

## GROUP RETIREMENT SOLUTIONS

SBI Life Group Retirement Solutions offer an integrated basket of employee benefit plans catering to both statutory as well as voluntary needs of the employers. The two funds we currently offer in our Group Retirement Portfolio are:

### 1) Traditional Fund

This Fund consists of the following Schemes: SBI Life-CapAssure Gratuity, SBI Life-CapAssure Superannuation, SBI Life-CapAssure Leave Encashment and an umbrella offering under the brand name of SBI Life-Cap Assure. SBI Life-Cap Assure helps fund management for Define Benefit Scheme, Defined Contribution Scheme or any combination of the two. The investment objective of this Fund is capital protection and to provide optimal returns to the policyholders on a consistent basis within a reasonable risk framework

### 2) Unit Linked Fund

SBI Life has funds under the scheme SBI Life - Kalyan ULIP Plus. Kalyan ULIP Plus is a one-stop solution to cater to the fund management needs of any Corporate in the form of Defined Benefit Scheme, Defined Contribution Scheme or any other scheme.

The Group Debt Plus, Group Growth Plus, Group Balanced Plus & Guarantee Plus Funds under Kalyan ULIP Plus cater to different risk appetites, while aiming to generate the best in class returns.

**IN THIS POLICY, THE INVESTMENT RISK IN INVESTMENT PORTFOLIO IS BORNE BY THE POLICYHOLDER**

## Group Retirement Investment Strategy

The investment strategy is to invest primarily in Fixed Income Securities such as Government Securities, corporate debt and short term instruments and a portion of the corpus in equities with higher equity exposure for the Unit Linked product.

Investments are made in top quality corporate debt and prime importance is given to duration management with a view on interest rates. Active management policy is followed for both debt and equity market. The investment strategy for equity shares is based on the principles that lay emphasis on the concept of sound fundamentals, sustained economic earnings and return on investments. Investment in companies will be with an objective to participate in their business model. The endeavor will be to focus on identification of growth oriented business models, competitive edge, industry structure, earnings margin and quality of management.

## DEBT MARKET REVIEW AND OUTLOOK

### MARKET REVIEW

Yields tended south during the month of August as more uncertainty about the global recovery instilled fears of a double dip recession and increased demand for safe haven securities. There had also been some speculation in the market that RBI could pause during its September 16th Monetary Policy Review.

Short term yields also have become softer owing to expectations of peaking of the rate cycle, and also comfortable Liquidity Adjustment Facility (LAF) deficit positions of around Rs. 30,000 cr on a daily basis.

Key rate movements during the month are as under:

Instrument	Aug '11	July '11	Mar '11	Change YTD	Change (MOM)
10 Yr Gsec	8.30%	8.45%	7.98%	0.32%	-0.15%
30 Yr Gsec	8.59%	8.72%	8.33%	0.26%	-0.13%
3 Yr AAA Bond	9.35%	9.74%	9.33%	0.02%	-0.39%
5 Yr AAA Bond	9.38%	9.46%	9.20%	0.18%	-0.08%
10 Yr AAA Bond	9.38%	9.51%	9.25%	0.13%	-0.13%
364 Days Treasury Bill	8.30%	8.45%	7.64%	0.66%	-0.15%
91 Days Treasury Bill	8.35%	8.35%	7.31%	1.04%	0%
1 Yr Certificate of Deposit	9.50%	9.78%	9.80%	-0.3%	-0.28%
Crude \$/barrel	111\$	117\$	115\$	-4\$	-6\$

(Source: Bloomberg, Reuters & RBI)

### Macro Indicators

- Index of Industrial output grew at 8.6% year-on-year (y-o-y) in June which turned out to be much higher than consensus estimates of around 5.7%. This was the newly formed index which has a base year of 2004-05 versus the old base of 1993-94. The surprising rise came because of the 37% jump in capital goods sector. The Purchasing Manager's Index (PMI) number for August has fallen from 53.6 to 52.6 levels and this could suggest a further slowdown in Index of Industrial Production (IIP) growth for the upcoming month
- The June inflation came in at 9.22% against the consensus estimate of 9.2% owing to a 0.3% month-on-month (m-o-m) rise in manufacturing prices. The MoF believes that 10% figure could be breached by August; however the base effect could kick in later and bring down the headline inflation.

