

Quick Glance - Funds Performance

(Funds with AUM of more than ₹125 crores as on 31st December 2012)

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



Saravana Kumar
Chief Investment Officer

Message from CIO's Desk

The month of December 2012 saw the benchmark indices; BSE Sensex and CNX Nifty gain around 0.4%, even as the Mid-cap index, CNX Mid-cap surged close to 4.5% during the same period.

Equity Funds

Equity Fund (ULIF 001 04/02/04 TEL 110)

Fund Details

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

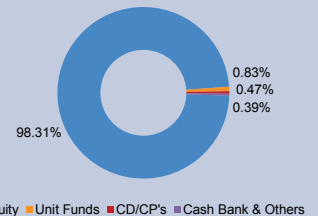
Fund Manager : Mr. Saravana Kumar
NAV as on 31 Dec, 12 : ₹33.8525
Benchmark : BSE Sensex - 100%
Corpus as on 31 Dec,12 : ₹2,638.87 Crs.

Fund Performance

PERIOD	DATE	NAV	BSE Sensex	NAV Change	INDEX Change
Last 6 Months	29-Jun-12	30.2869	17429.98	11.77%	11.46%
Last 1 Year	30-Dec-11	26.3427	15454.92	28.51%	25.70%
Last 2 Years	31-Dec-10	36.2075	20509.09	-3.31%	-2.67%
Last 3 Years	31-Dec-09	30.1080	17464.81	3.98%	3.61%
Last 4 Years	31-Dec-08	17.7170	9647.31	17.57%	19.12%
Last 5 Years	31-Dec-07	42.9910	20286.99	-4.67%	-0.86%
Since Inception	02-Mar-04	10.0000	5823.17	14.79%	14.60%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

Asset Allocation



Whole Life Mid-Cap Equity Fund (ULIF 009 04/01/07 WLE 110)

Fund Details

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

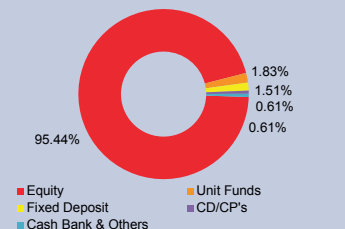
Fund Manager : Mr. Saravana Kumar
NAV as on 31 Dec, 12 : ₹15.7086
Benchmark : NSE CNX MIDCAP-100%
Corpus as on 31 Dec,12 : ₹1,986.46 Crs.

Fund Performance

PERIOD	DATE	NAV	NSE CNX MIDCAP	NAV Change	INDEX Change
Last 6 Months	29-Jun-12	13.3416	7351.80	17.74%	15.69%
Last 1 Year	30-Dec-11	11.2593	6111.85	39.52%	39.16%
Last 2 Years	31-Dec-10	14.8905	8857.20	2.71%	-2.01%
Last 3 Years	31-Dec-09	12.1680	7432.80	8.89%	4.59%
Last 4 Years	31-Dec-08	6.8430	3735.60	23.09%	22.84%
Last 5 Years	31-Dec-07	16.2310	9199.85	-0.65%	-1.56%
Since Inception	08-Jan-07	10.0000	5156.45	7.84%	8.72%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

Asset Allocation



Large Cap Equity Fund (ULIF 017 07/01/08 TLC 110)

Fund Details

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

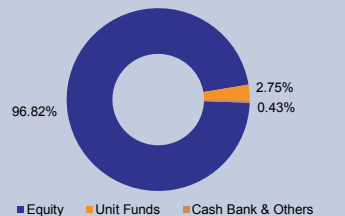
Fund Manager : Mr. Saravana Kumar
NAV as on 31 Dec, 12 : ₹11.9717
Benchmark : S&P CNX Nifty-100%
Corpus as on 31 Dec,12 : ₹963.58 Crs.

