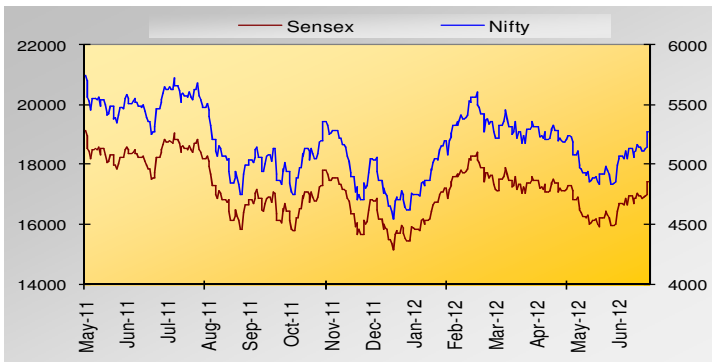
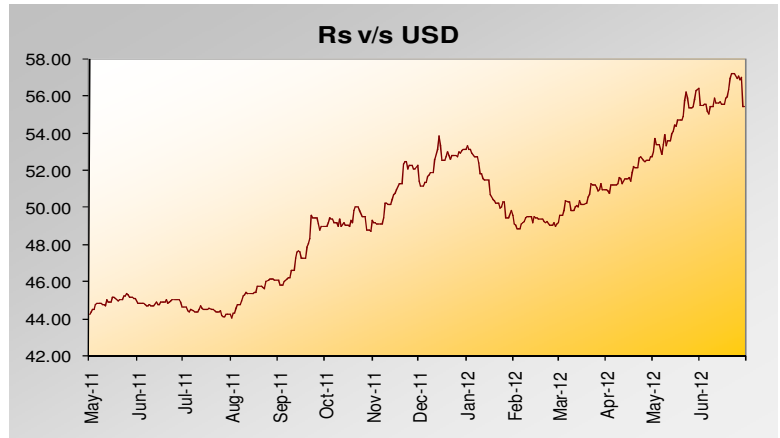
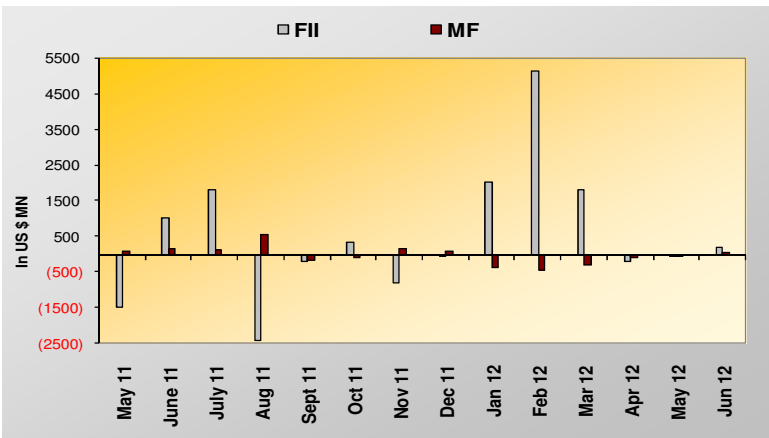


## Equity Market Outlook



Key Indices	30-Jun-12	31-May-12	% Change
Nifty	5278.90	4924.25	7.20%
Sensex	17429.98	16218.53	7.47%
BSE 100	5279.22	4942.13	6.82%
Dow Jones	12880.09	12393.45	3.93%
Nikkei	9006.78	8542.73	5.43%
Hang Seng	19441.46	18629.52	4.36%
Nasdaq	2935.05	2827.34	3.81%
KOSPI	1854.01	1843.47	0.57%

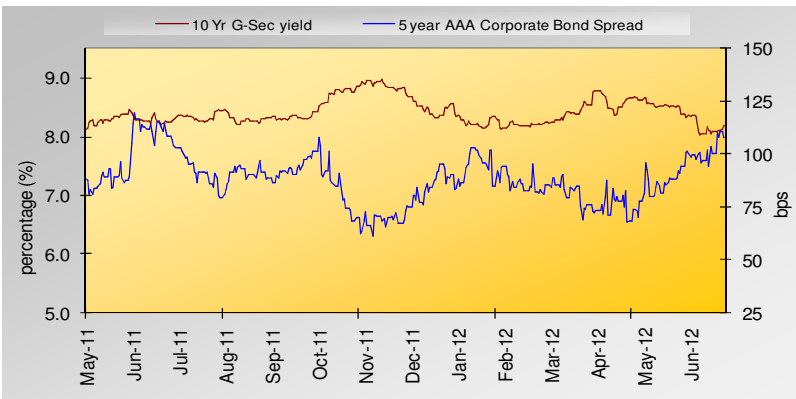
June brought in a much awaited relief recovery. Equity markets rallied 7.2% on the back of global risk-on trade following the favorable Greek re-election outcome and strong stability measures put in place in the recently concluded EU summit. More importantly, European leaders agreed to establish a new bank supervisor for the whole Eurozone and give it the power to use the ESM (European Stability Mechanism) to recapitalize troubled banks. As a result, for the first time anywhere in the world, a non-national body has taken the responsibility of recapitalizing national banks. This resulted in a global risk-on trade and equity markets, witnessed a smart pull back on strong fund flows. FII investments were positive taking their net buying for the month to US\$575Mn and YTD to US\$9.1Bn. DIIs continued to be marginal buyers for the third successive month, with a net buying of US\$219Mn in June. YTD, however, DIIs still remain net sellers to the tune of US\$3.7Bn.



India's dependence on global capital flows combined with the persistent negative current account balance has led to significant depreciation in the domestic currency. A lower INR is likely to provide huge incentives to exporters and import substitution, in turn helping domestic business activity. One big positive for our country is that the global slowdown has resulted in a lower demand for oil causing the Brent oil prices to correct from US\$127/bbl to US\$98/bbl. This impacts our current account, fiscal account and inflation positively. Though the May inflation print was in line with expectation, the markets were taken aback by the 80bps revision in March WPI from 6.9% to 7.7% and reacted negatively. The May CPI print of 10.4% firmly consolidated the rising trend in this number since inception. The trend is expected to remain elevated on the back of the hike in MSPs. The data also seems to be gaining importance in policy decision making as it found mention in RBI's policy report. The RBI met for its much-awaited policy decision in June, but its decision to leave the key rates and the CRR unchanged did not go down well with the markets. The street was expecting a 25bps cut in the repo rate following the weak growth trends, but in the light of the sticky inflation situation, the RBI decided to hold back any further loosening.

Although the Indian Met Dept continues to predict a normal monsoon this season, rainfall till June last week was nearly 23% below normal. July and August will thus be crucial months as the agri economy relies on the rainfall for irrigation and this happens to be the sowing season. A poor monsoon could potentially increase inflation worries further and pull down the GDP growth by 50-80bps. On the positive front, we are seeing signs of a sense of urgency on policy action as earlier this month the PM had a meeting with key infrastructure ministries where he announced targets for project awards in FY13 and promised quarterly monitoring of these targets. FY13, is the last big opportunity for the government to up its ante on investment-focused policies as next year, being the pre-general election year, the focus will likely be on consumption boosting measures. Certain revival signs on industrial activity front are visible as recent data on 8-core industries shows growth of 3.8% in May v/s 2.2% in April and the HSBC manufacturing PMI stood at 55 in June v/s 54.8 in the previous month. Further, small steps to improve fuel availability for power, postponement of controversial tax laws, and more investment-friendly policies for airport and road sectors are visible. We remain positive as the sentiment in the equity has improved reasonably on hopes of global stability and positive domestic policy action. The Sensex has rallied almost 10% from its bottom and is currently trading at a P/E of 13.5x one year forward earnings. The sustainability of the rally in domestic equity markets would depend on government policy action, the trajectory of monsoon and unfolding global events.

