Investor Fact Sheet

December, 2010

A Joint Venture of

Bank of Baroda Legal & General Andhra Bank

IndiaFirst
LIFE INSURANCE

Monthly Market Report

December, 2010

Economy

Growth stood at 10.8% in October, 2010 due to low-base

A moderate increase in output together with the low-base in October, 2009 helped the industrial growth to reach 10.8% in October, 2010, as against 4.4% growth - a month ago and 10.1% growth - a year ago. The major drivers of the growth were capital goods and consumer durables. In view of mixed trends prevailing across different segments and uneven trends in base, the y-o-y growth in industrial output may continue to be volatile in the coming months despite the steady output levels.

WPI inflation at 7.48%

WPI index increased from 141.7 in October, 2010 to 142.3 in November, 2010. For the month of September, 2010, the inflation was again revised upwards from 8.62% to 8.93%. Inflation has declined by more than 1% compared to September, 2010 levels. The new series shows inflation had reached its peak in May, 2010 at 10.6% and headline figure has declined since then. However, WPI index continues to rise and is at its highest in the time-series. Hence, the lower inflation numbers are because of base-effect.

Trade deficit reduces to USD 8.9 bn in November, 2010

Trade deficit reduced significantly by about 8.5% on m-o-m basis and 11.5% on y-o-y basis to USD 8.9 bn in November, 2010 as the steep growth in exports outpaced imports growth. Exports continued to post a robust growth of about 26%. A marginal slowdown in imports together with accelerated growth in exports brought down the overall trade deficit. But, the rising crude prices may push the oil imports in the coming months. Crude prices have already crossed USD 91 per barrel and are expected to go up as indicated by the recent releases of OPEC.

USD/ INR exchange rate

The Indian Rupee exchange rate for December, 2010 averaged 45.12 INR to USD. The high was 45.4775 while the low for the month was 44.6450.

Debt Market Update

The benchmark 10-year G-sec yield has ended the month at 7.91%.

Gilt Performance: The 10-year gilt yield was soft at the beginning of the month at around 7.92% on hopes of FII buying. Later in the month, the rates hardened to 8.18% on tightness in liquidity and supply. However, the RBI in its half quarterly review, reduced the SLR by 1% permanently and decided to have purchases (buy back), ₹ 48,000 crore of government securities to infuse liquidity in the system. The 10-year gilt yield is expected to soften to 7.91% by the end of December, 2010, but this is not sustainable. We expect the 10-year G-sec rates to firm up to 8.40 to 8.50 levels in the next 3/ 4 months.

Commodities

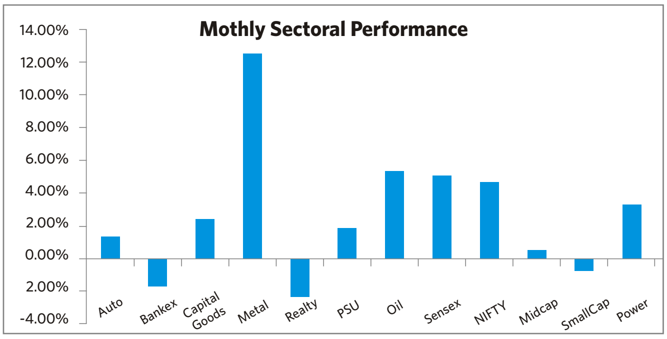
Gold: Gold prices increased to USD 1,423 during the month and the low was USD 1,370. The average gold price for the month was USD 1,392

Crude: Crude oil prices moved in a higher band between USD 94.75 to USD 88.91per barrel with an average of USD 92.30.

Equity Market Update

In the month of December, the Sensex and Nifty gained 5.06% and 4.64% respectively. The rally was backed mainly by the Metals, Oil and Gas, IT and Power Sector. The volumes for the later part of the month dipped significantly due to very limited participation from the FIIs on account of New Year holidays. The undertone remains cautious on monetary tightening in China, credit concerns in Europe, higher inflation and political instability domestically.

Sectoral indices ended mixed for the month. Metal, Power and Oil Indices outperformed, while banking and realty index dragged the indices and ended in the red. Mid-cap and small-cap indices underperformed. Sectoral performance for the month of December, 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. Either a positive surprise on EPS or a PE re-rating driven by liquidity is necessary to sustain current valuations.

Fund Flows: Foreign Institutional Investors (FIIs) were net buyers to the tune of ₹ 645 crore, whereas domestic Institutional Investors (DIIs) sold ₹ 482 crore worth of shares in the month. We do not expect to them to continuously bring in money at these relative high valuations.

Key events for the month

- 2G and other scams rock the parliament: Parliament was repeatedly adjourned as the opposition demanded a JPC (Joint Parliamentary Committee) probe in the alleged misappropriation of the 2G spectrum
- Fiscal deficit narrowed by 39%: The fiscal deficit narrowed by 39% y-o-y to ₹ 1.86 tn in April to November, 2010, on the back of better-than-expected revenue from the sale of 3G spectrum and robust tax collections
- Food Inflation surges: Food inflation surged to 14.4%- up from 10.15% for the week ended 18th December, on increased vegetable prices. On the other hand inflation overall came down to 7.5% for November, 2010
- Core sector growth at 2.3% in November, 2010: Output of six core industries moderated in the month of November,2010 and grew by 2.3% vs. 7% previous month.
- Industrial production strong at 10.8% y-o-y in October, 2010: The IIP for October had a growth rate of 10.8%, as compared to 4.4% for the previous month

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 FY-2011. However, currency movements and rising wages continue to put pressure on the margins. We are positive on the sector in the wake of 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: 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

We expect the sectors such as IT, Pharma, Banking and Oil & Gas to outperform and hence will maintain an overweight stance in these sectors.

