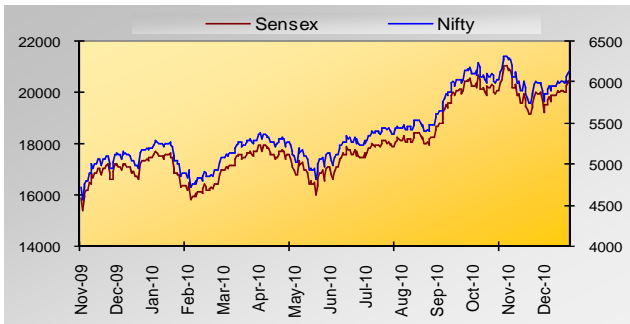


## Equity Market

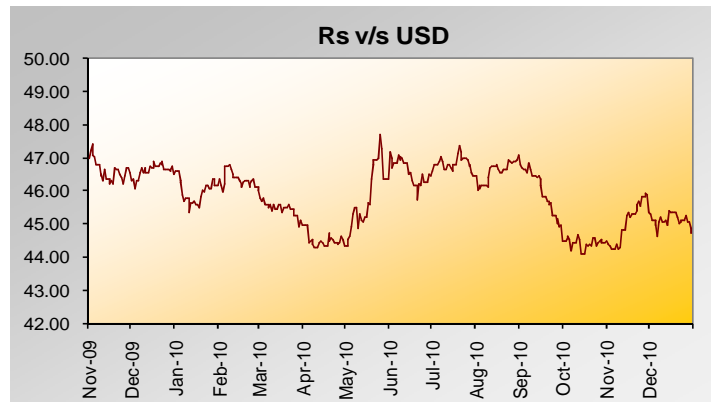
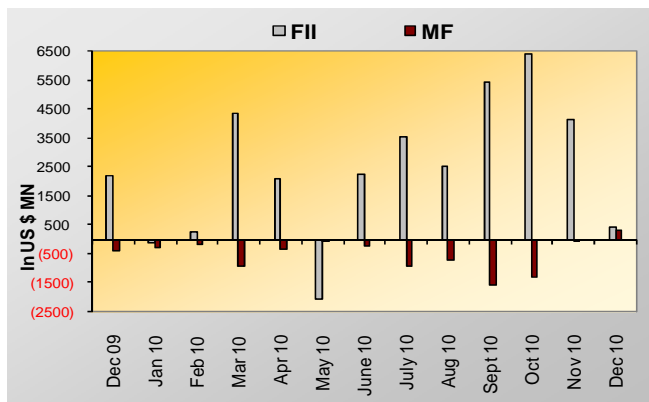


Key Indices	31-Dec-10	30-Nov-10	% Change
Nifty	6134.50	5862.70	4.64%
Sensex	20509.09	19521.25	5.06%
BSE 100	10675.02	10280.81	3.83%
Dow Jones	11577.51	11006.02	5.19%
Nikkei	10228.92	9937.04	2.94%
Hang Seng	23035.45	23007.99	0.12%
Nasdaq	2652.87	2498.23	6.19%
KOSPI	2051.00	1904.63	7.68%

The month of December has usually been good for the markets, generating positive returns in 26 out of the past 31 years. The BSE Sensex gained 5% in December and ended the calendar year 2010 at an all time yearly high closing value of 20509, generating 17.4% returns in 2010 on renewed FII inflows. During 2010, FIIs bought stock worth US\$29bn in the cash market, an all time high, including US\$8.5bn inflows in the primary market. Against this, domestic institutions sold US\$4.6bn in the secondary market, of which domestic insurance companies bought US\$1.4bn and mutual funds sold stock worth US\$6bn. Led by extremely tight liquidity conditions, higher short interest rates in the system and certain stock price manipulation news specific to mid-cap companies, mid-cap and small-cap indices underperformed their large-cap counterparts by a wide margin wiping out their initial relative gains v/s the BSE Sensex in CY2010.

Continuation of ultra-loose global monetary policy, particularly by the Fed and BoJ, improving US and core Europe (Germany, France, Netherlands) growth prospects and strong economic momentum in EMs, is putting upward pressure on global commodity and crude oil prices, such that crude is now ruling at \$90 per barrel. The Government hiked petrol prices but deferred the hike in diesel and gas prices to avoid more back lash on inflation. The flux of FII flows this year has kept the BoP in surplus, however, the nature of capital inflows funding the deficit is not quite comforting. Rising share of non-FDI inflows, especially FII flows in the total capital inflows do not augur well for the stability of BoP, as these flows are inherently very volatile.

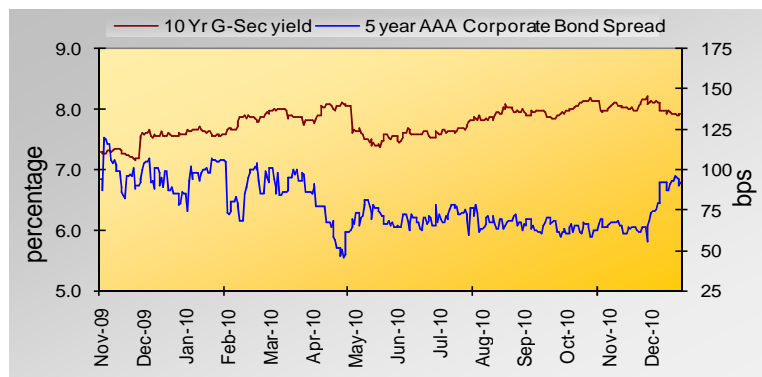
Industrial Production data continued to be volatile in India, with October factory output rising 10.8%, as demand for consumer durables (such as cars and electronic goods) and power equipment grew strongly. November headline inflation dipped to 7.5% from 8.5% in October due to favorable base effect but spiraling food inflation post unseasonal rains, surge in oil & other commodity prices and rising wage bills poses risks to inflation going forward. Pick up in credit growth in an environment of sluggish deposit growth and high Government cash balances with RBI is creating tight liquidity conditions in the system. However, RBI is unlikely to ease liquidity substantially until it gets comfort on the inflation's trajectory.



### Equity Outlook

The Indian economy has expanded by 8.9% Y-o-Y in the first six months of FY2010-11 and the country's strong growth fundamentals, high saving and investment rates, fast labor force growth and the rapid expansion of the middle class will ensure a steady performance going forward. Despite India's impressive growth recently, there are a number of clouds hanging over the economy, including the stubbornly high inflation rate and the widening current account deficit. Growth will continue to be constrained by infrastructure bottlenecks, capacity constraints, rising input & interest costs and shortages of skilled labor. High food prices which is hurting the "aam aadmi" and the recent spate of scandals including the big 2G license scam in 2008 has invited huge political backlash for the centre. Hence, going forward, the government is likely to restrict its focus to targeted spending and piecemeal changes, rather than attempting to implement structural reforms that would have unlocked more of India's vast economic potential. Given such a macroeconomic & political environment coupled with Indian equity market trading at fair valuations of 16x FY12E earnings, we expect Sensex to broadly consolidate in 2011, generating moderate returns of 10-12%. The markets will continue to take cues from global events, commodity movements and domestic inflation & liquidity conditions and will start its rally afresh with positive news on these fronts.

