

Vivek Sood
Chief Financial Officer

Economy

The global economic conditions deteriorated sharply during the year 2008 with several advanced economies experiencing their sharpest declines. The associated adverse shocks spread across emerging market economies (EMEs) particularly by the fourth quarter of the year and accentuated the synchronized global slowdown. This interrupted the growth momentum of India, despite the strong dominance of domestic sources of growth. There was clear moderation in growth by the third quarter of 2008-09. In relation to the agricultural sector, industry and services sectors have been affected more by the adverse external shocks, with some contribution to their growth deceleration arising from cyclical slowdown in certain sectors after a prolonged phase of high

growth. The Central Statistical Organization (CSO)'s estimates (February 2009) of real GDP growth was placed at 5.3 per cent during the third quarter of 2008-09 as compared with 8.9 per cent during the corresponding quarter of the previous year, reflecting deceleration in growth of all its constituent sectors.

Inflation, as measured by year-on-year variations in the Wholesale Price Index (WPI), reached an intra-year peak of 12.91 per cent on August 02, 2008. Subsequently, it fell sharply to 0.26 per cent as at end-March 2009 and further to 0.18 per cent as on April 4, 2009.

During 2008-09, the combined finances of the Central and State Governments were adversely impacted due to the economic slowdown. The Central Government finances came under stress during 2008-09, both on the revenue and the expenditure sides, on account of fiscal measures taken to reduce inflationary pressures during the first half and to arrest the moderation of economic growth in the second half of the year. As a result, the key deficit indicators viz., revenue deficit and fiscal deficit widened to 4.4 per cent and 6.0 per cent, respectively, in the revised estimates for 2008-09 from 1.0 per cent and 2.5 per cent, respectively, in the budget estimates.

India's BoP position in 2008-09 (April-December) was characterized by a widened trade deficit leading to a higher current account and lower net capital inflows. The merchandise trade deficit further widened to US\$ 113.8 billion during April-February 2008-09 (US \$ 82.2 billion a year ago). The current account deficit widened to a level of US\$ 36.5 billion (US\$ 15.5 billion in April-December 2007).

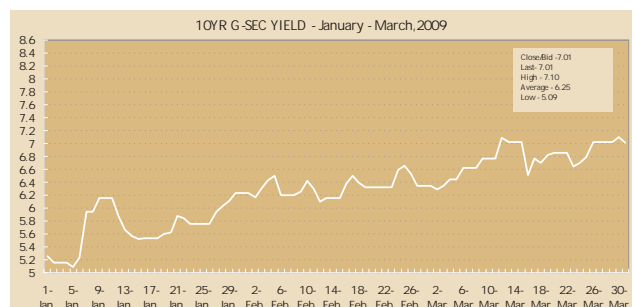
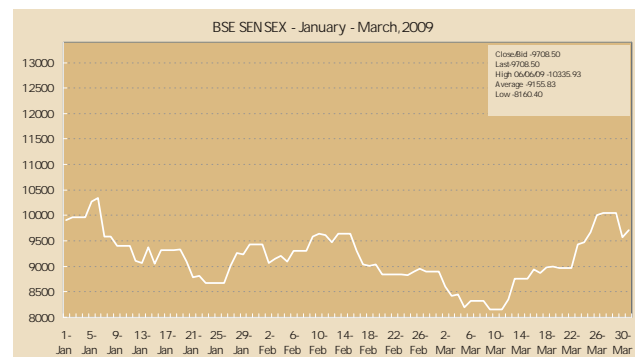
As on April 10, 2009, the foreign exchange reserves stood at US \$ 253 billion, showing a decline of US\$ 56.7 billion (including valuation) over the level at end-March 2008.

Fixed Income Markets

The financial year 2008-09 was characterized by a significantly higher level of Central Government market borrowing than budgeted earlier, particularly during the second half of the year, in order to finance the expanding fiscal deficit in the wake of fiscal stimulus measures and various other committed expenditure of the Government.

This impact of high borrowing was reduced by following measures:

- (i) synchronizing OMO (purchase of government securities) with issuances of dated securities under the market borrowing calendar,



- (ii) buyback of securities issued under the MSS,
- (iii) amending the MoU on MSS in February 2009, allowing transfer from the MSS cash account to the normal cash account of the Government of India for financing of fiscal deficit, and
- (iv) purchase of government securities from the secondary market

Yields in the government securities market hardened during the 1st half on account of the heightened inflationary expectations in the face of sharp increase in global commodity prices and monetary policy responses – hikes in the CRR and the LAF repo rate. Yield reached the peak in September 2008 as liquidity conditions tightened in the wake of adverse developments in the international financial markets and advance tax outflows. Thereafter as a result sharp decline in WPI inflation along with easy monetary policy, the yields eased substantially till end-December 2008. The 10-year yield stood at 5.31 per cent as at end-December 2008, as compared with 8.63 per cent as at end-September 2008 and 7.93 per cent as at end-March 2008. Market sentiment worsened in the last quarter following the large and abrupt increase in the Government's market borrowing programme for 2008-09, at a time when the system had excess SLR investment amounting to around Rs 1,79,000 crore. The ten-year yield stood at 7.01 per cent as at end-March 2009.

During 2008-09, the yield on 5-year AAA-rated corporate bonds, witnessed a hardening trend up to October 2008 and began to soften thereafter. The yield has been inching up again since February 2009. The spread was 179 basis points on March 31, 2009 as compared to 312 basis points on December 31, 2008.