## Debt Market Outlook



Key Indices	30-Jun-12	31-May-12	% Change
10 year G-Sec	8.18%	8.50%	-3.74%
5 Year G-Sec	8.18%	8.31%	-1.56%
91 Day T Bill	8.27%	8.31%	-0.43%
364 day T-Bill	8.06%	8.19%	-1.59%
MIBOR	9.30%	9.33%	-0.32%
Call Rates	8.08%	8.11%	-0.37%
Inflation	NA	7.55%	NA

The world economy seems to be showing some signs of a recovery. Fears of a disorderly exit of Greece from the euro-zone have eased temporarily. Any potential disruption in euro-zone economy would be seen as catastrophic for the global economy. The latest data from US also shows some signs of improvement. Interest rates in the developed world are already close to zero and there is little room for further cuts and thus have to resort to further austerity.

A weakening world market coupled with monetary tightening, high inflation and policy inaction on the domestic front has resulted in a sharp deceleration in the Indian economy. A high current account deficit, falling growth and a high trade deficit have further compounded our problems.

Headline Inflation remained high at 7.55% compared to 7.23% in the previous month. The rise in inflation in May was mainly due to an increase in food prices, though core inflation fell marginally to 4.84% from 4.85%

RBI in its mid-quarter policy meeting kept policy rates unchanged, it's tone was hawkish and highlighted that real interest rates are low and growth moderation is owing to factors beyond monetary policy.

We do not expect RBI to cut rates immediately. It is likely to begin easing the rates and lowering the cash reserve ratio (CRR), only if there is a substantial drop in both headline and core inflation. On the fiscal front, rising subsidies and lower revenue will result in a higher fiscal deficit of 5.5% of GDP in FY12 versus the budget estimate of 4.6%. Liquidity in the market is expected to remain negative to the extent of Rs.75,000 crores RBI is expected to continue with its OMOs (buy back) which in turn will keep the G-Sec market upbeat.

We expect G-Sec to be range bound with the 10 year yield at ~8.15%. Corporate bond spreads at around 90 basis points, can be expected to remain unchanged.



## Learning Curve

### Debt Market and its importance in asset allocation

Debt Market encompasses a variety of debt obligation types such as bonds, loans, bank certificates of deposit, commercial papers etc. It is the market where fixed income securities of various types and features are issued and traded. Debt Markets are therefore, markets for fixed income securities issued by Central and State Governments, Municipal Corporations, Govt. bodies and commercial entities like Financial Institutions, Banks, Public Sector Units, Public Ltd. companies and also structured finance instruments. These securities offer expected stream of payments by way of interest and repayment of principal at the maturity of the instrument.

The main feature of fixed income products is legal, contractual obligation for the issuing entity to pay the creditor a stated rate of interest plus the full principal invested over a defined time period. This contractual obligation is what makes it a lower-risk asset class. The securities are issued by eligible entities against the money borrowed by them from the investors in these instruments. Therefore, most debt securities carry a charge on the assets of the entity which provide a reasonable degree of safety by way of the security of the fixed and/or movable assets of the company. There are several benefits to investing in Fixed income securities, including steady income, diversification, principal protection, and potential tax benefits.

Indians are aggressive savers inherently, and this has been proven by the fact that India has one of the highest household saving rates globally. In last few years (FY05-09), Indian household's average net savings have been to the tune of Rs 10 Tn. Though aggressive in savings, Indians are conservative investors. Overall, less than 50% of the annual savings are invested in financial assets & within financial savings, ~55% gets parked in bank deposits and another 10% stays in the form of hard currency.

We are seeing a gradual shift in the household savings in favour of financial assets. In recent times, due to the volatility in the equity markets, financial savings are witnessing a shift from equities to debt. The insurance industry offers long-term debt savings options to investors through both traditional funds as well as ULIP debt funds.

Debt helps build capital over a longer period of time. Moreover, it provides regular income and preserves capital. As you grow older, it is advisable to increase your allocation towards debt. When interest rates are high, investing in debt instruments allow locking into these high interest rates, thereby giving high returns. At Birla Sun Life all our debt funds have outperformed their respective benchmarks since inception and have given consistent return to our investors. Also, it is important to balance the need for safety with capital appreciation of stocks. This need is served by investing in a balanced fund which has exposure to both, debt and equity. This combination of debt and equity diversifies the risk, and at the same time increases expected returns thereby helping an investor get the best of both worlds. At Birla Sun Life we provide a range of funds from 100% Debt to 100% Equity to cater to all risk profiles. An investor may also choose to initially invest in 100% Equity, and switch in between to a balanced fund such as Creator Fund (equity exposure: 30% - 50%) and finally switch to Income Advantage Fund (100% Debt exposure), thus enjoying the returns of an appropriate asset mix that matches his age and risk profile.

A judicious mix of debt and equity is desirable and forms an integral part of any asset allocation. Once allocated, the portfolio should be monitored regularly to check for the change in the risk profile of the investor as well as his changing objective. With changing circumstances one may need to rebalance his portfolio so as to have the correct amount of exposure reflecting his risk appetite.

**Devendra Singhvi**  
Head – Fixed Income



## FUND PERFORMANCE AS ON 30th JUNE 2012

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	5.62%	4.75%	3.39%	2.68%	0.84%	0.58%	0.15%	-0.83%
Last 2 years	5.01%	4.10%	3.91%	3.06%	2.67%	1.98%	3.06%	1.23%
Last 3 years	6.83%	5.12%	7.21%	5.30%	8.21%	5.41%	9.42%	5.44%
Last 4 year	10.73%	6.57%	10.70%	6.78%	13.08%	6.83%	15.72%	6.78%
Last 5 years	9.84%	5.60%	9.16%	5.52%	11.76%	5.41%	-	-
Since Inception	10.90%		13.96%		15.51%		12.24%	

<b>Asset Held (Rs. In Crores)</b>	<b>707</b>	<b>352</b>	<b>198</b>	<b>19</b>
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GROUP Inception Date	Money Market 30-Mar-05		Bond 28-Jan-07		Fixed Interest 18-Nov-02		Short Term Debt 10-Dec-08		Income Advantage 23-Mar-10	
	Fund Return	BM	Fund Return	BM	Fund Return	BM	Fund Return	BM	Fund Return	BM
Last 1 year	9.27%	7.44%	10.91%	-	11.80%	7.45%	9.59%	7.57%	15.16%	7.45%
Last 2 years	8.74%	6.69%	8.42%	-	8.90%	5.40%	8.69%	5.96%	10.45%	5.39%
Last 3 years	8.02%	5.16%	8.67%	-	9.21%	4.78%	8.01%	-	-	-
Last 4 year	10.52%	5.66%	12.26%	-	13.84%	6.05%	-	-	-	-
Last 5 years	10.92%	-	11.84%	-	12.54%	5.33%	-	-	-	-
Since Inception	9.60%		11.50%		8.50%		8.68%		10.04%	

