

Funds Available With Current Product Offerings - A Snapshot

(as on 30th June 2011)

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A new look at life

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



Saravana Kumar
Chief Investment Officer

Message from CIO's Desk

June 2011 saw a recovery in the Indian equity markets as the benchmark indices, BSE Sensex and CNX Nifty gained 1.85% and 1.57% respectively. The Mid-cap stocks put in a more muted performance as the CNX Mid-cap index registered a decline of 1.16%. May 2011 WPI inflation came in at 9.06%, primarily on the back of soaring manufactured products inflation at 7.27%. In an effort to rein-in inflation, the RBI raised the repo rate under the liquidity adjustment facility (LAF) by 25 basis points from 7.25% to 7.5%. Following the increase in the repo rate, the reverse repo rate under the LAF stands automatically adjusted to 6.5% and the marginal standing facility (MSF) rate to 8.5%. The trajectory of global commodity prices, particularly crude oil and the progress of the monsoons in July, a crucial sowing month, could well determine the direction of the Indian markets in the near term. The Market valuations look reasonable for a long-term investor and present an attractive entry point from a 3-5 year perspective.

Equity Funds

Life Large Cap Equity Fund

Fund Details

Investment Objective : The primary investment objective of the fund is to generate long-term capital appreciation from a portfolio that is invested pre-dominantly in equity and equity linked securities.

Fund Manager : Mr. Saravana Kumar

NAV as on 30 Jun, 11 : ₹11.20

Benchmark : S&P CNX Nifty-100%

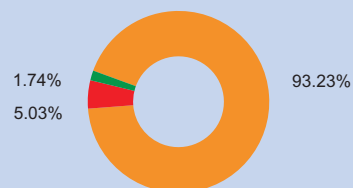
Corpus as on 30 Jun, 11 : ₹755.05 Crs.

Fund Performance

PERIOD	DATE	NAV	NSE Nifty 50 Index	NAV Change	INDEX Change
Last 1 Month	31-May-11	11.08	5560.15	1.06%	1.57%
Last 3 Months	31-Mar-11	11.41	5833.75	-1.86%	-3.19%
Last 6 Months	31-Dec-10	11.99	6134.50	-6.59%	-7.94%
Last 1 Year	30-Jun-10	10.41	5312.50	7.58%	6.30%
Last 3 Year	30-Jun-08	7.82	4040.55	12.71%	11.81%
Since Inception	7-Jan-08	10.00	6279.10	3.31%	-3.00%

Note : The investment income and prices may go down as well as up. "Since Inception" and "3-years" period returns are calculated as per CAGR.

Asset Allocation



Equity Unit Funds Cash, Bank & Others

Whole Life Mid-Cap Equity Fund

Fund Details

Investment Objective : The primary investment objective of the fund is to generate long-term capital appreciation from a portfolio that is invested pre-dominantly in Mid Cap Equity and Mid Cap Equity linked securities.

Fund Manager : Mr. Saravana Kumar

NAV as on 30 Jun, 11 : ₹13.79

Benchmark : NSE CNX Midcap Index - 100%

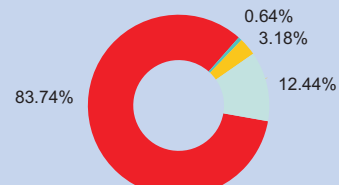
Corpus as on 30 Jun, 11 : ₹1571.43 Crs.

Fund Performance

PERIOD	DATE	NAV	NSE CNX Midcap Index	NAV Change	INDEX Change
Last 1 Month	31-May-11	13.86	8064.80	-0.54%	-1.16%
Last 3 Months	31-Mar-11	13.63	8040.15	1.18%	-0.85%
Last 6 Months	31-Dec-10	14.89	8857.20	-7.41%	-10.00%
Last 1 Year	30-Jun-10	13.45	8130.85	2.51%	-1.96%
Last 3 Years	30-Jun-08	9.63	5238.85	12.71%	15.02%
Since Inception	8-Jan-07	10.00	5156.45	7.44%	10.22%

Note : The investment income and prices may go down as well as up. "Since Inception" and "3-years" period returns are calculated as per CAGR.

Asset Allocation



Equity Fixed Deposit Unit Funds Cash, Bank & Others

Super Select Equity Fund

Fund Details

Investment Objective : The primary investment objective of the fund is to provide income distribution over a period of medium to long term while at all times emphasizing the importance of capital appreciation. The fund will invest significant amount in equity and equity linked instruments specifically excluding companies predominantly dealing in Gambling, Lotteries/Contests, Animal Produce, Liquor, Tobacco, Entertainment (Films, TV etc) Hotels, Banks and Financial Institutions.

