Investor fact sheet

July 2010

A Joint Venture of

Bank of Baroda Legal & General Andhra Bank

IndiaFirst
LIFE INSURANCE

Monthly Market Report

June, 2010

Economy

Industrial output extends double digit growth in Apr 2010

Buoyed by the manufacturing sector, industrial growth shot up to 17.6% in Apr 2010. Manufacturing sector expanded by 19.4% as compared to 14.3% a month ago, while the mining sector also continued a moderate growth of 11.4%. Electricity suffered a setback and slowed to 5.7% from 7.1% a year ago and 7.7% a month ago. Industrial output after posting a double digit growth during 2009-10, extended a similar pattern of growth trends during the first month of 2010-11 mainly supported by capital goods and consumer durables.

Trade deficit expanded in the 4th quarter, though reduced marginally for 2009-10

Trade deficit for the 4th quarter of 2009-10 expanded to $31.5 billion from $20 billion a year ago, as imports have expanded faster at 43%, than exports at 36%. However, the overall trade deficit declined marginally to $117 billion in 2009-10 from $119 billion in 2008-09. The cumulative exports for 2009-10 shrunk by 3.6% while imports declined by 2.7%. Most of the signals on the import-export front are mixed and hence there is still no clear view from these numbers on economic activity.

Balance of payments surplus mounted to $13.4 billion for 2009-10

A remarkable growth in capital account surplus mainly driven by portfolio investments took the overall balance of payments position to a surplus of $13.4 billion for 2009-10 against $20 billion deficit in 2008-09. The capital account surplus continues to remain positive and high with the persistent rise in net investment inflows particularly on the portfolio side.

WPI inflation

The provisional inflation rate for the month of May 2010 crossed the double digit mark to stand at 10.16% YoY from 9.59% observed for the month of Apr 2010. The index of primary articles rose by 3.5% growing at 16.6% YoY (primarily tracking a 50% rise in sugarcane), the fuel and power index rose 1.2% marking a YoY of 13.05% whereas the manufactured products index grew by 1.2% growing 6.41% YoY. The inflation rate for the month of Mar 2010 was sharply revised upwards to 11.04% from the provisional estimate of 9.9%.

The government on 28th Jun 2010 freed the state subsidised petrol prices and hiked other fuels as high global oil prices and pressure to trim the budget deficit outweighed concerns about the political impact of the measures. Inflation is expected to remain in double digits till September due to this action.

USD/INR exchange rate

The Indian Rupee exchange rate for Jun 2010 averaged 46.62 INR to USD. That's 100 basis points higher than the Apr 2010 rate of 45.60.

Debt market update

Over the past month, the 10-years yield has been range bound between 7.50-7.60%. Although the 10-years gilt yield was range bound, the yield curve became flat as the short term yields rose in view of the outflow of around Rs. 1 lakh crore on account of 3G and broadband auctions from the system. The short end of the curve increased by around 100bps. The RBI rate hike did not really impact the yields.

Commodities

Gold: Gold prices increased to $1255/oz during Jun 2010 as people moved away from riskier assets.

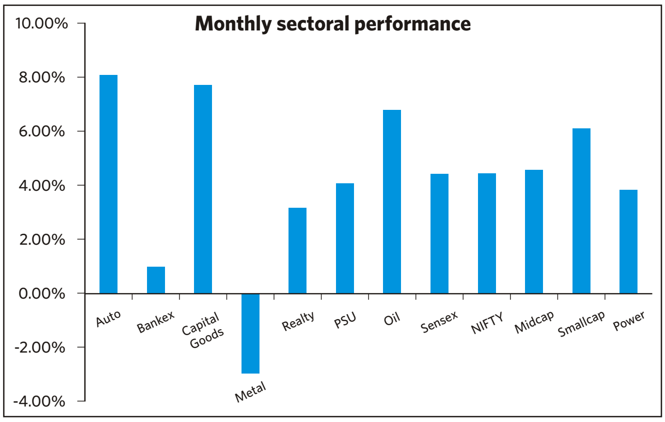
Crude: Crude oil was range bound between $72 to $78.86 per barrel with an average of $75.

