allocation pattern in percentage**

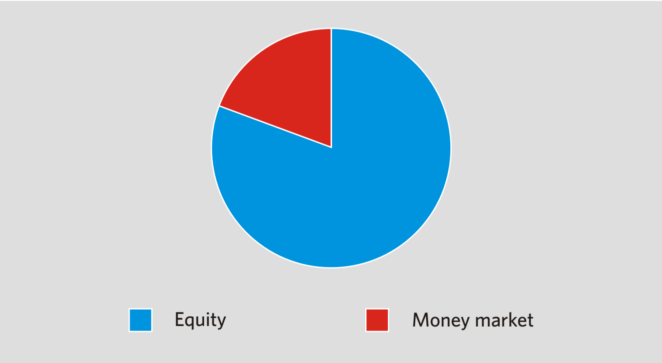
| | Minimum | Maximum | Actual |
|---|---|---|---|
| Equity shares | 70 | 100 | 81 |
| Debt securities & bonds | 0 | 0 | 0 |
| Cash & money market instruments | 0 | 30 | 19 |

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

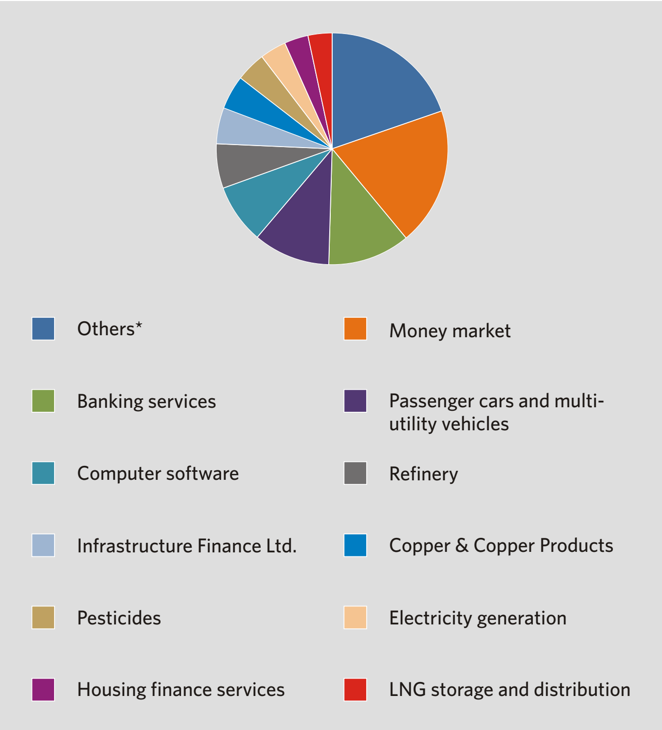
**Fund positioning**

The fund will be positioned as a multi-cap pure value fund with clearly defined investment criteria for investing in value stocks. The fund will invest in stocks that are relatively undervalued to their intrinsic value and which will create wealth for shareholders in the medium to long term.

**Asset allocation pattern as of 31st October, 2010**




**Industry wise exposure**




**Returns**

| | Annualised returns percentage | | |
|---|---|---|---|
| | 3 months | 6 months | Since inception |
| Value Fund | NA | NA | 3.25 |
| Composite benchmark | NA | NA | 2.40 |

**Portfolio** Scheme: Value Fund

| Security | Security name | Holding percentage |
|---|---|---|
| Equity shares | | |
| | Mahindra & Mahindra Ltd. | 7.80 |
| | Reliance Industries Ltd. | 6.22 |
| | IDFC | 5.11 |
| | Sterlite Industries India Ltd. | 4.66 |
| | HDFC Bank | 4.58 |
| | Monsanto India Ltd. | 3.57 |
| | GIC Housing Finance Ltd. | 3.37 |
| | Gujarat State Petronet Ltd. | 3.29 |
| | Infosys Technologies Ltd. | 3.16 |
| | Maruti Suzuki India Ltd. | 2.93 |
| | BEML Ltd. | 2.92 |
| | Bharat Heavy Electricals Ltd. | 2.60 |
| | ITC Ltd. | 2.43 |
| | State Bank of India | 2.38 |
| | KPIT CI Ltd. | 2.23 |
| | Hero Honda Motors Ltd. | 2.20 |
| | Bank of Maharashtra | 2.20 |
| | NTPC Ltd. | 1.78 |
| | Wipro Ltd. | 1.54 |
| | Apollo Tyres Ltd. | 1.52 |
| | Other equity | 14.23 |
| | Total Equity | 80.73 |
| Money market investments | | 19.27 |
| Debt | Debt securities | |
| **Net assets** | | **100.00** |