## Debt Market



Key Indices	31-Dec-10	30-Nov-10	% Change
10 year G-Sec	7.92%	8.06%	-1.74%
5 Year G-Sec	7.86%	7.91%	-0.63%
91 Day T Bill	7.10%	6.86%	3.50%
364 day T-Bill	7.43%	7.26%	2.34%
MIBOR	8.54%	7.80%	9.49%
Call Rates	6.75%	6.67%	1.20%
Inflation	7.48%	8.58%	-12.82%

Indian economy has delivered a strong growth of 8.9% yoy in the 1HFY11 as against 7.5% in the corresponding period last year. The growth has been pretty broad-based with robust pick-up in all the three sectors, namely, agriculture, industry and services. Given the current momentum, the economy is well poised to clock in an 8.75% GDP growth in FY11.

The Index of Industrial Production (IIP) bounced back smartly from the lows of 4.4% in September 2010 to 10.8% in October 2010. The credit off-take which had dipped earlier has shown considerable strength in the last couple of months. This coupled with slow pick-up in deposits and deferment of Gol spending has resulted in shortage of liquidity. The banking system has been in a deficit mode for over a period of six months, with deficit averaging Rs.1 lakh crore, worst than the peak of the global credit crisis in 2008. Such tight liquidity coupled with RBI's policy normalization process has put tremendous pressure on the short-term rates with borrowing rates by banks & corporate rising by over 300bps during the course of the year.

Led by continuation of easy monetary policy in the West and announcement of fresh rounds of easing by the Fed and BoJ, there has been a broad-based rally in global commodities including crude oil. Surge in crude oil poses macro risk to India on 3 key fronts, namely, inflation, Current Account Deficit and fiscal deficit. Given the fact that India imports 70% of its crude oil requirements and crude oil imports constitute a significant 30% of the total merchandise imports, rising prices leads to widening of India's current account deficit. Gol's fiscal health also gets impacted due to surge in oil under-recoveries and, therefore, rising oil subsidy.

Concerned over inflation, RBI seems to be refraining from easing liquidity pressure considerably. However, to render some relief to the market, in its mid-quarter Monetary Policy review in December 2010, RBI cut SLR by 1% to 24% and announced buy back of dated-government securities (OMOs) worth Rs 48000 crores.

### Debt Outlook

Indian economic outlook remain robust not just for FY11 but next year as well with the economy likely to grow at over 8.25% in FY12. Unlike the past couple of quarters, we expect the economic growth going forward to be fuelled by pick up in public & private capex. Despite robust medium-to-long-term economic outlook, the economy faces certain near-term macro headwinds, namely, high inflation & tight liquidity, which will impact the RBI's policy trajectory and bond yields.

Surge in crude oil & other commodity prices, renewed rise in food prices and domestic capacity constraints in an environment of robust demand growth will continue to put upward pressure on inflation which is likely to end FY11 at 7-7.5%. We expect inflationary pressures to continue next year as well with average inflation for FY12 at 7% levels. Due to this, we expect RBI to hike policy rates by another 50-75bps in 2011, starting with a 25bps hike in repo rate in the upcoming Policy Meeting towards the end of January 2011.

We expect system liquidity to remain in deficit mode in the 1H2011. However, with rising deposit rates and expected government spending, the deficit is expected to shrink from the current over Rs 1 lakh crore. Due to this, pressure on the shorter-end of the curve is likely to ease and we see 1 yr CD rates to ease to 8.25-8.5% in next 6-8 months. However, the yield curve which has already flattened significantly is likely to remain flat in near-term.

With an upside risk to fiscal consolidation in FY12 due to rising crude oil prices, delay in subsidy & tax reforms and absence of one-time bonanza of 3G auction, Gol borrowing is likely to remain high next year as well. We expect the 10 Yr G-Sec to remain range-bound around 7.75-8.00%. Although inflation will remain high & RBI is expected to hike rates, the fact that majority of the rate hikes is behind us & liquidity pressure will relatively ease, we feel that we are close to the top in bond yields. We expect the 10-Yr AAA Corporate Bond Spreads to rise to 100-125bps in the coming year.



## Learning Curve

### Understanding Primary Equity Market Offerings

When companies approach the primary market to raise fresh capital by issuing new securities, it is termed as Primary Issuance. It can be classified as Initial Public Offer (IPO), Follow-on Public Offer (FPO), Rights Issue, Bonus Issue and Private Placements. While IPOs & FPOs involve a detailed procedure, Bonus Issues and Private Placements are relatively simpler.

**Initial Public Offering (IPO):** An IPO is a fresh issue of securities or an offer for sale of its existing securities or both made by an unlisted company for the first time to the public. This paves way for listing and trading of the issuer's equities on stock exchange.

**Follow-On Offer (FPO):** An FPO refers to issuing of additional shares to investors by a company that is already listed on the exchange.

IPOs & FPOs are popular methods for companies to raise capital through issue of shares in the primary market. The key difference between IPOs & FPOs is that while IPOs are brought by companies intending to get listed in the market for the first time, FPOs are supplementary issues made by a listed entity.

**Rights Issue:** A Rights Issue is an issue of rights by a listed company to its existing shareholders to buy a proportional number of additional securities at a given price (usually at a discount) within a fixed period. The shareholders have the right to either buy the security or sell the rights in the open market since these Rights are often transferable. This route is best suited for companies who would like to raise capital without diluting stake of its existing shareholders.

**Bonus Issue:** When an issuer makes an issue of securities to its existing shareholders without any consideration from them, it is called a bonus issue. The shares are issued out of the Company's free reserve or share premium account in a particular ratio to the number of securities held as on a record date.

**Private Placement:** When an issuer issues securities to a select group of investors (less than 50), without a public offering is called a Private Placement. Investors involved in private placements are usually large banks, mutual funds, insurance companies and pension funds.

The Primary Issues can be subscribed by the following category of investors:

- **Retail Investor:** Individuals, both Resident and NRIs along with HUFs fall under this category and are allowed to apply or bid for securities for a value of not more than Rs 2,00,000. At least 35% of the issue has to be reserved for such investors.
- **Qualified Institutional Buyers** includes financial institutions such as Banks, Mutual funds, Insurance companies, Foreign Institutional investors etc. A Maximum of 50% of the issue can be kept reserved for QIBs. Out of this, 5% are reserved for Mutual Funds.

- **Non-Institutional Investors:** Resident Indian individuals, HUFs, companies, corporate bodies, NRIs, societies and trusts whose application size is more than Rs 2 lakhs fall under this category. At least 15% of the total issue has to be reserved for this category.

The Intermediaries who facilitate these Issues are:

**Merchant Banker** is responsible for conducting due diligence to prepare the offer document which contain all details about the company & issue, deciding the final issue price, ensure compliance with the regulatory requirements, completing formalities for listing on the exchanges, appointing underwriters, registrars, bankers, etc. & marketing the issue. Post the issue they look after the management of the Escrow Account and share allotment along with ensuring proper dispatch of refunds, allotment letters, etc.

**Registrars to the Issue** finalizes the list of eligible allottees after deleting invalid applications and ensures that crediting shares to the demat accounts of the applicants is done and the refund orders, where applicable, are sent.

**Bankers to the Issue** enables the movement of funds in the issue process and therefore carry out all the activities of ensuring that the funds are collected and transferred to the Escrow accounts. All major SCBs and private banks act as Bankers to the issue.

**Underwriters** are intermediaries who undertake to subscribe to the securities offered by the company in case they are not fully subscribed by the public, in case of an underwritten issue.

Raising capital through primary market offerings have over the past few years evolved as a major source of funding for Indian corporate. It is interesting to note that in 2010, primary market issuances were at an all time high of \$15.6bn. Growing importance of various issues is emphasized by the recent success of Coal India IPO that fetched Rs 2360bn against the offer of Rs 155bn, largest in the history of Indian Capital Markets.