- The real GDP growth for quarter ending June 2011 came in at 7.7% against Q4 FY 11 growth of 7.8%
- India's trade deficit widened to \$10 bn in June, with exports growing at above 50% and imports growing at 80% y-o-y.
- Bank deposits in the latest fortnight of FY12 are currently growing at 18.7%. Credit disbursements fell by 4000 cr and the current growth rate of loans and disbursements is 20.7%.

Source: Bloomberg, Reuters & RBI

### **Global News: US economic data disappoints once again; Euro area troubles linger on**

The US economic data has once again started looking less optimistic with the nonfarm payrolls coming in at zero job additions for the month of August and unemployment rate stood unchanged at 9.1%. The Institute of supply Management (ISM) manufacturing number was more positive but consumer confidence and other indicators are pointing towards a double dip recession. Euro area is still broiling with fears of sovereign default in PIGS economies, exposure to such debt in the balance sheets of European banks and funding issues in the European Financial Stability Facility.

Source: Bloomberg, Reuters

### **OUTLOOK**

The slowdown both in terms of quarterly GDP data and IIP suggests a slowdown that has caught up with the Indian economy. The worrying fact is that even leading indicators like that released by Organisation for Economic Co-operation and Development (OECD) and the HSBC PMI indicates a further slowdown going into the future. Global economic data is getting less stable every day and this also has prompted RBI into commenting that they are monitoring them closely. However the fright of persistent double digit inflation has not receded and this could weigh more heavily in the minds of the policy makers.

We expect policy rates to go up by 25 basis points (bps) which will take the policy rate to 8.25%, however we don't see any major incremental impact on market rates as markets have priced in such a move. But we strongly believe that any hike from here onwards will have direct impact on growth numbers and consequently on inflation.

Hence we believe that interest rates have little room to go up from here. Our range for 10y is 8.15-8.40. Currently 10y Gsec is trading at 8.30%.

## **EQUITY OUTLOOK**

Slowdown fears across the Globe aftermath the US rating cut & a view that liquidity would dry up following quantitative easing going off made all the benchmark indices across the Globe go down in the month of August, 2011. Sensex underperformed the Global peers and came down 8.4% during the month. Apart from global meltdown country's ability to handle and tame inflation was also questioned by investors.

News on Lok Pal bill hit the headlines and was drawing time from Government. More supply of papers was allowed during the month in terms of possible Follow on offers that are likely to come from Government owned companies like Oil and Natural Gas Commission and Bharat Heavy Electricals Ltd.

As anticipated the GDP growth for the first quarter of current financial year came at 7.7%, Core sector growth was at 7.8% (for July, 2011) and Inflation was at a high of 9.22% for July. These numbers added to market owes.

IIP growth aided by capital goods came at 8.8% for the month of June, 2011 which was a positive surprise.

Foreign Institutional Investors, given the above, sold shares worth USD 2.3 billion as against buying of USD 1.8 billion during the earlier month.

Even though profitability for the coming quarter is likely to further go down, sentiments and risk appetite are at its lowest. Valuations have come to reasonable levels. We would look at markets and current levels to be more attractive from a one year prospective and would deploy money to work cautiously. And at the same time expect further pressure to emerge from Euro zone.

### **Disclaimer:**

- 1) This newsletter only gives an overview of economy and should not be construed as financial advice
- 2) SBI Life Insurance Co. Ltd however makes no warranties, representations, promises or statements that information contained herein are correct and accurate. Please consult your Advisor/Consultant before making the investment decision
- 3) The Company reserves the right to close or add existing / new fund option subject to IRDA approval.
- 4) Company shall select the investments, including derivatives and units of mutual funds, by each fund at its sole discretion subject to the investment objectives of the respective plan and the IRDA regulations.