Equity market update

For the month, the Indian markets remained buoyant despite weak global performance. Increasing FII inflow during the month helped the markets remain strong. The key benchmark indices ended the month with gains of 3-3.5%. The partial de-regulation of fuel prices has improved the scenario for the OMC's and upstream oil & gas companies leading to strong gains in the Index. However, weak global cues continue to be an overhang on the markets.

Indian markets moved up during the month of Jun against the trend in global indices. The news from Euro zone stabilized to some extent. With limited avenues to invest and the Chinese markets in a downtrend, strong FII inflow improved the market. Monsoon progress is in line with expectations and is comforting to some extent given the current high food inflation.

Of the 13 sector indices on the BSE, only the metal index ended negative. Mid-cap and small-cap outperformed. Sectoral performance for the month of Mar 2010 is as below -



Market valuations

At the current levels of 17200, 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. Hence equity markets will remain range bound atleast till the middle of the 3rd quarter of 2010. Foreign institutional investors (FIIs) were net buyers to the tune of Rs. 7,714 crores, whereas domestic institutional investors (DIIs) sold Rs. 4,776 crores worth of shares in the month. Continued interest from FIIs is one of the primary reasons for the market remaining at this stretched valuation range.

Sectoral update

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

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 augurs well for the Indian Pharma players. Overall, 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 the margins. We are positive on the sector in the wake of improving volume and pricing outlook.

Metal update: We are cautious on metals given the global scenario and expect 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. Further we do not see any major positive surprises in the 3rd quarter corporate results and hence no chances for upward revisions to corporate earnings. However, on a basis of relative strengths, Information Technology, Pharma, Banking and Oil & Gas space look attractive. Even at this stretched valuations, we might maintain an overweight stance in these sectors. We continue to be cautious on metals due to the Chinese slowdown and global weakness.

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 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
July 15, 2010

Debt Fund

Fact Sheet as on 30th June 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 30th Jun 2010	Rs. 10.32

Targeted asset allocation pattern in percentage

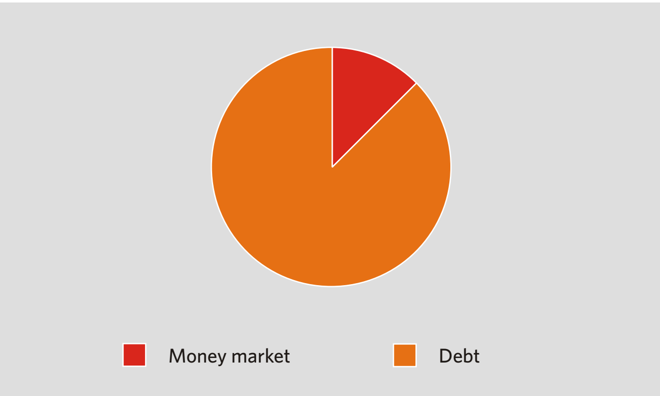
	Minimum	Maximum	Target
Equity Shares	0	0	0
Debt Securities & Bonds	70	100	85
Cash & Money market instruments	0	30	15

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

Fund positioning

This Fund is positioned as a pure debt oriented 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.

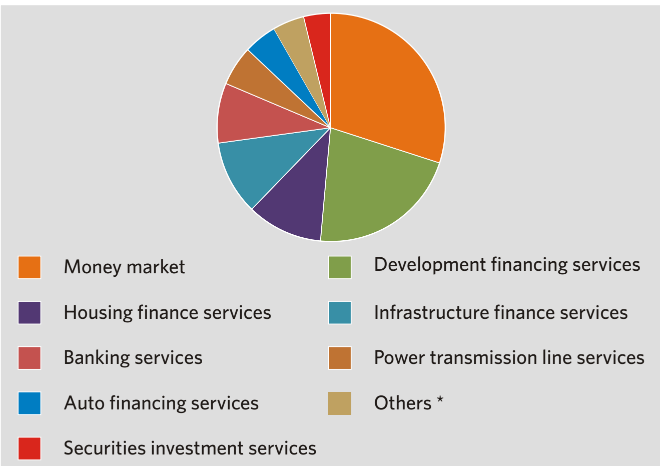
Asset allocation pattern as on 30th Jun 2010



Credit profile of debt and money market investments

Nature	Percentage
GSEC & T. Bills	0.00
AAA	61.66
AA+	8.37
Short term deposit with banks	17.36
CBLO and money market investments	12.61
Total	**100.00**