Equity Markets

The year 2008-09 continued to be a dismal year for the stock markets. As a reflection of the economic and financial market outlook, the year was characterized by depressed equity valuations. Equity price indices in most advanced economies were relatively flat during July and August 2008, but caught on the downward spiral subsequently. Beginning mid-September 2008, the Indian financial markets came under pressure owing to the knock-on effects of the global crisis through the monetary, financial, real and confidence channels. Though emerging market economies, including India, do not have direct or significant exposure to stressed financial instruments or troubled financial institutions, they are not immune to the adverse effects of the financial crisis. With sharp tightening of global liquidity, Indian banks and corporate saw their overseas financing drying up. The losses continued during the first two months of 2009 were mainly due to the downward trend in international equity markets on account of more than expected contraction of economic growth in the US, the UK, Japan and China pointing towards deepening of recession. Other factors that led to weak equity markets were heavy net sales by FIIs in the Indian equity market, slowdown in industrial and export growth, depreciation of the rupee against the US dollar, fall in ADR prices, lower than expected corporate earnings in the third quarter of 2008-09, revelations about financial irregularities in a particular information technology company and other sector and stock specific news.

In line with the behaviour of equity markets across the world, the Indian stock markets have been showing improvement since March 2009. The reasons for the improvement are announcement of the details of US\$ 1 trillion public private investment program by the US Treasury, some major US banks posting profits for the first two months of 2009, extension of the deadline for buyback of foreign currency convertible bonds (FCCBs) by the Reserve Bank to December 31, 2009, domestic consumer durable and capital goods output improving since January 2009, lower domestic inflation rate, strengthening of the rupee against the US dollar and net purchases by FIIs and mutual funds in domestic equity market.

The BSE Sensex and the S&P CNX Nifty closed at 9709 and 3021 at end-March 2009 registering losses of 37.9 per cent and 36.2 per cent, respectively, over end-March 2008.

Sectoral performance: Most of the sectors witnessed sharp selling pressures during the year. The sectors like metal, consumer durables, capital goods and banking underperformed the sensex with the first three sectors falling more than 55%. The other sectors also fell but outperformed the broader indices mainly IT, oil and gas, auto, public sector undertakings, healthcare and fast moving consumer goods sector.

Institutional volumes: Institutional volumes played an important role in determining market direction. V.61 According to the data released by the Securities and Exchange Board of India (SEBI), FIIs made net sales of Rs 48,249 crore (US \$ 12.0 billion) in the Indian equity market during 2008-09 as against net purchases of Rs 52,574 crore (US \$ 12.7 billion) during 2007-08. Mutual funds, on the other hand, made net purchases of Rs 6,985 crore during 2008-09 as compared with net purchases of Rs 15,775 crore in the previous year. The Indian equity markets have to a large extent has also been supported by the flows from the Insurance companies.

Fund Facts

The details are in the fund fact sheet which is attached.

Fixed Income Strategy: We have kept the portfolio duration between 3 and 4 with exposure bias towards corporate debt. Wholesale Price Inflation continues to be near zero and economic growth as reflected by IIP continues to indicate slow down, so RBI is expected to maintain easy monetary stance. The liquidity is abundant in the system. We plan to continue the duration between 3-4 and concentrate on corporate securities (non SLR) as credit spread is attractive.

Equity Strategy: Indian equity markets look attractive from a long term perspective. The current valuations are at fair levels. The fall in oil price and increased domestic production would reduce the risks for India and improve its longer term economic outlook. Despite the fall in the GDP growth rate, India would continue to be one of the fastest growing economies and this would draw a flow of capital, as when the risk appetite increases. However, with general elections and corporate earnings season round the corner, we expect the markets to be volatile and a clear direction to emerge thereafter.

We at Tata AIG follow a long-term strategy and believe that the opportunities provided by the dips will help us in generating wealth for our unit holders in the long run. We are quite positive about Indian economy and would recommend that the unit holders stay invested over the long term (10 years or more) for wealth creation.

Risks

Fixed Income

The key risks in the fixed income portfolio are:

Credit Risk: Bonds / debentures as well as other money market instruments issued by corporate run the risk of down grading by the rating agencies and even default as the worst case. Securities issued by Central/State governments have lesser to zero probability of credit/default risk in view of the sovereign status of the issuer.

To reduce risk of default we have the credit category allocation limit. With limit for maximum investment in each rating category.

All investments in corporate paper is with a minimum rating of AA and above.

Liquidity Risk: The Indian debt market is such that a large percentage of the total traded volumes on particular days are concentrated in a few securities. Traded volumes for particular securities differ significantly on a daily basis. Consequently, the fund may have to incur a significant "impact cost" while transacting large volumes in a particular security. The schemes will invest a higher proportion in liquid and traded debt instruments including Government Securities. The fund's investments are long term in nature and hence it is not required to maintain high level of liquidity. The fund keeps sufficient liquidity to ensure that it can manage interest rate risk in a reasonable manner.

Risk due to concentration: We diversify the portfolio to reduce the concentration risk. The initial list of investment lines and concentration limits for single corporate credits is also well defined. Industry / Sector exposure will be restricted at a % of the portfolio

Equity

The key risks in the equity portfolio are:

Risk of loss of value: Investments in equity and equity related securities involve a degree of risks and investors should not invest in Equity Schemes unless they can afford to take the risk of losing their investment

Concentration Risk in equity:

- In order to ensure, that the portfolio is well diversified and to mitigate the risk of concentration, exposure to a single stock would be restricted to 10% of the value of the equity part of the portfolio at the time of purchase of the share.
- The exposure to a single stock may exceed the 10% limit due to market appreciation. However, as a discipline, any stock crossing 15% of the total portfolio value due to price appreciation would trigger partial profit booking so as to bring down the weightage.
- Exposure to a single sector cannot exceed 25% of the total value of the portfolio.