**Arpita Nanoti**

Head – Investments Communication & Advisory



## FUND PERFORMANCE AS ON 31ST DECEMBER 2010

GROUP Inception Date	Secure 19-Jun-01		Stable 31-Aug-01		Growth 31-Aug-01		Growth Advantage 18-Feb-08	
	Fund Return	BM	Fund Return	BM	Fund Return	BM	Fund Return	BM
Last 1 year	7.94%	5.82%	9.82%	7.30%	13.02%	8.76%	13.83%	9.72%
Last 2 years	14.22%	10.10%	20.17%	15.52%	27.58%	21.06%	32.88%	24.81%
Last 3 years	9.80%	3.66%	8.61%	3.22%	11.35%	2.74%	-	-
Since Inception	12.04%	-	16.11%	-	18.49%	-	20.38%	-
<b>Asset Held (Rs. In Millions)</b>	<b>5335</b>		<b>4923</b>		<b>2860</b>		<b>192</b>	

GROUP Inception Date	Money Market 30-Mar-05		Bond 28-Jan-07		Fixed Interest 18-Nov-02		Short Term Debt 10-Dec-08	
	Fund Return	BM	Fund Return	BM	Fund Return	BM	Fund Return	BM
Last 1 year	6.84%	3.95%	8.18%	-	8.31%	3.79%	6.46%	3.53%
Last 2 years	10.32%	3.83%	10.39%	-	10.85%	3.07%	17.51%	-
Last 3 years	11.05%	-	12.33%	-	13.71%	3.75%	-	-
Since Inception	9.68%	-	12.36%	-	8.28%	-	8.16%	-
<b>Asset Held (Rs. In Millions)</b>	<b>136</b>		<b>1962</b>		<b>1491</b>		<b>209</b>	

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## Portfolio as on 31st December 2010

### SECURITIES HOLDING

#### GOVERNMENT SECURITIES 22.32%

8.26%	GOVERNMENT OF INDIA 2027	3.26%
6.35%	GOVERNMENT OF INDIA 2020	2.79%
8.2%	GOVERNMENT OF INDIA 2022	2.78%
7.8%	GOVERNMENT OF INDIA 2020	1.95%
8.28%	GOVERNMENT OF INDIA 2032	1.85%
8.08%	GOVERNMENT OF INDIA 2022	1.10%
8.32%	GOVERNMENT OF INDIA 2032	1.02%
8.24%	GOVERNMENT OF INDIA 2027	0.93%
7.59%	GOVERNMENT OF INDIA 2016	0.92%
7.95%	GOVERNMENT OF INDIA 2032	0.90%
	OTHER GOVERNMENT SECURITIES	4.83%

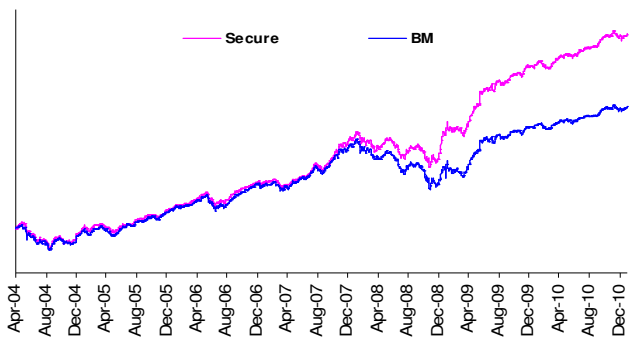
#### CORPORATE DEBT 40.65%

8.49%	POWER FINANCE CORPORATION LIMITED 2011	1.86%
9.5%	NATIONAL BANK FOR AGRI. & RURAL DEV 2012	1.55%
9.47%	POWER GRID CORPORATION LTD. 2012	1.51%
11.45%	RELIANCE INDUSTRIES LTD. 2013	1.50%
	HOUSING DEVELOPMENT FINANCE COR LTD 2012	1.43%
9.45%	RURAL ELECTRIFICATION CORP LTD 2013	1.08%
9.05%	STATE BANK OF INDIA 2020	0.94%
12.65%	CHOLAMANDALAM DBS FINANCE LTD. 2014	0.92%
8.7%	POWER FINANCE CORPORATION LIMITED 2020	0.92%
7.4%	TATA CHEMICALS LTD. 2011	0.92%
	OTHER CORPORATE DEBT	28.02%

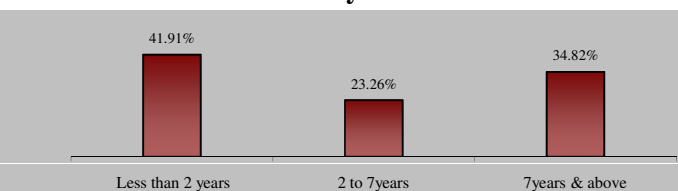
#### EQUITY 18.91%

	RELIANCE INDUSTRIES LTD.	1.50%
	INFOSYS TECHNOLOGIES LTD.	1.26%
	ICICI BANK LTD.	1.11%
	LARSEN & TOUBRO LTD.	0.91%
	ITC LTD	0.77%
	STATE BANK OF INDIA	0.76%
	BHARAT HEAVY ELECTRICALS LTD.	0.56%
	HOUSING DEVELOPMENT FINANCE COR LTD	0.55%
	OIL & NATURAL GAS CORPORATION LTD.	0.49%
	HDFC BANK LTD.	0.49%
	OTHER EQUITY	10.49%

#### MMI 18.11%



### Maturity Profile

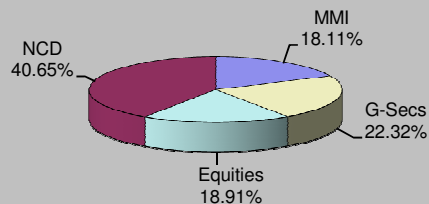


### About the Fund

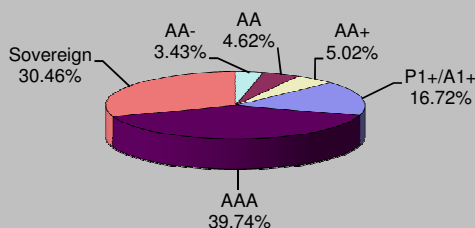
**Objective:** To build capital and generate better returns at moderate level of risk, over a medium or long-term period through a balance of investment in equity and debt.

**Strategy:** Generate better returns with moderate risk level through fixed income portfolio and focus on creating long term equity portfolio which will enhance yield of composite portfolio with low level of risk appetite.