# SBI Life - Group Retirement Fund - Traditional



## INVESTMENT OBJECTIVE:

The investment objective of the Group Retirement Fund is capital protection and to provide optimal return to the policyholders on a consistent basis within a reasonable risk framework.

**Date of Portfolio:** 31 Aug 2011

**Launch Date:** September 2003

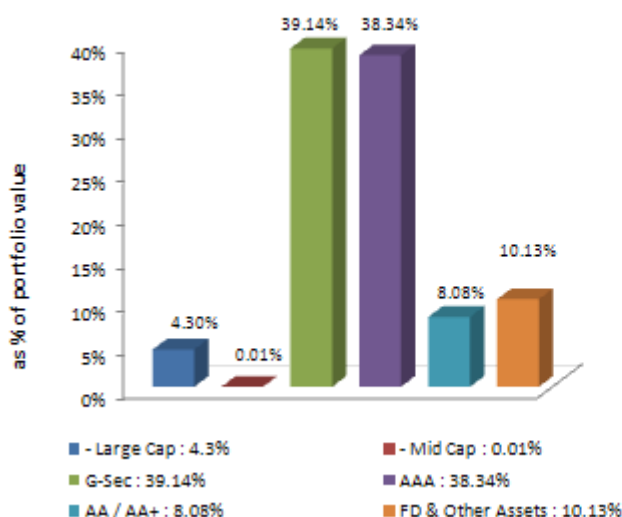
## FUND DETAILS

Group Retirement Fund Year	Yield (p.a.)
Fiscal 2010	9.60%
Fiscal 2009	9.25%
Fiscal 2008	11.00%
Fiscal 2007	10.20%
Fiscal 2006	12.30%
Fiscal 2005	11.67%
Fiscal 2004	13.00%