Annual Investment Report March, 2009.

PENSION SHORT-TERM FIXED INCOME FUND	5
PENSION INCOME FUND	6
PENSION EQUITY FUND	7
PENSION LIQUID FUND	8
PENSION BALANCED FUND	9
PENSION BOND FUND	10
PENSION GROWTH FUND	11

Pension Short-Term Fixed Income Fund

Annual Investment Report March, 2009.

Investment Objective: The primary objective is to generate Stable returns by investing in fixed income securities having maturities between 1 & 3 years

Nav Calculation: Daily

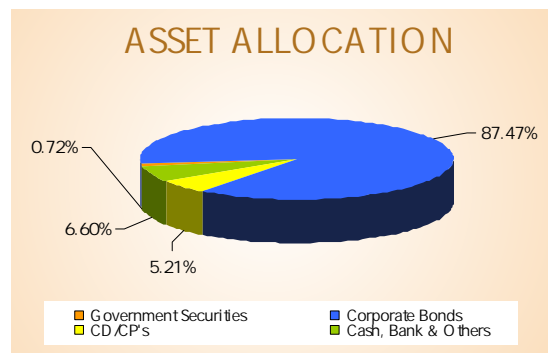
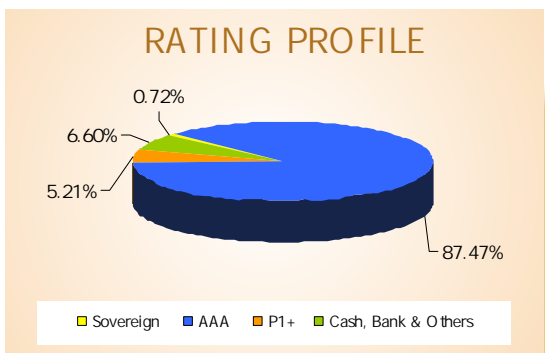
Fund Manager: Mr. Vivek Sood

PERFORMANCE - PENSION SHORT-TERM FIXED INCOME FUND

(NAV [in Rs.] & CRISIL Short-Term Bond Index as on 31-Mar-09 was 11.5974 and 1541.8147 respectively)

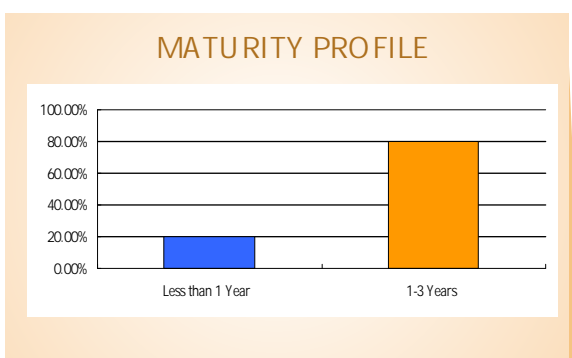
PERIOD	DATE	NAV	CRISIL Short-Term Bond Index	NAV Change	INDEX Change
Last 1 Month	27-Feb-09	11.5422	1539.7483	0.48%	0.13%
Last 3 Months	31-Dec-08	11.2314	1513.0129	3.26%	1.90%
Last 6 Months	30-Sep-08	10.7701	1441.3512	7.68%	6.97%
Last 1 Year	31-Mar-08	10.5556	1404.3104	9.87%	9.79%
Last 2 Year	31-Mar-07	10.0100	1290.6700	15.86%	19.46%
Since Inception	3-Jul-06	10.0000	1242.3300	15.97%	24.11%

Note: The investment income and prices may go down as well as up.



RATINGS	% to NAV
Sovereign	0.72
AAA	87.47
P1+	5.21
Cash, Bank & Others	6.60
TOTAL	100.00

ASSET ALLOCATION	% to NAV
Government Securities	0.72
Corporate Bonds	87.47
CD/CP's	5.21
Cash, Bank & Others	6.60
NET ASSETS	100.00



PORTFOLIO		
Instrument	Rating	% of NAV
Government Securities		0.72
9.39% GOI 2011	Sovereign	0.72
Corporate Bonds		87.47
8.40% EXIM Bank 2010	AAA	11.27
9.05% IDFC 2009	AAA	7.81
7.20% HDFC 2010	AAA	3.33
8.60% IDFC 2011	AAA	24.80
9.45% LIC Housing 2012	AAA	40.26
CD/CP's		5.21
Canara Bank 2009 - CD	P1+	5.21
Cash, Bank & Others		6.60
Cash, Bank & Others		6.60
NET ASSETS		100.00

Annual Investment Report March, 2009.