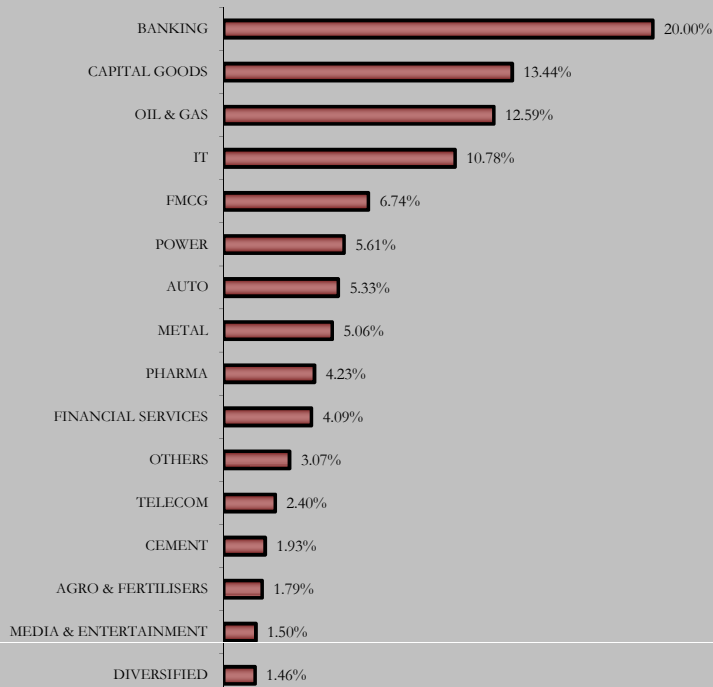
### Asset Allocation



### Rating Profile



### Sectoral Allocation



## Portfolio as on 31st December 2010

### SECURITIES HOLDING

#### GOVERNMENT SECURITIES 19.43%

8.28% GOVERNMENT OF INDIA 2032	3.31%
8.2% GOVERNMENT OF INDIA 2022	2.63%
8.26% GOVERNMENT OF INDIA 2027	2.52%
7.44% GOVERNMENT OF INDIA 2012	2.10%
6.35% GOVERNMENT OF INDIA 2020	1.41%
7.8% GOVERNMENT OF INDIA 2020	1.21%
7.95% GOVERNMENT OF INDIA 2032	1.12%
8.3% GOVERNMENT OF INDIA 2040	1.00%
7.59% GOVERNMENT OF INDIA 2015	0.88%
7.5% GOVERNMENT OF INDIA 2034	0.83%
OTHER GOVERNMENT SECURITIES	2.42%

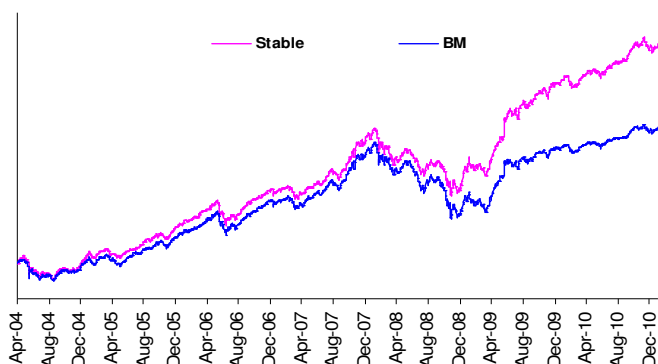
#### CORPORATE DEBT 34.40%

11.45% RELIANCE INDUSTRIES LTD. 2013	2.18%
9.5% NATIONAL BANK FOR AGRI. & RURAL DEV 2012	1.84%
9.45% RURAL ELECTRIFICATION CORP LTD 2013	1.76%
8.5% EXPORT IMPORT BANK OF INDIA 2011	1.62%
7.4% TATA CHEMICALS LTD. 2011	1.60%
11.4% POWER FINANCE CORPORATION LIMITED 2013	1.18%
10.1% POWER GRID CORPORATION LTD. 2017	1.07%
9.76% INDIAN RAILWAY FINANCE CORPN. LTD. 2012	1.03%
12.65% CHOLAMANDALAM DBS FINANCE LTD. 2014	1.00%
8.7% POWER FINANCE CORPORATION LIMITED 2020	1.00%
OTHER CORPORATE DEBT	20.12%

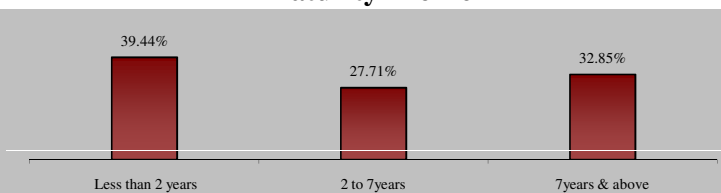
#### EQUITY 33.73%

RELIANCE INDUSTRIES LTD.	2.51%
INFOSYS TECHNOLOGIES LTD.	2.20%
ICICI BANK LTD.	1.94%
LARSEN & TOUBRO LTD.	1.58%
STATE BANK OF INDIA	1.33%
ITC LTD	1.24%
HOUSING DEVELOPMENT FINANCE COR LTD	0.97%
BHARAT HEAVY ELECTRICALS LTD.	0.89%
HDFC BANK LTD.	0.88%
OIL & NATURAL GAS CORPORATION LTD.	0.86%
OTHER EQUITY	19.33%

#### MMI 12.43%



### Maturity Profile

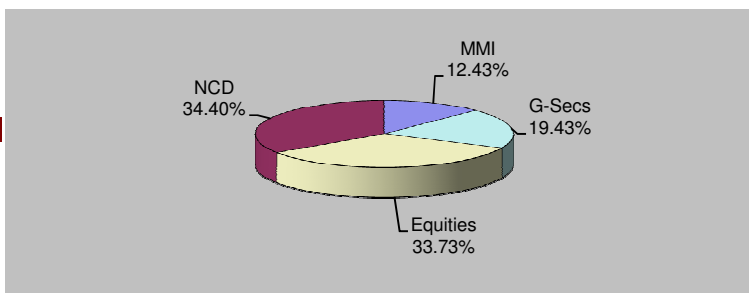


### About the Fund

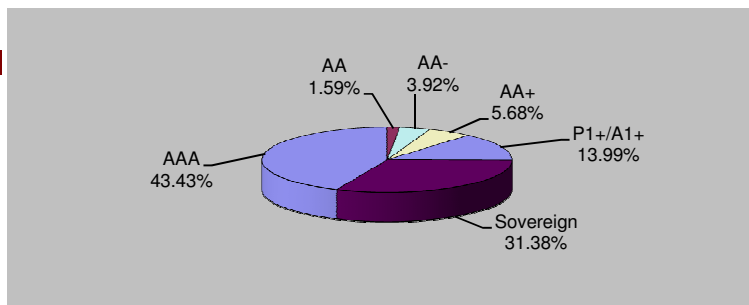
**Objective:** To grow your capital through enhanced returns over a medium to long term period through investments in equity and debt instruments, thereby providing a good balance between risk and return.

**Strategy:** To earn capital appreciation by maintaining diversified equity portfolio and seek to earn regular return on fixed income portfolio by active management resulting in wealth creation for policyholders.

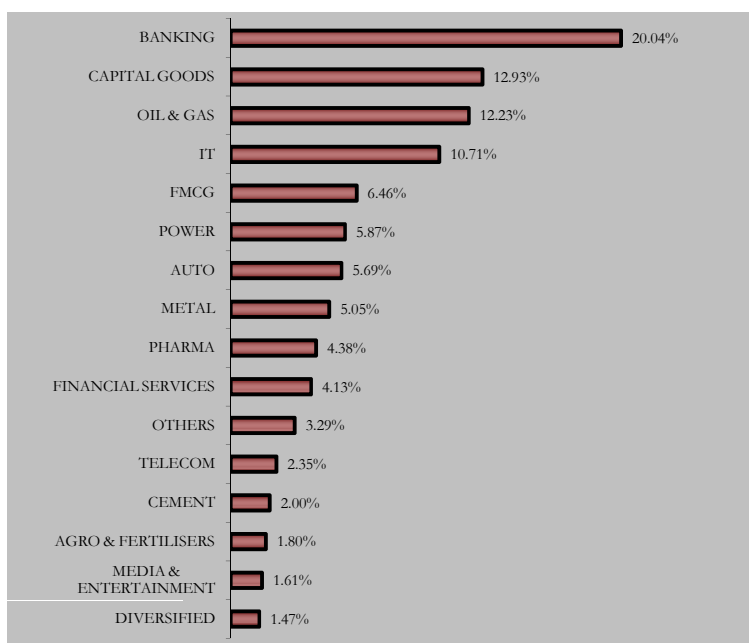
### Asset Allocation



### Rating Profile



### Sectoral Allocation





# Growth Fund

Portfolio as on 31st December 2010

## SECURITIES HOLDING

### GOVERNMENT SECURITIES 15.03%

7.8% GOVERNMENT OF INDIA 2020	3.04%
8.2% GOVERNMENT OF INDIA 2022	3.00%
6.35% GOVERNMENT OF INDIA 2020	2.43%
7.59% GOVERNMENT OF INDIA 2016	1.29%
6.9% GOVERNMENT OF INDIA 2019	1.14%
8.08% GOVERNMENT OF INDIA 2022	0.88%
8.24% GOVERNMENT OF INDIA 2027	0.86%
8.32% GOVERNMENT OF INDIA 2032	0.78%
8.3% GOVERNMENT OF INDIA 2040	0.69%
7.46% GOVERNMENT OF INDIA 2017	0.60%
OTHER GOVERNMENT SECURITIES	0.34%