Fund Manager : Mr. Saravana Kumar

NAV as on 30 Jun, 11 : ₹11.85

Benchmark : S & P India 500 Shariah Index - 100%

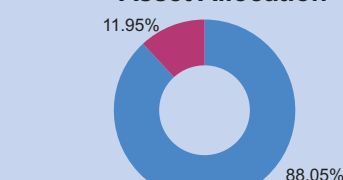
Corpus as on 30 Jun, 11 : ₹267.59 Crs.

Fund Performance

PERIOD	DATE	NAV	S & P India 500 Shariah Index	NAV Change	INDEX Change
Last 1 Month	31-May-11	11.73	1300.79	1.02%	0.50%
Last 3 Months	31-Mar-11	11.73	1340.15	0.98%	-2.45%
Last 6 Months	31-Dec-10	12.47	1436.15	-4.99%	-8.98%
Last 1 Year	30-Jun-10	11.06	1308.04	7.10%	-0.06%
Since Inception	16-Oct-09	10.00	1217.76	10.47%	4.25%

Note : The investment income and prices may go down as well as up. "Since Inception" period returns are calculated as per CAGR.

Asset Allocation



Equity Cash, Bank & Others (Non Interest Bearing Securities)

Whole Life Aggressive Growth Fund

Balanced Funds

Fund Details

Investment Objective : The primary investment objective of the Fund is to maximize the returns with medium to high risk.

Fund Manager : Mr. Saravana Kumar

NAV as on 30 Jun, 11 : ₹14.94

Benchmark : Nifty - 65%
CRISIL Composite Bond Index - 35%

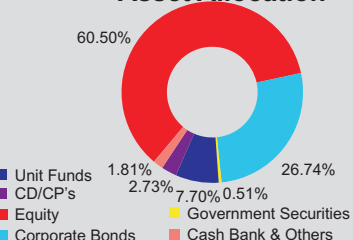
Corpus as on 30 Jun, 11 : ₹285.58 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 1 Month	31-May-11	14.76	1.27%	1.32%
Last 3 Months	31-Mar-11	15.06	-0.77%	-1.64%
Last 6 Months	31-Dec-10	15.57	-4.06%	-4.24%
Last 1 Year	30-Jun-10	14.07	6.24%	5.70%
Last 3 Years	30-Jun-08	10.33	13.09%	10.05%
Since Inception	8-Jan-07	10.00	9.39%	7.58%

Note : The investment income and prices may go down as well as up. "Since Inception" and "3-years" period returns are calculated as per CAGR.

Asset Allocation



Unit Funds CD/CP's Equity Corporate Bonds Government Securities Cash Bank & Others

Whole Life Stable Growth Fund

Fund Details

Investment Objective : The primary investment objective of the Fund is provide reasonable returns with low to medium risk.

Fund Manager : Mr. Saravana Kumar

NAV as on 30 Jun, 11 : ₹13.46

Benchmark : Nifty - 40%
CRISIL Composite Bond Index - 60%

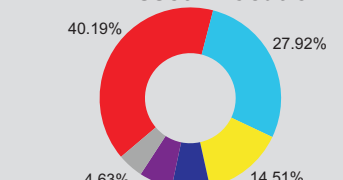
Corpus as on 30 Jun, 11 : ₹58.76 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 1 Month	31-May-11	13.29	1.28%	1.15%
Last 3 Months	31-Mar-11	13.39	0.51%	-0.54%
Last 6 Months	31-Dec-10	13.55	-0.70%	-1.59%
Last 1 Year	30-Jun-10	12.70	5.99%	5.27%
Last 3 Years	30-Jun-08	9.91	10.76%	8.79%
Since Inception	8-Jan-07	10.00	6.86%	6.98%

Note : The investment income and prices may go down as well as up. "Since Inception" and "3-years" period returns are calculated as per CAGR.

Asset Allocation



Unit Funds Equity Corporate Bonds CD/CP's Government Securities Cash Bank & Others

Fixed Income Funds

Whole Life Income Fund

Fund Details		Fund Performance					Asset Allocation		
Investment Objective	: The primary investment objective of the fund is to generate income through investing in a range of debt and money market instruments of various maturities with a view to maximising the optimal balance between yield, safety and liquidity. The Fund will have no investments in equity or equity-linked instruments at any point of time.	PERIOD	DATE	NAV	CRISIL Composite Bond Index	NAV Change	INDEX Change		
Fund Manager	: Mr. Saravana Kumar	Last 1 Month	31-May-11	12.93	1673.27	0.91%	0.86%	■ Corporate Bonds	■ CD/CP's
NAV as on 30 Jun, 11	: ₹13.05	Last 3 Months	31-Mar-11	12.83	1667.12	1.69%	1.24%	■ Government Securities	■ Fixed Deposits
Benchmark	: CRISIL Composite Bond Index -100%	Last 6 Months	31-Dec-10	12.62	1644.23	3.40%	2.64%	■ Cash Bank & Others	
Corpus as on 30 Jun, 11	: ₹100.56 Crs.	Last 1 Year	30-Jun-10	12.40	1613.87	5.24%	4.58%		
		Last 3 Years	30-Jun-08	10.27	1386.28	8.29%	6.78%		
		Since Inception	8-Jan-07	10.00	1298.79	6.12%	6.03%		
		Note : The investment income and prices may go down as well as up. "Since Inception" and "3-years" period returns are calculated as per CAGR.							