<b>Asset Held (Rs. In Crores)</b>	<b>201</b>	<b>163</b>	<b>121</b>	<b>69</b>	<b>1</b>
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<u>Fund Name</u>	<u>Benchmark Composition</u>		<u>SFIN</u>
Secure	BSE 100	Crisil Composite Bond Index	ULGF00212/06/01BSLGSECURE109
Stable	BSE 100	Crisil Composite Bond Index	ULGF00312/06/01BSLGGSTABLE109
Growth	BSE 100	Crisil Composite Bond Index	ULGF00112/06/01BSLGGGROWTH109
Growth Advantage	BSE 100	Crisil Composite Bond Index	ULGF01026/11/07BSLIGGRADV109
Money Market	-	Crisil Liquid Fund Index	ULGF00824/08/04BSLIGRMMKT109
Income Advantage	-	Crisil Composite Bond Index	ULGF01425/02/10BSLGINCADV109
Fixed Interest	-	Crisil Composite Bond Index	ULGF00416/07/02BSLGFIXINT109
Short Term Debt Fund	-	Crisil Short Term Bond Index	ULGF01322/09/08BSLGSHTDBT109
Bond Fund	-	-	ULGF00530/05/03BSLIGRBOND109

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## Portfolio as on 30th June 2012

### SECURITIES HOLDING

#### GOVERNMENT SECURITIES 23.03%

7.8%	GOVERNMENT OF INDIA 2021	4.17%
8.2%	GOVERNMENT OF INDIA 2022	2.76%
8.79%	GOVERNMENT OF INDIA 2021	2.28%
8.13%	GOVERNMENT OF INDIA 2022	2.16%
8.26%	GOVERNMENT OF INDIA 2027	2.01%
8.28%	GOVERNMENT OF INDIA 2032	1.37%
8.28%	GOVERNMENT OF INDIA 2027	1.14%
6.35%	GOVERNMENT OF INDIA 2020	0.94%
8.08%	GOVERNMENT OF INDIA 2022	0.83%
6.05%	GOVERNMENT OF INDIA 2019	0.82%
	OTHER GOVERNMENT SECURITIES	4.52%

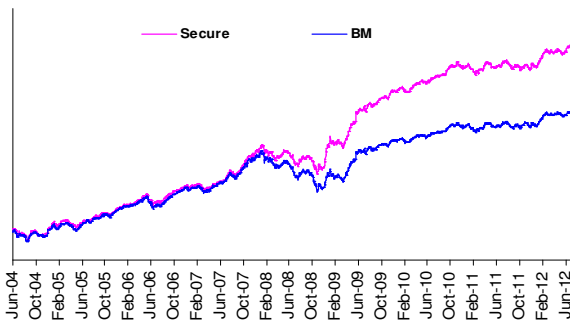
#### CORPORATE DEBT 32.54%

8.9%	STEEL AUTHORITY OF INDIA LTD. 2019	2.68%
9.15%	LARSEN AND TOUBRO LTD. 2019	2.39%
11.45%	RELIANCE INDUSTRIES LTD. 2013	1.59%
10.9%	RURAL ELECTRIFICATION CORPN. LTD. 2013	1.46%
9.95%	TATA MOTORS LTD. 2020	1.24%
11.5%	RURAL ELECTRIFICATION CORPN. LTD. 2013	1.13%
8.7%	POWER FINANCE CORPN. LTD. 2020	1.09%
9.05%	RALLIS INDIA LTD. 2013	1.08%
10.25%	TECH MAHINDRA LTD. 2014	1.00%
10.48%	SUNDARAM FINANCE LTD. 2013	0.88%
	OTHER CORPORATE DEBT	18.00%

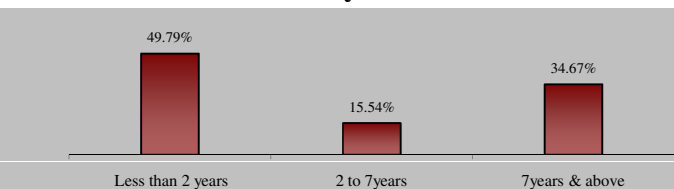
#### EQUITY 17.90%

	IT C LTD.	1.29%
	I C I C I BANK LTD.	1.25%
	INFOSYS LTD.	1.20%
	RELIANCE INDUSTRIES LTD.	1.19%
	STATE BANK OF INDIA	0.82%
	H D F C BANK LTD.	0.78%
	LARSEN AND TOUBRO LTD.	0.77%
	HOUSING DEVELOPMENT FINANCE CORPN. LTD.	0.64%
	BHARTI AIRTEL LTD.	0.54%
	HINDUSTAN UNILEVER LTD.	0.50%
	OTHER EQUITY	8.92%

#### MMI 26.54%



### Maturity Profile

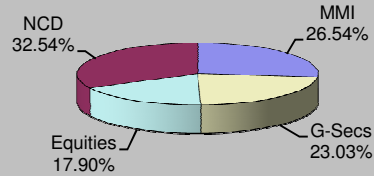


### About the Fund

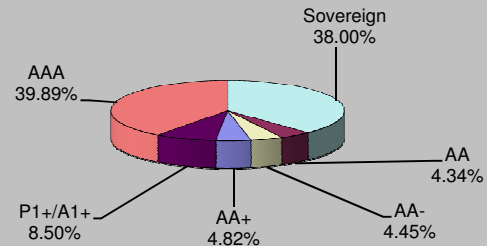
**Objective:** To build capital and generate better returns at moderate level of risk, over a medium or long-term period through a balance of investment in equity and debt.