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. Rising crude oil prices continues to be a cause of concern over and above the high inflation and escalating interest rates.

Even the domestic political scenario is not going as strong as it was a year ago and with the inflation and higher interest rate scenario, the mood will remain subdued for the next few months. 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 flows.

1st January, 2011

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 CRISIL Composit Bond Fund Index - 30% 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 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 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.

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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.

Balanced Fund

Fact sheet as on 31st December, 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 31st December, 2010
Balanced Fund	25-Nov-09	₹ 11.44
Balanced 1 Fund	14-Sept-10	₹ 10.31

Targeted asset allocation pattern in percentage

	Minimum	Maximum	Actual
Equity Shares	50	70	60
Debt Securities and Bonds	30	50	23*
Cash and Money Market Instruments	0	20	17

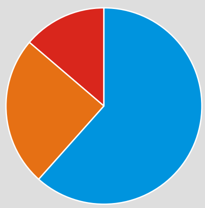
The actual asset allocation will remain the 'minimum' and 'maximum' range based on market opportunities and future outlook of the markets.

* 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.

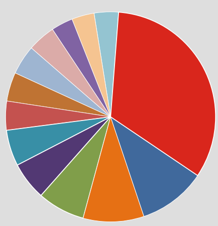
Asset allocation pattern as on 31st December, 2010



Credit profile of debt and money market investments

Nature	Exposure In Percentage
GSEC and T Bills	0.08%
AAA and P1+ and PR1+	57.10%
AA+	11.61%
AA	1.01%
Short term deposit with banks	5.44%
CBLO/ Other money market investments	24.76%
Total	**100.00**

Industry Wise Exposure



Returns

	Annualised Returns Percentage			
	3 months	6 months	1 year	Since inception
Balanced Fund	1.54	9.00	14.19	14.42
Composite Benchmark	1.46	9.67	12.42	13.52

Portfolio

Scheme: Balanced Fund

Security	Security Name	Holding Percentage
Equity shares		
	Reliance Industries Limited	5.27
	Infosys Technologies Limited	4.86
	Larsen and Toubro Limited	3.46
	ICICI Bank Limited	3.43
	ITC Limited	2.78
	HDFC	2.40
	State Bank of India	1.97
	Bharti Airtel Limited	1.96
	ONGC	1.79
	Maruti Suzuki India Limited	1.77
	Hindustan Unilever Limited	1.77
	Mahindra and Mahindra Limited	1.68
	Tata Consultancy Services Limited	1.66
	Bharat Heavy Electricals Limited	1.64
	HDFC Bank	1.58
	Cipla Limited	1.34
	Gail (India) Limited	1.18
	Axis Bank Limited	1.17
	Tata Motors Limited	0.98
	Tata Steel Limited	0.91
	Other Equity	16.50
		60.10
Debt	Debt Securities	23.12
Money Market Investments		16.78
Net Assets		**100.00**

Industry Wise Exposure

Industry	Percentage
Others *	33.85
Banking Services	10.35
CBLO	9.88
Computer Software	8.43
Refinery	6.00
Development Financing Services	4.50
Housing Finance Services	4.23
Short Term Deposits	4.12
Industrial Construction	3.94
Infrastructure Finance Services	3.92
Electricity Generation	3.82
Investment Services	3.53
Passenger Cars and Multi Utility Vehicles	3.45
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	16.88
3-12 months	18.34
1- 3 year	48.13
3 -5 year	16.66
5- 10 year	0.00
> 10 year	0.00
Total	**100.00**

Fund Manager's Comments

Inflation on primary articles has surged to 20% (W-o-W) on increasing oil prices and vegetable prices. This has led to rate hike expectations in the January,2011 Quarterly RBI policy. The benchmark 10 year gilt yield which was at 7.91% at the end of December,2010 (due to OMO purchase by RBI) has started rising to 8.20% (in the first week of Jannuray 2011). We expect the yield curve to steepen - with the short end of the curve softening in view of the easing of liquidity while the long end of the curve will rise in view of the rate hike expectation. We will increase duration once we expect the yields on bonds to peak~ 8.50% on the 10 year gilts. As of now, we will maintain a duration of 1-2 years, mostly in corporate bonds as the spread is attractive in this segment.

In the month of December, the equity markets remained volatile due to the concerns on monetary tightening in China and credit concerns in European continent. Political instability due to 2G spectrum scam also was an added dampener and weighed heavy on the Indian markets. However, in the later half of the month markets inched up higher on thin volumes as the overall activity was low on account of Christmas eve and New year holidays.

The advance tax-numbers indicates a good corporate result-season ahead but most of it seems to be factored-in. The market continues to trade at the higher end of the valuation-band and hence upside seems to be capped till earnings catch-up. Over the next few weeks, the overall sentiment in the markets is likely to be cautious and high volatility is likely to persist.

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.

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

Balanced Fund - Pension

Fact sheet as on 31st December, 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 as on 31st December, 2010	₹ 11.50

Targeted asset allocation pattern in percentage

	Minimum	Maximum	Actual
Equity Shares	50	70	61
Debt Securities and Bonds	30	50	24*
Cash and Money Market Instruments	0	20	14

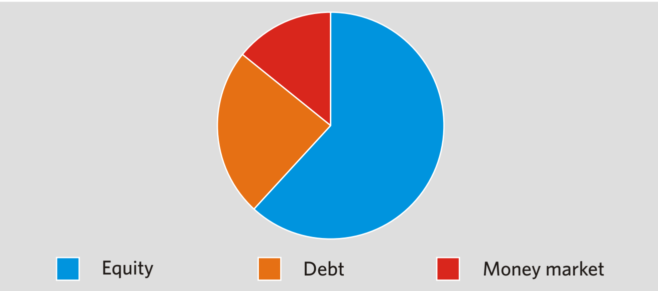
The actual asset allocation will remain the 'minimum' and 'maximum' range, based on market opportunities and future outlook of the markets.

