Investor fact sheet

June 2010

A Joint Venture of

बैंक ऑफ़ बड़ौदा Bank of Baroda

Legal & General

Andhra Bank

IndiaFirst LIFE INSURANCE

Monthly Market Report

May, 2010

Economy

- **Persistent acceleration in industrial output drives GDP growth to 8.6% in the 4th quarter 2010**
- **Industrial output clocks double digit growth during Apr-Mar 2010**
- **Trade deficit widens with a slump in exports**
- **High WPI inflation figures and uncertainty of global recovery are still a cause of concern**

Sustained high growth in manufacturing together with an improved growth in agriculture and in services sectors propelled GDP growth to 8.6% in Q4 of 2009-10. Consequently as per the revised estimate, the overall growth in 2009-10 stood at 7.4%. The healthy growth in manufacturing has contributed to the overall GDP growth, which has been beyond the expectations. Growth in the services sector is also improving, particularly in the trade, hotels and financial services sectors. In addition, there is also a prediction of timely arrival and distribution of monsoon this year. Thus, growth prospects in the coming quarters appear to be good. Despite a marginal slowdown in Mar 2010, the overall output growth for 2009-10 stood at 10.4% against 2.8% a year before. The industrial output may continue to extend the strong growth pattern in the next few months, supported by the continuing domestic demand unless the rise in interest rates hampers industrial costs and investments to a significant extent.

A sudden but significant dip in exports appears to be a cause of concern, especially when imports are growing relentlessly. However, the fall in average crude price to $73.7 per barrel in May 2010 from $84 per barrel in Apr 2010 is a positive signal for favorable merchandise trade balance. Nonetheless, the domestic oil demand is expected go up with consistent record sales in the automobile sector. Considering these developments, improvement of trade balance may improve only when there is a significant improvement in external demand in the coming months of 2010-11.

The provisional inflation rate for the month of Mar 2010 inched down to 9.59% YoY from 9.9% observed for the month of Mar 2010 mainly because of the base effect. The index of primary articles rose 2.3% growing at 13.88% YoY, the fuel and power index rose 0.6% marking a YoY growth of 12.55% whereas the manufactured products index grew by 0.8% growing 6.7% YoY. The inflation rate for the month of Feb was revised upwards to 10.06% as against the provisional estimate of 9.89%.

The Indian Rupee exchange rate for May 2010 averaged Rs. 45.77 to the US dollar. That is 132.5 basis points higher than the Apr 2010 rate of Rs. 44.44 and 274 basis points lower than the May 2009 rate of Rs. 48.51. Reserve Bank's intervention in order to control the exchange rate has not been dynamic. Reserves as of 28th May 2010 stood at $271.97 billion compared to $279.63 billionn as on 29th Apr 2010. Demand for the dollar due to external commercial borrowing from telecom players such as Bharti and Reliance, payments of overseas acquisitions and weakness in the equity markets may lead to further depreciation in the rupee.

Debt market update

Over the past month, the 10-year yield softened from 8.06% from 7.35% and finally ended the month at 7.55%. A massive rally tracking the steep fall in US Treasury yields in the wake of Greece's debt crisis softened the 10-year yield to 7.64% from 8.06%. The yields further fell on the higher than expected collection of Rs. 70,000 crore as against Rs. 35,000 crore in the 3G auction - lowering the fiscal deficit. The 10-year benchmark G-sec yield moved down by about 60 bps to settle the month at 7.55% in May against 8.03% the previous month. The corporate bond yields for the 5 year AAA was at 8.18% while the 10-year AAA corporate bond yields were at 8.67% in May 2010. The yields have softened during the month on the back of the softening of the G-Sec yields.

Commodities

Gold: Gold prices increased to $1216 /oz during May as people moved away from riskier assets.

Crude: Crude oil tumbled nearly 18% to around $73.4 during the month on the back of global equity turmoil and double-dip recession.

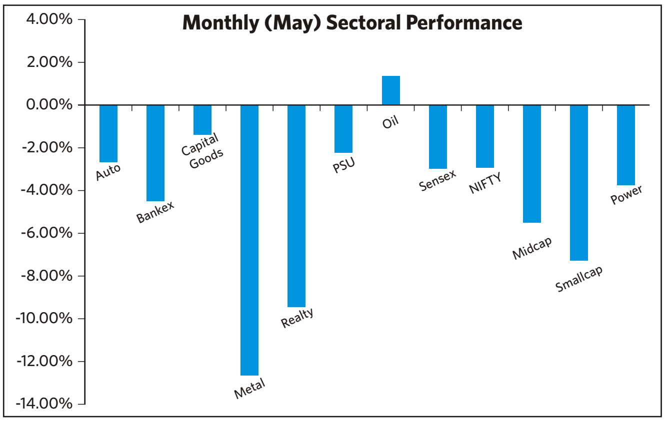
Equity market update

For the month, the equity indices were very volatile in the wake of concerns over 'high debt' economies in the Euro zone. However, in the last week of the month, there was some short covering which helped reduce the Index losses during the month. The equity indices ended the month with losses of around 3.5-4%. Government finance also seems to be improving post the successful 3-G auction and natural gas price deregulation.