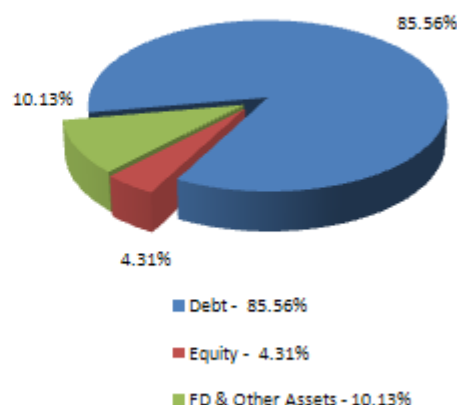
**Group Retirement Fund**

**Duration:** 5.06

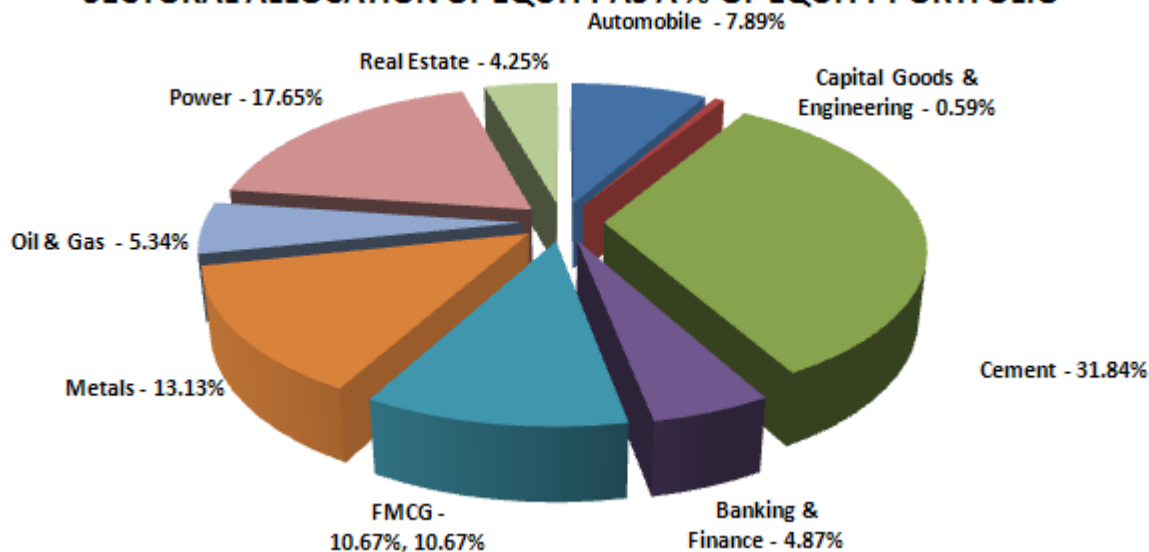
### ASSET ALLOCATION



### ASSET ALLOCATION



### SECTORAL ALLOCATION OF EQUITY AS A % OF EQUITY PORTFOLIO



# SBI Life - Group Debt Plus Fund - ULIP



## INVESTMENT STYLE:

To provide an accumulation of income through substantial investment in the fixed income instrument.

The fund has the following asset class allocation strategy:

This fund option is available under SBI life Kalyan ULIP Plus & SBI Life Kalyan ULIP (withdrawn product)

Assets of Group Debt Plus Fund	Min	Max	Risk	Actual Asset Mix (As on 30 Jun 11)
Equity & Equity Related Instruments	0%	20%	Low to	13.56%
Debt & Money Market Instruments	80%	100%	Medium	86.44%

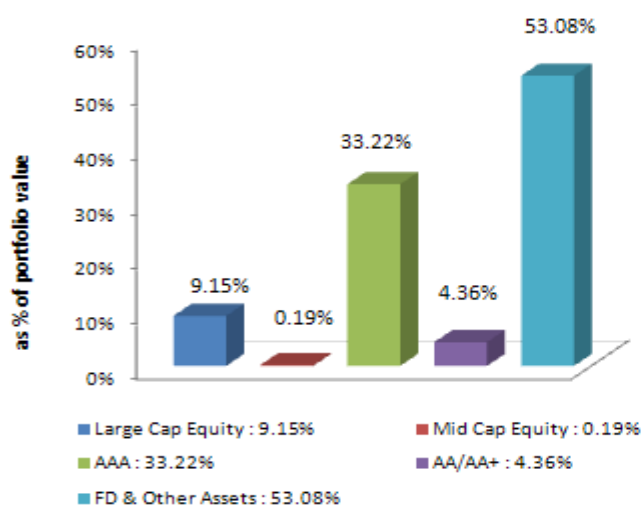
## FUND PERFORMANCE\* (as on 31 Aug 2011)

Benchmark: Nifty (10%) CompBEX (90%) Duration: 1.10

Returns	From 1 April 2011	1 yr	2 yr	Since Inception (16 July 09)
Group Debt Plus Fund	0.71%	5.28%	8.00%	7.67%
Benchmark - Nifty (10%) CompBEX (90%)	1.01%	4.62%	5.73%	5.34%

- \* i) Returns less than or equal to one year are absolute returns, greater than a year are Compound Annual Growth Rate  
ii) Past performance of the fund is not indicative of its future prospects or returns