* 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 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.

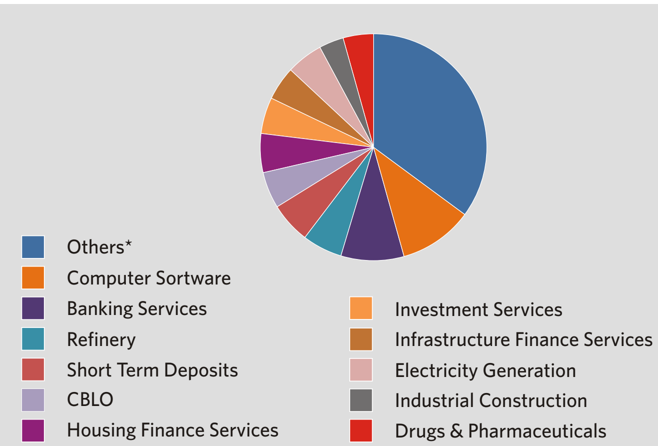
Asset allocation pattern as on 31st December, 2010



Credit profile of debt and money market investments

Nature	Percentage
GSEC and T Bills	0.23
AAA and P1+ & PR1+ and A1+	63.18
AA+	8.99
AA	1.42
Short term deposit with banks	8.19
CBLO/ Other money market investments	18.01
Total	**100.00**

Industry Wise Exposure



Returns

	Annualised Returns Percentage			
	3 months	6 months	1 year	Since inception
Balanced Pension Fund	1.58	9.24	14.28	14.97
Composite Benchmark	1.46	9.67	12.42	13.52

Portfolio

Scheme: Balanced Fund - Pension

Security	Security Name	Holding Percentage
Equity shares		
	Reliance Industries Limited	5.18
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	Bharat Heavy Electricals Limited	2.81
	ICICI Bank Limited	2.70
	HDFC	2.62
	ITC Limited	2.57
	TATA Consultancy Services Limited	2.22
	ONGC	1.62
	HDFC Bank	1.54
	State Bank of India	1.53
	Hindustan Unilever Limited	1.39
	GAIL (India) Limited	1.37
	Mahindra and Mahindra Limited	1.24
	CIPLA Limited	1.22
	Maruti Suzuki India Limited	1.19
	TATA Motors Limited	1.13
	Bharti Airtel Limited	1.10
	Axis Bank Limited	0.97
	HINDALCO Industries Limited	0.95
	Other Equity	19.08
		61.21
Debt	Debt Securities	24.48
Money Market Investments		14.31
Net Assets		**100.00**

Industry Wise Exposure

Industry	Percentage
Others *	34.97
Computer Software	10.10
Banking Services	8.89
Refinery	6.20
Short Term Deposits	5.98
CBLO	5.56
Housing Finance Services	5.54
Investment Services	5.51
Infrastructure Finance Services	5.14
Electricity Generation	4.86
Industrial Construction	3.65
Drugs and Pharmaceuticals	3.61
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	8.28
3-12 months	8.99
1- 3 year	57.51
3 -5 year	25.22
5- 10 year	0.00
> 10 year	0.00
Total	**100.00**

Fund Manager's Comments

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

Debt Fund

Fact sheet as on 31st December, 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 31st December, 2010
Debt Fund	25-Nov-09	₹ 10.46
Debt1 Fund	17-Sep-10	₹ 10.12

Targeted asset allocation pattern in percentage

	Minimum	Maximum	Actual
Equity Shares	0	0	0
Debt Securities and Bonds	70	100	60*
Cash and Money Market Invetments	0	30	40

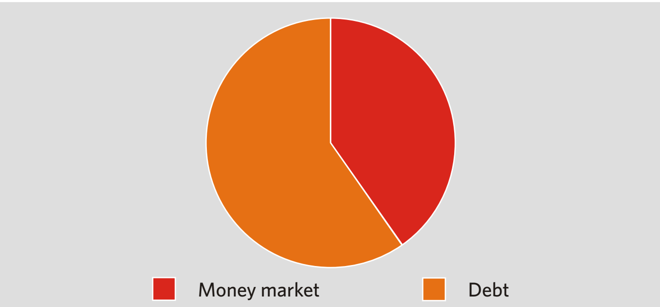
The actual asset allocation will remain the 'minimum' and 'maximum' range, based on market opportunities and future outlook of the markets.

* 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.