Investment Objective: To provide long-term capital appreciation by investing in high credit quality fixed income instruments. Stability of return and protection of principal over a long term investment horizon will be the prime driver for investment management

Nav Calculation: Daily

Fund Manager: Mr. Vivek Sood

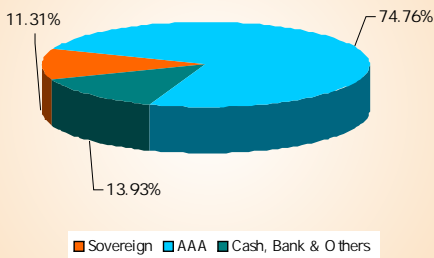
PERFORMANCE - PENSION INCOME FUND

(NAV [in Rs.] & Crisil Composite Bond Fund Index as on 31-Mar-09 was 12.9832 and 1505.3334 respectively)

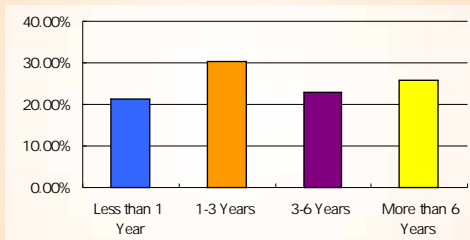
PERIOD	DATE	NAV	Crisil Composite Bond Fund Index	NAV Change	INDEX Change
Last 1 Month	27-Feb-09	12.9730	1510.3766	0.08%	-0.33%
Last 3 Months	31-Dec-08	12.8734	1513.4928	0.85%	-0.54%
Last 6 Months	30-Sep-08	11.8655	1403.1488	9.42%	7.28%
Last 1 Year	31-Mar-08	11.8263	1402.2095	9.78%	7.35%
Last 2 Year	31-Mar-07	10.7897	1295.7000	20.33%	16.18%
Last 3 Year	31-Mar-06	10.2710	1248.8700	26.41%	20.54%
Since Inception	2-Mar-04	10.0000	1193.2000	29.83%	26.16%

Note: The investment income and prices may go down as well as up.

RATING PROFILE



MATURITY PROFILE

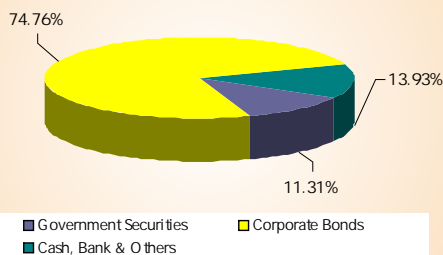


RATINGS	% to NAV
Sovereign	11.31
AAA	74.76
Cash, Bank & Others	13.93
TOTAL	100.00

PORTFOLIO

Instrument	Rating	% of NAV
Government Securities		11.31
9.39% GOI 2011	Sovereign	2.42
7.38% GOI 2015	Sovereign	0.80
7.46% GOI 2017	Sovereign	2.95
6.05% GOI 2019	Sovereign	5.14
Corporate Bonds		74.76
9.10% HDFC 2009	AAA	1.16
9.15% LIC 2010	AAA	2.95
8.50% Exim Bank 2011	AAA	1.17
7.00% PFC 2011	AAA	2.88
9.80% PFC 2012	AAA	4.24
9.85% RECL 2017	AAA	2.41
8.55% HDFC 2009	AAA	3.49
10.00% HDFC 2010	AAA	2.60
10.20% IDFC 2010	AAA	11.86
9.35% ILFS 2010	AAA	3.55
10.95% RECL 2011	AAA	3.08
9.20% L&T 2012	AAA	2.37
10.00% IDFC 2012	AAA	4.25
7.20% RECL 2012	AAA	3.37
9.20% Power Grid 2013	AAA	2.37
9.45% REC 2013	AAA	2.39
10.75% RECL 2013	AAA	3.74
9.50% Exim Bank 2013	AAA	2.40
8.95% IDFC 2018	AAA	1.15
11.00% PFC 2018	AAA	3.23
10.75% Reliance Industries 2018	AAA	7.65
National Housing Bank 2018	AAA	0.74
8.65% Indian Railway Fin Corp 2024	AAA	1.70
Cash, Bank & Others		13.93
NET ASSETS		100.00

ASSET ALLOCATION



ASSET ALLOCATION	% to NAV
Government Securities	11.31
Corporate Bonds	74.76
Cash, Bank & Others	13.93
NET ASSETS	100.00

Annual Investment Report March, 2009.

Investment Objective: To deliver medium to long-term capital appreciation through a portfolio essentially comprising of large cap stocks that can perform well through market and economic cycles

Nav Calculation: Daily

Fund Manager: Mr. Vivek Sood

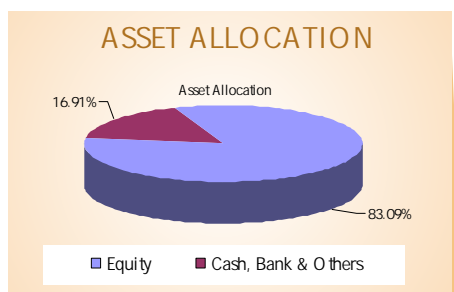
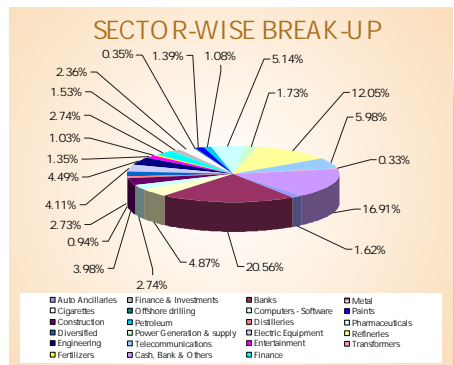
PERFORMANCE - PENSION EQUITY FUND (NAV [in Rs.] & BSE SENSEX as on 31-Mar-09 was 16.9416 and 9708.50 respectively)

PERIOD	DATE	NAV	BSE Sensex	NAV Change	INDEX Change
Last 1 Month	27-Feb-09	15.6199	8891.61	8.46%	9.19%
Last 3 Months	31-Dec-08	17.7374	9647.31	-4.49%	0.63%
Last 6 Months	30-Sep-08	23.5470	12860.43	-28.05%	-24.51%
Last 1 Year	31-Mar-08	30.4802	15644.44	-44.42%	-37.94%
Last 2 Year	31-Mar-07	23.9998	13072.10	-29.41%	-25.73%
Last 3 Year	31-Mar-06	21.2517	11279.96	-20.28%	-13.93%
Since Inception	29-Mar-04	10.0000	5571.37	69.42%	74.26%

Note: The investment income and prices may go down as well as up.