Fund Performance

PERIOD	DATE	NAV	S&P CNX Nifty	NAV Change	INDEX Change
Last 6 Months	29-Jun-12	10.5546	5278.90	13.43%	11.86%
Last 1 Year	30-Dec-11	9.1397	4624.30	30.99%	27.70%
Last 2 Years	31-Dec-10	11.9900	6134.50	-0.08%	-1.89%
Last 3 Years	31-Dec-09	9.9790	5201.05	6.26%	4.32%
Last 4 Years	31-Dec-08	5.9760	2959.15	18.97%	18.85%
Since Inception	07-Jan-08	10.0000	6279.10	3.68%	-1.22%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

Asset Allocation



Future Equity Pension Fund (ULIF 020 04/02/08 FEP 110)

Fund Details

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

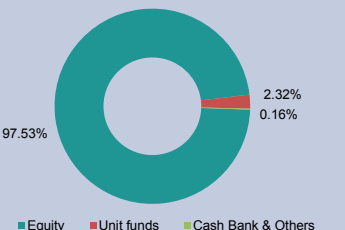
Fund Manager : Mr. Saravana Kumar
NAV as on 31 Dec, 12 : ₹13.2720
Benchmark : S&P CNX Nifty-100%
Corpus as on 31 Dec,12 : ₹236.02 Crs.

Fund Performance

PERIOD	DATE	NAV	S&P CNX Nifty	NAV Change	INDEX Change
Last 6 Months	29-Jun-12	11.8125	5278.90	12.36%	11.86%
Last 1 Year	30-Dec-11	10.3560	4624.30	28.16%	27.70%
Last 2 Years	31-Dec-10	13.7877	6134.50	-1.89%	-1.89%
Last 3 Years	31-Dec-09	11.3490	5201.05	5.36%	4.32%
Last 4 Years	31-Dec-08	6.6140	2959.15	19.02%	18.85%
Since Inception	04-Feb-08	10.0000	5463.50	5.94%	1.60%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

Asset Allocation



Select Equity Fund (ULIF 024 06/10/08 TSE 110)

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.

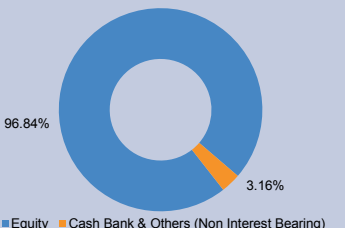
Fund Manager : Mr. Saravana Kumar
NAV as on 31 Dec, 12 : ₹18.9771
Benchmark : S & P India 500 Shariah Index - 100%
Corpus as on 31 Dec,12 : ₹218.18 Crs.

Fund Performance

PERIOD	DATE	NAV	S & P India 500 Shariah Index	NAV Change	INDEX Change
Last 6 Months	29-Jun-12	17.1115	1231.12	10.90%	8.36%
Last 1 Year	30-Dec-11	15.4673	1130.46	22.69%	18.01%
Last 2 Years	31-Dec-10	19.0738	1436.15	-0.25%	-3.62%
Last 3 Years	31-Dec-09	15.8580	1269.50	6.17%	1.67%
Last 4 Years	31-Dec-08	10.2460	669.21	16.66%	18.82%
Since Inception	06-Oct-08	10.0000	844.46	16.32%	11.39%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

Asset Allocation



Quick Glance - Funds Performance

(Funds with AUM of more than ₹125 crores as on 31st December 2012)

Super Select Equity Fund (ULIF 035 16/10/09 TSS 110)

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

Fund Manager : Mr. Saravana Kumar

NAV as on 31 Dec, 12 : ₹12.3187

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

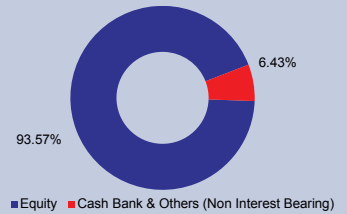
Corpus as on 31 Dec,12 : ₹499.63 Crs.

Fund Performance

PERIOD	DATE	NAV	S & P India 500 Shariah Index	NAV Change	INDEX Change
Last 6 Months	29-Jun-12	11.1711	1231.12	10.27%	8.36%
Last 1 Year	30-Dec-11	10.2229	1130.46	20.50%	18.01%
Last 2 Years	31-Dec-10	12.4722	1436.15	-0.62%	-3.62%
Last 3 Years	31-Dec-09	10.3380	1269.50	6.02%	1.67%
Since Inception	16-Oct-09	10.0000	1217.76	6.71%	2.88%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

Asset Allocation



Top 200 Fund (ULIF 027 12/01/09 ITT 110)

Fund Details

Investment Objective : The Top 200 fund will invest primarily in select stocks and equity linked instruments which are a part of BSE 200 Index with a focus on generating long term capital appreciation. The fund will not replicate the index but aim to attain performance better than the performance of the Index. As a defensive strategy arising out of market conditions, the scheme may also invest in debt and money market instruments.