Industry wise exposure



Returns

Scheme: Debt Fund

	Annualised returns in percentage		
	3 months	6 months	Since inception
Debt Fund	7.41	6.19	5.33
Composite Benchmark	6.41	5.76	4.78

Portfolio

Security	Holding percentage
Debt	87.39
Money Market Instruments	12.61
Net assets	**100.00**

Industry wise exposure

Industry	Percentage
Money market	29.97
Development financing services	21.47
Housing finance services	10.83
Infrastructure finance services	10.54
Banking services	8.57
Power transmission line services	5.63
Auto financing services	4.74
Others *	4.49
Securities investment services	3.75
Grand total	**100.00**

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

Maturity profile of debt portfolio

Period	Exposure in percentage
0-3 months	23.62
3-12 months	9.10
1-3 years	25.97
3-5 years	41.30
5-10 years	0.00
> 10 years	0.00
Total	**100.00**

Fund manager's comments

The 10-years G-sec yield remained range bound in the 7.50-7.60% band. However, the short end of the yield curve was impacted by around 100bps because of the liquidity crunch faced by the system due to the outflow of funds for the 3G & broadband auctions and tax outflow. This has led to a flattening of curve. There was a surprise hike by the RBI of 25bps, which did not really impact the yields. It is expected that the liquidity will be back in the system by the third week of Jul 2010 and therefore we could see some softening in the short end of the curve. The 10-years yield is expected to be range bound and may inch higher on inflation concerns and fear of rate hikes. We will therefore continue to invest in the 2-3 years duration bonds as these are less immune to rate hikes, liquidity crunches and yet offer a satisfactory yield.

Equity Fund

Fact Sheet as on 30th June 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 30th Jun 2010	Rs. 10.75

Targeted asset allocation pattern

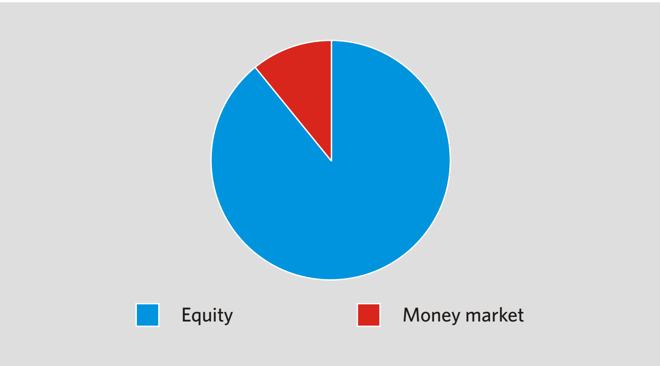
	Minimum	Maximum	Target
Equity Shares	80	100	90
Debt Securities & Bonds	0	10	0
Cash & Money market instruments	0	20	10

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

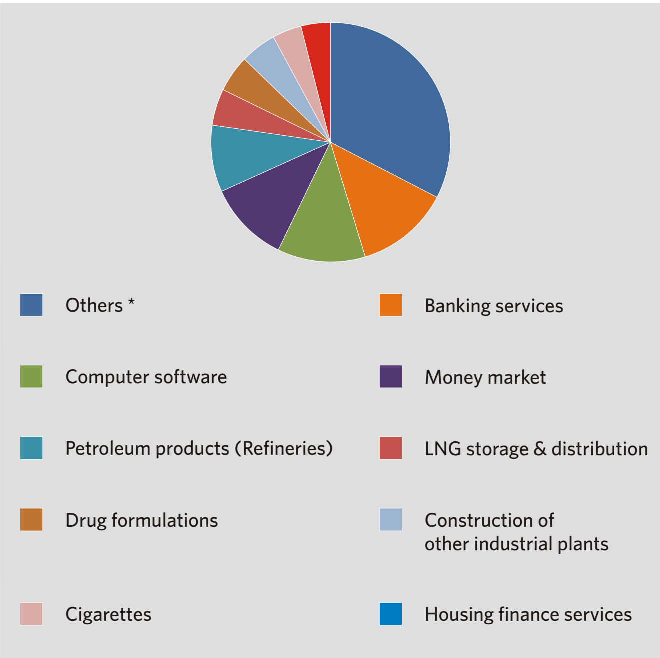
Fund positioning

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

Asset allocation pattern as of 30th Jun 2010



Industry wise exposure



Returns

	Annualised returns in percentage		
	3 months	6 months	Since inception
Equity Fund	4.26	7.07	7.50
Composite Benchmark	1.16	2.09	3.69