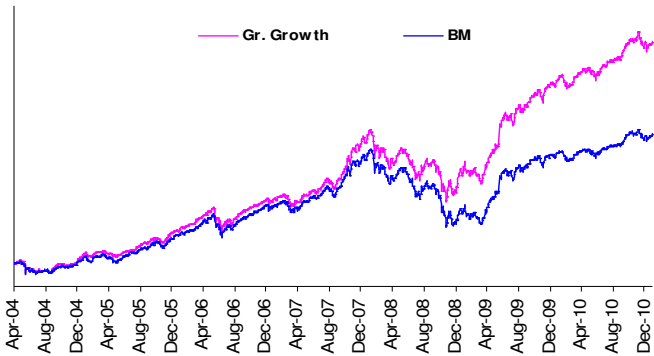
### CORPORATE DEBT 26.83%

8.7% POWER FINANCE CORPORATION LIMITED 2020	2.24%
8.48% LIC HOUSING FINANCE LTD. 2013	1.73%
5.9% HDFC BANK LTD. 2014	1.28%
8.2% INDIAN RAILWAY FINANCE CORPN. LTD. 2011	1.22%
8.95% POWER FINANCE CORPORATION LIMITED 2015	1.14%
11.45% RELIANCE INDUSTRIES LTD. 2013	1.12%
9.05% STATE BANK OF INDIA 2020	1.06%
8.75% BAJAJ AUTO FINANCE LTD. 2011	1.05%
8.7% POWER FINANCE CORPORATION LIMITED 2020	1.03%
12.65% CHOLAMANDALAM DBS FINANCE LTD. 2014	0.96%
OTHER CORPORATE DEBT	14.00%

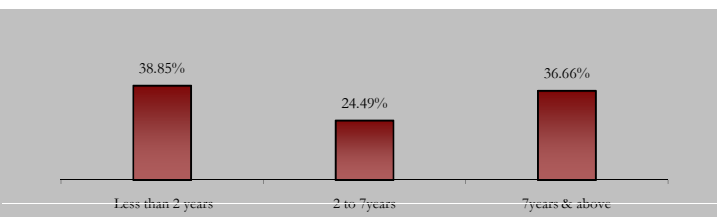
### EQUITY 46.86%

RELIANCE INDUSTRIES LTD.	3.60%
INFOSYS TECHNOLOGIES LTD.	3.14%
ICICI BANK LTD.	2.77%
LARSEN & TOUBRO LTD.	2.26%
STATE BANK OF INDIA	1.90%
ITC LTD	1.79%
HOUSING DEVELOPMENT FINANCE COR LTD	1.39%
HDFC BANK LTD.	1.25%
OIL & NATURAL GAS CORPORATION LTD.	1.23%
BHARAT HEAVY ELECTRICALS LTD.	1.22%
OTHER EQUITY	26.31%

### MMI 11.28%



Maturity Profile

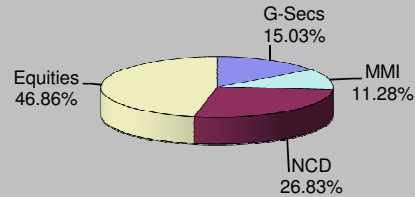


## About the Fund

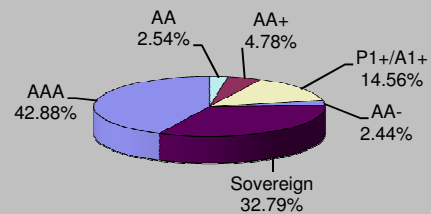
**Objective:** To achieve optimum balance between growth and stability to provide long-term capital appreciation with balanced level of risk by investing in fixed income securities and high quality equity security.

**Strategy:** To ensure capital appreciation by simultaneously investing into fixed income securities and maintaining diversified equity portfolio. Active fund management is carried out to enhance policyholder's wealth in long run.

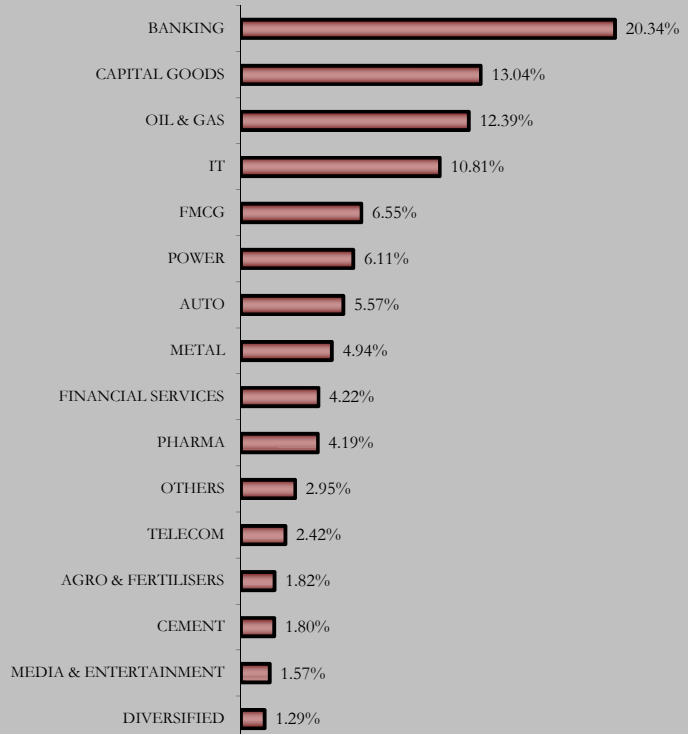
## Asset Allocation



## Rating Profile



## Sectoral Allocation





## Portfolio as on 31st December 2010

### SECURITIES HOLDING

#### GOVERNMENT SECURITIES 11.74%

8.2%	GOVERNMENT OF INDIA 2022	3.42%
7.49%	GOVERNMENT OF INDIA 2017	2.57%
6.35%	GOVERNMENT OF INDIA 2020	1.86%
8.08%	GOVERNMENT OF INDIA 2022	1.31%
8.3%	GOVERNMENT OF INDIA 2040	1.29%
7.59%	GOVERNMENT OF INDIA 2016	0.51%
7.46%	GOVERNMENT OF INDIA 2017	0.51%
7.99%	GOVERNMENT OF INDIA 2017	0.26%