SECTOR STRATEGY

Sector	% to NAV
Auto Ancillaries	1.62
Banks	20.56
Cigarettes	4.87
Computers - Software	2.74
Construction	3.98
Distilleries	0.94
Diversified	2.73
Electric Equipment	4.11
Engineering	4.49
Entertainment	1.35
Fertilizers	1.03
Finance	2.74
Finance & Investments	1.53
Metal	2.36
Offshore drilling	0.35
Paints	1.39
Petroleum	1.08
Pharmaceuticals	5.14
Power Generation & supply	1.73
Refineries	12.05
Telecommunications	5.98
Transformers	0.33
Cash, Bank & Others	16.91
Total	100.00%



PORTFOLIO

Instrument	Industry	% of NAV
Equity		83.09
Aban Offshore Ltd.	Offshore drilling	0.35
Action Construction Equipments Ltd.	Construction	0.14
Alstom Projects India Ltd.	Engineering	0.83
Areva T&D India Ltd.	Electric Equipment	1.04
Asian Paints (India) Ltd.	Paints	1.39
Axis Bank Ltd.	Banks	2.19
Bank Of Baroda Ltd.	Banks	1.82
Bharat Heavy Electricals Ltd.	Electric Equipment	1.24
Bharti Airtel Ltd.	Telecommunications	5.98
Cesc Ltd.	Power Generation & supply	1.73
Crompton Greaves Ltd.	Electric Equipment	1.82
Dishman Pharmaceuticals & Chemicals Ltd.	Pharmaceuticals	0.80
DIF Ltd.	Construction	0.55
Elecon Engineering Co Ltd.	Engineering	0.41
Emco Ltd.	Transformers	0.33
Exide Industries Ltd.	Auto Ancillaries	1.62
Glenmark Pharmaceuticals Ltd.	Pharmaceuticals	0.46
Gujarat State Petronet Ltd.	Petroleum	1.08
Hindustan Construction Co Ltd.	Construction	0.52
Hindustan Unilever Ltd.	Diversified	0.78
HDFC Bank	Banks	5.39
HDFC Ltd.	Finance	1.72
ICICI Bank Ltd.	Banks	2.41
Infosys Technologies Ltd.	Computers - Software	2.74
Infrastructure Dev Fin Co Ltd.	Finance & Investments	1.53
ITC Ltd.	Cigarettes	4.87
Ivrc Infrastructure & Projects Ltd.	Construction	1.00
Larsen And Toubro Ltd.	Engineering	2.88
LIC Housing Finance Ltd.	Finance	1.02
Mcnally Bharat Engineering Co Ltd.	Engineering	0.38
Oil & Natural Gas Corp Ltd.	Refineries	3.34
Oriental Bank Of Commerce	Banks	0.95
Piramal Healthcare Limited	Pharmaceuticals	0.94
Punj Lloyd Ltd.	Construction	1.07
Punjab National Bank	Banks	3.60
Reliance Industries Ltd.	Refineries	8.71
Simplex Infrastructures Ltd.	Construction	0.70
Sintex Industries Ltd.	Diversified	0.85
State Bank Of India	Banks	2.46
Sterlite Industries (India) Ltd.	Metal	2.36
Sun Pharmaceutical Industries Ltd.	Pharmaceuticals	2.93
Tata Chemicals Ltd.	Fertilizers	1.03
Union Bank Of India Ltd.	Banks	1.74
United Spirits Ltd.	Distilleries	0.94
Voltas Limited	Diversified	1.09
Zee News Ltd.	Entertainment	1.35
Cash, Bank & Others		16.91
TOTAL		100.00

ASSET ALLOCATION	% to NAV
Equity	83.09
Cash, Bank & Others	16.91
NET ASSETS	100.00

Annual Investment Report March, 2009.

Investment Objective: To provide safety of funds, liquidity and return on investments, in that order.

Nav Calculation: Daily

Fund Manager: Mr. Vivek Sood

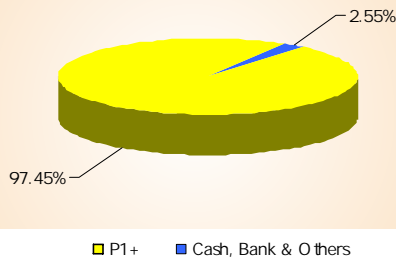
PERFORMANCE- PENSION LIQUID FUND

(NAV [in Rs.] & Crisil Liquid Fund Index as on 31-Mar-09 was 13.4249 and 1504.63 respectively)

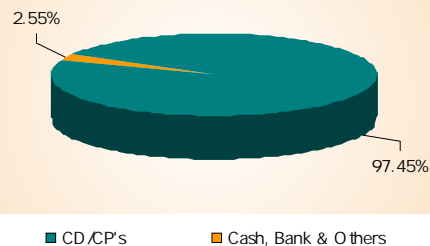
PERIOD	DATE	NAV	Crisil Liquid Fund Index	NAV Change	INDEX Change
Last 1 Month	27-Feb-09	13.3379	1496.11	0.65%	0.57%
Last 3 Months	31-Dec-08	13.1721	1474.26	1.92%	2.06%
Last 6 Months	30-Sep-08	12.9122	1437.57	3.97%	4.66%
Last 1 Year	31-Mar-08	12.4025	1382.85	8.24%	8.81%
Last 2 Year	31-Mar-07	11.3571	1286.95	18.21%	16.91%
Last 3 Year	31-Mar-06	10.6968	1208.82	25.50%	24.47%
Since inception	25-May-04	10.0000	1113.63	34.25%	35.11%

Note: The investment income and prices may go down as well as up.