Portfolio Scheme: Equity Fund

Security	Security name	Holding percentage
Equity Shares		
	Reliance Industries Ltd.	8.69
	Infosys Technologies Ltd.	7.36
	Larsen & Toubro Ltd.	4.93
	ICICI Bank Ltd.	4.80
	ITC Ltd.	3.96
	HDFC	3.96
	Tata Consultancy Services Ltd.	3.07
	Indraprastha Gas Ltd.	2.66
	HDFC Bank	2.47
	Bharat Heavy Electricals Ltd.	2.47
	Gail (India) Ltd.	2.32
	State Bank of India	2.24
	Cipla Ltd.	1.98
	Divis Laboratories Ltd.	1.82
	ONGC Ltd.	1.79
	Axis Bank Ltd.	1.78
	Maruti Suzuki India Ltd.	1.69
	Crompton Greaves Ltd.	1.61
	Hero Honda Motors Ltd.	1.59
	ACC Ltd.	1.51
	Other equity	26.24
	Total Equity	88.96
Money market investments		11.04
Debt	Debt securities	0.00
Net assets		**100.00**

Industry wise exposure

Industry	Percentage
Others *	32.61
Banking services	12.67
Computer software	11.91
Money market	11.04
Petroleum products (Refineries)	9.00
LNG storage & distribution	4.98
Drug formulations	4.94
Construction of other industrial plants	4.93
Cigarettes	3.96
Housing finance services	3.96
Grand total	**100.00**

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

Fund manager's comments

For the month, the Indian markets remained buoyant despite weak global cues. Increasing FII inflow during the month helped the markets remain strong. Post APM gas price hike, the government announced partial fuel price de-regulation during the month. Also, Fitch upgraded India's outlook to stable due to improved fiscal situation. Over the next month, events in the Euro zone and monsoon progress will drive the domestic markets.

During the month, we had maintained cash levels at around 10% and 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 low beta stocks that have an attractive value proposition.

Balanced Fund

Fact Sheet as on 30th June 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 30th Jun 2010	Rs. 10.59

Targeted asset allocation pattern in percentage

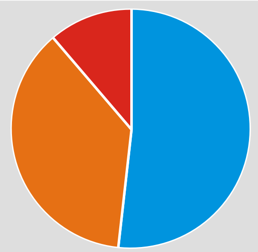
	Minimum	Maximum	Target
Equity Shares	40	70	50
Debt Securities & Bonds	30	50	40
Cash & Money market instruments	0	20	10

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

Fund positioning

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

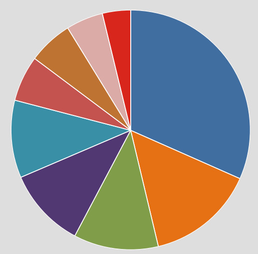
Asset allocation pattern as on 30th Jun 2010



Credit profile of debt and money market investments

Nature	Exposure in percentage
GSEC & T. Bills	0.00
AAA	65.01
AA+	4.75
Short term deposit with banks	7.05
CBLO and money market investments	23.19
Total	**100.00**

Industry wise exposure



Returns

	Annualised returns percentage		
	3 months	6 months	Since inception
Balanced Fund	3.56	5.73	5.94
Composite Benchmark	1.32	2.37	3.34

Portfolio Scheme: Balanced Fund

Security	Security name	Holding percentage
Equity Shares		
	Reliance Industries Ltd.	5.04
	Infosys Technologies Ltd.	4.19
	ICICI Bank Ltd.	2.87
	Larsen & Toubro Ltd.	2.73
	HDFC	2.40
	ITC Ltd .	2.34
	Tata Consultancy Services Ltd.	1.81
	Indraprastha Gas Ltd.	1.52
	Bharat Heavy Electricals Ltd.	1.52
	HDFC Bank	1.43
	Gail (India) Ltd.	1.39
	State Bank of India	1.33
	Cipla Ltd.	1.20
	Divis Laboratories Ltd.	1.08
	Axis Bank Ltd.	1.03
	ONGC Ltd.	1.03
	Maruti Suzuki India Ltd.	1.01
	Crompton Greaves Ltd.	0.95
	Hero Honda Motors Ltd.	0.94
	Hindustan Unilever Ltd.	0.90
	Other equity	14.98
	Total Equity	51.70
Debt	Debt securities	37.10
Money market investments		11.20
Net assets		**100.00**