On the corporate side, the Supreme Court ruled in favor of RIL in a gas pricing dispute with RNRL, closing a chapter on a five-year battle that now gives the government control over setting prices.

Of the 13 sector indices on the BSE, only the Oil & Gas Index ended positive. Mid-cap and small-cap underperformed.

Sectoral performance for the month of Mar 2010 is as below -



Market valuations: At the current levels of 16700 the Sensex with an expected EPS of 1050 for FY11E trades at a PE of 16.5x 1-year forward. The markets are trading in the upper range of the valuation band and hence up-sides seem to be capped.

Fund Flows: Foreign Institutional Investors (FIIs) were net sellers to the tune of Rs. 11,070 crore, whereas Domestic Institutional Investors (DIIs) bought Rs. 6,361 crore worth of shares.

Sectoral update

Pharma: Passage of the US healthcare bill, number of products coming off patent, strong domestic growth, and a shift in Big Pharma's focus to emerging markets like India promises a lot for the Indian pharma players. Overall, the Indian pharma sector is poised for strong growth ahead.

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

Metal: We are cautious on metals given the global scenario and expect a slowdown in demand to happen in China leading to fall in metal prices.

Auto: Improved demand scenario for the automobile sector will lead to good opportunities in the auto ancillaries' space. Many new models are being launched which will benefit the auto ancillary players to a large extent.

Banking: 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. However, concern on double-dip recession globally continues. Also valuation appears to be on the upper-end of the band. Over the next month, events in the Euro zone and monsoon progress will drive the domestic markets. As the market is expected to continue it's sideway movements for few months, we will maintain a cash position of 8-12% across all our equity funds. We will maintain overweight positions in the IT, Pharma, Banking and Oil & Gas space. On a broader picture, with political stability around for the next 3-4 years, higher financial inclusion/ penetration of equities domestically, and higher share of global liquidity moving to India, we believe that the Indian equity as an asset class will outperform all other asset classes in the next 3-4 years. There will be corrections on the way. However, these should be used to build a good long-term equity portfolio.

Mumbai
June 11, 2010

Debt Fund

Fact Sheet as on 31st May 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 Nov 2009
NAV per unit as on 31st May 2010	Rs. 10.28

Targeted asset allocation pattern

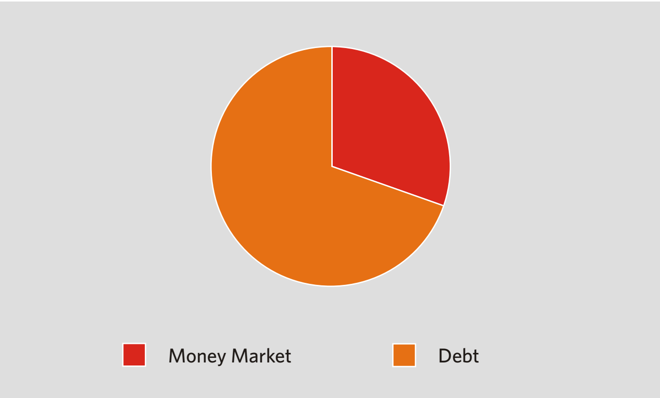
	Minimum	Maximum	Target
Equity Shares	0%	0%	0%
Debt Securities & Bonds	70%	100%	85%
Cash & Money Market Instruments	0%	30%	15%

The above asset allocation can vary from the above indicated 'Target', but will remain well within the 'minimum' and 'maximum' range, based on market opportunities and future outlook of the equity markets.

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 a micro level credit worthiness and debt servicing capacity of companies.

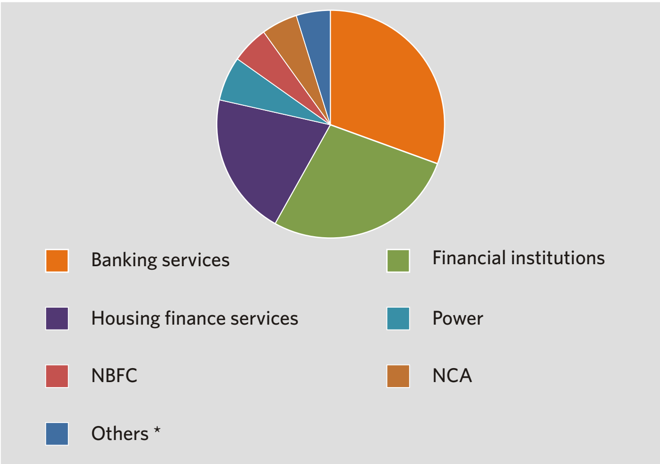
Asset allocation pattern as of 31st May 2010



Credit profile of Debt and Money Market Investments

Nature	Percentage
GSEC and T. Bills	0.00%
AAA	62.91%
AA+	9.10%
Short term deposit with bank	15.27%
CBLO and Money Market Instruments	12.72%
Total	**100.00%**