Fund Manager : Mr. Saravana Kumar

NAV as on 31 Dec, 12 : ₹20.3352

Benchmark : BSE 200 - 100%

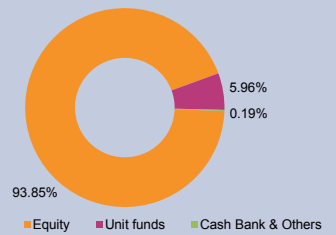
Corpus as on 31 Dec,12 : ₹153.15 Crs.

Fund Performance

PERIOD	DATE	NAV	BSE 200	NAV Change	INDEX Change
Last 6 Months	29-Jun-12	17.8514	2138.10	13.91%	13.39%
Last 1 Year	30-Dec-11	15.6265	1850.89	30.13%	30.98%
Last 2 Years	31-Dec-10	20.5660	2533.90	-0.56%	-2.18%
Last 3 Years	31-Dec-09	17.2380	2180.25	5.66%	3.60%
Since Inception	12-Jan-09	10.0000	1091.37	19.58%	22.27%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

Asset Allocation



Balanced Funds

Aggressive Growth Fund (ULIF 006 01/07/06 TAL 110)

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 31 Dec, 12 : ₹16.9636

Benchmark : BSE Sensex - 65%, CRISIL Composite Bond Index - 35%

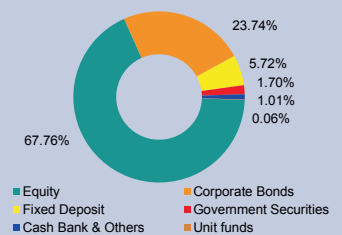
Corpus as on 31 Dec,12 : ₹305.91 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	29-Jun-12	15.5679	8.97%	9.13%
Last 1 Year	30-Dec-11	14.0144	21.04%	19.99%
Last 2 Years	31-Dec-10	17.0094	-0.13%	1.11%
Last 3 Years	31-Dec-09	14.8250	4.59%	4.82%
Last 4 Years	31-Dec-08	10.0950	13.86%	14.59%
Last 5 Years	31-Dec-07	16.1620	0.97%	1.80%
Since Inception	01-Jul-06	10.0000	8.46%	8.67%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

Asset Allocation



Whole Life Aggressive Growth Fund (ULIF 010 04/01/07 WLA 110)

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 31 Dec, 12 : ₹16.2719

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

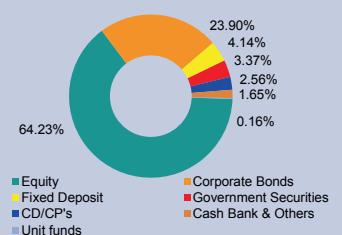
Corpus as on 31 Dec,12 : ₹387.04 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	29-Jun-12	14.7250	10.51%	9.39%
Last 1 Year	30-Dec-11	13.2851	22.48%	21.29%
Last 2 Years	31-Dec-10	15.5748	2.21%	1.62%
Last 3 Years	31-Dec-09	13.3750	6.75%	5.28%
Last 4 Years	31-Dec-08	9.2110	15.29%	14.41%
Last 5 Years	31-Dec-07	13.6380	3.59%	1.86%
Since Inception	08-Jan-07	10.0000	8.48%	6.94%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

Asset Allocation



Growth Fund (ULIF 004 04/02/04 TGL 110)

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 31 Dec, 12 : ₹26.7267

Benchmark : BSE Sensex - 65%, CRISIL Composite Bond Index - 35%

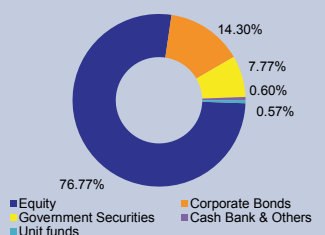
Corpus as on 31 Dec,12 : ₹143.57 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	29-Jun-12	24.4018	9.53%	9.13%
Last 1 Year	30-Dec-11	21.8482	22.33%	19.99%
Last 2 Years	31-Dec-10	26.9155	-0.35%	1.11%
Last 3 Years	31-Dec-09	23.6650	4.14%	4.82%
Last 4 Years	31-Dec-08	16.5140	12.79%	14.59%
Last 5 Years	31-Dec-07	29.4260	-1.91%	1.80%
Since Inception	02-Mar-04	10.0000	11.77%	11.43%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

Asset Allocation



Quick Glance - Funds Performance

(Funds with AUM of more than ₹125 crores as on 31st December 2012)

Fixed Income Funds

Whole Life Income Fund (ULIF 012 04/01/07 WLI 110)

Fund Details

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 maximizing the optimal balance between yield, safety and liquidity. The Fund will have no investments in equity or equity linked instruments at any point in time.