**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.

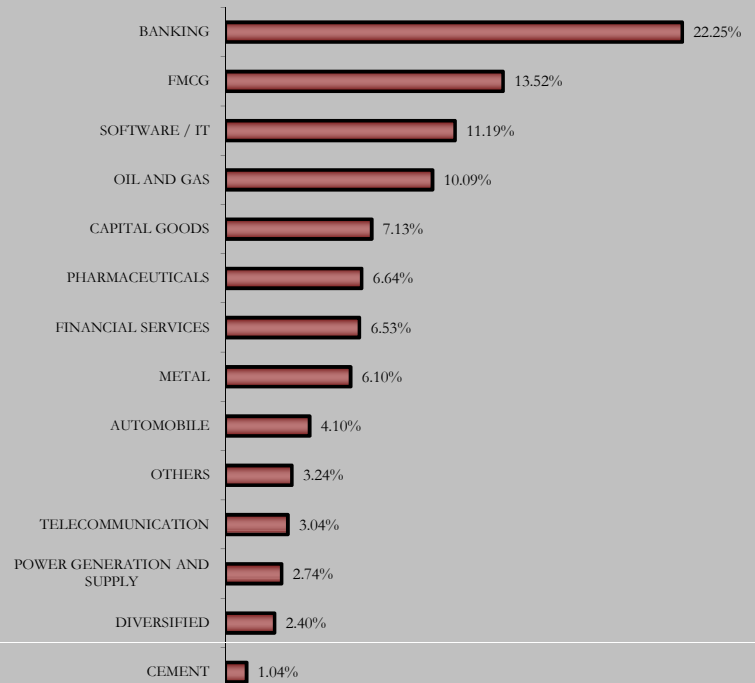
### Asset Allocation



### Rating Profile



### Sectoral Allocation

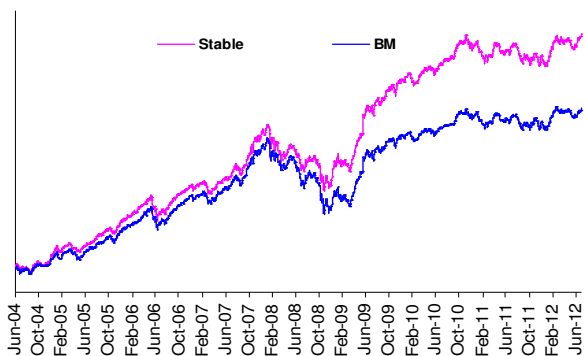


## Portfolio as on 30th June 2012

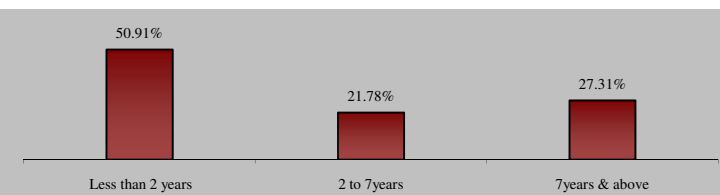
SECURITIES	HOLDING
<b>GOVERNMENT SECURITIES</b>	<b>19.74%</b>
8.79% GOVERNMENT OF INDIA 2021	3.06%
7.8% GOVERNMENT OF INDIA 2021	2.40%
8.28% GOVERNMENT OF INDIA 2032	2.40%
8.2% GOVERNMENT OF INDIA 2022	1.92%
8.08% GOVERNMENT OF INDIA 2022	1.74%
8.3% GOVERNMENT OF INDIA 2040	1.37%
7.59% GOVERNMENT OF INDIA 2015	1.21%
7.46% GOVERNMENT OF INDIA 2017	1.17%
7.5% GOVERNMENT OF INDIA 2034	1.14%
8.26% GOVERNMENT OF INDIA 2027	1.05%
OTHER GOVERNMENT SECURITIES	2.29%
<b>CORPORATE DEBT</b>	<b>30.45%</b>
8.65% RURAL ELECTRIFICATION CORPN. LTD. 2019	2.67%
9.45% RURAL ELECTRIFICATION CORPN. LTD. 2013	2.44%
9.5% NATIONAL BANK FOR AGRI. AND RURAL DEVELOPM	1.98%
11.4% POWER FINANCE CORPN. LTD. 2013	1.59%
10.1% POWER GRID CORPN. OF INDIA LTD. 2017	1.45%
9.4% NATIONAL HOUSING BANK 2013	1.41%
8.9% POWER FINANCE CORPN. LTD. 2014	1.40%
12.65% CHOLAMANDALAM INVESTMENT AND FINANCE C	1.31%
9.4% POWER FINANCE CORPN. LTD. 2013	1.16%
8.78% MAHINDRA AND MAHINDRA FINANCIAL SERVICES I	1.13%
OTHER CORPORATE DEBT	13.88%

EQUITY	31.56%
ITC LTD.	2.25%
ICICI BANK LTD.	2.19%
INFOSYS LTD.	2.08%
RELIANCE INDUSTRIES LTD.	2.07%
STATE BANK OF INDIA	1.43%
HDFC BANK LTD.	1.37%
LARSEN AND TOUBRO LTD.	1.34%
HOUSING DEVELOPMENT FINANCE CORPN. LTD.	1.11%
BHARTI AIRTEL LTD.	0.93%
HINDUSTAN UNILEVER LTD.	0.87%
OTHER EQUITY	15.92%

MMI	18.25%
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### Maturity Profile

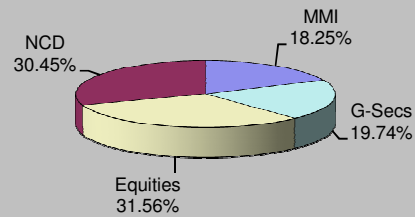


### About the Fund

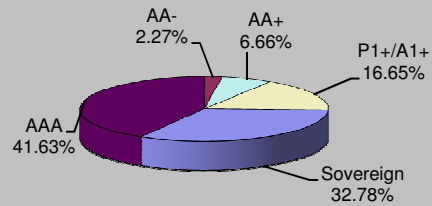
**Objective:** To grow your capital through enhanced returns over a medium to long term period through investments in equity and debt instruments, thereby providing a good balance between risk and return.