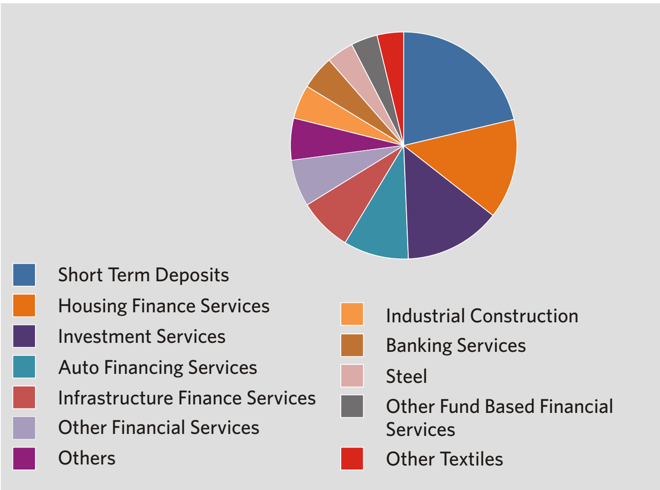
Asset allocation pattern as on 31st December, 2010



Credit profile of debt and money market investments

Nature	Percentage
GSEC and T Bills	0.00%
AAA and P1+ and PR1+ and A1+	72.23%
AA+	11.21%
AA	4.02%
Short term deposit with banks	9.40%
CBLO/ Other money market investments	3.13%
Total	**100.00%**

Industry wise Exposure



Returns Scheme: Debt Fund

	Annualised Peturns Percentage			
	3 months	6 months	1 year	Since inception
Debt Fund	3.66	2.82	4.53	4.22
Composite Benchmark	4.37	4.11	4.89	4.37

Portfolio

Security	Holding percentage
Debt	59.78
Money Market Instruments	40.22
Net Assets	**100.00**

Industry wise exposure

Industry	Percentage
Short Term Deposits	21.18
Housing Finance Services	14.44
Investment Services	13.73
Auto Financing Services	9.21
Infrastructure Finance Services	7.39
Other Financial Services	6.93
Others *	6.14
Industrial Construction	4.81
Banking Services	4.72
Steel	4.02
Other Fund Based Financial Services	3.73
Other Textiles	3.71
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	12.50
3-12 months	13.82
1- 3 year	57.21
3 -5 year	16.47
5- 10 year	0.00
> 10 year	0.00
Total	**100.00**

Fund Manager's Comments

Inflation on primary articles has surged to 20% (W-o-W) on increasing oil prices and vegetable prices. This has led to rate hike expectations in the January, 2011 Quarterly RBI policy. The benchmark 10 year gilt yield which was at 7.91% at the end of December, 2010 (due to OMO purchase by RBI) has started rising to 8.20% (in the first week of January, 2011). We expect the yield curve to steepen - with the short end of the curve softening in view of the easing of liquidity while the long end of the curve will rise in view of the rate hike expectation. We will increase the duration once we expect the yields on bonds to peak ~ 8.50% on the 10 year gilts. As of now, we will maintain a duration of 1-2 years, mostly in corporate bonds as the spread is attractive in this segment.

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

Debt Fund - Pension

Fact sheet as on 31st December, 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 31st december, 2010	₹ 10.46

Targeted asset allocation pattern in percentage

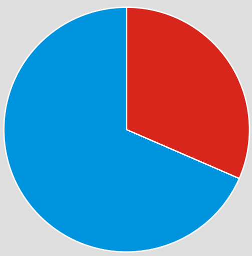
	Minimum	Maximum	Actual
Equity Shares	0	0	0
Debt Securities and Bonds	70	100	69
Cash and Money Market Instruments	0	30	31

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 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.

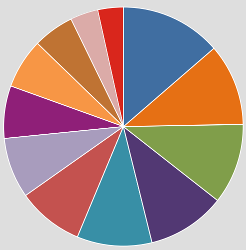
Asset allocation pattern as on 31st December, 2010



Credit profile of debt and money market investments

Nature	Percentage
GSEC and T Bills	0.26
AAA and P1+ and PR1+ and A1+	73.49
AA+	14.43
AA	3.47
Short term deposit with banks	5.41
CBLO/ Other money market investments	2.95
Total	**100.00**

Industry wise Exposure



Returns Scheme: Debt Fund - Pension

	Annualised Returns Percentage			
	3 months	6 months	1 year	Since Inception
Debt Pension Fund	3.46	2.81	4.47	4.16
Composite Benchmark	4.37	4.11	4.89	4.37

Portfolio

Security	Holding percentage
Debt	68.67
Money Market Instruments	31.33
Net Assets	**100.00**

Industry wise exposure

Industry	Percentage
Short Term Deposits	13.67
Auto Financing Services	11.10
Housing Finance Services	10.89
Investment Services	10.48
Others *	10.01
Industrial Construction	8.96
Infrastructure Finance Services	8.20
Other Fund based Financial Services	7.14
Organic Chemicals	6.62
Other Financial Services	5.81
Banking Services	3.65
Steel	3.47
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	14.13
3-12 months	19.42
1- 3 year	53.26
3 -5 year	13.19
5- 10 year	0.00
> 10 year	0.00
Total	**100.00**

Fund Manager's Comments

Inflation on primary articles has surged to 20% (W-o-W) on increasing oil prices and vegetable prices. This has led to rate hike expectations in the January, 2011 Quarterly RBI policy. The benchmark 10 year gilt yield which was at 7.91% at the end of December, 2010 (due to OMO purchase by RBI) has started rising to 8.20% (in the first week of January, 2011). We expect the yield curve to steepen - with the short end of the curve softening in view of the easing of liquidity while the long end of the curve will rise in view of the rate hike expectation. We will increase duration once we expect the yields on bonds to peak ~ 8.50% on the 10- year gilts. As of now, we will maintain a duration of 1-2 years, mostly in corporate bonds as the spread is attractive in this segment.