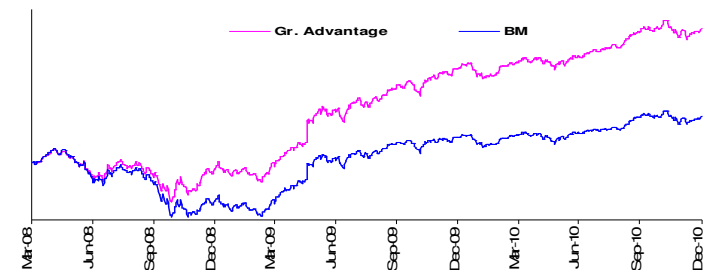
#### CORPORATE DEBT 16.05%

11.5%	RURAL ELECTRIFICATION CORP LTD 2013	4.99%
6.1%	NUCLEAR POWER CORPN. OF INDIA LTD. 20	2.41%
9.47%	POWER GRID CORPORATION LTD. 2013	1.58%
8.7%	POWER FINANCE CORPORATION LIMITED 2	1.29%
2%	INDIAN HOTELS CO. LTD. 2014	1.13%
7.75%	RURAL ELECTRIFICATION CORP LTD 2012	1.02%
7.35%	HINDUSTAN PETROLEUM CORPORATION L	1.02%
8.8%	POWER GRID CORPORATION LTD. 2019	0.78%
11.95%	HOUSING DEVELOPMENT FINANCE CORP	0.61%
10.48%	GRASIM INDUSTRIES LTD. 2013	0.54%
	OTHER CORPORATE DEBT	0.69%

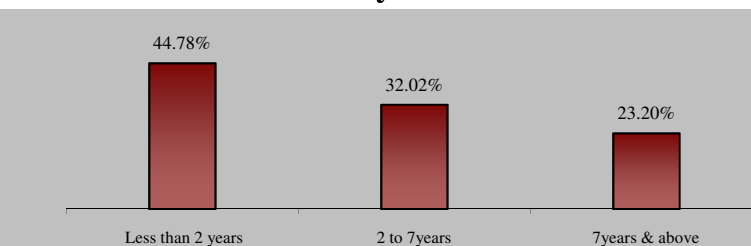
#### EQUITY 53.19%

	RELIANCE INDUSTRIES LTD.	4.57%
	INFOSYS TECHNOLOGIES LTD.	4.22%
	ICICI BANK LTD.	3.71%
	LARSEN & TOUBRO LTD.	2.98%
	ITC LTD	2.45%
	STATE BANK OF INDIA	2.22%
	OIL & NATURAL GAS CORPORATION LTD.	2.19%
	BHARTI AIRTEL LTD.	1.84%
	BHARAT HEAVY ELECTRICALS LTD.	1.65%
	TATA CONSULTANCY SERVICES LTD.	1.55%
	OTHER EQUITY	25.83%

#### MMI 19.02%



### Maturity Profile

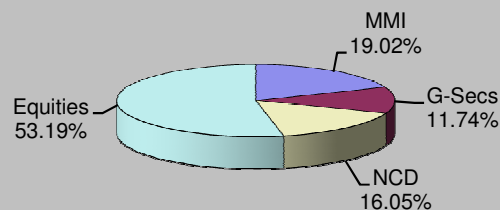


### About the Fund

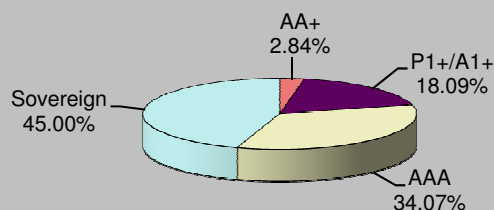
**Objective:** To provide blend of fixed return by investing in debt & money market instruments and capital appreciation by predominantly investing in equities of fundamentally strong and large blue chip companies.

**Strategy:** To build and actively manage a well-diversified equity portfolio of value & growth driven stocks by following a research-focused investment approach. While appreciating the high risk associated with equities, the fund would attempt to maximize the risk-return pay-off for the long-term advantage of the policyholders. The non-equity portion of the fund will be invested in high rated debt and money market instruments and fixed deposits.

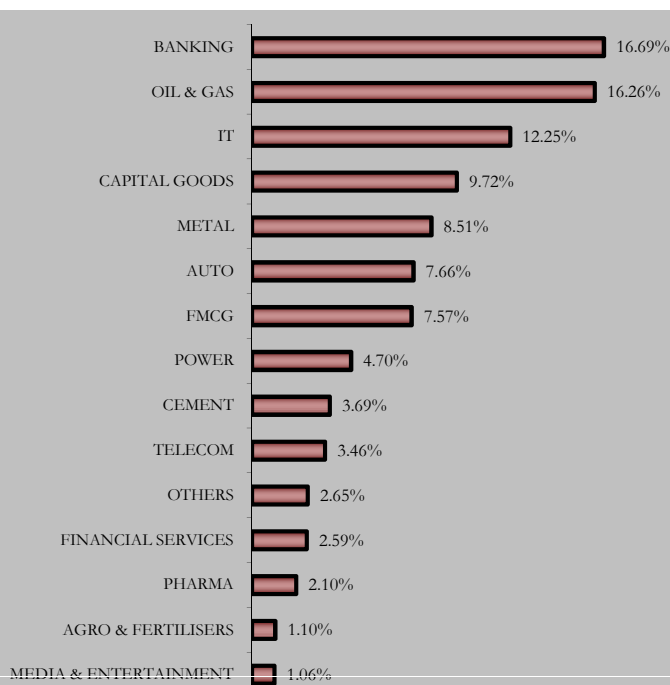
### Asset Allocation



### Rating Profile



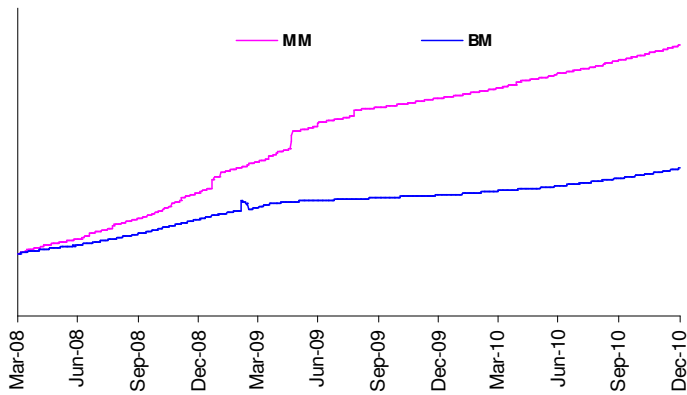
### Sectoral Allocation



## Portfolio as on 31st December 2010

SECURITIES	HOLDING
<b>GOVERNMENT SECURITIES</b>	<b>0.00%</b>
<b>CORPORATE DEBT</b>	<b>0.00%</b>
<b>EQUITY</b>	<b>0.00%</b>
<b>MMI</b>	<b>100.00%</b>

State Bank of Patiala CD ( MD 24/11/2011)	19.41%
INDIA CEMENTS LTD CP (MD 09/12/2011)	19.12%
BANK OF INDIA CD (MD 19/12/2011)	18.53%
SOUTH INDIAN BANK LTD CD ( MD 31/10/2011)	14.86%
IL&FS FINANCIAL SERVICES LTD. CP (MD 15/07/20)	10.12%
AFCONS INFRASTRUCTURE LTD. CP (MD 30/12/201)	9.67%
Other MMI	8.29%

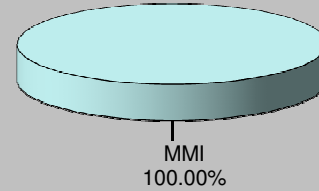


### About the Fund

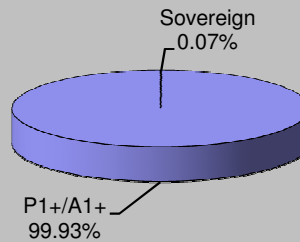
**Objective:** To provide reasonable returns, at a high level of safety and liquidity for capital conservation for the Policyholder