**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.

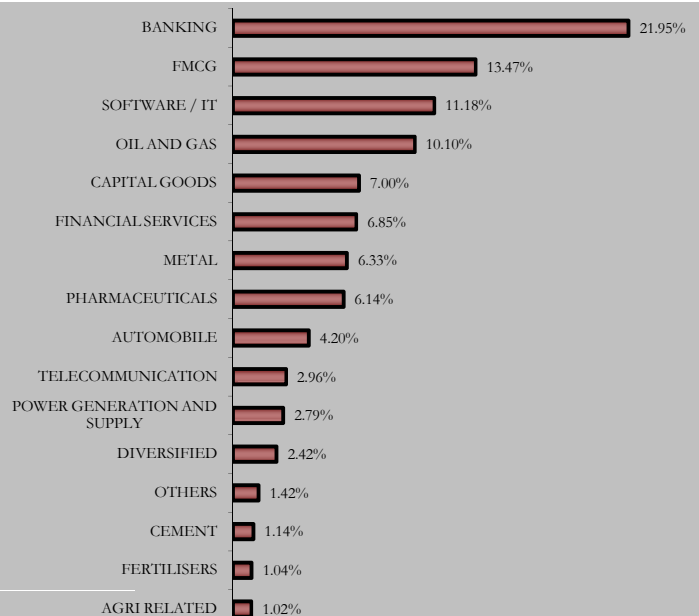
### Asset Allocation



### Rating Profile



### Sectoral Allocation



## Portfolio as on 30th June 2012

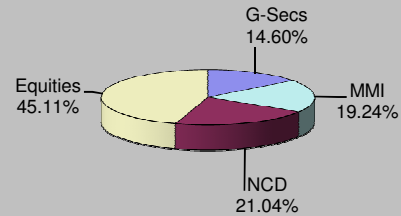
SECURITIES	HOLDING
<b>GOVERNMENT SECURITIES</b>	<b>14.60%</b>
7.8% GOVERNMENT OF INDIA 2021	4.22%
8.2% GOVERNMENT OF INDIA 2022	3.75%
8.79% GOVERNMENT OF INDIA 2011	1.82%
7.59% GOVERNMENT OF INDIA 2016	1.65%
8.08% GOVERNMENT OF INDIA 2022	1.10%
8.3% GOVERNMENT OF INDIA 2040	0.86%
6.9% GOVERNMENT OF INDIA 2019	0.51%
7.02% GOVERNMENT OF INDIA 2016	0.43%
9.15% GOVERNMENT OF INDIA 2024	0.27%
<b>CORPORATE DEBT</b>	<b>21.04%</b>
8.7% POWER FINANCE CORPN. LTD. 2020	4.09%
8.48% L I C HOUSING FINANCE LTD. 2013	2.19%
5.9% H D F C BANK LTD. 2014	1.66%
8.95% POWER FINANCE CORPN. LTD. 2015	1.40%
10.05% MARICO LTD. 2013	1.32%
9.4% NATIONAL BANK FOR AGRI. AND RURAL DEVELOPM	1.31%
8.5% INFRASTRUCTURE DEVELOPMENT FINANCE CO. LTD	1.31%
9.05% STATE BANK OF INDIA 2020	1.28%
8.2% ASHOK LEYLAND LTD. 2015	0.96%
9.76% INDIAN RAILWAY FINANCE CORPN. LTD. 2012	0.91%
OTHER CORPORATE DEBT	4.61%
<b>EQUITY</b>	<b>45.11%</b>
I T C LTD.	3.21%
I C I C I BANK LTD.	3.12%
INFOSYS LTD.	2.97%
RELIANCE INDUSTRIES LTD.	2.95%
STATE BANK OF INDIA	2.04%
H D F C BANK LTD.	1.94%
LARSEN AND TOUBRO LTD.	1.90%
HOUSING DEVELOPMENT FINANCE CORPN. LTD.	1.57%
BHARTI AIRTEL LTD.	1.33%
HINDUSTAN UNILEVER LTD.	1.26%
OTHER EQUITY	22.82%
<b>MMI</b>	<b>19.24%</b>

### About the Fund

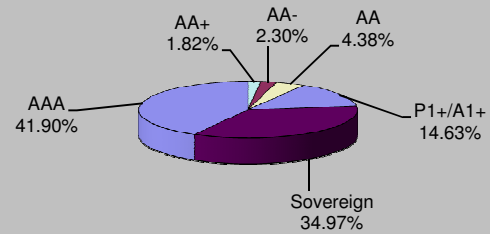
**Objective:** To achieve optimum balance between growth and stability to provide long-term capital appreciation with balanced level of risk by investing in fixed income securities and high quality equity security.

**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.

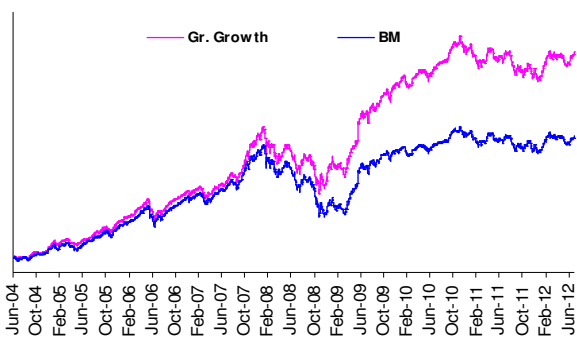
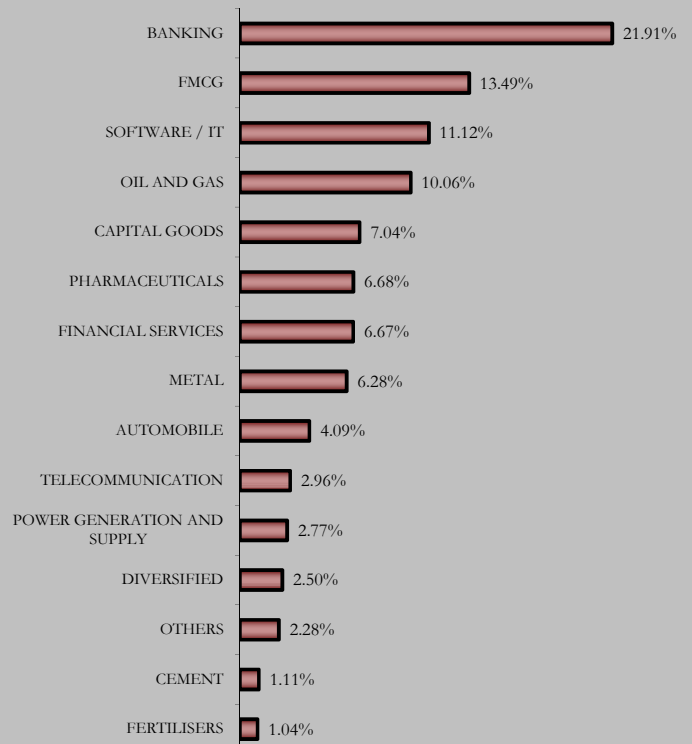
### Asset Allocation



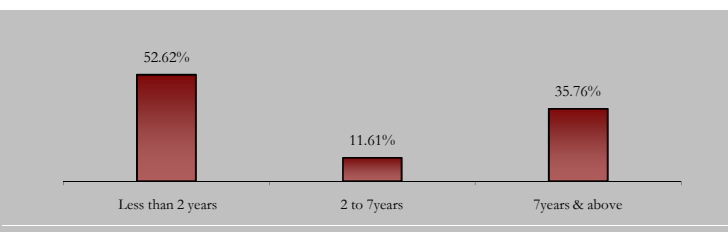
### Rating Profile



### Sectoral Allocation



### Maturity Profile



## Portfolio as on 30th June 2012

### SECURITIES HOLDING

#### GOVERNMENT SECURITIES 12.39%

7.8% GOVERNMENT OF INDIA 2021	3.31%
8.97% GOVERNMENT OF INDIA 2030	2.74%
8.2% GOVERNMENT OF INDIA 2022	1.41%
7.49% GOVERNMENT OF INDIA 2017	1.29%
8.3% GOVERNMENT OF INDIA 2040	1.27%
8.79% GOVERNMENT OF INDIA 2021	0.54%
7.59% GOVERNMENT OF INDIA 2016	0.52%
8.08% GOVERNMENT OF INDIA 2022	0.52%
7.46% GOVERNMENT OF INDIA 2017	0.51%
7.99% GOVERNMENT OF INDIA 2017	0.26%

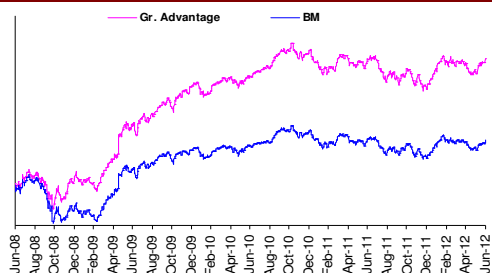
#### CORPORATE DEBT 15.51%

11.5% RURAL ELECTRIFICATION CORPN. LTD. 201	3.25%
10.9% RURAL ELECTRIFICATION CORPN. LTD. 201	2.68%
6.1% NUCLEAR POWER CORPN. OF INDIA LTD. 20	2.51%
9.47% POWER GRID CORPN. OF INDIA LTD. 2013	1.98%
2% INDIAN HOTELS CO. LTD. 2014	1.26%
7.75% RURAL ELECTRIFICATION CORPN. LTD. 201	1.05%
8.7% POWER FINANCE CORPN. LTD. 2020	1.02%
8.8% POWER GRID CORPN. OF INDIA LTD. 2019	0.64%
11.95% HOUSING DEVELOPMENT FINANCE CORP	0.59%
10.48% ULTRATECH CEMENT LTD. 2013	0.53%