Equity Fund

Fact sheet as on 31st December, 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 31st December, 2010
Equity Fund	25-Nov-09	₹ 12.18
Equity1 Fund	15-Sep-10	₹ 10.46

Asset allocation pattern in percentage

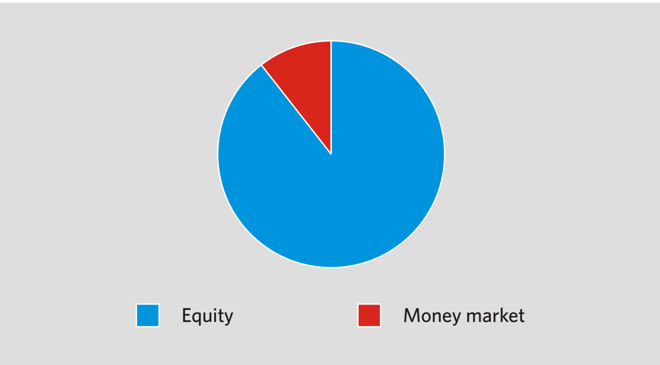
	Minimum	Maximum	Actual
Equity Shares	80	100	89
Debt Securities and Bonds	0	10	0
Cash and Money Market Instruments	0	20	11

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

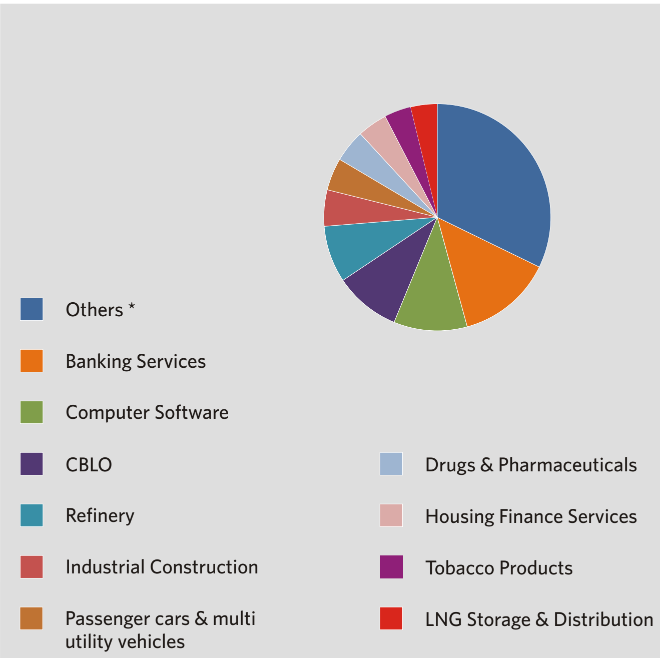
Fund Positioning

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 December, 2010



Industry wise Exposure



Returns

	Annualised Returns Percentage			
	3 months	6 months	1 year	Since Inception
Equity Fund	1.76	13.78	21.26	21.75
Composite Benchmark	1.66	13.73	16.46	18.18

Portfolio Scheme: Equity Fund

Security	Security Name	Holding Percentage
Equity Shares		
	Reliance Industries Limited	7.68
	Infosys Technologies Limited	7.27
	Larsen & Toubro Limited	5.26
	ICICI Bank Limited	5.25
	ITC Limited	4.01
	HDFC	3.57
	State Bank of India	3.10
	Bharat Heavy Electricals Limited	2.95
	TATA Consultancy Services Limited	2.75
	Maruti Suzuki India Limited	2.61
	HDFC Bank	2.46
	Bharti Airtel Limited	2.41
	ONGC	2.39
	Hindustan Unilever Limited	2.35
	Mahindra & Mahindra Limited	2.03
	GAIL (India) Limited	1.95
	CIPLA Limited	1.92
	Axis Bank Limited	1.61
	TATA Steel Limited	1.49
	TATA Motors Limited	1.38
	Other Equity	24.95
		89.40
Money Market Investments		10.60
Debt	Debt Securities	0.00
Net Assets		**100.00**

Industry Wise Exposure

Industry	Percentage
Others *	32.45
Banking Services	13.25
Computer Software	10.49
CBLO	9.26
Refinery	8.12
Industrial Construction	5.26
Passenger Cars and Multiutility Vehicles	4.64
Drugs and Pharmaceuticals	4.62
Housing Finance Services	4.21
Tobacco Products	4.01
LNG Storage and Distribution	3.70
Grand Total	**100.00**

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

Fund Manager's Comments

In the month of December, the equity markets remained volatile due to the concerns on monetary tightening in China and credit concerns in European continent. Political instability due to 2G spectrum scam also was an added dampener and weighed heavy on the Indian markets. However, in the later half of the month, markets inched up higher on thin volumes as the overall activity was low on account of Christmas eve and New year holidays.

The advance tax-numbers indicate a good corporate result-season ahead but most of it seems to be factored-in. The market continues to trade at the higher end of the valuation-band and hence upside seems to be capped till earnings catch-up. Over the next few weeks, the overall sentiment in the markets is likely to be cautious and high volatility is likely to persist.

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.

Equity Fund - Pension

Fact sheet as on 31st December, 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 31st December, 2010	₹ 12.20

Targeted asset allocation pattern in percentage

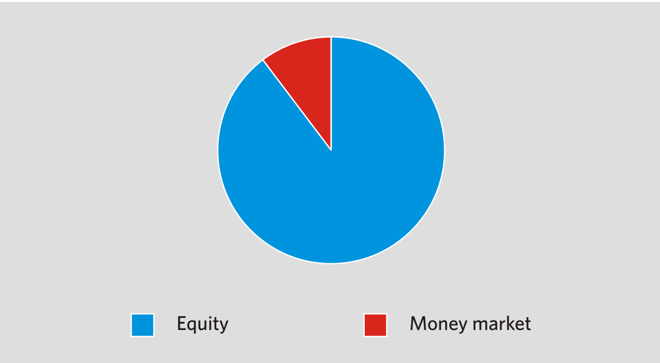
	Minimum	Maximum	Actual
Equity Shares	80	100	90
Debt Securities and Bonds	0	10	0
Cash and Money Market Instruments	0	20	10