**Strategy:** To make judicious investments in high quality debt and money market instruments to protect capital of the Policyholder with very low level of risk

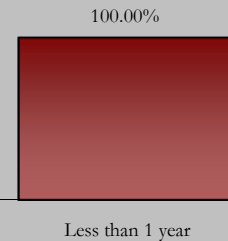
### Asset Allocation



### Rating Profile



### Maturity Profile





# Short Term Debt Fund

Portfolio as on 31st December 2010

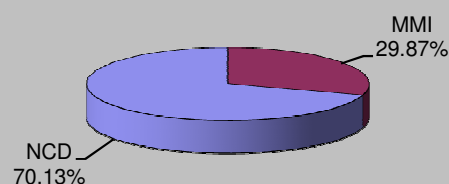
SECURITIES	HOLDING
<b>GOVERNMENT SECURITIES</b>	<b>0.00%</b>
<b>CORPORATE DEBT</b>	<b>70.13%</b>
12.25% POWER GRID CORPORATION LTD. 2011	7.69%
7.1% POWER GRID CORPORATION LTD. 2012	7.42%
10% NATIONAL BANK FOR AGRI. & RURAL DEV 20	7.02%
8.2% ASHOK LEYLAND LTD. 2014	6.88%
LIC HOUSING FINANCE LTD. 2011	5.72%
7.3% RURAL ELECTRIFICATION CORP LTD 2011	4.97%
10.1% RELIANCE INDUSTRIES LTD. 2011	4.82%
8.5% EXPORT IMPORT BANK OF INDIA 2011	4.76%
7% POWER FINANCE CORPORATION LIMITED 2011	4.69%
7.6% HOUSING DEVELOPMENT FINANCE COR LTD	4.50%
OTHER CORPORATE DEBT	11.66%
<b>SECURITISED DEBT</b>	<b>0.00%</b>
<b>MMI</b>	<b>29.87%</b>

## About the Fund

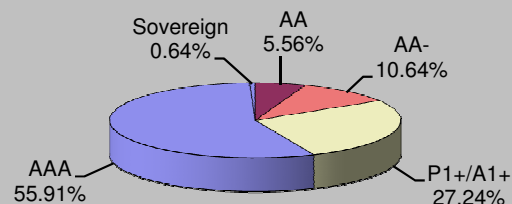
**Objective:** To provide capital preservation at a high level of safety & liquidity through judicious investments in high quality short-term debt instruments

**Strategy:** To actively manage the fund by building a portfolio of fixed income instruments with short term duration. The fund will invest in government securities, high rated corporate bonds, good quality money market instruments and other fixed income securities. The quality & duration of the assets purchased would aim to minimize the credit risk and liquidity risk of the portfolio. The fund will maintain reasonable level of liquidity.

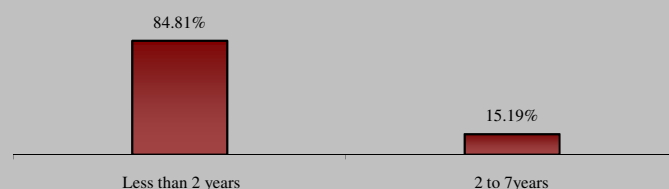
## Asset Allocation



## Rating Profile



## Maturity Profile





# Income Advantage Fund

Portfolio as on 31st December 2010

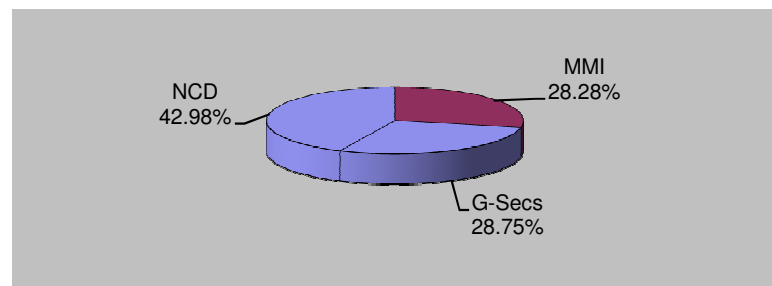
SECURITIES	HOLDING
<b>GOVERNMENT SECURITIES</b>	<b>28.75%</b>
8.26% GOVERNMENT OF INDIA 2027	9.02%
8.2% GOVERNMENT OF INDIA 2022	6.07%
8.28% GOVERNMENT OF INDIA 2032	5.66%
6.35% GOVERNMENT OF INDIA 2020	5.12%
8.08% GOVERNMENT OF INDIA 2022	2.40%
8.32% GOVERNMENT OF INDIA 2032	0.47%
<b>CORPORATE DEBT</b>	<b>42.98%</b>
8.75% INDIAN RAILWAY FINANCE CORPN. LTD. 201	4.78%
8.55% LIC HOUSING FINANCE LTD. 2011	4.75%
10.48% GRASIM INDUSTRIES LTD. 2013	4.22%
8.98% HOUSING DEVELOPMENT FINANCE COR LTI	3.83%
8.2% ASHOK LEYLAND LTD. 2015	3.62%
9.9% HOUSING DEVELOPMENT FINANCE COR LTD	3.02%
8.95% POWER FINANCE CORPORATION LIMITED 2	2.87%
10% NATIONAL BANK FOR AGRI. & RURAL DEV 20	1.93%
9.9% TATA MOTORS LTD 2020	1.93%
9.21% KOTAK MAHINDRA PRIME LTD 2012	1.91%
OTHER CORPORATE DEBT	10.12%
<b>SECURITISED DEBT</b>	<b>0.00%</b>
<b>MMI</b>	<b>28.28%</b>

## About the Fund

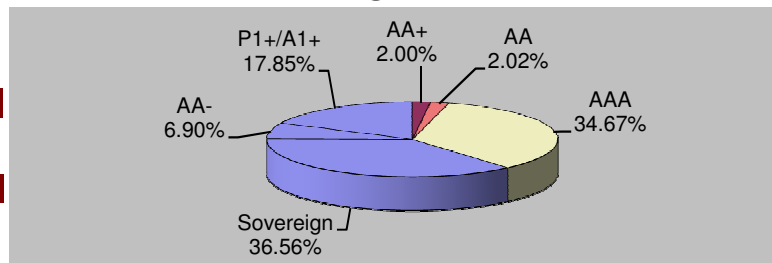
**Objective:** To provide capital preservation and regular income, at a high level of safety over a medium term horizon by investing in high quality debt instruments

**Strategy:** To actively manage the fund by building a portfolio of fixed income instruments with medium term duration. The fund will invest in government securities, high rated corporate bonds, high quality money market instruments and other fixed income securities. The quality of the assets purchased would aim to minimize the credit risk and liquidity risk of the portfolio. The fund will maintain reasonable level of liquidity.