Industry wise exposure



Returns

	Annualised Returns Percentage	
	3 months	Since Inception
Debt Fund	855.00%	5.49%
Composite Benchmark	757.00%	4.76%

Portfolio Scheme: Debt Fund

Security	Holding percentage
Debt	87.28%
Money Market Instruments	12.72%
Net assets	**100.00%**

Industry wise exposure

Industry	Percentage
Banking services	30.54
Financial institutions	27.54
Housing finance services	20.45
Power	6.30
NBFC	5.31
NCA	5.06
Others *	4.80
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	12.80%
3-12 months	18.67%
1-3 years	23.58%
3-5 years	44.95%
5-10 years	0.00%
> 10 years	0.00%
Total	**100.00%**

Fund manager's comments

There has been an unexpected and significant rally in the Debt market in the last 2 months. This has been due to the European crisis which made the bonds a safe haven and led to softness in yields in the US Treasuries. The Indian bond market movements in the last few weeks are influenced more by the international market than by the domestic factors. In the second half of May, the yields in the short term papers have risen in view of the 3Gauction outflow of around Rs 70,000 crore. We will therefore concentrate on the short end of the curve in the 1-3 years bonds for this month, as we see value on this part of the curve due to widening of corporate spreads by around 30bps.

Equity Fund

Fact Sheet as on 31st May 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 Nov 2009
NAV per unit as on 31st May 2010	Rs. 10.25

Targeted asset allocation pattern

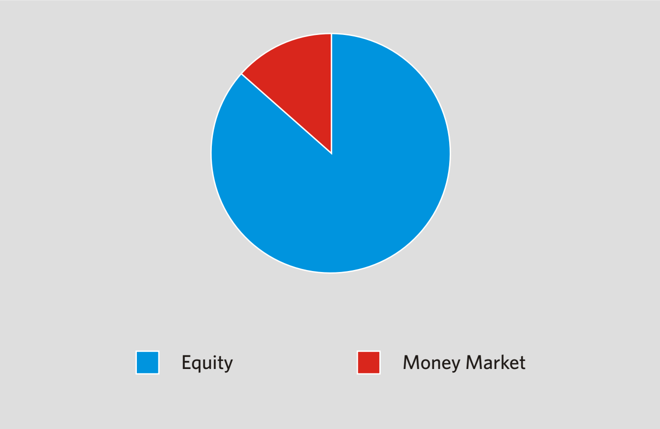
	Minimum	Maximum	Target
Equity Shares	80%	100%	90%
Debt Securities & Bonds	0%	10%	0%
Cash & Money Market Instruments	0%	20%	10%

The above asset allocation can vary from the above indicated 'Target', but will remain well within the 'minimum' and 'maximum' range, based on market opportunities and future outlook of the equity markets.

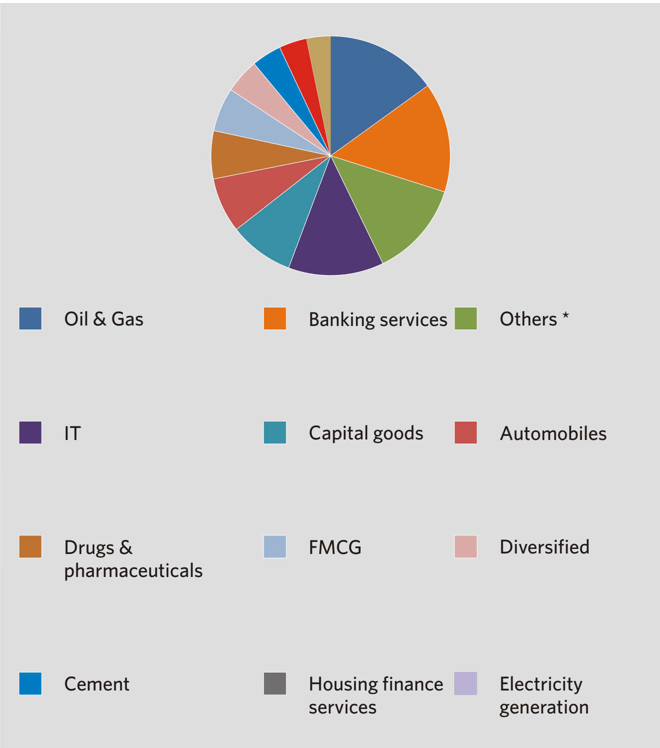
Fund positioning

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 May 2010



Industry wise exposure



Returns

	Percentage	
	3 months	Since Inception
Equity Fund	4.75%	2.45%
Composite Benchmark	3.07%	-0.33%