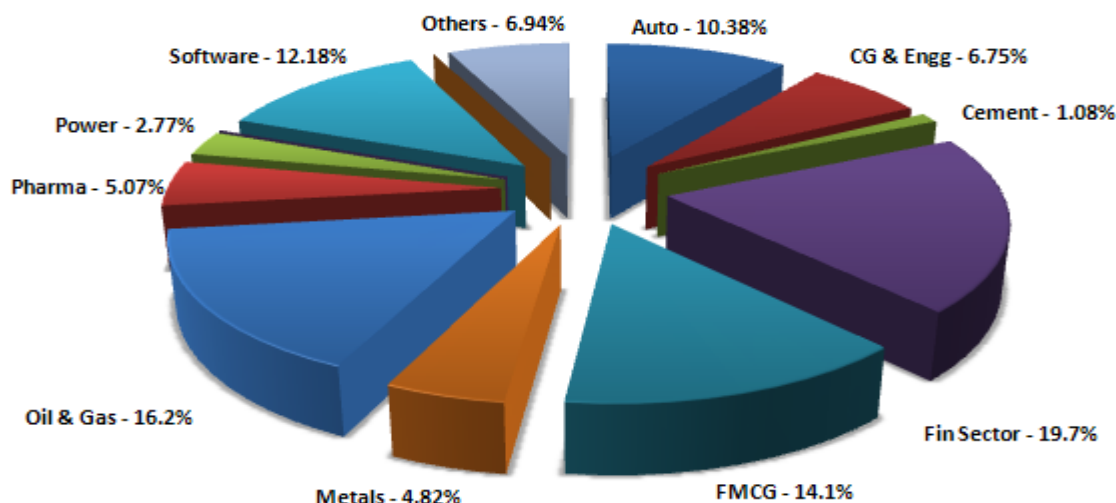
## ASSET ALLOCATION



## TOP HOLDINGS

Company Name	% of total
Money Market Instrument	38.06%
9.35% PGC B & D 29-08-2016 A	8.39%
INDIAN BANK CD 20-12-2011	8.17%
9.75% LIC HOUSING FIN B & D 26-08-201	8.12%
11.90% PIDILITE B & D 05/12/2013	3.51%
RELIANCE INDUSTRIES LTD.	0.83%
INFOSYS LIMITED	0.71%
ITC LTD.	0.67%
HOUSING DEVELOPMENT FINANCE CORPI	0.67%
LARSEN & TOUBRO LTD.	0.54%

## SECTORAL ALLOCATION OF EQUITY AS A % OF EQUITY PORTFOLIO



# SBI Life - Group Growth Plus Fund - ULIP



## INVESTMENT STYLE:

To provide long term capital appreciation through investment primarily in equity & equity related instrument.

The fund has the following asset class allocation strategy:

This fund option is available under SBI life Kalyan ULIP Plus & SBI Life Kalyan ULIP (withdrawn product)

Assets of Group Growth Plus Fund	Min	Max	Risk	Actual Asset Mix as on 30 Jun 2011
Equity & Equity Related Instruments	35%	60%	High	49.36%
Debt & Money Market Instruments	40%	65%		50.64%

## FUND PERFORMANCE\* (as on 31 Aug 2011)

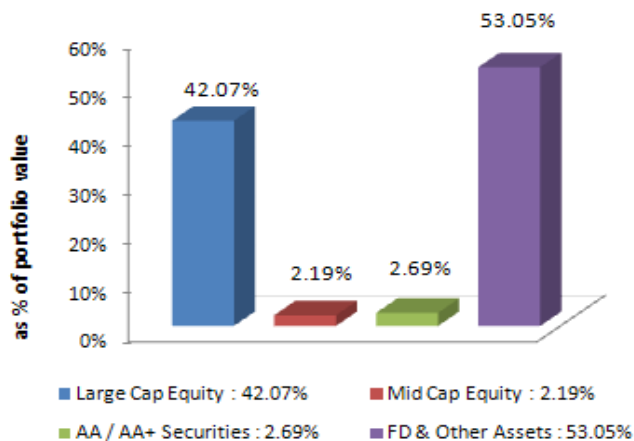
Benchmark: Nifty (45%) CompBEX (55%)

Returns	From 1 April 2011	1 yr	Since Inception (25 Sept 09)
Group Growth Plus Fund	-4.00%	1.93%	13.01%
Benchmark - Nifty (45%) CompBEX (55%)	-5.11%	0.08%	3.64%

\* i) Returns less than or equal to one year are absolute returns, greater than a year are Compound Annual Growth Rate