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

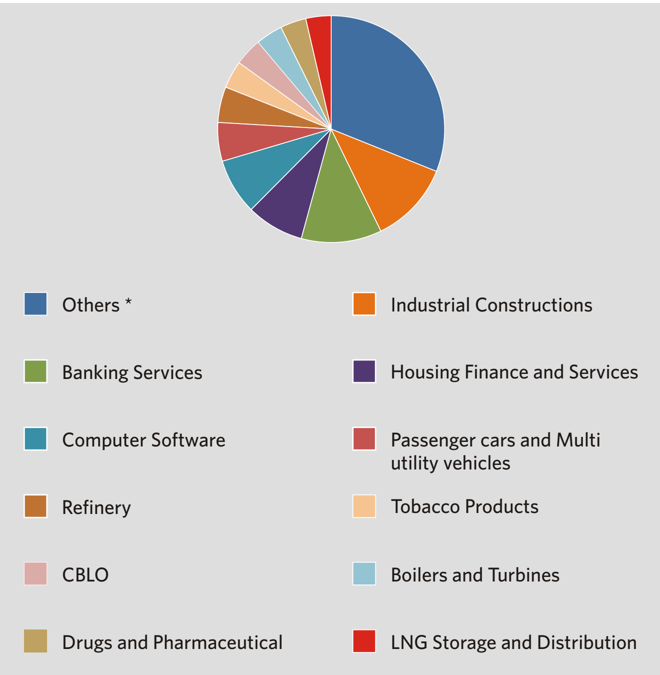
Fund Positioning

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 December, 2010



Industry wise Exposure



Returns

	Annualised Returns Percentage			
	3 months	6 months	1 year	Since inception
Equity Pension Fund	1.90	13.87	21.11	21.96
Composite Benchmark	1.66	13.73	16.46	18.18

Portfolio Scheme: Equity Fund - Pension

Security	Security Name	Holding Percentage
Equity Shares		
	Infosys Technologies Limited	7.34
	Reliance Industries Limited	7.28
	Larsen and Toubro Limited	5.07
	ICICI Bank Limited	4.33
	ITC Limited	3.84
	Bharat Heavy Electricals Limited	3.70
	HDFC	3.58
	TATA Consultancy Services Limited	3.41
	State Bank of India	2.66
	Maruti Suzuki India Limited	2.31
	HDFC Bank	2.27
	GAIL (India) Limited	2.19
	ONGC	2.12
	CIPLA Limited	1.97
	Hindustan Unilever Limited	1.97
	TATA Motors Limited	1.77
	HINDALCO Industries Limited	1.68
	Mahindra and Mahindra Limited	1.61
	TATA Steel Limited	1.60
	Bharti Airtel Limited	1.47
	Other Equity	27.46
		89.63
Debt		0.00
Money Market Investments		10.37
Net Assets		**100.00**

Industry wise Exposure

Industry	Percentage
Others *	31.21
Banking Services	11.61
Computer Software	11.31
Refinery	8.15
CBLO	8.12
Drugs and Pharmaceuticals	5.45
Industrial Constructions	5.07
Housing Finance Services	4.08
Passenger Cars and Multiutility Vehicles	3.92
Tobacco Products	3.84
Boilers and Turbines	3.70
LNG Storage and Distribution	3.54
Grand Total	**100.00**

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

Fund Manager's Comments

In the month of December, the equity markets remained volatile due to the concerns on monetary tightening in China and credit concerns in European continent. Political instability due to 2G spectrum scam also was an added dampener and weighed heavy on the Indian markets. However, in the later half of the month markets inched up higher on thin volumes as the overall activity was low on account of Christmas eve and New year holidays.

The advance tax-numbers indicates a good corporate result-season ahead but most of it seems to be factored-in. The market continues to trade at the higher end of the valuation-band and hence upside seems to be capped till earnings catch-up. Over the next few weeks, the overall sentiment in the markets is likely to be cautious and high volatility is likely to persist.

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.

Liquid Fund - Pension

Fact sheet as on 31st December, 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 31st December, 2010	₹ 10.40

Asset allocation pattern in percentage

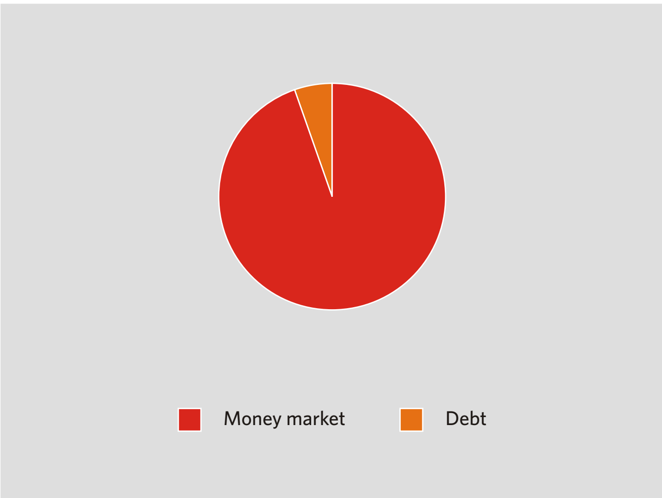
	Minimum	Maximum	Actual
Equity Shares	0	0	0
Debt Securities and Bonds	0	20	5
Cash and Money Market Instruments	80	100	95