Portfolio Scheme: Equity Fund

Security	Security name	Holding percentage
Equity Shares		
	Reliance Industries Ltd.	7.57%
	Infosys Technologies Ltd.	6.87%
	Larsen & Toubro Ltd.	4.59%
	ITC Ltd.	4.22%
	ICICI Bank Ltd.	4.13%
	HDFC	3.48%
	Tata Consultancy Services Ltd.	2.91%
	Indraprastha Gas Ltd.	2.65%
	HDFC Bank	2.57%
	State Bank of India	2.54%
	Gail (India) Ltd.	2.53%
	Bharat Heavy Electricals Ltd.	2.51%
	Axis Bank Ltd.	2.14%
	Divis Laboratories Ltd.	2.05%
	Mahindra & Mahindra Ltd.	1.82%
	Siemens Ltd.	1.81%
	Hero Honda Motors Ltd.	1.75%
	Cipla Ltd.	1.71%
	Crompton Greaves Ltd.	1.69%
	Maruti Suzuki India Ltd.	1.66%
	Others	25.37%
	Total Equity	86.56%
Money Market Investments		13.44%
Net assets		**100.00%**

Industry wise exposure

Industry	Percentage
Oil & Gas	15.03%
Banking services	14.84%
Others *	12.93%
IT	12.91%
Capital goods	8.78%
Automobiles	7.43%
Drugs & pharmaceuticals	6.46%
FMCG	5.95%
Diversified	4.67%
Cement	4.00%
Housing finance services	3.78%
Electricity generation	3.24%
Grand total	**100.00%**

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

Fund manager's comments

For the month, the equity indices were very volatile and ended lower in the wake of concerns over 'high debt' economies in the Euro zone. The domestic market fundamentals seem to be intact with improving government finances, good growth and contained inflation expectations. However, concern on double-dip recession globally continues. Over the next month, events in the Euro zone and monsoon progress will drive the domestic markets.

During the month of May 2010 we had maintained cash levels at around 10-12%. On industry exposures, we continued to be over-weight on Banking, Pharma, Oil & Gas, Auto and other consumption themes. Going ahead, we will maintain around 5-15% cash to buy into the above stories at lower levels. The exposure to equity will be tilted towards large-cap low beta stocks that have an attractive value proposition.

Balanced Fund

Fact Sheet as on 31st May 2010

Investment objective

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

Inception Date	25th Nov 2009
NAV per unit as on 31st May 2010	Rs. 10.28

Targeted asset allocation pattern

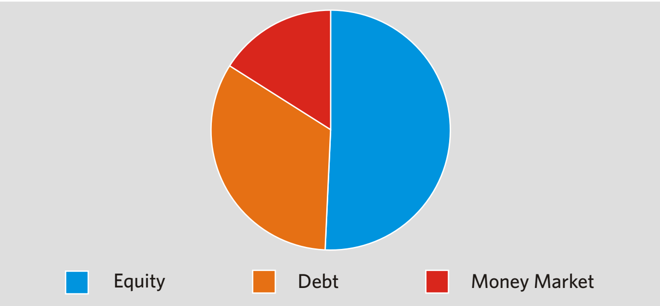
	Minimum	Maximum	Target
Equity Shares	40%	70%	50%
Debt Securities & Bonds	30%	50%	40%
Cash & Money Market Instruments	0%	20%	10%

The above asset allocation can vary from the above indicated 'Target', but will remain well within the 'minimum' and 'maximum' range, based on market opportunities and future outlook of the equity 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.

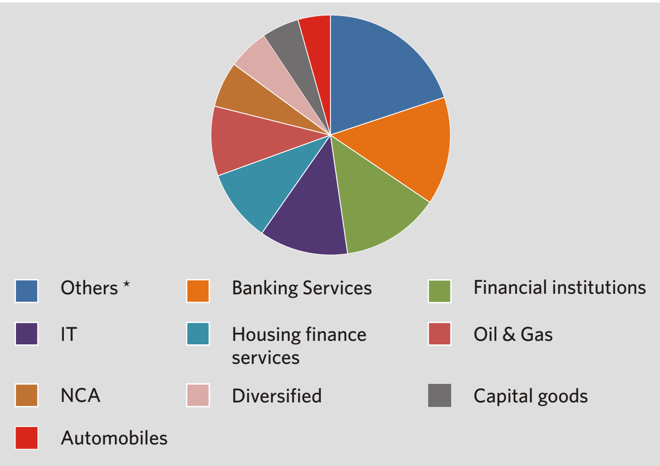
Asset allocation pattern as of 31st May 2010



Credit profile of Debt and Money Market Investments

Nature	Exposure in percentage
GSEC and T. Bills	1.45%
AAA	59.42%
AA+	5.08%
Short term deposit with bank	2.91%
CBLO/Other Money Market Investments	31.14%
Total	**100.00%**

Industry wise exposure



Returns

	Percentage	
	3 months	Since Inception
Balanced Fund	4.05%	2.80%
Composite Benchmark	2.72%	0.60%