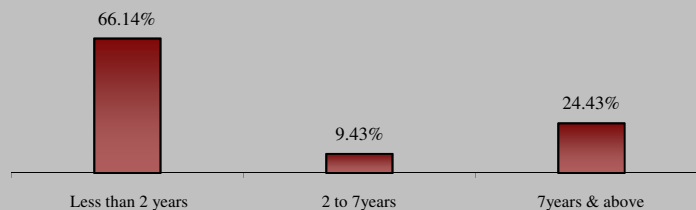
#### EQUITY 52.57%

I T C LTD.	3.86%
I C I C I BANK LTD.	3.74%
INFOSYS LTD.	3.55%
RELIANCE INDUSTRIES LTD.	3.54%
H D F C BANK LTD.	2.49%
STATE BANK OF INDIA	2.45%
LARSEN AND TOUBRO LTD.	2.29%
HOUSING DEVELOPMENT FINANCE CORPN. LTD.	1.89%
BHARTI AIRTEL LTD.	1.61%
HINDUSTAN UNILEVER LTD.	1.52%
OTHER EQUITY	25.63%

#### MMI 19.53%



Maturity Profile

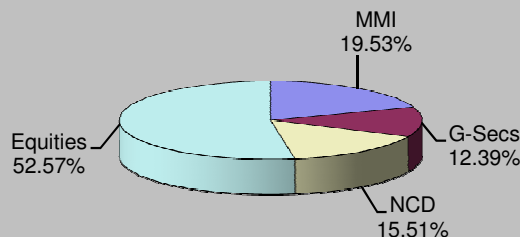


### About the Fund

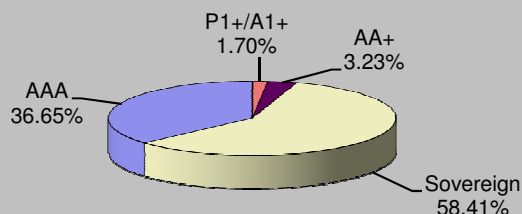
**Objective:** To provide blend of fixed return by investing in debt & money market instruments and capital appreciation by predominantly investing in equities of fundamentally strong and large blue chip companies.

**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.

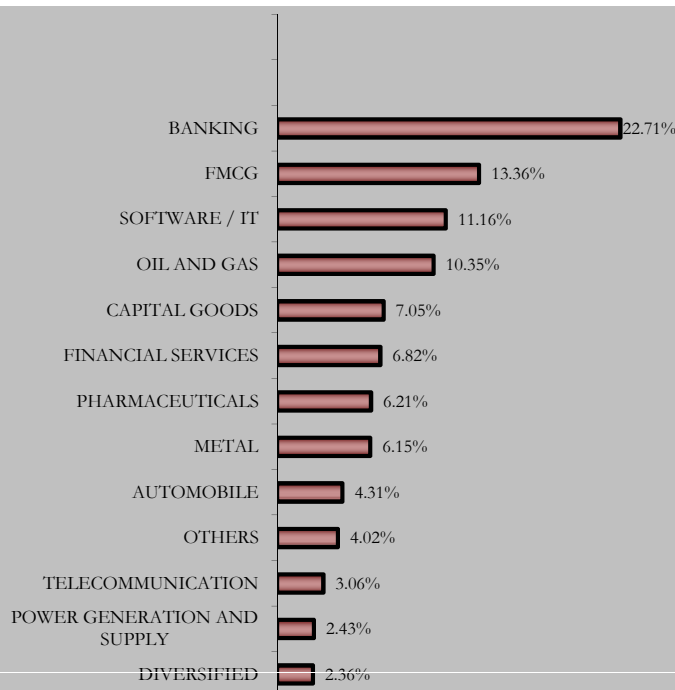
### Asset Allocation



### Rating Profile



### Sectoral Allocation





## Portfolio as on 30th June 2012

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>

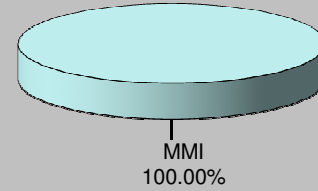
10.90% CANARA BANK FD QUARTERLY COMP (MD	9.97%
ORIENTAL BANK OF COMMERCE CD (MD 20/03/20	8.47%
ADITYA BIRLA NUVO LTD CP (MD 07/08/2012)	7.63%
10.51% BANK OF BARODA FD QUARTERLY COMP (	7.48%
AFCONS INFRASTRUCTURE LTD. CP (MD 09/11/201	7.21%
BANK OF INDIA CD (MD 20/03/2013)	6.96%
VIJAYA BANK CD ( MD 26/03/2013)	6.83%
INFRASTRUCTURE DEVELOPMENT FINANCE CO.	6.10%
10.90 PUNJAB AND NATIONAL BANK FD QTR (MD :	4.99%
10.40% CORPORATION BANK FD QTR COMP (MD 0:	4.99%
Others	29.38%

### About the Fund

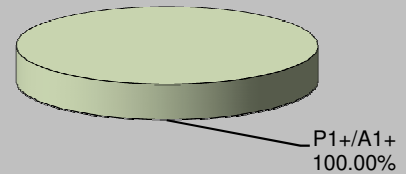
**Objective:** To provide reasonable returns, at a high level of safety and liquidity for capital conservation for the Policyholder

