

Quick Glance - Funds Performance

(Funds with AUM of more than ₹100 crores as on 29th April 2011)



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

The month of April 2011 saw the benchmark indices, the BSE Sensex and CNX Nifty ending lower by 1.62% and 1.44% respectively, even as the CNX Midcap index posted a gain of 2%.

The rising commodity prices ensured that the WPI inflation of March 2011 clocked 8.98% year on year, well above the consensus of 8.36% and much higher than the central bank's forecast of 8%, inflation averaging around 9.4% in FY2010-11. For the April 2010 - February 2011 period, IIP moderated to 7.8% as compared to 10% on year-on-year basis.

The markets will continue to be volatile on the back of elevated commodity prices leading to elevated inflation numbers as well as a fluid liquidity situation due to global uncertainties. The equity markets trade at fair value, at levels around the 5 year average PE levels and offer good value over a 3-5 year perspective.

Equity Funds

Life Equity Fund

Fund Details		Fund Performance					Asset Allocation		
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.	PERIOD	DATE	NAV	BSE Sensex	NAV Change	INDEX Change		
Fund Manager	: Mr. Saravana Kumar	Last 1 Month	31-Mar-11	33.88	19445.22	-0.41%	-1.62%		
NAV as on 29 Apr, 11	: ₹33.75	Last 3 Months	31-Jan-11	32.66	18327.76	3.33%	4.38%		
Benchmark	: BSE Sensex - 100%	Last 6 Months	29-Oct-10	35.68	20032.34	-5.42%	-4.50%		
Corpus as on 29 Apr, 11	: ₹3268.95 Crs.	Last 1 Year	30-Apr-10	31.01	17558.71	8.84%	8.95%		
		Last 3 Years	30-Apr-08	33.14	17287.31	0.61%	3.43%		
		Since Inception	02-Mar-04	10.00	5823.17	18.51%	18.07%		
<small>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.</small>									

Whole Life Mid-Cap Equity Fund

Fund Details		Fund Performance					Asset Allocation		
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.	PERIOD	DATE	NAV	NSE CNX Midcap Index	NAV Change	INDEX Change		
Fund Manager	: Mr. Saravana Kumar	Last 1 Month	31-Mar-11	13.63	8040.15	1.87%	2.00%		
NAV as on 29 Apr, 11	: ₹13.88	Last 3 Months	31-Jan-11	13.41	7922.50	3.49%	3.51%		
Benchmark	: NSE CNX Midcap Index - 100%	Last 6 Months	29-Oct-10	15.22	9360.70	-8.80%	-12.39%		
Corpus as on 29 Apr, 11	: ₹1534.42 Crs.	Last 1 Year	30-Apr-10	13.19	8061.10	5.21%	1.73%		
		Last 3 Years	30-Apr-08	12.66	7004.80	3.12%	5.40%		
		Since Inception	08-Jan-07	10.00	5156.45	7.91%	11.38%		
<small>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.</small>									

Life Large Cap Equity Fund

Fund Details		Fund Performance					Asset Allocation		
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.	PERIOD	DATE	NAV	NSE Nifty 50 Index	NAV Change	INDEX Change		
Fund Manager	: Mr. Saravana Kumar	Last 1 Month	31-Mar-11	11.41	5833.75	-0.47%	-1.44%		
NAV as on 29 Apr, 11	: ₹11.36	Last 3 Months	31-Jan-11	10.94	5505.90	3.78%	4.42%		
Benchmark	: NSE Nifty 50 Index - 100%	Last 6 Months	29-Oct-10	11.80	6017.70	-3.72%	-4.46%		
Corpus as on 29 Apr, 11	: ₹731.24 Crs.	Last 1 Year	30-Apr-10	10.23	5278.00	11.02%	8.93%		
		Last 3 Year	30-Apr-08	9.86	5165.90	4.82%	3.63%		
		Since Inception	07-Jan-08	10.00	6279.10	3.92%	-2.63%		
<small>Note : The investment income and prices may go down as well as up. "Since Inception" period returns are calculated as per CAGR.</small>									