Portfolio Scheme: Balanced Fund

Security	Security name	Holding percentage
Equity Shares		
	Reliance Industries Ltd.	4.42%
	Infosys Technologies Ltd.	4.01%
	Larsen & Toubro Ltd.	2.68%
	ITC Ltd.	2.47%
	ICICI Bank Ltd.	2.41%
	HDFC	2.03%
	Tata Consultancy Services Ltd.	1.70%
	Indraprastha Gas Ltd.	1.55%
	HDFC Bank	1.50%
	State Bank of India	1.48%
	Gail (India) Ltd.	1.48%
	Bharat Heavy Electricals Ltd.	1.47%
	Axis Bank Ltd.	1.25%
	Divis Laboratories Ltd.	1.20%
	Bajaj Auto Ltd. (New)	1.07%
	Mahindra & Mahindra Ltd.	1.06%
	Siemens Ltd.	1.06%
	Hero Honda Motors Ltd.	1.03%
	Cipla Ltd.	1.00%
	Crompton Greaves Ltd.	0.99%
	Others	14.86%
	Total Equtiy	50.73%
Debt		33.21%
Money Market Investments		16.06%
Net assets		**100.00%**

Industry wise exposure

Industry	Percentage
Others *	19.91%
Banking services	14.55%
Financial institutions	13.26%
IT	11.99%
Housing finance services	9.75%
Oil & Gas	9.41%
NCA	6.18%
Diversified	5.57%
Capital goods	5.01%
Automobiles	4.37%
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	0.00%
3-12 months	13.57%
1-3 years	32.30%
3-5 years	54.13%
5-10 years	0.00%
> 10 years	0.00%
Total	**100.00%**

Fund manager's comments

There has been an unexpected and significant rally in the debt market in the last 2 months. This has been due to the European crisis which made bonds a safe haven and led to softness in yields in the US Treasuries. The Indian bond market movements in the last few weeks are influenced more by the international market than by the domestic factors. In the second half of May, the yields in short term papers have risen in view of the 3G auction outflow of around Rs. 70,000 crore. We will therefore concentrate on the short end of the curve in the 1-3 year bonds for this month, as we see value on this part of the curve due to widening of corporate spreads by around 30bps.

For the month, the equity indices were very volatile and ended lower in the wake of concerns over 'high debt' economies in the Euro zone. The domestic market fundamentals seem to be intact with improving government finances, good growth and contained inflation expectations. However, concern on double-dip recession globally continues. Over the next month, events in the Euro zone and monsoon progress will drive the domestic markets.

During the month of May 2010, we had maintained cash levels at around 10-12%. On industry exposures, we continued to be over-weight on Banking, Pharma, Oil & Gas, Auto and other consumption themes. Going ahead, we will maintain around 5-15% cash to buy into the above stories at lower levels. The exposure to equity will be tilted towards large-cap low beta stocks that have an attractive value proposition.

Debt Fund - Pension

Fact Sheet as on 31st May 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 Nov 2009
NAV per unit as on 31st May, 2010	Rs. 10.27

Targeted asset allocation pattern

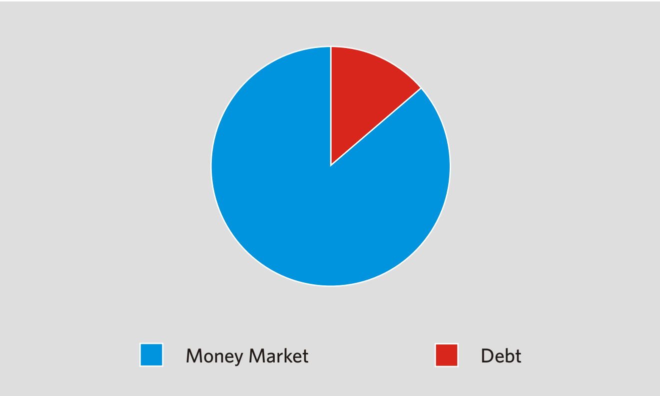
	Minimum	Maximum	Target
Equity Shares	00%	00%	00%
Debt Securities & Bonds	70%	100%	85%
Cash & Money Market Instruments	0%	30%	15%

The above asset allocation can vary from the above indicated 'Target', but will remain well within the 'minimum' and 'maximum' range, based on market opportunities and future outlook of the equity markets.

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 a micro level credit worthiness and debt servicing capacity of companies.

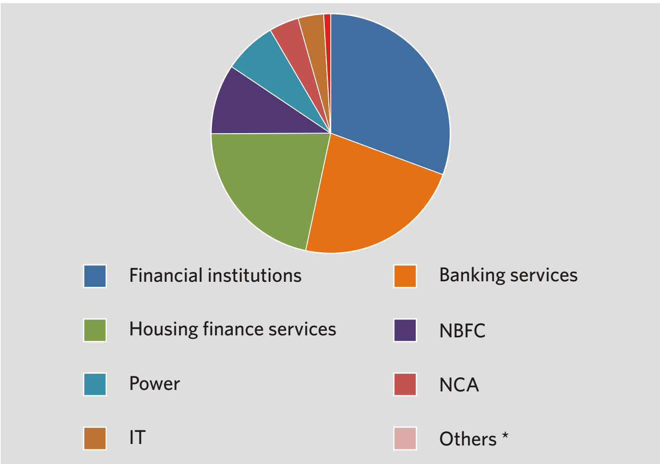
Asset allocation pattern as on 31st May, 2010



Credit profile of Debt and Money Market Investments

Nature	Percentage
GSEC and T. Bills	0.00%
AAA	68.90%
AA+	10.99%
Short Term Deposit with Bank	6.35%
CBLO and Money Market Instruments	13.76%
Total	**100.00%**