**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

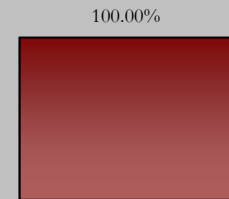
### Asset Allocation



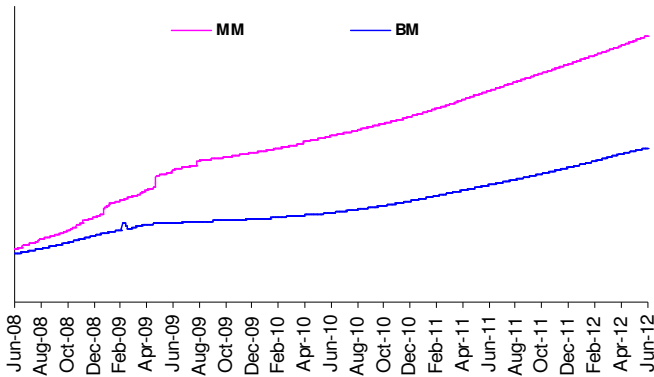
### Rating Profile



### Maturity Profile



Less than 1 year





# Short Term Debt Fund

ULGF01322/09/08BSLGSHTDBT109

Portfolio as on 30th June 2012

SECURITIES	HOLDING
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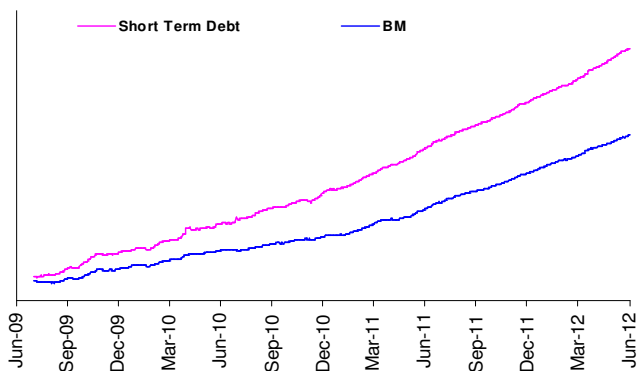
<b>GOVERNMENT SECURITIES</b>	<b>0.00%</b>
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<b>CORPORATE DEBT</b>	<b>41.46%</b>
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9.65% NATIONAL BANK FOR AGRI. AND RURAL DE	4.49%
8.5% INFRASTRUCTURE DEVELOPMENT FINANCE C	4.05%
8% MAHINDRA VEHICLE MANUFACTURERS LIMITE	3.97%
10.6499% CHOLAMANDALAM INVESTMENT AND FI	3.78%
9.63% POWER FINANCE CORPN. LTD. 2014	3.63%
9.72% INFRASTRUCTURE DEVELOPMENT FINANCE	3.63%
7.35% HINDUSTAN PETROLEUM CORPN. LTD. 2012	3.17%
9.85% HOUSING DEVELOPMENT FINANCE CORPN.	2.93%
10.48% SUNDARAM FINANCE LTD. 2013	2.63%
7.75% RURAL ELECTRIFICATION CORPN. LTD. 2012	2.59%
OTHER CORPORATE DEBT	6.59%

<b>SECURITISED DEBT</b>	<b>0.00%</b>
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<b>MMI</b>	<b>58.54%</b>
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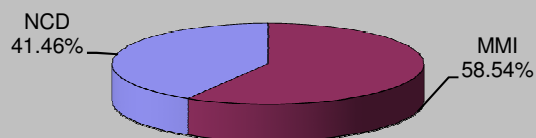


## About the Fund

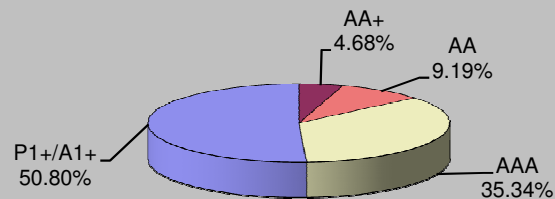
**Objective:** To provide capital preservation at a high level of safety & liquidity through judicious investments in high quality short-term debt instruments

**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.

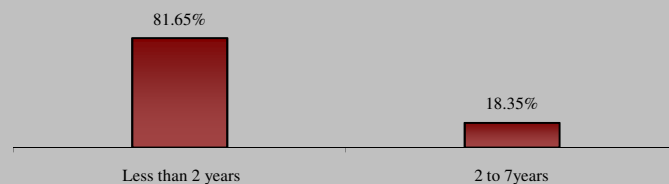
## Asset Allocation



## Rating Profile



## Maturity Profile



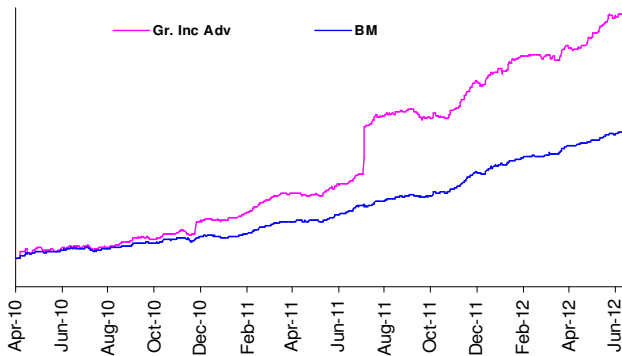


# Income Advantage Fund

ULGF01425/02/10BSLGINCADV109

Portfolio as on 30th June 2012

SECURITIES	HOLDING
<b>GOVERNMENT SECURITIES</b>	<b>32.52%</b>
8.08% GOVERNMENT OF INDIA 2022	12.65%
8.2% GOVERNMENT OF INDIA 2022	11.05%
8.79% GOVERNMENT OF INDIA 2021	8.81%
<b>CORPORATE DEBT</b>	<b>43.88%</b>
10.6% INDIAN RAILWAY FINANCE CORPN. LTD. 201	9.13%
10.1% HDB FINANCIAL SERVICES LTD 2017	8.79%
9.9% HOUSING DEVELOPMENT FINANCE CORPN. I	8.76%
10.48% ULTRATECH CEMENT LTD. 2013	8.68%
7.75% RURAL ELECTRIFICATION CORPN. LTD. 2012	8.52%
<b>SECURITISED DEBT</b>	<b>0.00%</b>
<b>MMI</b>	<b>23.60%</b>

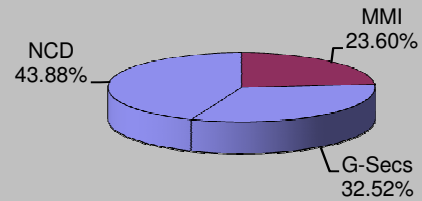


## About the Fund

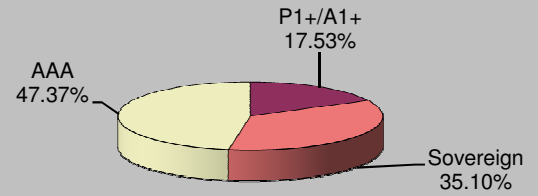
**Objective:** To provide capital preservation and regular income, at a high level of safety over a medium term horizon by investing in high quality debt instruments

**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.

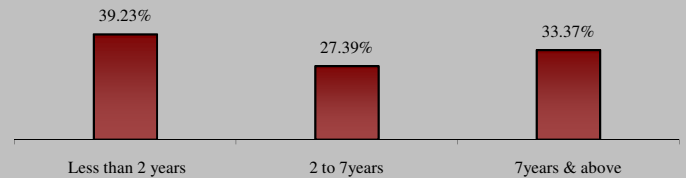
## Asset Allocation



## Rating Profile



## Maturity Profile



**Portfolio as on 30th June 2012**

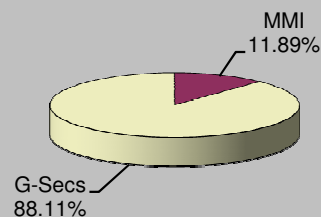
SECURITIES	HOLDING
<b>GOVERNMENT SECURITIES</b>	<b>88.11%</b>
5.64% GOVERNMENT OF INDIA 2019	13.45%
8.97% GOVERNMENT OF INDIA 2030	13.42%
8.79% GOVERNMENT OF INDIA 2021	13.27%
8.35% GOVERNMENT OF INDIA 2022	12.91%
7.46% GOVERNMENT OF INDIA 2017	12.51%
9.15% GOVERNMENT OF INDIA 2024	6.82%
8.2% GOVERNMENT OF INDIA 2022	6.47%
8.28% GOVERNMENT OF INDIA 2027	6.35%
7.61% GOVERNMENT OF INDIA 2015	2.55%
7.59% GOVERNMENT OF INDIA 2016	0.24%
OTHER GOVERNMENT SECURITIES	0.12%
<b>CORPORATE DEBT</b>	<b>0.00%</b>
<b>EQUITY</b>	<b>0.00%</b>
<b>MMI</b>	<b>11.89%</b>

**About the Fund**

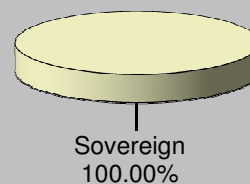
**Objective:** To deliver safe and consistent returns over a long-term period by investing in Government Securities.