Whole Life Short Term Fixed Income Fund

Fund Details		Fund Performance					Asset Allocation		
Investment Objective	: The primary investment objective of the fund is to generate stable returns by investing in fixed income securities having shorter maturity periods. Under normal circumstances, the average maturity of the Fund may be in the range of 1-3 years.	PERIOD	DATE	NAV	CRISIL Short Term Bond Index	NAV Change	INDEX Change		
Fund Manager	: Mr. Saravana Kumar	Last 1 Month	31-May-11	13.01	1730.34	0.95%	0.94%	■ Corporate Bonds	■ CD/CP's
NAV as on 30 Jun, 11	: ₹13.13	Last 3 Months	31-Mar-11	12.83	1716.04	2.37%	1.79%	■ Fixed Deposit	■ Cash, Bank & Others
Benchmark	: CRISIL Short Term Bond Index -100%	Last 6 Months	31-Dec-10	12.64	1688.32	3.91%	3.46%		
Corpus as on 30 Jun, 11	: ₹44.84 Crs.	Last 1 Year	30-Jun-10	12.45	1654.29	5.46%	5.59%		
		Last 3 Years	30-Jun-08	10.39	1418.04	8.12%	7.20%		
		Since Inception	8-Jan-07	10.00	1281.09	6.27%	7.17%		
		Note : The investment income and prices may go down as well as up. "Since Inception" and "3-years" period returns are calculated as per CAGR.							

Equity Outlook

Indian equity markets shrugged of a clutch of negative data on global growth moderation and sovereign debt concerns in the Euro zone and rallied in the last few trading sessions of June. The benchmark indices BSE Sensex and CNX Nifty gained 1.85% and 1.57% respectively even as the CNX Midcap index lost 1.16% over the month.

The FIIs investment has been modest at around USD 500 million in the Indian equity market calendar year to date when compared with insurance companies, who invested around USD 2.5 billion in the same period, domestic mutual funds around USD 650 million. This lack of enthusiasm from the FIIs have been a primary reason for muted returns of MSCI India index of just 3.8% on a y-o-y basis compared to over 20% for MSCI Asia ex Japan during the same period.

India Inc has been under pressure from surging input commodity prices and moderating demand in the second half of FY 2011 stretching its working capital requirements as well as slowing capex growth. A revival in capex growth could be triggered by peaking of interest rates in the second half of FY 2012 as well as easing of capacity bottlenecks through government policy. Profit growth and positive cash flows of Indian Inc act as tailwinds to capex growth if an enabling policy environment is created.

Media reports suggest some possible initiatives from the government to stimulate FDI which had registered a sharp decline of around 25% in FY 2011 to USD 19.4 billion from USD 25.8 billion in FY 2010. FDI in multi-brand retail could be one such initiative which could modernize the back-end logistics and cold chain network by attracting large scale investments from global retail majors and be an enabler in moderating the food inflation in the medium term by bridging the distance between farm and fork.

The growth of eight core infrastructure industries hastened to 5.3% year on year in May 2011 as against 4.6% year on year in April 2011 albeit slower than the 7.4% year on year growth recorded in May 2010. Core sector growth numbers act as a lead indicator to the IIP number as they have an overwhelming weight of around 37.9% in the IIP index.

On Friday 24th June, the Empowered Group of Ministers (EGoM) announced the much delayed price hikes for diesel, kerosene and LPG broadly on expected lines. In absolute terms, diesel (HSD) prices were hiked by ₹3 per litre and kerosene (cooking fuel) by ₹2 per litre. The hike in LPG cooking gas was to the tune of ₹50/ cylinder. In an unexpected move, the government reduced the customs duty on crude by 5% and the excise duty on diesel (HSD) by ₹2/ litre foregoing almost ₹35,000 crores (USD 7.7 billion) in revenue for FY 2012. Overall, the government's move of fuel price hike signaled its resolve in lowering subsidies, creating an enabling environment for follow-on offerings in oil PSUs to meet its FY 2012 disinvestment target as well as improving its finances in the medium term. The Indian equity markets welcomed this decision and a broad based market rally followed.