Industry wise exposure



Returns

	Annualised Returns Percentage	
	3 months	Since Inception
Debt Pension Fund	8.26%	5.35%
Composite Benchmark	7.57%	4.76%

Portfolio

Scheme: Debt Fund - Pension

Security	Holding percentage
Debt	86.24%
Money Market Instruments	13.76%
Net assets	**100.00%**

Industry wise exposure

Industry	Percentage
Financial institutions	30.61%
Banking services	22.73%
Housing finance services	21.62%
NBFC	9.43%
Power	7.13%
NCA	4.05%
IT	3.50%
Others *	0.93%
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	4.25%
3-12 months	19.34%
1-3 years	30.80%
3-5 years	45.61%
5-10 years	0.00%
> 10 years	0.00%
Total	**100.00%**

Fund manager's comments

There has been an unexpected and significant rally in the debt market in the last two months. This has been due to the European crisis which made the bonds a safe haven and led to softness in yields in the US Treasuries. The Indian bond market movements in the last few weeks are influenced more by the international market than by domestic factors. In the second half of May, the yields in the short term papers have risen in view of the 3Gauction outflow of around Rs. 70,000 crore. We will therefore, concentrate on the short end of the curve in the 1-3 year bonds for this month, as we see value on this part of the curve due to widening of corporate spreads by around 30bps.

Equity Fund - Pension

Fact Sheet as on 31st May 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 Nov 2009
NAV per unit as on 31st May 2010	Rs. 10.27

Targeted asset allocation pattern

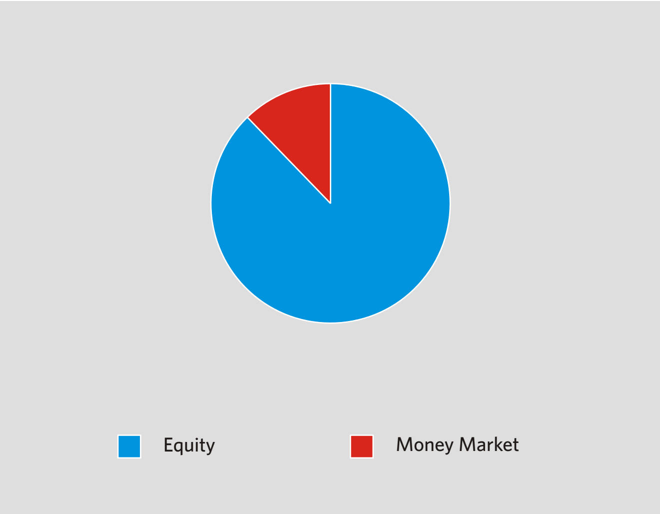
	Minimum	Maximum	Target
Equity Shares	80%	100%	90%
Debt Securities & Bonds	0%	10%	0%
Cash & Money Market Instruments	0%	20%	10%

The above asset allocation can vary from the above indicated 'Target', but will remain well within the 'minimum' and 'maximum' range, based on market opportunities and future outlook of the equity markets.

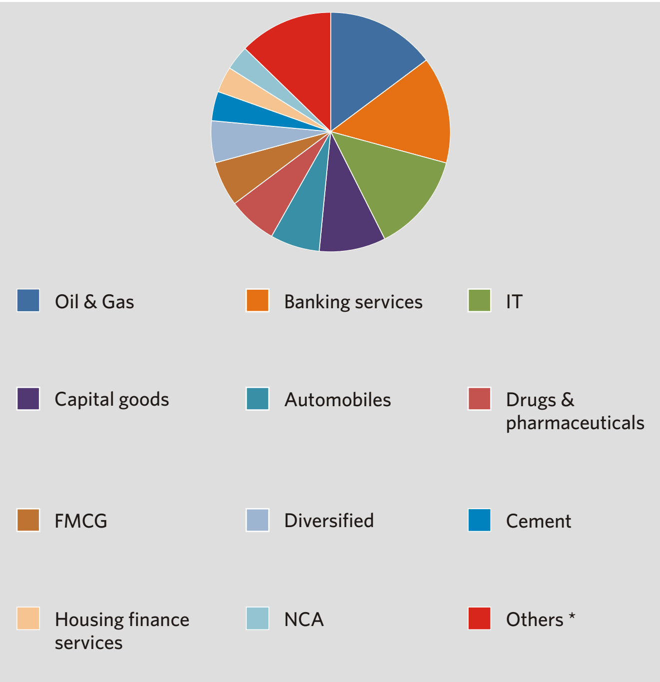
Fund positioning

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 May 2010



Industry wise exposure



Returns

	Percentage	
	3 months	Since Inception
Equity Pension Fund	4.72%	2.73%
Composite Benchmark	3.07%	0.33%