**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.

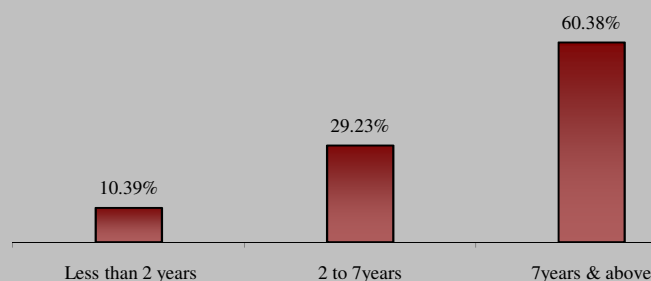
**Asset Allocation**



**Rating Profile**



**Maturity Profile**





## Portfolio as on 30th June 2012

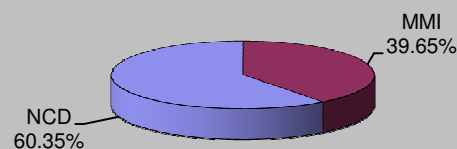
SECURITIES	HOLDING
<b>GOVERNMENT SECURITIES</b>	<b>0.00%</b>
<b>CORPORATE DEBT</b>	<b>60.35%</b>
2% TATA STEEL LTD. 2022	4.83%
9.8% L I C HOUSING FINANCE LTD. 2014	3.46%
9.35% RURAL ELECTRIFICATION CORPN. LTD. 2022	3.38%
8.73% POWER GRID CORPN. OF INDIA LTD. 2015	3.01%
7.7% N H P C LTD. 2014	2.98%
9.75% TATA MOTORS LTD. 2020	2.87%
9.45% L I C HOUSING FINANCE LTD. 2022	2.47%
12.65% CHOLAMANDALAM INVESTMENT AND FINANCE	2.46%
11.3% A C C LTD. 2013	2.39%
10.48% ULTRATECH CEMENT LTD. 2013	2.36%
OTHER CORPORATE DEBT	30.15%
<b>SECURITISED DEBT</b>	<b>0.00%</b>
<b>EQUITY</b>	<b>0.00%</b>
<b>MMI</b>	<b>39.65%</b>

### About the Fund

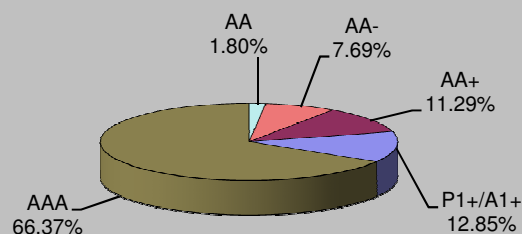
**Objective:** To achieve capital preservation along with stable returns by investing in corporate bonds over medium-term period.

**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.

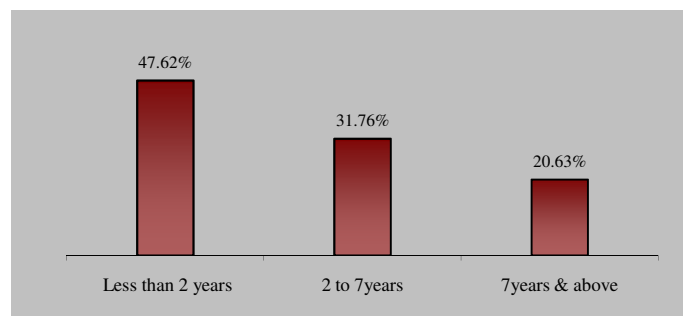
### Asset Allocation



### Rating Profile



### Maturity Profile



## Portfolio as on 30th June 2012

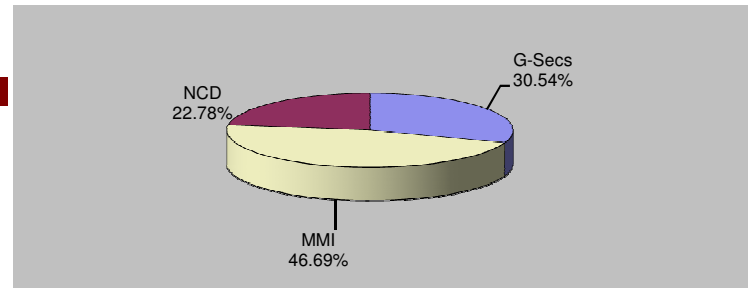
SECURITIES	HOLDING
<b>GOVERNMENT SECURITIES</b>	<b>30.54%</b>
9.15% GOVERNMENT OF INDIA 2024	4.37%
8.08% GOVERNMENT OF INDIA 2022	3.68%
7.8% GOVERNMENT OF INDIA 2021	3.24%
6.13% GOVERNMENT OF INDIA 2028	2.99%
7.8% GOVERNMENT OF INDIA 2020	2.91%
8.79% GOVERNMENT OF INDIA 2021	2.55%
7.99% GOVERNMENT OF INDIA 2017	2.23%
8.13% GOVERNMENT OF INDIA 2022	1.93%
8.2% GOVERNMENT OF INDIA 2023	1.82%
6.05% GOVERNMENT OF INDIA 2019	1.10%
OTHER GOVERNMENT SECURITIES	3.71%
<b>CORPORATE DEBT</b>	<b>22.78%</b>
10.1% HDB FINANCIAL SERVICES LTD 2017	3.40%
9.61% POWER FINANCE CORPN. LTD. 2021	3.11%
2% TATA STEEL LTD. 2022	2.90%
8.84% POWER GRID CORPN. OF INDIA LTD. 2016	2.23%
9.9% HOUSING DEVELOPMENT FINANCE CORPN. LTD. NATIONAL HOUSING BANK 2018	1.62%
9.7% NATIONAL BANK FOR AGRI. AND RURAL DEVELO	1.50%
11.45% RELIANCE INDUSTRIES LTD. 2013	1.27%
9.45% STATE BANK OF INDIA 2026	1.14%
9.85% TATA SONS LTD. 2017	0.84%
OTHER CORPORATE DEBT	2.69%
<b>EQUITY</b>	<b>0.00%</b>
<b>MMI</b>	<b>46.69%</b>

### About the Fund

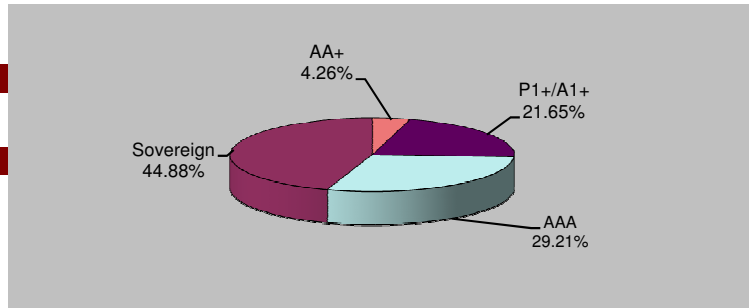
**Objective:** To achieve value creation at low risk over a long-term horizon by investing into high quality fixed interest securities.

**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