RATING PROFILE



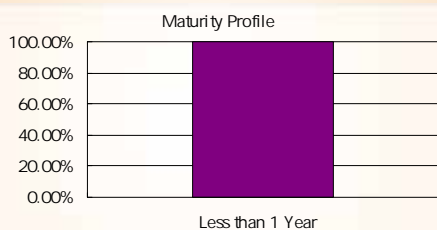
ASSET ALLOCATION



RATINGS	% to NAV
P1+	97.45
Cash, Bank & Others	2.55
NET ASSETS	100.00

ASSET ALLOCATION	% to NAV
CD/CP's	97.45
Cash, Bank & Others	2.55
NET ASSETS	100.00

MATURITY PROFILE



PORTFOLIO

Instrument	Rating	% of NAV
CD/CP's		97.45
Corporation Bank 2010 - CD	P1+	36.95
Canara Bank 2010 - CD	P1+	25.75
National Housing Bank 2009 - CP	P1+	2.96
PFC Ltd. 2009 - CP	P1+	31.80
Cash, Bank & Others		2.55
NET ASSETS		100.00

Pension Balanced Fund

Annual Investment Report March, 2009.

Investment Objective: To supplement the income generation from the fixed income instruments with capital appreciation of the equity assets

NAV Calculation: Daily

Fund Manager: Mr. Vivek Sood

PERFORMANCE - PENSION BALANCED FUND (NAV [in Rs.] as on 31-Mar-09 is 10.7789)

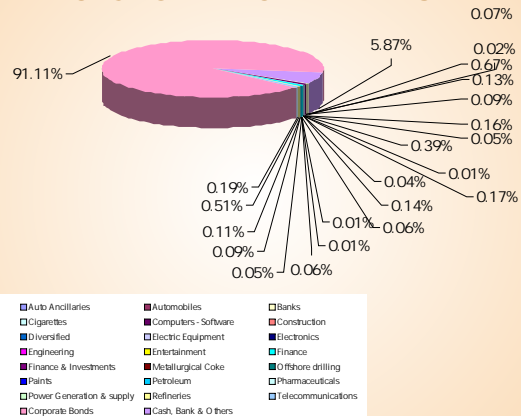
PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 1 Month	27-Feb-09	10.7172	0.58%	0.63%
Last 3 Months	31-Dec-08	10.5865	1.82%	-0.28%
Last 6 Months	30-Sep-08	10.0479	7.28%	4.26%
Last 1 Year	31-Mar-08	10.2768	4.89%	3.00%
Since Inception	17-Aug-07	10.0000	7.79%	8.49%

ASSET ALLOCATION	% of NAV
Equity	3.03
Corporate Bonds	91.11
Cash, Bank & Others	5.87
Net Assets	100.00

Note: The investment income and prices may go down as well as up.

PORTFOLIO Instrument	Rating	% of NAV
Equity		3.03
Aban Offshore Ltd.	Offshore drilling	0.01
ABB Ltd.	Electric Equipment	0.04
Areva T&D India Ltd.	Electric Equipment	0.10
Asian Paints (India) Ltd.	Paints	0.06
Axis Bank Ltd.	Banks	0.10
Bank Of Baroda Ltd.	Banks	0.06
Bharat Heavy Electricals Ltd.	Electric Equipment	0.18
Bharti Airtel Ltd.	Telecommunications	0.19
Cesc Ltd.	Power Generation & supply	0.07
Crompton Greaves Ltd.	Electric Equipment	0.07
Exide Industries Ltd.	Auto Ancillaries	0.07
Gujarat Nre Coke Ltd.	Metallurgical Coke	0.01
Hindustan Construction Co Ltd.	Construction	0.01
HDFC Bank	Banks	0.17
HDFC Ltd.	Finance	0.14
ICICI Bank Ltd.	Banks	0.15
Infosys Technologies Ltd.	Computers - Software	0.09
Infrastructure Dev Fin Co Ltd.	Finance & Investments	0.06
ITC Ltd.	Cigarettes	0.13
Ivrc Infrastructure & Projects Ltd.	Construction	0.06
Jaiprakash Associates Ltd.	Construction	0.03
Larsen And Toubro Ltd.	Engineering	0.16
Mahindra And Mahindra Ltd.	Automobiles	0.02
Ntpc Ltd.	Power Generation & supply	0.04
Oil & Natural Gas Corp Ltd.	Refineries	0.17
Oriental Bank Of Commerce	Banks	0.03
Punjab National Bank	Banks	0.04
Reliance Industries Ltd.	Refineries	0.34
Reliance Petroleum Ltd.	Petroleum	0.05
Siemens India Ltd.	Electronics	0.01
Sintex Industries Ltd.	Diversified	0.05
State Bank Of India	Banks	0.13
Sun Pharmaceutical Industries Ltd.	Pharmaceuticals	0.09
Television Eighteen India Ltd.	Entertainment	0.01
Thermax Limited	Engineering	0.01
Zee News Ltd.	Entertainment	0.03
Corporate Bonds		91.11
9.10% HDFC 2009	AAA	3.58
9.80% PFC 2012	AAA	6.24
9.05% IDFC 2009	AAA	14.30
9.68% IRFC 2010	AAA	1.22
9.20% HDFC 2012	AAA	30.57
10.00% PFC 2012	AAA	1.25
8.83% IRFC 2012	AAA	2.44
9.20% Power Grid 2015	AAA	24.42
8.95% IDFC 2018	AAA	7.08
Cash, Bank & Others		5.87
Net Assets		100.00