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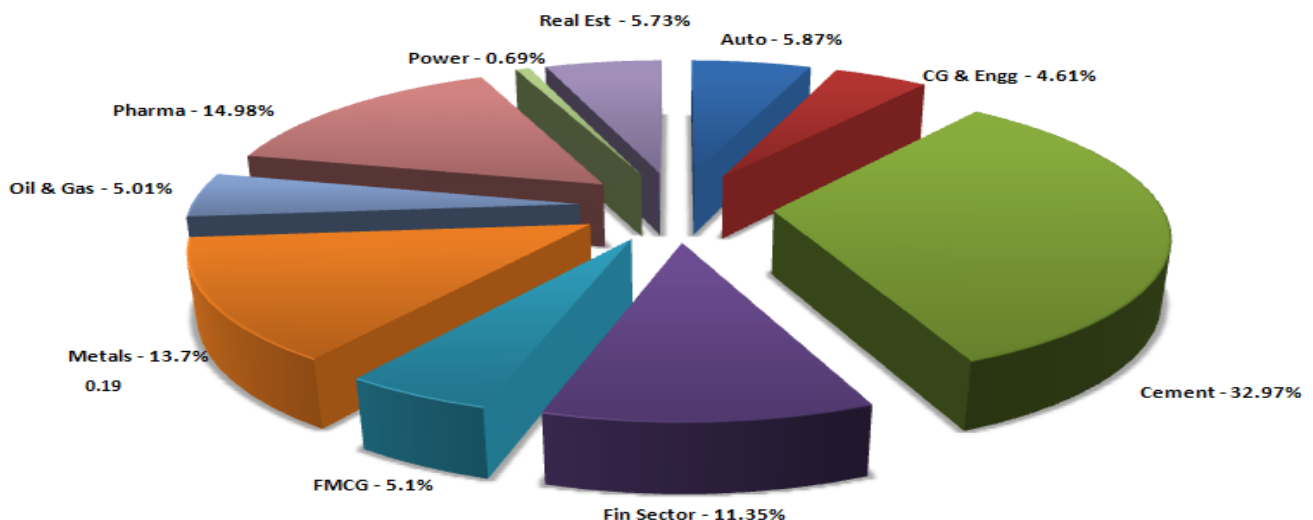
## ASSET ALLOCATION



## TOP HOLDINGS

Company Name	% of total portfolio
HDFC BANK LTD.FV-2	4.16%
RELIANCE INDUSTRIES LTD.	3.95%
INFOSYS LIMITED	3.88%
ITC LTD.	3.61%
ICICI BANK LTD.	3.47%
HOUSING DEVELOPMENT FINANCE CORPN.FV-	3.27%
LARSEN & TOUBRO LTD.	1.65%
TATA CONSULTANCY SERVICES LTD.	1.55%
BHARTI AIRTEL LTD.	1.54%
AXIS BANK LTD.	1.40%

## SECTORAL ALLOCATION OF EQUITY AS A % OF EQUITY PORTFOLIO



# SBI Life - Group Balanced Plus Fund - ULIP



## INVESTMENT STYLE:

To provide a balance between long term capital appreciation and current income through a blend of investment in equity/ equity related instruments and fixed income instruments.

The fund has the following asset class allocation strategy:

This fund option is available under SBI life Kalyan ULIP Plus & SBI Life Kalyan ULIP (withdrawn product)

Assets of Group Balanced Plus Fund	Min	Max	Risk	Actual Asset Mix (As on 30 Jun 11)
Equity & Equity Related Instruments	20%	35%	Medium	30.23%
Debt & Money Market Instruments	65%	80%	to High	69.77%

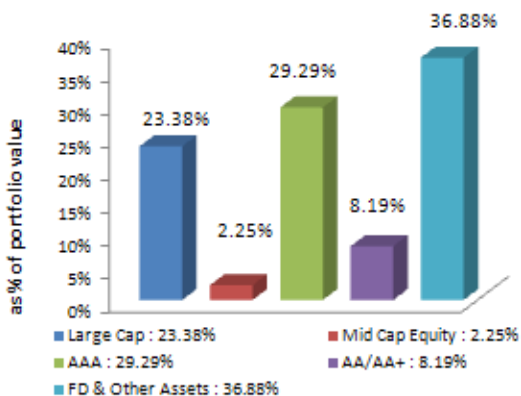
## FUND PERFORMANCE\* (as on 31 Aug 2011)

Benchmark: Nifty (25%) CompBEX (75%)

Returns	From 1 April 2011	1 yr	2 yr	Since Inception (16 July 09)
Group Balanced Plus Fund	-1.08%	3.17%	9.03%	12.63%
Benchmark - Nifty (25%) CompBEX (75%)	-1.64%	2.70%	5.55%	6.01%