Fund Manager : Mr. Saravana Kumar

NAV as on 31 Dec, 12 : ₹15.1679

Benchmark : CRISIL Composite Bond Index -100%

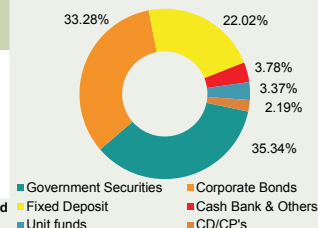
Corpus as on 31 Dec, 12 : ₹203.35 Crs.

Fund Performance

PERIOD	DATE	NAV	Crissil Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	29-Jun-12	14.3351	1834.39	5.81%	4.81%
Last 1 Year	30-Dec-11	13.6449	1757.68	11.16%	9.38%
Last 2 Years	31-Dec-10	12.6164	1644.23	9.65%	8.13%
Last 3 Years	31-Dec-09	11.9430	1566.53	8.29%	7.07%
Last 4 Years	31-Dec-08	10.9940	1513.49	8.38%	6.16%
Last 5 Years	31-Dec-07	10.1370	1387.81	8.39%	6.74%
Since Inception	08-Jan-07	10.0000	1298.79	7.21%	6.78%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

Asset Allocation



Guaranteed NAV Funds

The fund would be predominantly invested in equity at inception, wherein the dynamic asset allocation mechanism allocates the portfolio between equity and debt. This dynamic asset allocation is based on the performance of equity markets and movements in interest rates. The equity allocation may be reallocated to debt if the equity markets or interest rates fall, to safeguard the guarantee.

Over time, the asset mix will predominantly shift to debt to protect the guarantee. This dynamic asset allocation process will drive the returns generated by the Apex Return Lock-in Fund. The dynamic asset allocation shifts the allocation of the fund from an equity bias to a debt bias, over time. This would mean that the Guaranteed NAV would not mimic the highest level of the equity market, over the period the guarantee is applicable. Any unexpected and sharp falls in equity market and/or interest rates, during the period the guarantee is applicable, may trigger the allocation to completely move towards debt, to protect the highest NAV achieved prior to the fall. Overall, it is an ideal fund for an investor who wants to take advantage of high returns in a positive market scenario while safe-guarding the investment during any downturn.

APEX Return Lock-In Fund (ULIF 032 18/02/09 ARL 110)

Fund Details

Investment Objective : The investment objective for Apex Return Lock-in Fund is to use the participation in an actively managed well diversified equity portfolio of large cap companies to generate capital appreciation and use high credit quality debt instruments to lock-in that capital appreciation. The initial asset allocation in equities is targeted at 80% to 100%.

Fund Manager : Mr. Saravana Kumar

The highest NAV recorded on reset date : ₹12.7648

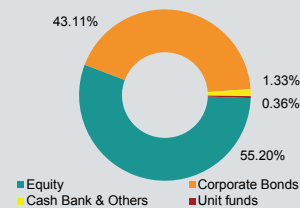
Corpus as on 31 Dec, 12 : ₹351.78 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change
Last 6 Months	29-Jun-12	11.6634	9.14%
Last 1 Year	30-Dec-11	10.6734	19.26%
Last 2 Years	31-Dec-10	12.4951	0.93%
Last 3 Years	31-Dec-09	11.0130	4.95%
Since Inception	10-Jun-09	10.0000	7.01%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

Asset Allocation



APEX Return Lock-In Fund II (ULIF 033 03/08/09 AR2 110)

Fund Details

Investment Objective : The investment objective for Apex Return Lock-in Fund II is to use the participation in an actively managed well diversified equity portfolio of large cap companies to generate capital appreciation and use high credit quality debt instruments to lock-in that capital appreciation. The initial asset allocation in equities is targeted at 80% to 100%.

Fund Manager : Mr. Saravana Kumar

The highest NAV recorded on reset date : ₹11.8755

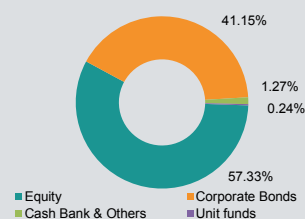
Corpus as on 31 Dec, 12 : ₹242.41 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change
Last 6 Months	29-Jun-12	10.8890	9.35%
Last 1 Year	30-Dec-11	9.9237	19.99%
Last 2 Years	31-Dec-10	11.6579	1.06%
Last 3 Years	31-Dec-09	10.2500	5.12%
Since Inception	10-Nov-09	10.0000	5.71%

Note : The investment income and prices may go down as well as up. "Since Inception" and returns above "1 Year" are calculated as per CAGR.