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

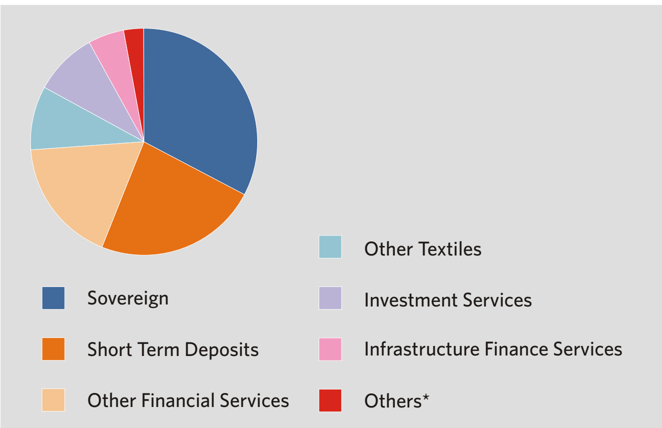
Fund Positioning

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 on 31st December, 2010



Industry Wise Exposure



Credit profile of debt and money market investments

Nature	Percentage
GSEC and T Bills	32.72%
AAA and P1+ and PR1+ and A1+	51.85%
AA+	0.00%
AA	0.00%
Short term deposit with banks	12.77%
CBLO/ Other money market investments	2.66%
Total	**100.00%**

Returns

	Annualised returns percentage			
	3 months	6 months	1 year	Since inception
Liquid Pension Fund	5.68	4.74	3.32	3.62
Composite Benchmark	6.78	6.23	4.56	4.81

Portfolio Scheme: Liquid Fund - Pension

Security	Holding percentage
Money Market Instruments	94.51
Debt	5.49
Net Assets	**100.00**

Industry Wise Exposure

Industry	Percentage
Sovereign	32.72
Short Term Deposits	23.24
Other Financial Services	17.87
Other Textiles	9.03
Investment Services	8.99
Infrastructure Finance Services	5.49
Others *	2.66
Grand Total	100.00

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

Fund Manager's Comments

The funds under the Liquid Fund category continue 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 December, 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 31st december, 2010	₹ 10.34

Asset allocation pattern in percentage

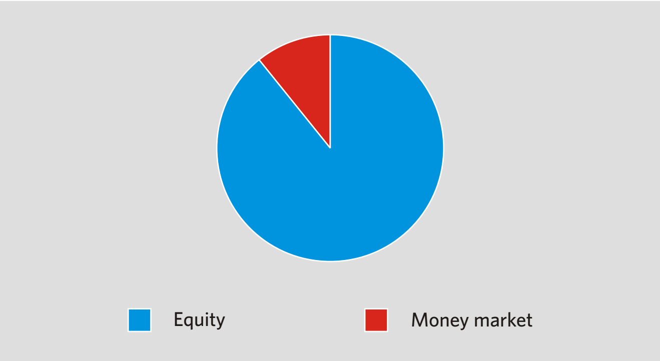
	Minimum	Maximum	Actual
Equity Shares	70	100	89
Debt Securities and Bonds	0	0	0
Cash and Money Market Instruments	0	30	11

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

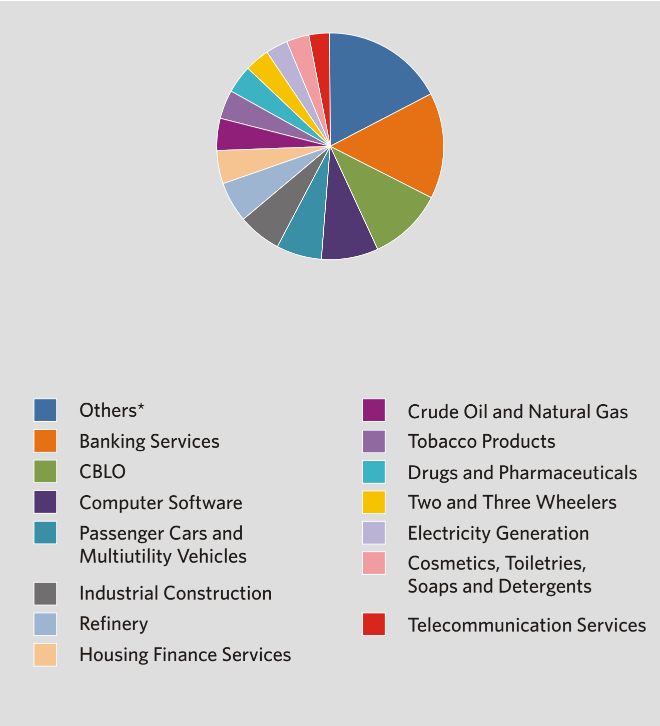
Fund Positioning

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 December, 2010



Industry Wise Exposure



Returns

	Annualised Returns Percentage		
	3 months	6 months	Since Inception
Value Fund	NA	NA	3.39
Composite Benchmark	NA	NA	2.11

Portfolio Scheme: Value Fund

Security	Security Name	Holding Percentage
Equity Shares		
	ICICI Bank Limited	7.85
	Larsen and Toubro Limited	6.24
	Reliance Industries Limited	5.82
	Infosys Technologies Limited	4.31
	ITC Limited	4.23
	HDFC	4.21
	CIPLA Limited	3.88
	Mahindra and Mahindra Limited	3.58
	ONGC Limited	3.49
	State Bank of India	3.18
	Hindustan Unilever Limited	3.16
	Bharti Airtel Limited	3.04
	Maruti Suzuki India Limited	2.93
	Bajaj Auto Limited New	2.74
	HDFC Bank	2.37
	TATA Consultancy Services Limited	2.35
	Indian Hotels Co. Limited	1.72
	IDFC Limited	1.59
	Siemens Limited	1.32
	REC Limited	1.21
	Other Equity	19.96
		89.17
Money Market Investments		10.83
Debt	Debt Securities	0.00
Net Assets		**100.00**