- \* i) Returns less than or equal to one year are absolute returns, greater than a year are Compound Annual Growth Rate
- ii) Past performance of the fund is not indicative of its future prospects or returns

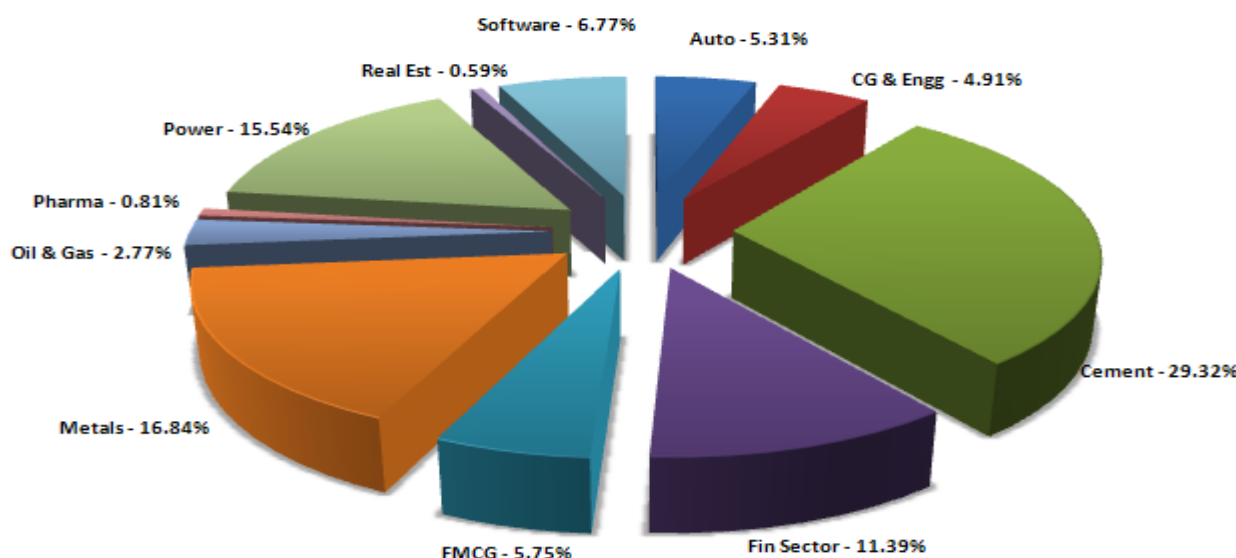
## ASSET ALLOCATION



## TOP HOLDINGS

Company Name	% of total
Money Market Instrument	23.49%
11.90% PIDILITE B & D 05/12/2013	7.69%
10.90% RELIANCE GAS B & D 06/01/2014	7.56%
10.00% NABARD B & D 14/05/2012	7.36%
8.70% PFC B & D 14-05-2015 65.1	7.20%
RELIANCE INDUSTRIES LTD.	2.36%
HOUSING DEVELOPMENT FINANCE CORP	1.95%
ITC LTD.	1.77%
INFOSYS LIMITED	1.72%
ICICI BANK LTD.	1.50%

## SECTORAL ALLOCATION OF EQUITY AS A % OF EQUITY PORTFOLIO



# SBI Life - Guarantee Plus Fund - ULIP



## INVESTMENT STYLE:

The Guarantee Plus Fund<sup>^</sup> is segregated (by tranche i.e. 'GPF\_DDMMYY\_Duration'), close ended fund, carries a guarantee over a pre-specified fixed period. It aims to guarantee fixed return by investing in fixed income securities (debt instruments, money market instruments & cash) with maturities close to the maturity date of the fund. The investment would generally follow 'Buy and Hold' strategy with some exceptions depending upon the market situation. To provide fixed returns through low risk investment with no exposure in the equity market.