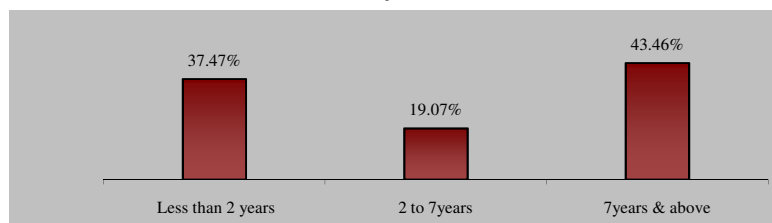
## Asset Allocation



## Rating Profile



## Maturity Profile



## Portfolio as on 31st December 2010

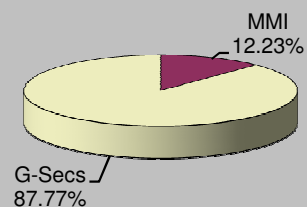
SECURITIES	HOLDING
<b>GOVERNMENT SECURITIES</b>	<b>87.77%</b>
7.59% GOVERNMENT OF INDIA 2016	43.06%
7.44% GOVERNMENT OF INDIA 2012	23.56%
6.35% GOVERNMENT OF INDIA 2020	21.15%
<b>CORPORATE DEBT</b>	<b>0.00%</b>
<b>EQUITY</b>	<b>0.00%</b>
<b>MMI</b>	<b>12.23%</b>

### About the Fund

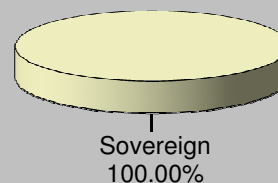
**Objective:** To deliver safe and consistent returns over a long-term period by investing in Government Securities.

**Strategy:** Active fund management at very low level of risk by having entire exposure to government securities & money market instruments, maintaining medium term duration of the portfolio to achieve capital conservation.

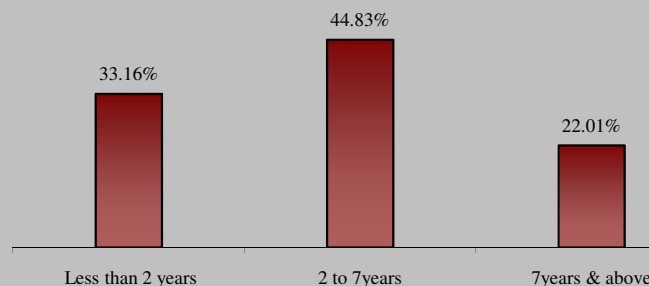
### Asset Allocation



### Rating Profile



### Maturity Profile





# Bond Fund

Portfolio as on 31st December 2010

## SECURITIES HOLDING

**GOVERNMENT SECURITIES 0.00%**

**CORPORATE DEBT 75.90%**

9.8% NATIONAL BANK FOR AGRI. & RURAL DEV 2012	5.15%
RURAL ELECTRIFICATION CORP LTD 2020	4.10%
12.65% CHOLAMANDALAM DBS FINANCE LTD. 2014	3.35%
11.5% RURAL ELECTRIFICATION CORP LTD 2013	2.71%
9.1% STATE BANK OF MYSORE 2019	2.57%
9.05% STATE BANK OF INDIA 2020	2.57%
9.25% POWER GRID CORPORATION LTD. 2012	2.56%
9.05% RALLIS INDIA LTD. 2013	2.53%
8.73% POWER GRID CORPORATION LTD. 2015	2.53%
8.78% MAHINDRA & MAHINDRA FINANCIAL SERVICES LI	2.52%
OTHER CORPORATE DEBT	45.32%

**SECURITISED DEBT 0.00%**

**EQUITY 0.00%**

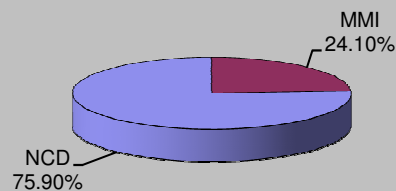
**MMI 24.10%**

### About the Fund

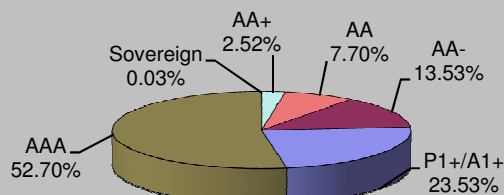
**Objective:** To achieve capital preservation along with stable returns by investing in corporate bonds over medium-term period.

**Strategy:** To invest in high credit rated corporate bonds, maintaining a short-term duration of the portfolio at a medium level of risk to achieve capital conservation.

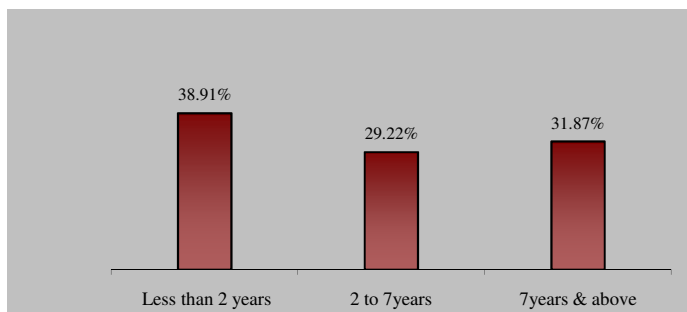
### Asset Allocation



### Rating Profile



### Maturity Profile



## Portfolio as on 31st December 2010

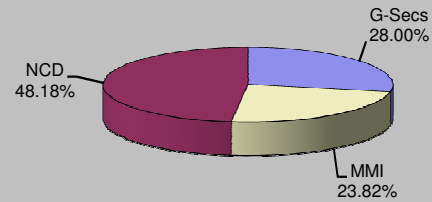
SECURITIES	HOLDING
<b>GOVERNMENT SECURITIES</b>	<b>28.00%</b>
8.08% GOVERNMENT OF INDIA 2022	8.57%
6.35% GOVERNMENT OF INDIA 2020	6.59%
8.2% GOVERNMENT OF INDIA 2023	3.65%
8.26% GOVERNMENT OF INDIA 2027	3.00%
7.99% GOVERNMENT OF INDIA 2017	2.03%
7.8% GOVERNMENT OF INDIA 2020	2.00%
8.2% GOVERNMENT OF INDIA 2022	0.85%
8.24% GOVERNMENT OF INDIA 2027	0.66%
8.3% GOVERNMENT OF INDIA 2040	0.66%
<b>CORPORATE DEBT</b>	<b>48.18%</b>
10.48% GRASIM INDUSTRIES LTD. 2013	4.18%
9.05% RALLIS INDIA LTD. 2013	3.33%
7.63% INDIAN RAILWAY FINANCE CORPN. LTD. 2013	3.26%
7.95% HOUSING DEVELOPMENT FINANCE COR LTD 20	3.26%
LIC HOUSING FINANCE LTD. 2011	3.21%
12.65% CHOLAMANDALAM DBS FINANCE LTD. 2014	2.21%
GODREJ CONSUMER PRODUCTS LTD. 2011	2.06%
9.18% TATA SONS LTD. 2020	2.04%
9.95% TATA MOTORS LTD 2020	2.04%
8.98% HOUSING DEVELOPMENT FINANCE COR LTD 20	2.02%
OTHER CORPORATE DEBT	20.59%
<b>EQUITY</b>	<b>0.00%</b>
<b>MMI</b>	<b>23.82%</b>

### About the Fund

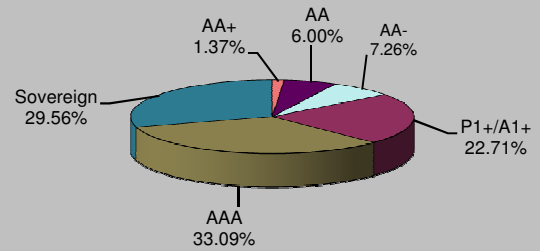
**Objective:** To achieve value creation at low risk over a long-term horizon by investing into high quality fixed interest securities.

**Strategy:** To actively manage the fund at a medium level of risk by having entire exposure to government securities, corporate bonds maintaining medium to long-term duration of the portfolio to achieve capital conservation.

### Asset Allocation



### Rating Profile



### Maturity Profile