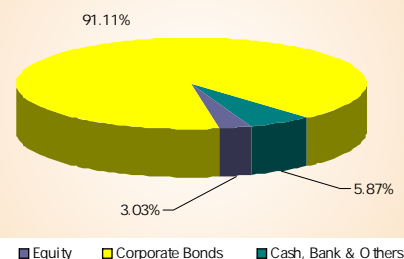
SECTOR-WISE BREAK-UP



SECTOR STRATEGY

Sector	% to NAV	Sector	% to NAV
Auto Ancillaries	0.07	Finance & Investments	0.06
Automobiles	0.02	Metallurgical Coke	0.01
Banks	0.67	Offshore drilling	0.01
Cigarettes	0.13	Paints	0.06
Computers - Software	0.09	Petroleum	0.05
Construction	0.16	Pharmaceuticals	0.09
Diversified	0.05	Power Generation & supply	0.11
Electric Equipment	0.39	Refineries	0.51
Electronics	0.01	Telecommunications	0.19
Engineering	0.17	Corporate Bonds	91.11
Entertainment	0.04	Cash, Bank & Others	5.87
Finance	0.14	Total	100.00

ASSET ALLOCATION



Pension Bond Fund

Annual Investment Report March, 2009.

Investment Objective: To generate income through investing in a range of debt and money market instruments of various maturities with a view to maximizing the optimal balance between yield, safety and liquidity.

NAV Calculation: Daily

Fund Manager: Mr. Vivek Sood

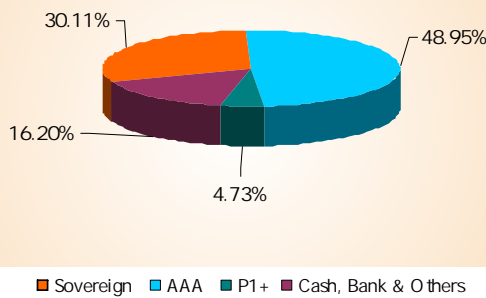
PERFORMANCE - PENSION BOND FUND

(NAV [in Rs.] & CRISIL Composite Bond Fund Index as on 31-Mar-09 is 11.0594 and 1505.3334 respectively)

PERIOD	DATE	NAV	CRISIL Composite Bond Fund Index	NAV Change	INDEX Change
Last 1 Month	27-Feb-09	11.1387	1510.3766	-0.71%	-0.33%
Last 3 Months	31-Dec-08	11.2140	1513.4928	-1.38%	-0.54%
Last 6 Months	30-Sep-08	10.3277	1403.1488	7.08%	7.28%
Last 1 Year	31-Mar-08	10.3415	1402.2095	6.94%	7.35%
Since Inception	17-Aug-07	10.0000	1339.5321	10.59%	12.38%

Note: The investment income and prices may go down as well as up.

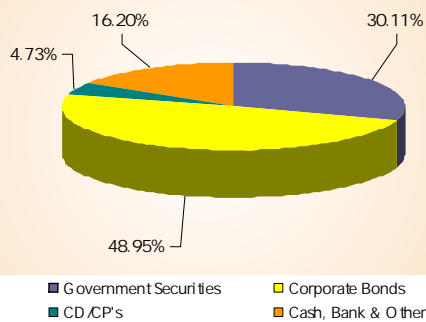
RATING PROFILE



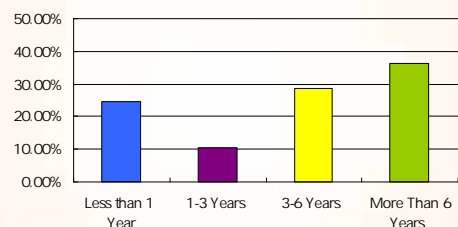
PORTFOLIO

Instrument	Rating	% of NAV
Government Securities		30.11
7.00% GOI 2012	Sovereign	2.51
7.46% GOI 2017	Sovereign	3.40
6.05% GOI 2019	Sovereign	24.20
Corporate Bonds		48.95
9.05% IDFC 2009	AAA	2.00
8.80% IDFC 2009	AAA	1.68
9.05% IDFC 2010	AAA	3.06
11.75% Rural Electric Corp Ltd. 2011	AAA	3.61
9.20% Larsen & Toubro 2012	AAA	1.71
6.98% IRFC 2012	AAA	2.28
10.00% PFC 2012	AAA	8.41
9.50% HDFC 2013	AAA	7.24
9.20% Power Grid 2013	AAA	5.13
9.50% Exim Bank 2013	AAA	5.20
10.75% Reliance Industries 2018	AAA	3.68
National Housing Bank 2018	AAA	2.50
8.65% IRFC 2024	AAA	2.45
CD/CP's		4.73
Corporation Bank 2010 - CD	P1+	4.73
Cash, Bank & Others		16.20
Net Assets		100.00

ASSET ALLOCATION



MATURITY PROFILE



RATING	% to NAV
Sovereign	30.11
AAA	48.95
P1+	4.73
Cash, Bank & Others	16.20
Total	100.00

ASSET ALLOCATION	% to NAV
Government Securities	30.11
Corporate Bonds	48.95
CD/CP's	4.73
Cash, Bank & Others	16.20
Net Assets	100.00

Pension Growth Fund

Annual Investment Report March, 2009.