Portfolio Scheme: Equity Fund - Pension

Security	Security name	Holding percentage
Equity Shares		
	Reliance Industries Ltd.	7.78%
	Infosys Technologies Ltd.	7.32%
	Larsen & Toubro Ltd.	4.82%
	ICICI Bank Ltd.	4.38%
	ITC Ltd.	4.38%
	HDFC	3.35%
	Tata Consultancy Services Ltd.	3.16%
	Indraprastha Gas Ltd.	2.87%
	Bharat Heavy Electricals Ltd.	2.75%
	State Bank of India	2.70%
	HDFC Bank	2.51%
	Gail (India) Ltd.	2.38%
	Axis Bank Ltd.	2.20%
	Divis Laboratories Ltd.	2.11%
	Mahindra & Mahindra Ltd.	1.87%
	Cipla Ltd.	1.87%
	Siemens Ltd.	1.86%
	Crompton Greaves Ltd.	1.85%
	Hero Honda Motors Ltd.	1.72%
	Maruti Suzuki India Ltd.	1.71%
	Others	24.22%
	Total Equity	87.80%
Money Market Investments		12.20%
Net assets		**100.00%**

Industry wise exposure

Industry	Percentage
Oil & Gas	14.78%
Banking services	14.43%
IT	13.32%
Capital goods	8.95%
Automobiles	6.66%
Drugs & pharmaceuticals	6.60%
FMCG	6.04%
Diversified	5.67%
Cement	3.98%
Housing finance services	3.52%
NCA	3.35%
Others *	12.69%
Grand total	**100.00%**

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

Fund manager's comments

For the month, the equity indices were very volatile and ended lower in the wake of concerns over 'high debt' economies in the Euro zone. The domestic market fundamentals seem to be intact with improving government finances, good growth and contained inflation expectations. However, concern on double-dip recession globally continues. Over the next month, events in the Euro zone and monsoon progress will drive the domestic markets.

During the month of May 2010, we had maintained cash levels at around 10-12%. On industry exposures, we continued to be over-weight on Banking, Pharma, Oil & Gas, Auto and other consumption themes. Going ahead, we will maintain around 5-15% cash to buy into the above stories at lower levels. The exposure to equity will be tilted towards large-cap low beta stocks that have an attractive value proposition.

Balanced Fund - Pension

Fact Sheet as on 31st May 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 Nov 2009
NAV per unit as on 31st May 2010	Rs. 10.34

Targeted asset allocation pattern

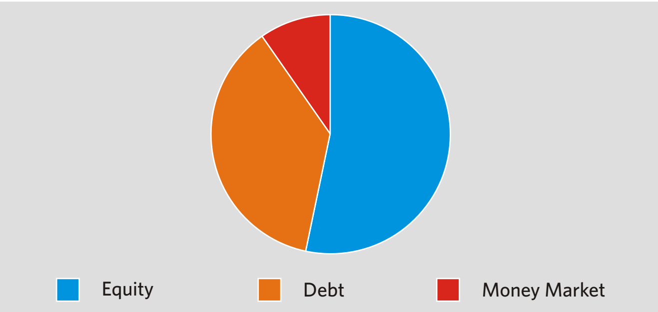
	Minimum	Maximum	Target
Equity Shares	40%	70%	50%
Debt Securities & Bonds	30%	50%	40%
Cash & Money Market Instruments	0%	20%	10%

The above asset allocation can vary from the above indicated 'Target', but will remain well within the 'minimum' and 'maximum' range, based on market opportunities and future outlook of the equity 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.

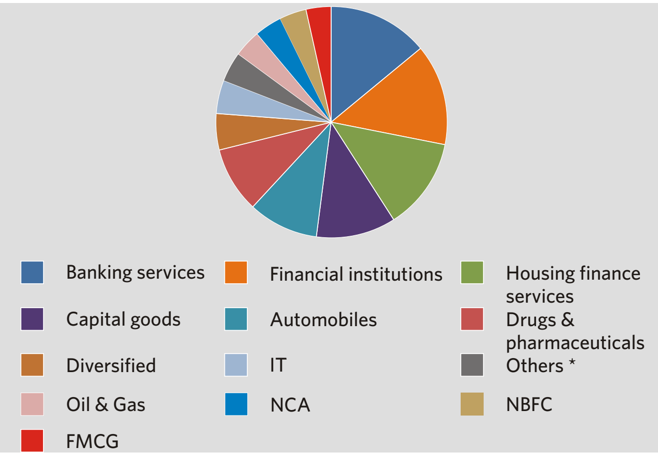
Asset allocation pattern as of 31st May 2010



Credit profile of Debt and Money Market Investments

Nature	Percentage
GSEC and T. Bills	0.00%
AAA	67.06%
AA+	7.65%
Short Term Deposit with Bank	4.49%
CBLO and Money Market Instruments	20.80%
Total	**100.00%**

Industry wise exposure



Returns

	Percentage	
	3 months	Since Inception
Balanced Pension Fund	4.20%	3.37%
Composite Benchmark	2.72%	0.60%