**Industry wise exposure**

| Industry | Percentage |
|---|---|
| Others * | 19.70 |
| Money market | 19.27 |
| Banking services | 11.43 |
| Passenger cars and multi-utility vehicles | 10.74 |
| Computer software | 8.33 |
| Refinery | 6.22 |
| Infrastructure Finance Ltd. | 5.11 |
| Copper & Copper Products | 4.66 |
| Pesticides | 4.18 |
| Electricity generation | 3.71 |
| Housing finance services | 3.37 |
| LNG storage and distribution | 3.29 |
| **Grand total** | **100.00** |

* Others includes all industries having weightages lesser than 3%.

**Fund manager's comments**

In the month of October, the Indian markets remained volatile due to the result season and also the Coal India IPO leading to sucking out money from the markets. Markets ended with minor losses for the month but managed to close above the crucial 6,000 mark. Results have been slightly better than expectations and stock specific reaction was visible based on quarterly numbers.

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, FII in-flow continues to be strong. Outcome of the Fed meeting on the quantitative-easing front will decide the global market direction in the short term.

The fund is still in the accumulation phase. The fund will invest in stocks which offer better value-proposition vis-a-vis peers based on strategies laid out in the fund mandate. Appropriate mix of large cap and mid-cap stocks will be maintained. Also, adequate cash levels will be maintained to enter these stocks at lower levels.

# Index Tracker Fund

## Fact sheet as on October 31, 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 | September 22, 2010 |
| NAV per unit as on 29th Oct, 2010 | ₹ 10.09 |

**Targeted asset allocation pattern in percentage**

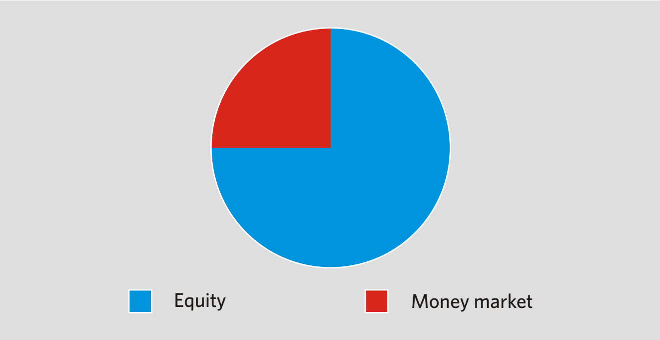
| | Minimum | Maximum | Actual |
|---|---|---|---|
| Equity shares | 90 | 100 | 74 |
| Debt securities & bonds | 0 | 0 | 0 |
| Cash & money market instruments | 0 | 10 | 26 |