The fund has the following asset class allocation strategy:

This fund option is available under SBI life Kalyan ULIP Plus & SBI Life Kalyan ULIP (withdrawn product)

Assets of Guarantee Plus GPF_100710_10 Fund	Min	Max	Risk
Equity & Equity Related Instruments	Nil	Nil	Low
Debt & Money Market Instruments	100%	100%	
<b>Actual Asset Mix as on 30 June 11</b>		Debt & Money Market Instruments :100%	

<sup>^</sup> The Guarantee Plus Fund will mature on the specified date at pre-specified NAV or the actual NAV at the time of maturity of the fund, whichever is higher. However, entire amount invested in the fund can be redeemed before sub-fund maturity at then prevailing NAV and no guarantee will apply on the redeemed amount.

## FUND PERFORMANCE\* (as on 31 Aug 11)

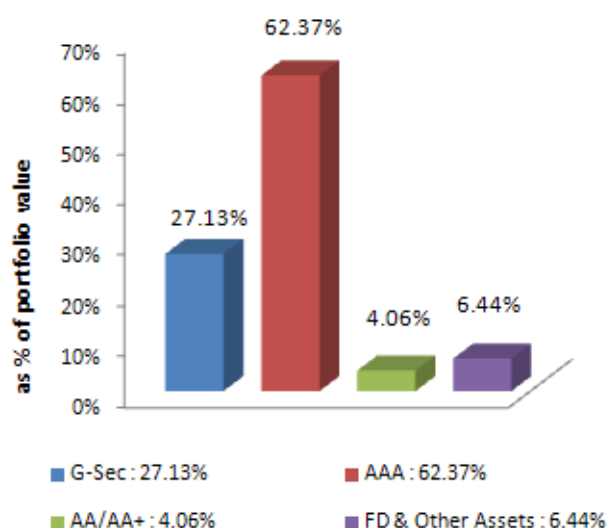
Benchmark: NA

Duration: 5.96

Returns	From 1 April 2011	1Yr	Since Inception (30 July 10)
Guarantee Plus GPF_100710_10 Fund	1.65%	4.23%	4.37%
Benchmark - NA	NA	NA	NA

- \* i) Returns less than or equal to one year are absolute returns, greater than a year are Compound Annual Growth Rate  
ii) Past performance of the fund is not indicative of its future prospects or returns

## ASSET ALLOCATION



## TOP HOLDINGS

Company Name	% of total portfolio
8.17% WEST BANGAL SDL 07-07-2020	20.60%
8.90% LIC HOUSING FIN B & D 10-08-2020	8.15%
8.75% RIL B & D 07-05-2020	8.13%
8.72% SAIL B & D 30-04-2020	8.11%
8.50% IRFC B & D 22-06-2020	8.10%
8.70% PFC B & D 14-05-2020 65.II	8.10%
8.80% L&T B & D 13-04-2020	8.07%
8.79% HDFC B & D 21-07-2020	7.69%
8.15% GUJRAT SDL 07-07-2020	6.53%
8.64% PGC B & D 08-07-2023 J	6.00%

**Risk Factors:**

- 1) Unit Linked Life Insurance products are different from the traditional insurance products and are subject to the risk factors
- 2) Premium paid in unit linked policies are subject to market risks associated with capital markets and NAVs of units may go up or down based on the performance of fund and factors influencing the capital market and the insured is responsible for his/her decision.
- 3) SBI Life Insurance Co. Ltd. is only the name of the insurance company and the various products offered are only the names of the unit linked life insurance contract and does not in any way indicate the quality of the contract, its future prospects or returns
- 4) The various funds offered under SBI Life Unit Linked products are only the names of funds and do not in any way indicate the quality of these funds, their future prospects and returns
- 5) Please know the associated risks and the applicable charges, from your Insurance agent or the intermediary or policy document of the insurer
- 6) Past Performance of the Fund is not indicative of its future prospects or returns.

**To know more about us**

Visit us at [www.sbilife.co.in](http://www.sbilife.co.in) or Call Toll Free No. 1800 22 9090

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Mumbai-400069

Regn. No. 111

*Insurance is the subject matter of solicitation*

For more details on Risk Factors, Terms & Conditions, please read the sales brochure carefully before concluding a sale