Industry wise exposure

Industry	Percentage
Others *	31.65
Money market	14.60
Banking services	11.47
Computer software	10.85
Development financing services	10.42
Housing finance services	6.20
Petroleum products (Refineries)	6.03
Infrastructure finance services	5.00
Securities investment services	3.78
Grand total	**100.00**

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

Maturity profile of debt portfolio

Period	Exposure in percentage
0-3 months	5.60
3-12 months	11.18
1-3 years	38.62
3-5 years	44.60
5-10 years	0.00
> 10 years	0.00
Total	**100.00**

Fund manager's comments

For the month, the Indian markets remained buoyant despite weak global cues. Increasing FII inflow during the month helped the markets remain strong. Post APM gas price hike, the government announced partial fuel price de-regulation during the month. Also, Fitch upgraded India's outlook to stable due to improved fiscal situation. Over the next month, events in the Euro zone and monsoon progress will drive the domestic markets.

During the month, we had maintained cash levels at around 10% and 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 low beta stocks that have an attractive value proposition.

The 10-years G-sec yield remained range bound in the 7.50-7.60% band. However, the short end of the yield curve was impacted by around 100bps because of the liquidity crunch faced by the system due to the outflow of funds for the 3G & broadband auctions and tax outflow. This has led to a flattening of curve. There was a surprise hike by the RBI of 25bps, which did not really impact the yields. It is expected that the liquidity will be back in the system by the third week of Jul 2010 and therefore we could see some softening in the short end of the curve. The 10-years yield is expected to be range bound and may inch higher on inflation concerns and fear of rate hikes. We will therefore continue to invest in the 2-3 years duration bonds as these are less immune to rate hikes, liquidity crunches and yet offer a satisfactory yield.

Debt Fund - Pension

Fact Sheet as on 30th June 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 30th Jun 2010	Rs. 10.31

Targeted asset allocation pattern

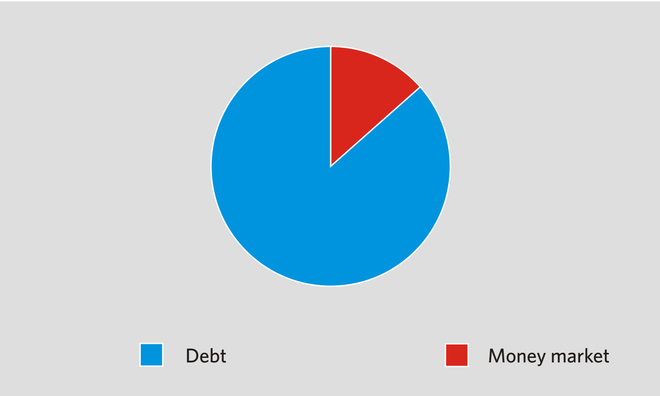
	Minimum	Maximum	Target
Equity Shares	00	00	00
Debt Securities & Bonds	70	100	85
Cash & Money market instruments	0	30	15

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

Fund positioning

This Fund is positioned as a pure debt oriented 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.

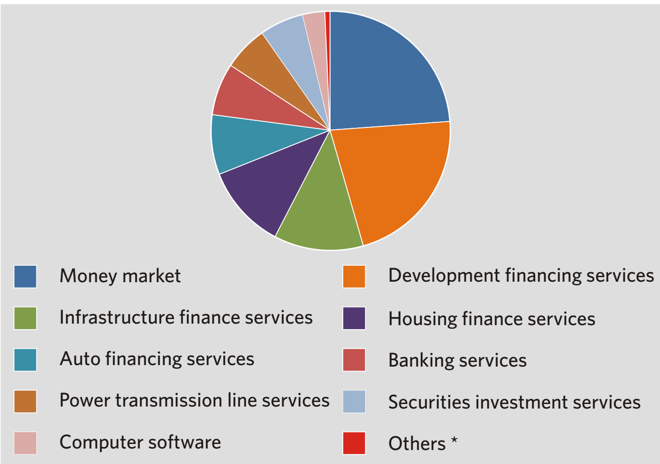
Asset allocation pattern as on 30th Jun 2010