The markets would be banking on the government's determination to successfully pass a series of bills in the monsoon session of parliament as these could free up more headroom for economic activity and put the economy back into the trajectory of higher growth.

Meanwhile, there are visible near term headwinds from inflationary pressures due to global commodity prices as well as continued moderation in global growth. The medium term outlook of the Indian markets appears brighter as the interest rates could peak by the second half of FY 2012. The Indian market valuations seem reasonable for a long term investor with a 3-5 year view.

Debt Outlook

The month of June 2011 was extremely volatile for the debt markets as the benchmark 10 year Government security (G-sec) started the month at 8.41% and rallied to 8.19% during the month and closed at 8.33%. The easing of yields in the corporate bond markets was to tune of around 14 bps over the month from 9.77% to 9.63%. The corporate bond spread over the 10 year G-sec was in the range of 110-125 bps over the month of June.

The backdrop of negative liquidity persisted throughout the month, starting at around ₹40,000-50,000 crores and further tightening to ₹70,000-100,000 crores over the month, post the advance tax outflows. The government issued ₹6,000 crores of cash management bills in the month of June to meet its short term cash requirements.

The South west monsoon gave a reason to cheer as it has been bountiful in June on an overall basis but shows some signs of weakening in July as the La Nina condition in the Pacific has moved to neutral territory. In its second stage forecast of South West monsoon (June to September), the Indian Meteorological Department (IMD) has revised down its April forecast of 98% of Long Period Average (LPA) to 95%, which is below the normal range of 96-104%. The market watchers would be keenly monitoring the progress and intensity of the monsoons in July, a crucial sowing month. A good monsoon can be an key enabler in moderating agri-inflation and easing the headline inflation in the second half of FY 2012.

The headline inflation printed an uncomfortable 9.06% for May 2011 along with a sharp upward revision to the March 2011 headline inflation number to 9.68%. Factoring in the fuel price hike effected in June, the inflationary pressures are bound to rise by around 70 bps of direct impact of fuel price hike with an overall impact of around 120 bps. We could be staring at double digit headline inflation in the months to come as the inflation could peak off by September 2011, if there are no further upsides to the global commodity prices.

The mid-quarter monetary policy review on June 16th saw the RBI raise the repo rate under the liquidity adjustment facility (LAF) by 25 basis points from 7.25% to 7.5% with immediate effect. The RBI conceded the possibility of deceleration in interest sensitive sectors such as automobiles but saw no evidence of any sharp or broad-based slowdown. The corporate earnings growth has reflected robust demand conditions in the economy, which allowed the corporate to pass on sharp rises in input costs to the end customer, opined the central bank. It alluded to the steady growth in credit and the reasonably strong composite Purchasing Managers' Index (PMI) in May 2011 as evidence of robust economic activity. Given the continued anti-inflationary stance of the RBI, we could expect a 25 bps hike in policy rates in the first quarter monetary policy review on July 26th.

India's fourth quarter current account deficit was moderated by robust export growth and helped in the FY 2011 current account deficit decline on a year on year basis to 2.6% of GDP as against 2.8% of the GDP in FY 2010. However, the concerns on the balance of payments stems from the declining capital flows witnessed in FY 2011 primarily due to a sharp fall in FDI. With elevated crude oil prices inflating the import bill the current account deficit could cross 3% of GDP. There are early indications that the FDI in FY 2012 could be significantly higher than FY 2011 and that could ease the balance of payments position.

We could see upward pressure on the 10 year G-sec due to the sticky elevated inflation levels and the RBI's response to rein-in the inflation. The 10 year G-sec could trade in the range of 8.25-8.50% in the near term.

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(as on 30th June 2011)



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Disclaimer

1. The fund is managed by Tata AIG Life Insurance Company Ltd. (hereinafter the "Company").
2. Past performance is not indicative of future results. Returns are calculated on an absolute basis for a period of less than (or equal to) a year, with reinvestment of dividends (if any).
3. All investments made by the Company are subject to market risks. The Company does not guarantee any assured returns. The investment income and price may go down as well as up depending on several factors influencing the market.
4. Every effort is made to ensure that all information contained in this publication is accurate at the date of publication, but no responsibility or liability in respect of any error or omission is accepted by the Company.
5. Tax benefits are as per the Income Tax Act, 1961 and are subject to amendments made therein from time to time.
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8. Premium paid in ULIPs are subject to Investment risks associated with capital markets & the NAV of the units may go up or down based on the performance of the fund and factors influencing capital markets & the insured is responsible for his/her decision.
9. ULIP products are different from traditional Life Insurance products and are subject to risk factors.
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Insurance is the subject matter of the solicitation.

Unique Reference Number: L&C/Adv/2011/Jul/099