Future Equity Pension Fund

Fund Details		Fund Performance					Asset Allocation		
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.	PERIOD	DATE	NAV	NSE Nifty 50 Index	NAV Change	INDEX Change		
Fund Manager	: Mr. Saravana Kumar	Last 1 Month	31-Mar-11	13.03	5833.75	-0.45%	-1.44%		
NAV as on 29 Apr, 11	: ₹12.97	Last 3 Months	31-Jan-11	12.58	5505.90	3.09%	4.42%		
Benchmark	: NSE Nifty 50 Index - 100%	Last 6 Months	29-Oct-10	13.52	6017.70	-4.07%	-4.46%		
Corpus as on 29 Apr, 11	: ₹219.71 Crs.	Last 1 Year	30-Apr-10	11.66	5278.00	11.22%	8.93%		
		Last 3 Year	30-Apr-08	10.75	5165.90	6.48%	3.63%		
		Since Inception	04-Feb-08	10.00	5463.50	8.39%	1.59%		
<small>Note : The investment income and prices may go down as well as up. "Since Inception" period returns are calculated as per CAGR.</small>									

Life Select Equity Fund

Fund Details		Fund Performance					Asset Allocation		
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.	PERIOD	DATE	NAV	S & P India 500 Shariah Index	NAV Change	INDEX Change		
Fund Manager	: Mr. Saravana Kumar	Last 1 Month	31-Mar-11	17.96	1340.15	0.16%	-1.34%		
NAV as on 29 Apr, 11	: ₹17.99	Last 3 Months	31-Jan-11	17.59	1294.22	2.27%	2.16%		
Benchmark	: S & P India 500 Shariah Index - 100%	Last 6 Months	29-Oct-10	18.55	1408.93	-3.03%	-6.15%		
Corpus as on 29 Apr, 11	: ₹153.77 Crs.	Last 1 Year	30-Apr-10	16.29	1280.91	10.46%	3.23%		
		Since Inception	06-Oct-08	10.00	844.46	25.77%	19.13%		
<small>Note : The investment income and prices may go down as well as up. "Since Inception" period returns are calculated as per CAGR.</small>									

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(Funds with AUM of more than ₹100 crores as on 29th April 2011)



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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 29 Apr, 11 : ₹11.75

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

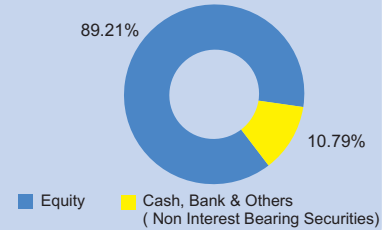
Corpus as on 29 Apr, 11 : ₹236.96 Crs.

Fund Performance

PERIOD	DATE	NAV	S & P India 500 Shariah Index	NAV Change	INDEX Change
Last 1 Month	31-Mar-11	11.73	1340.15	0.11%	-1.34%
Last 3 Months	31-Jan-11	11.51	1294.22	2.11%	2.16%
Last 6 Months	29-Oct-10	12.09	1408.93	-2.83%	-6.15%
Last 1 Year	30-Apr-10	10.62	1280.91	10.65%	3.23%
Since Inception	16-Oct-09	10.00	1217.76	11.07%	8.58%

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

Asset Allocation



Life Aggressive Growth Fund

Balanced Funds

Fund Details

Investment Objective : To maximize the return while investing in mix of Equity & Fixed Income Investments. The fund will maintain a medium to high risk profile. The Equity investments will be in a range of 50% - 80% of the fund.

Fund Manager : Mr. Saravana Kumar

NAV as on 29 Apr, 11 : ₹16.20

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

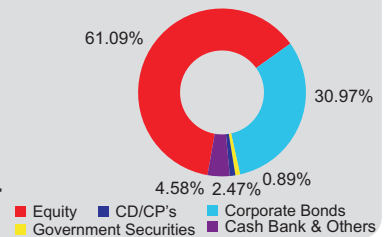
Corpus as on 29 Apr, 11 : ₹329.78 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 1 Month	31-Mar-11	16.22	-0.12%	-0.93%
Last 3 Months	31-Jan-11	15.80	2.50%	3.48%
Last 6 Months	29-Oct-10	16.90	-4.15%	-2.01%
Last 1 Year	30-Apr-10	15.22	6.42%	7.40%
Last 3 Years	30-Apr-08	13.83	5.42%	4.30%
Since Inception	01-Jul-06	10.00	10.50%	10.54%

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



Whole Life Aggressive Growth Fund

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 29 Apr, 11 : ₹15.03

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

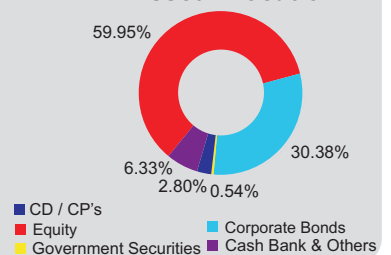
Corpus as on 29 Apr, 11 : ₹273.46 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 1 Month	31-Mar-11	15.06	-0.17%	-0.82%
Last 3 Months	31-Jan-11	14.55	3.29%	3.51%
Last 6 Months	29-Oct-10	15.40	-2.39%	-1.98%
Last 1 Year	30-Apr-10	13.81	8.86%	7.39%
Last 3 Years	30-Apr-08	12.15	7.36%	4.43%
Since Inception	08-Jan-07	10.00	9.93%	8.11%

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



Life Income Fund

Fixed Income Funds

Fund Details

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.