Credit profile of debt and money market investments

Nature	Percentage
GSEC & T. Bills	0.00
AAA	66.45
AA+	9.66
Short term deposit with banks	10.32
CBLO and money market investments	13.57
Total	**100.00**

Industry wise exposure



Returns

Scheme: Debt Fund - Pension

	Annualised returns in percentage		
	3 months	6 months	Since inception
Debt Pension Fund	7.57	6.06	5.23
Composite Benchmark	6.41	5.76	4.78

Portfolio

Security	Holding percentage
Debt	86.43
Money market instruments	13.57
Net assets	**100.00**

Industry wise exposure

Industry	Percentage
Money market	23.89
Development financing services	21.65
Infrastructure finance services	12.03
Housing finance services	11.41
Auto financing services	8.15
Banking services	7.00
Power transmission line services	6.16
Securities investment services	5.92
Computer software	3.04
Others *	0.75
Grand total	**100.00**

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

Maturity profile of debt portfolio

Period	Exposure in percentage
0-3 months	16.33
3-12 months	9.84
1-3 years	33.86
3-5 years	39.98
5-10 years	0.00
> 10 years	0.00
Total	**100.00**

Fund manager's comments

The 10-years G-sec yield remained range bound in the 7.50-7.60% band. However, the short end of the yield curve was impacted by around 100bps because of the liquidity crunch faced by the system due to the outflow of funds for the 3G & broadband auctions and tax outflow. This has led to a flattening of curve. There was a surprise hike by the RBI of 25bps, which did not really impact the yields. It is expected that the liquidity will be back in the system by the third week of Jul 2010 and therefore we could see some softening in the short end of the curve. The 10-years yield is expected to be range bound and may inch higher on inflation concerns and fear of rate hikes. We will therefore continue to invest in the 2-3 years duration bonds as these are less immune to rate hikes, liquidity crunches and yet offer a satisfactory yield.

Equity Fund - Pension

Fact Sheet as on 30th June 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 30th Jun 2010	Rs. 10.77

Targeted asset allocation pattern

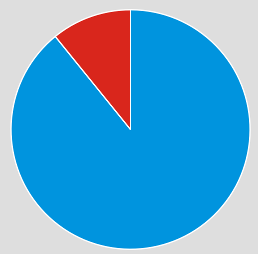
	Minimum	Maximum	Target
Equity Shares	80	100	90
Debt Securities & Bonds	0	10	0
Cash & Money market instruments	0	20	10

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

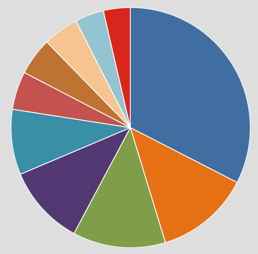
Fund positioning

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 30th Jun 2010



Industry wise exposure



Returns

	Annualised returns in percentage		
	3 months	6 months	Since inception
Equity Pension Fund	4.17	6.96	7.71
Composite Benchmark	1.16	2.09	3.69

Portfolio Scheme: Equity Fund - Pension

Security	Security name	Holding percentage
Equity Shares		
	Reliance Industries Ltd.	8.54
	Infosys Technologies Ltd.	7.58
	Larsen & Toubro Ltd.	4.79
	ICICI Bank Ltd.	4.70
	ITC Ltd.	3.94
	HDFC	3.61
	Tata Consultancy Services Ltd.	3.20
	Indraprastha Gas Ltd.	2.87
	Bharat Heavy Electricals Ltd.	2.50
	HDFC Bank	2.41
	State Bank of India	2.36
	Gail (India) Ltd.	2.27
	Cipla Ltd.	2.17
	Divis Laboratories Ltd.	1.92
	Axis Bank Ltd.	1.86
	Crompton Greaves Ltd.	1.79
	ONGC Ltd.	1.71
	Maruti Suzuki India Ltd.	1.69
	Jain Irrigation Systems Ltd.	1.65
	Mahindra & Mahindra Ltd.	1.65
	Other equity	25.99
	Total Equity	89.20
Debt		0.00
Money market investments		10.80
Net assets		**100.00**