Investment Objective: The objective of this Fund is to generate long term capital appreciation and income by investing a considerable percentage of the fund in equity and equity linked instruments and the balance in Government Bonds and high quality fixed income instruments.

NAV Calculation: Daily

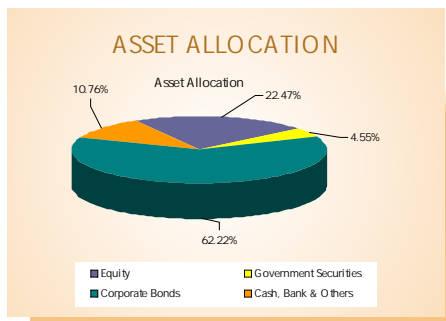
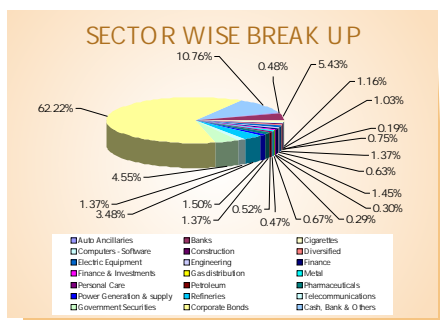
Fund Manager: Mr. Vivek Sood

PERFORMANCE - PENSION GROWTH FUND (NAV [in Rs.] as on 31-Mar-09 is 9.8840)

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 1 Month	27-Feb-09	9.6828	2.08%	2.56%
Last 3 Months	31-Dec-08	9.7892	0.97%	0.25%
Last 6 Months	30-Sep-08	9.9641	-0.80%	-1.79%
Last 1 Year	31-Mar-08	9.9819	-0.98%	-5.71%
Since Inception	17-Aug-07	10.0000	-1.16%	0.73%

ASSET ALLOCATION	% to NAV
Equity	22.47
Government Securities	4.55
Corporate Bonds	62.22
Cash, Bank & Others	10.76
Net Assets	100.00

Note: The investment income and prices may go down as well as up.



SECTOR STRATEGY	% to NAV
Auto Ancillaries	0.48
Banks	5.43
Cigarettes	1.16
Computers - Software	1.03
Construction	0.19
Diversified	0.75
Electric Equipment	1.37
Engineering	0.63
Finance	1.45
Finance & Investments	0.30
Gas distribution	0.29
Metal	0.67
Personal Care	0.47
Petroleum	0.52
Pharmaceuticals	1.37
Power Generation & supply	1.50
Refineries	3.48
Telecommunications	1.37
Government Securities	4.55
Corporate Bonds	62.22
Cash, Bank & Others	10.76
Total	100.00

PORTFOLIO Instrument	Industry	% of NAV
Equity		22.47
ABB Ltd.	Electric Equipment	0.20
Axis Bank Ltd.	Banks	0.65
Bharat Heavy Electricals Ltd.	Electric Equipment	0.59
Bharti Airtel Ltd.	Telecommunications	1.37
Cesc Ltd.	Power Generation & supply	0.66
Crompton Greaves Ltd.	Electric Equipment	0.58
Dishman Pharmaceuticals & Chemicals Ltd.	Pharmaceuticals	0.31
Exide Industries Ltd.	Auto Ancillaries	0.48
Gail India Ltd.	Gas distribution	0.29
Glenmark Pharmaceuticals Ltd.	Pharmaceuticals	0.37
Hindustan Unilever Ltd.	Diversified	0.37
HDFC Bank	Banks	1.52
HDFC Ltd.	Finance	0.66
ICICI Bank Ltd.	Banks	0.86
Infosys Technologies Ltd.	Computers - Software	1.03
Infrastructure Dev Fin Co Ltd.	Finance & Investments	0.30
ITC Ltd.	Cigarettes	1.16
Ivrci Infrastructures & Projects Ltd.	Construction	0.19
Larsen And Toubro Ltd.	Engineering	0.63
Marico Ltd.	Personal Care	0.47
Ntpc Ltd.	Power Generation & supply	0.84
Oil & Natural Gas Corp Ltd.	Refineries	0.98
Oriental Bank Of Commerce	Banks	0.52
Power Finance Corp Ltd.	Finance	0.79
Punjab National Bank	Banks	0.80
Reliance Industries Ltd.	Refineries	2.50
Reliance Petroleum Ltd.	Petroleum	0.52
Sintex Industries Ltd.	Diversified	0.38
State Bank Of India	Banks	1.08
Sterlite Industries (India) Ltd.	Metal	0.67
Sun Pharmaceutical Industries Ltd.	Pharmaceuticals	0.69
Government Securities		4.55
9.39% GOI 2011	Sovereign	4.55
Corporate Bonds		62.22
8.40% Exim Bank 2010	AAA	15.73
7.20% HDFC 2010	AAA	46.49
Cash, Bank & Others		10.76
Net Assets		100.00