Portfolio

Scheme: Balanced Fund - Pension

Security	Security name	Holding percentage
Equity Shares		
	Reliance Industries Ltd.	4.59%
	Infosys Technologies Ltd.	4.30%
	Larsen & Toubro Ltd.	2.83%
	ITC Ltd.	2.61%
	ICICI Bank Ltd.	2.57%
	HDFC	2.18%
	Tata Consultancy Services Ltd.	1.86%
	Indraprastha Gas Ltd.	1.69%
	Bharat Heavy Electricals Ltd.	1.61%
	State Bank of India	1.59%
	Gail (India) Ltd.	1.57%
	HDFC Bank	1.55%
	Divis Laboratories Ltd.	1.31%
	Axis Bank Ltd.	1.30%
	Mahindra & Mahindra Ltd.	1.11%
	Hero Honda Motors Ltd.	1.10%
	Cipla Ltd.	1.10%
	Siemens Ltd.	1.10%
	Crompton Greaves Ltd.	1.09%
	Maruti Suzuki India Ltd.	1.01%
	Others	15.20%
	Total Equity	53.24%
Debt		37.04%
Money Market Investments		9.72%
Net assets		**100.00%**

Industry wise exposure

Industry	Percentage
Banking services	14.06
Financial institutions	14.05
IT	12.78
Housing finance services	11.12
Others *	9.87
Oil & Gas	9.23
Capital goods	5.12
NCA	4.69
Automobiles	4.17
Drugs & pharmaceuticals	3.85
NBFC	3.80
Diversified	3.77
FMCG	3.49%
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	1.50%
3-12 months	13.67%
1-3 years	31.48%
3-5 years	53.35%
5-10 years	0.00%
> 10 years	0.00%
Total	**100.00%**

Fund manager's comments

There has been an unexpected and significant rally in the debt market in the last 2 months. This has been due to the European crisis which made bonds a safe haven and led to softness in yields in the US Treasuries. The Indian bond market movements in the last few weeks are influenced more by the international market than by the domestic factors. In the second half of May, the yields in short term papers have risen in view of the 3G auction outflow of around Rs. 70,000 crore. We will therefore concentrate on the short end of the curve in the 1-3 years bonds for this month, as we see value on this part of the curve due to widening of corporate spreads by around 30bps.

For the month, the equity indices were very volatile and ended lower in the wake of concerns over 'high debt' economies in the Euro zone. The domestic market fundamentals seem to be intact with improving government finances, good growth and contained inflation expectations. However, concern on double-dip recession globally continues. Over the next month, events in the Euro zone and monsoon progress will drive the domestic markets.

During the month of May 2010, we had maintained cash levels at around 10-12%. On industry exposures, we continued to be over-weight on Banking, Pharma, Oil & Gas, Auto and other consumption themes. Going ahead, we will maintain around 5-15% cash to buy into the above stories at lower levels. The exposure to equity will be tilted towards large-cap low beta stocks that have an attractive value proposition.

Liquid Fund - Pension

Fact Sheet as on 31st May 2010

Investment objective

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

Inception Date	25th Nov 2009
NAV per unit as on 31st May 2010	Rs. 10.12

Targeted asset allocation pattern

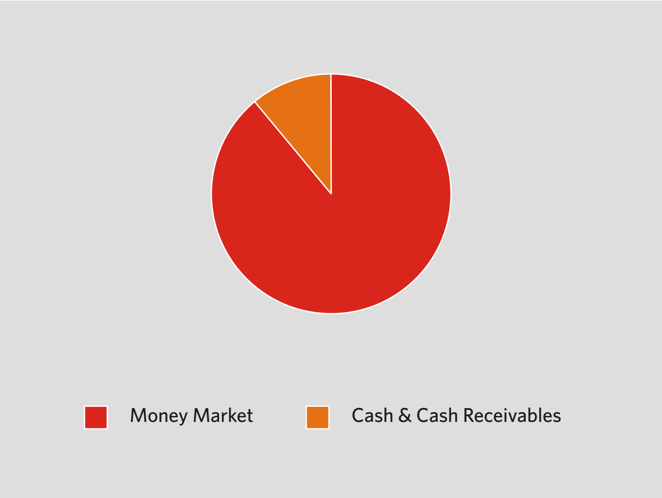
	Minimum	Maximum	Target
Equity Shares	0%	0%	0%
Debt Securities & Bonds	0%	20%	10%
Cash & Money Market Instruments	80%	100%	90%

The above asset allocation can vary from the above indicated 'Target', but will remain well within the 'minimum' and 'maximum' range, based on market opportunities and future outlook of the equity 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 May 2010



Credit profile of Debt and Money Market Investments

	Percentage
GSEC & T. Bills	21.92%
AAA	0.00%
AA+	0.00%
REPO	0.00%
Short term deposit with bank	10.97%
CBLO and Money Market Instruments	67.11%
Total	**100.00%**

Returns

	Annualised Returns Percentage	
	3 months	Since Inception
Liquid Pension Fund	2.70%	2.34%
Composite Benchmark	3.83%	3.48%

Portfolio Scheme: Liquid Fund - Pension

Security	Holding percentage
Money Market Instruments	89.03%
Cash & Cash Receivables	10.97%
Net assets	**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 scheme.

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