Industry wise exposure

Industry	Percentage
Others *	32.60
Banking services	12.70
Computer software	12.50
Money market	10.80
Petroleum products (Refineries)	8.84
LNG storage & distribution	5.15
Drug formulations	5.08
Construction of other industrial plants	4.79
Cigarettes	3.94
Housing finance services	3.61
Grand total	**100.00**

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

Fund manager's comments

For the month, the Indian markets remained buoyant despite weak global cues. Increasing FII inflow during the month helped the markets remain strong. Post APM gas price hike, the government announced partial fuel price de-regulation during the month. Also, Fitch upgraded India's outlook to stable due to improved fiscal situation. Over the next month, events in the Euro zone and monsoon progress will drive the domestic markets.

During the month, we had maintained cash levels at around 10% and 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 low beta stocks that have an attractive value proposition.

Balanced Fund - Pension

Fact Sheet as on 30th June 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 30th Jun 2010	Rs. 10.65

Targeted asset allocation pattern

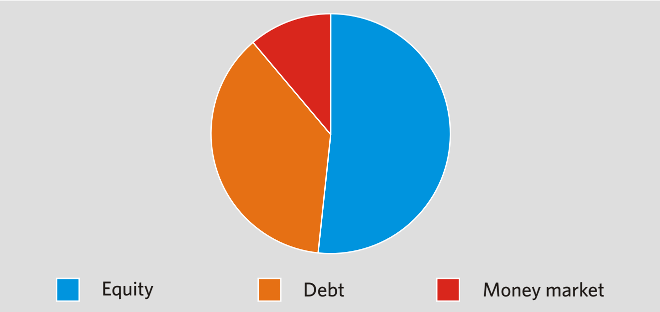
	Minimum	Maximum	Target
Equity Shares	40	70	50
Debt Securities & Bonds	30	50	40
Cash & Money market instruments	0	20	10

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

Fund positioning

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

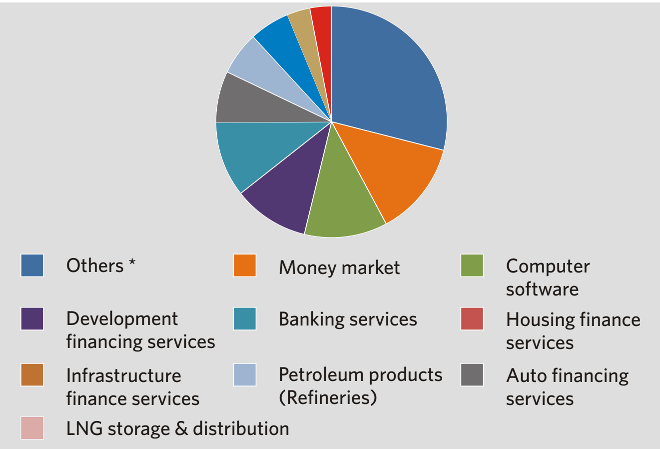
Asset allocation pattern as of 30th Jun 2010



Credit profile of debt and money market investments

Nature	Percentage
GSEC and T. Bills	0.00
AAA	66.01
AA+	6.70
Short Term Deposit with Bank	3.94
CBLO and money market instruments	23.35
Total	**100.00**

Industry wise exposure



Returns

	Annualised returns percentage		
	3 months	6 months	Since inception
Balanced Pension Fund	3.62	5.89	6.52
Composite Benchmark	1.32	2.37	3.34

Portfolio

Scheme: Balanced Fund - Pension

Security	Security name	Holding percentage
Equity Shares		
	Reliance Industries Ltd.	4.88
	Infosys Technologies Ltd.	4.33
	ICICI Bank Ltd.	2.80
	Larsen & Toubro Ltd.	2.71
	HDFC	2.30
	ITC Ltd.	2.30
	Tata Consultancy Services Ltd.	1.85
	Indraprastha Gas Ltd.	1.68
	Bharat Heavy Electricals Ltd.	1.45
	HDFC Bank	1.45
	State Bank of India	1.39
	Gail (India) Ltd.	1.37
	Cipla Ltd.	1.21
	Divis Laboratories Ltd.	1.13
	Axis Bank Ltd.	1.09
	Crompton Greaves Ltd.	1.02
	Hero Honda Motors Ltd.	1.00
	Maruti Suzuki India Ltd.	0.98
	ACC Ltd.	0.92
	Grasim Industries Ltd.	0.91
	Other equity	5.00
	Total Equity	51.77
Debt	Debt securities	36.97
Money market investments		11.26
Net assets		**100.00**