Asset Allocation



Equity Outlook

The month of December 2012 saw the benchmark indices; BSE Sensex and CNX Nifty gain around 0.4%, even as the Mid-cap index, CNX Mid-cap surged 4.5% during the same period.

The FIIs were net buyers of Indian equity over the month of December 2012 to the tune of USD 4.6 billion and have invested around USD 24.5 billion in Indian equities in CY 2012. The DIIs sold around USD 1.6 billion of Indian equity over the month with insurance companies and domestic mutual funds being net sellers to the tune of around USD 1.1 billion and USD 0.5 billion respectively. The insurance companies and mutual funds have sold USD 7 billion and USD 3.8 billion respectively in CY 2012. Consensus earnings estimates for the broad market (MSCI India) for FY13 and FY14 were revised down marginally over the month. The consensus earnings growth estimates stand at 11% and 15% for FY13(E) and FY14(E) respectively. Despite this earnings downgrade and the slowing corporate revenues PBT margins have shown signs of stabilizing and most of the earnings downgrade cycle seems to have already played itself out.

December 2012 saw the passage of the landmark bill of FDI in Multi-brand retail by both houses of Parliament. The winter session of Parliament saw the passage of the Banking Laws (Amendment) Bill, 2011 and the Companies Bill, 2011. The Union Cabinet announced the 'Cabinet Committee on Investments' (CCI) under the leadership of the Prime Minister in an attempt to fast track key large ticket infrastructure projects with an investment of at least Rs. 1000 crores (approx. USD 185 million). Though it has been perceived as a diluted version of the National Investment Board proposed earlier by the Finance Minister, it would still help to speed up infra-project approvals and broadly seen as a key reform.

The Government announced the New Urea Policy to incentivise fertilizer companies to set up new plants and expand existing capacity guaranteeing a 12-20% post-tax return on fresh capital. The new Urea policy aims to attract fresh investment of about Rs 35,000 crores (approx. USD 6.5 billion) over the next 3 years.

Non-food credit growth for the last reported fortnight came in at 16% year on year as against 16.8% in corresponding period of last year. A sharp deceleration in growth, elevated interest rates and slowing capex has weighed down credit growth for FY2012-13. Deposit growth remains muted at 13-14% levels due to lower real interest rates and near double digit retail inflation.

Going forward, we could see a pick-up in investments due to the government's thrust on faster approvals for big ticket infra investments as well as higher business confidence of Indian corporate. The recovery in capex in the Initial phase could be led by the cash rich state owned entities.

Quick Glance - Funds Performance

(Funds with AUM of more than ₹125 crores as on 31st December 2012)

With the series of reform measures increasing the business confidence as well as improving the investment climate, the markets are bracing for the RBI to respond by lowering the interest rates. The passage of the proposed increase in the FDI limit in the insurance sector from 26% to 49%, the rollout of the Goods and Services Tax (GST) and the speedy construction of the Delhi-Mumbai freight corridor will further accelerate the reform momentum and raise the economic growth trajectory.

The Prime Minister has emphasized on faster GDP growth for sustainable job creation, lower fiscal deficit through higher fuel prices and early implementation of GST, agricultural reform and higher growth in manufacturing. Some concrete progress on these fronts could improve the macro-fundamentals leading to a positive re-rating of the India story.

The market offers the comfort of reasonable valuations at around 15 times one year forward price earnings. We believe that the Indian equities offer an attractive entry point for a long term investor with a 3-5 year view.

The market offers the comfort of reasonable valuations at around 14.5 times one year forward price earnings. We believe that the Indian equities offer an attractive entry point for a long term investor with a 3-5 year view.

Debt Outlook

The month of December 2012 saw the benchmark 10 year Government security (G-sec) rally by 12 bps ending the month at 8.05% levels.

December 2012 saw the G-sec market trading firm due to a better than expected November WPI inflation print, four OMOs conducted by the RBI to the tune of around Rs.39,000 crores as well as the unchanged government borrowing for fourth quarter. The yields of the 30 year G-sec over the 10 year G-sec contracted to around 25 bps in December 2012 as against the 28 bps, seen in the prior month.