Industry wise Exposure

Industry	Percentage
Others *	17.43
Banking Services	15.19
CBLO	10.58
Computer Software	7.90
Passenger Cars and Multiutility Vehicles	6.51
Industrial Construction	6.24
Refinery	5.82
Housing Finance Services	4.83
Crude Oil & Natural Gas	4.28
Tobacco Products	4.23
Drugs and Pharmaceuticals	4.05
Two and Three Wheelers	3.54
Electricity Generation	3.20
Cosmetics, Toiletries, Soaps and Detergents	3.16
Telecommunication Services	3.04
Grand Total	**100.00**

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

Fund Manager's Comments

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. In the initial phase, tilt will be more towards large-cap stocks. Also, adequate cash levels will be maintained to enter these stocks at lower levels.

Index Tracker Fund

Fact sheet as on 31st December, 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	22nd September, 2010
NAV per unit as on 31st December, 2010	₹ 10.24

Targeted asset allocation pattern in percentage

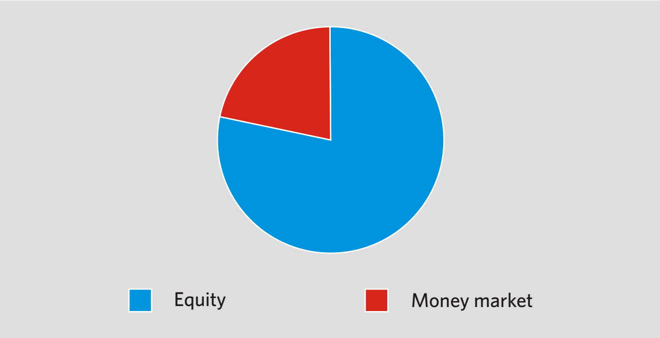
	Minimum	Maximum	Actual
Equity Shares	90	100	78
Debt Securities and Bonds	0	0	0
Cash and Money Market Instruments	0	10	22

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

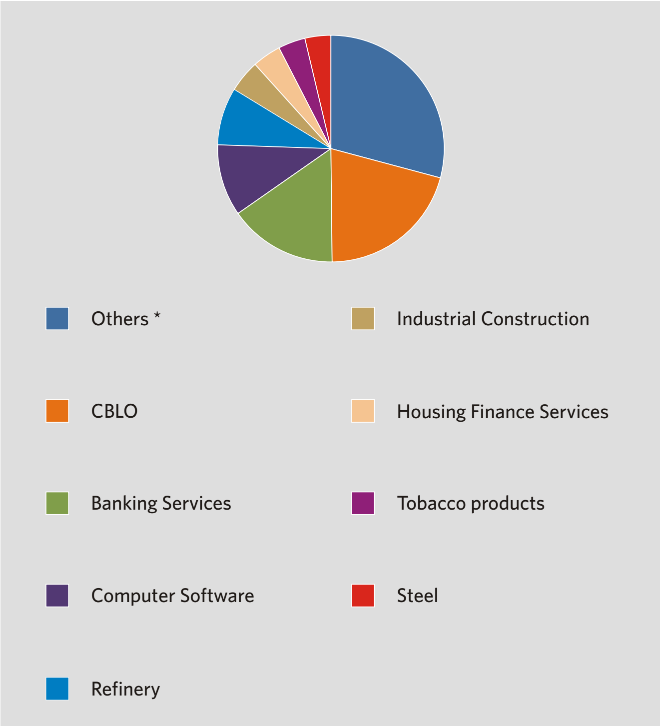
Fund Positioning

This will be a passively managed fund, by investing the major portion of the fund, only in Nifty 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 31st December, 2010



Industry Wise Exposure



Returns

	Annualised Returns Percentage		
	3 months	6 months	Since Inception
Index Tracker Fund	NA	NA	2.40
Composite Benchmark	NA	NA	2.63

Portfolio Scheme: Index tracker fund

Security	Security Name	Holding Percentage
Equity Shares		
	Reliance Industries Limited	7.84
	Infosys Technologies Limited	7.28
	ICICI Bank Limited	5.75
	Larsen and Toubro Limited	4.61
	HDFC	4.12
	ITC Limited	4.02
	HDFC Bank	3.64
	State Bank of India	3.16
	TATA Consultancy Services Ltd.	2.59
	Bharti Airtel Limited	1.92
	ONGC Limited	1.90
	TATA Motors Limited	1.85
	TATA Steel Limited	1.84
	Bharat Heavy Electricals Ltd.	1.60
	Axis Bank Limited	1.51
	Mahindra and Mahindra Ltd.	1.47
	Hindustan Unilever Limited	1.44
	HINDALCO Industries Limited	1.40
	Sterlite Industries India Ltd.	1.30
	Jindal Steel and Power Limited	1.21
	Other Equity	17.90
		78.35
Money Market Investments		21.65
Debt	Debt Securities	0.00
Net Assets		**100.00**

Industry Wise Exposure

Industry	Percentage
Others *	29.29
CBLO	20.41
Banking Services	15.49
Computer Software	10.34
Refinery	8.21
Industrial Construction	4.61
Housing Finance Services	4.12
Tobacco Products	4.02
Steel	3.51
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 occurs 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 rebalancing techniques combined with least possible transaction cost to keep the tracking error low.

The money flow under this fund is still in the accumulation stage.

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