Fund Manager : Mr. Saravana Kumar

NAV as on 29 Apr, 11 : ₹14.29

Benchmark : CRISIL Composite Bond Index - 100%

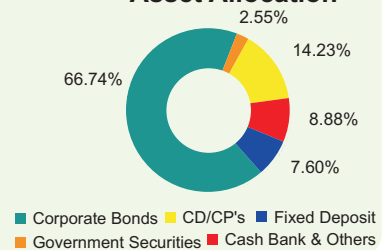
Corpus as on 29 Apr, 11 : ₹170.99 Crs.

Fund Performance

PERIOD	DATE	NAV	Crissil Composite Bond Index	NAV Change	INDEX Change
Last 1 Month	31-Mar-11	14.23	1667.12	0.47%	0.35%
Last 3 Months	31-Jan-11	14.01	1643.29	2.06%	1.80%
Last 6 Months	29-Oct-10	13.86	1630.21	3.11%	2.62%
Last 1 Year	30-Apr-10	13.58	1600.53	5.29%	4.52%
Last 3 Years	30-Apr-08	11.35	1407.74	7.98%	5.92%
Since Inception	02-Mar-04	10.00	1193.20	5.11%	4.83%

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



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, overtime. 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

Fund Details

Investment Objective : Objective 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

Fund Manager : Mr. Saravana Kumar

The highest NAV recorded on reset date : ₹12.76

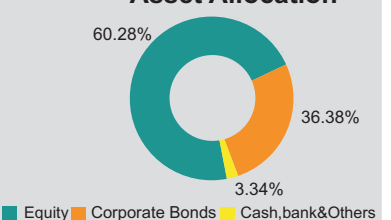
Corpus as on 29 Apr, 11 : ₹335.06 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change
Last 1 Month	31-Mar-11	12.05	-0.86%
Last 3 Months	31-Jan-11	11.63	2.69%
Last 6 Months	29-Oct-10	12.39	-3.61%
Last 1 Year	30-Apr-10	11.20	6.62%
Since Inception	10-Jun-09	10.00	9.88%

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



Quick Glance - Funds Performance

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APEX Return Lock-In Fund II

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

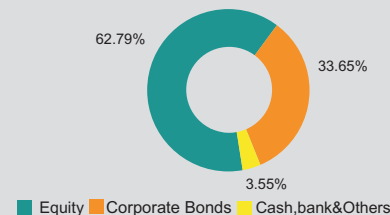
The highest NAV recorded on reset date : ₹11.83

Corpus as on 29 Apr, 11 : ₹168.57 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change
Last 1 Month	31-Mar-11	11.25	-0.60%
Last 3 Months	31-Jan-11	10.86	2.90%
Last 6 Months	29-Oct-10	11.49	-2.73%
Last 1 Year	30-Apr-10	10.41	7.38%
Since Inception	10-Nov-09	10.00	7.90%

Asset Allocation



Equity Outlook

The equity markets, as represented by Benchmark indices put up a lack luster show in April 2011 even as the Mid cap index posted modest gains. The BSE Sensex lost 1.62% and the CNX Nifty closed the month lower by 1.44% with the CNX Midcap index putting on 2% gains.

As the fourth quarter earnings season is on in full swing, the consensus FY 2011 Sensex EPS growth indicates approx. 24% rise in earnings as compared to FY 2010. The EPS is expected to grow by around 18% in FY 2012, year on year. The sensex, at current levels would trade at a ratio of around 14.5 times FY 2012 earnings, at around the five year averages of 1 year forward price earnings levels.

Indian market is still trading at a 35% premium compared to emerging markets, but below the five year rolling averages. There appears to be a divergence in the valuations of the benchmark index, BSE Sensex, when we compare with indices such as BSE Small Cap index, which is trading at a 32% discount as compared to the BSE Sensex. With a possible 15% earnings growth expected, the small cap index is available at single-digit forward multiples, providing a reasonable valuation comfort.