Industry wise exposure

Industry	Percentage
Others *	28.97
Money market	13.16
Computer software	11.71
Development financing services	10.57
Banking services	10.50
Housing finance services	7.22
Infrastructure finance services	6.00
Petroleum products (Refineries)	5.59
Auto financing services	3.23
LNG storage & distribution	3.06
Grand total	**100.00**

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

Maturity profile of debt portfolio

Period	Exposure in percentage
0-3 months	1.37
3-12 months	12.39
1-3 years	37.88
3-5 years	48.37
5-10 years	0.00
> 10 years	0.00
Total	**100.00**

Fund manager's comments

For the month, the Indian markets remained buoyant despite weak global cues. Increasing FII inflow during the month helped the markets remain strong. Post APM gas price hike, the government announced partial fuel price de-regulation during the month. Also, Fitch upgraded India's outlook to stable due to improved fiscal situation. Over the next month, events in the Euro zone and monsoon progress will drive the domestic markets.

During the month, we had maintained cash levels at around 10% and 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 low beta stocks that have an attractive value proposition.

The 10-years G-sec yield remained range bound in the 7.50-7.60% band. However, the short end of the yield curve was impacted by around 100bps because of the liquidity crunch faced by the system due to the outflow of funds for the 3G & broadband auctions and tax outflow. This has led to a flattening of curve. There was a surprise hike by the RBI of 25bps, which did not really impact the yields. It is expected that the liquidity will be back in the system by the third week of Jul 2010 and therefore we could see some softening in the short end of the curve. The 10-years yield is expected to be range bound and may inch higher on inflation concerns and fear of rate hikes. We will therefore continue to invest in the 2-3 years duration bonds as these are less immune to rate hikes, liquidity crunches and yet offer a satisfactory yield.

Liquid Fund - Pension

Fact Sheet as on 30th June 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 30th Jun 2010	Rs. 10.15

Targeted asset allocation pattern

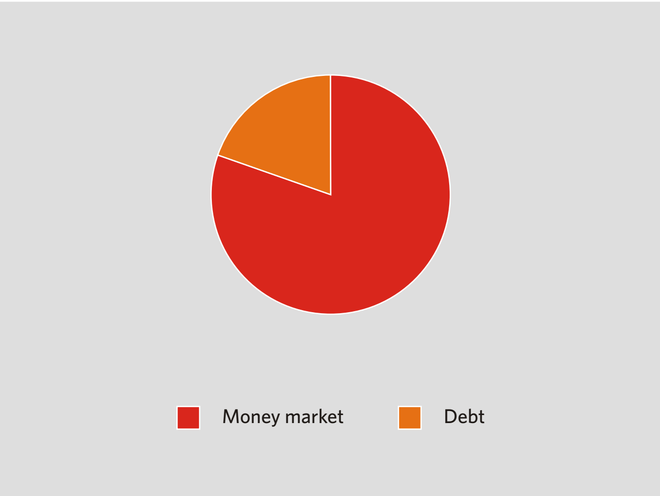
	Minimum	Maximum	Target
Equity Shares	0	0	0
Debt Securities & Bonds	0	20	10
Cash & Money market instruments	80	100	90

The actual asset allocation can vary from the above indicated 'Targets', but will remain well within the 'minimum' and 'maximum' range, based on market opportunities.

Fund positioning

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

Asset allocation pattern as of 30th Jun 2010



Credit profile of debt and money market investments

	Percentage
GSEC & T. Bills	0.00
AAA	8.54
AA+	0.00
REPO	0.00
Short term deposit with bank	11.02
CBLO and money market instruments	80.44
Total	**100.00**

Returns

	Annualised returns percentage		
	3 months	6 months	Since inception
Liquid Pension Fund	3.37	2.71	2.60
Composite benchmark	3.97	3.87	3.69

Portfolio Scheme: Liquid Fund - Pension

Security	Holding percentage
Money market instruments	80.44
Debt (Fixed deposits)	19.56
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 fund.

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