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

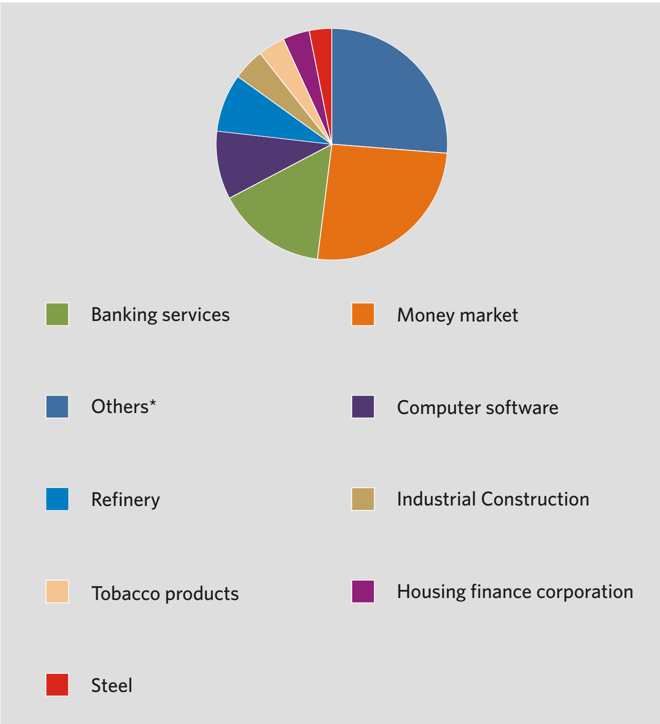
**Fund positioning**

This will be a passively managed fund, by investing the major portion of the fund, only in 50 equity stocks comprised in the S&P Nifty Index, in a proportion that is as close as possible to the weightages of these stocks in the index. The exposures/weightages of investment stocks will, however be subject to the regulatory investment guidelines and exposure norms.

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




**Industry wise exposure**




**Returns**

| | Annualised returns percentage | | |
|---|---|---|---|
| | 3 months | 6 months | Since inception |
| Index tracker fund | NA | NA | 0.92 |
| Composite benchmark | NA | NA | 0.55 |

**Portfolio** Scheme: Index tracker fund

| Nature of security | Security name | Holding percentage |
|---|---|---|
| Equity shares | | |
| | Reliance Industries Ltd. | 7.74 |
| | Infosys Technologies Ltd. | 5.99 |
| | ICICI Bank Ltd. | 5.57 |
| | Larsen & Tubro Ltd. | 4.50 |
| | ITC Limited | 3.75 |
| | HDFC | 3.71 |
| | State Bank of India | 3.37 |
| | HDFC Bank | 3.37 |
| | Tata Consultancy Services Ltd. | 2.23 |
| | ONGC Ltd. | 1.84 |
| | Bharti Airtel Ltd. | 1.66 |
| | Baharat Heavy Electricals Ltd. | 1.60 |
| | Axis Bank Ltd. | 1.57 |
| | Tata Motors Ltd. | 1.54 |
| | Tata Steel Ltd. | 1.53 |
| | MAHINDRA & Mahindra Ltd. | 1.31 |
| | Hindustan Unilever Ltd. | 1.29 |
| | HINDALCO Industries Ltd. | 1.14 |
| | Jindal Steel and Power Ltd. | 1.13 |
| | Sterlite Industries India Ltd. | 1.12 |
| | Other equity | 18.34 |
| | Total Equity | 74.33 |
| Money market investments | | 25.67 |
| Debt | Debt securities | 0.00 |
| **Net assets** | | **100.00** |

**Industry wise exposure**

| Industry | Percentage |
|---|---|
| Others* | 26.28 |
| Money market | 25.67 |
| Banking services | 15.31 |
| Computer software | 9.50 |
| Refinery | 8.14 |
| Industrial construction | 4.50 |
| Tobacco products | 3.75 |
| Housing finance corporation | 3.71 |
| Steel | 3.13 |
| **Grand total** | **100.00** |

* Others includes all industries having weightages lesser than 3%.

**Fund manager's comments**

The fund will be managed passively by investing in all the Nifty-50 Stocks in a proportion that is as close as possible to the weightages of these stocks in the S & P CNX Nifty index. Under Index funds, tracking error normally occur due to intra day price movements, cost of transaction, fund management expenses charges, dividend inflows. In addition, limiting the actual exposures to the extent allowed by regulatory norms also contribute to tracking error in certain scrips.

The investment strategy is to keep the tracking error low and deliver the returns as close to the returns delivered by the benchmark index. The fund will optimally use the portfolio re balancing techniques combined with least possible transaction cost to keep the tracking error low.

Toll Free No. 1800 209 7800
SMS No <FIRST> to 56677, SMS charges apply.

Website: www.indiafirstlife.com

---

A Joint Venture of

Bank of Baroda

Legal & General

ANDHRA BANK

IndiaFirst

LIFE INSURANCE