On the flip side, elevated and sticky oil prices do pose a risk to the sustainability of profit margins for India Inc as well as raise their borrowing costs, as the RBI continues effecting hikes in the policy rates to combat global commodities led inflation.

Though there has been a moderation in industrial growth on the back of transmission effects of RBIs continuous monetary tightening, there is some good news from the robust farm production numbers. There is a clear indication that the robust rural demand witnessed in the Kharif harvest season in October 2010 has extended into the summer season.

The sustained rural demand on the back of surging farm incomes can drive domestic consumption demand in the near term, offsetting the negative impact of hardening of interest rates on domestic consumption. Rural demand could buffer the economy from any sudden external shock, such as sharp spikes in global commodity prices. The sustainability of rural demand could extend to medium term, if the monsoons are normal as per the initial forecast of the Indian Meteorological Department (IMD).

The surging rural incomes creates huge demand in a gamut of product categories- consumer durables, fast moving consumer goods, farm equipments, telecom and farm inputs. Rural infrastructure creation, through government funding in irrigation, roads, rural housing, rural electrification and rural tele-connectivity throws up sizable opportunities for corporate India.

We maintain our view that the markets are reasonably priced at current levels and offer an attractive entry point to an investor, with a 3-5 year time-frame.

Debt Outlook

The benchmark 10 year Government security (G-sec) has been under pressure, threatening to break out on the upside in April 2011, starting the month at 7.98% and hardening by 15 bps during the month. This can be largely attributed to stubbornly high and rising headline inflation number for March 2011, which clearly has established that the inflationary pressures in the system have become more generalized. This was reflected by a surge in the non-food manufacturing inflation, which breached the 7% mark. The commodity price rise has been largely passed on to the end customer through the manufacturing chain as the demand has been strong, giving the manufacturers the pricing power in many segments.

The spreads between the corporate bond and the 10 year G-sec was flat at 100 bps for the month, though it spiked up briefly during the month to 115 bps, when there was the new 10 year G-sec issuance. The yield curve of the G-sec as well as the corporate bonds flattened, albeit marginally, during the month. The government issued fresh bonds worth ₹36,000 crores in April 2011. Additionally, the government also issued the Cash management bills to the tune of ₹20,000 crores, to meet the temporary cash requirement of less than 90 days duration.

The government's borrowing calendar for the H1 FY 2012 was released, wherein, the borrowings was pegged at ₹2,50,000 crores (approx. USD 56.2 billion) out of the total year's borrowings of ₹4,17,000 crores (approx.USD 93.7 billion). The first quarter of FY 2012 will see the government borrowing to the tune of ₹1,20,000 crores. (approx. USD 27 billion).

The month started on a positive liquidity mode due to the lagged effects of government spending in March 2011, but became volatile, ending the month in a negative liquidity mode of around ₹50,000 crores.

There was some cheer for the market as Indian Meteorological Department -IMD's long range forecast for the 2011 south-west monsoon season (June to September) was for a normal rainfall, 96-104% of Long Period Average (LPA). IMD stated that quantitatively, monsoon season rainfall is likely to be 98% of the LPA with a model error of ± 5%. The LPA of the season rainfall over the country as a whole for the period 1951-2000 is 89 cm.

India has two major crop sowing time zones, namely, Kharif (summer) crops, whose sowing starts in mid-July, largely rice, account for around half of total food grain production and is monsoon-dependant. Rabi (winter) crops, primarily wheat, are sown around November, is also affected by monsoon-dependant ground water level. A good monsoon would further moderate food inflation even as FY 2011 advance estimates indicated a record food grain harvest.

Debt markets are slowly bracing themselves for a much higher government borrowing in the second half of FY 2012, as the government's share of under-recoveries in diesel, kerosene and LPG could be almost three times the budgeted figure. The excess borrowings in the second half would add to the pressure on the 10 year G-sec as well as the corporate would feel the pinch of the rising borrowing costs due to crowding out effects. With the long delayed but inevitable petrol and diesel hikes round the corner, the headline inflation will continue to be in the elevated zone offsetting the moderating food inflation, resulting in the continuation of monetary tightening stance of the RBI.

The RBI increased the policy rate on May 3rd 2011, by 50 bps and could further effect a rate hike of 25-50 bps by the end of H1 FY 2012. There is a valid apprehension among many market watchers that any further rate hikes could have an adverse impact on growth, as the borrowing costs for the industry become unviable, slowing down the investment growth.

With these strong headwinds, the 10 year G-sec could trade in a range of 8.10-8.25% in the near term, with a possibility of breaching the upper end of the range.

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).
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