The RBI's reiteration of their guidance on reducing policy rates in the fourth quarter as well as the Finance Minister's expectations of meeting the revised fiscal deficit target of 5.3% of GDP were seen as positive for the bond market sentiments.

The corporate bond market remained steady during the month on the back of muted supply, to close the month of December 2012 at around the 8.90% levels in the 5-10 year bonds, lower than November levels of 8.97%. As a consequence, the corporate bond spread over the benchmark 10 year G-sec stood at around 60 Bps in December 2012, similar to the prior month.

On the liquidity front, the Liquidity Adjustment Facility -LAF continued to be the primary mode of liquidity injection, maintaining a shortfall of around Rs.1-1.5 trillion levels for most of the month, largely due to the festival season cash demand as well as the advance tax payments, thereby necessitating the RBI shoring up the systemic liquidity through sustained OMOs.

The RBI in its mid-quarter monetary policy review in December 2012 kept the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 8% and the cash reserve ratio (CRR) of scheduled banks unchanged at 4.25%. In its assessment of the global macro situation, the RBI opined that the global economy had shown some signs of stabilization although the situation remained fragile.

On the domestic front, the RBI saw some early signs of a pick-up in economic activity, though the growth trajectory remained significantly below trend. The RBI was concerned about the stubborn consumer price inflation but the pace of moderation in wholesale price inflation had been faster than their expectation. The RBI hoped that food and manufacturing prices would edge down further to ease inflationary pressures somewhat in the coming months.

The RBI was concerned at the step-up in oil imports despite the moderation in crude prices with the cumulative trade deficit for April-November 2012 widening from its level a year ago indicating significant risks to the balance of payments from the adverse external environment. The RBI noted the pressures on the Rupee stemming from the large trade and current account deficits even though there has been an improvement in capital flows in the third quarter.

The RBI stated that the GDP growth was evolving along its baseline projection of 5.8 % for 2012-13 set out in the Second quarter monetary policy review and hoped that the recent policy initiatives by the Government and further reforms would help boost business sentiment and improve the investment climate. As regards inflation, the RBI believed that the excess capacity in some sectors was working towards moderating core inflation. The RBI noted that the headline inflation had been below its projected levels over the past two months aided by the decline in core inflation. RBI stated that these emerging patterns reinforce the likelihood of steady moderation in inflation going into 2013-14, though inflation may edge higher over the next two months.

The RBI conceded that in view of inflation pressures reducing, monetary policy would need to increasingly shift focus and respond to the threats to growth from this point onwards. The RBI stated that the liquidity conditions would be managed with a view to support growth, thereby preparing the ground for shifting the policy stance towards a growth focus. The RBI believed that the recent inflation patterns and projections provide a basis for reinforcing their October guidance about policy easing in the fourth quarter FY2012-13.

The market watchers believe that this reinforcement of guidance points to a reduction in the policy rate in the third quarter monetary policy. The extent of further rate cuts beyond the third quarter policy will depend on the evolving inflation trajectory but the consensus is a 100 bps rate cut in the CY2013.

The G-secs rally could sustain if the RBI continues to favour the OMO route to offset liquidity pressures and the expected reduction in the policy rates to the extent of 50 bps become a reality in fourth quarter fiscal FY2012-13.

The 10-year yield G-sec may trade in the range of 7.90-8.10% in the near-term, waiting for the rate action from the RBI's third-quarter monetary policy review on January 29th 2012 and taking further cues from the RBI's commentary on the policy.

Disclaimer

1. The fund is managed by Tata AIA Life Insurance Company Ltd. (hereinafter the "Company").
2. Past performance is not indicative of future performance. 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. Income Tax benefits would be available as per the prevailing income tax laws, subject to fulfillment of conditions stipulated therein. Tata AIA Life Insurance Company Ltd. does not assume responsibility on tax implication mentioned anywhere in this document. Please consult your own tax consultant to know the tax benefits available to you.
6. Please know the associated risks and the applicable charges from your Insurance agent or the intermediary or policy document of the Insurer.
7. Various funds offered under this contract are the names of funds and do not, in any way, indicate the quality of the plans, their future prospects & returns.
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.
10. Whilst every care has been taken in the preparation of this document, it is subject to correction and markets may not perform in a similar fashion based on factors influencing the capital and debt markets; hence this review note does not individually confer any legal rights or duties.