

Quick Glance - Funds Performance

(Funds with AUM of more than ₹125 crores as on 29th September 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

India has substantially outperformed its global peers during the month. The FIIs have pulled out a modest USD100 million over the month and USD 300 million since January 2011, the south west monsoon picked up strongly in August and September after a weak July and the cumulative rainfall for the week ended September 28th, 2011 clocked an impressive 2.3% above its Long Period Average, well above the IMD forecast. As expected, the RBI maintained its anti-inflationary stance to deliver a 25 bps rate hike in its mid-quarter monetary policy, taking the repo rate to 8.25%.

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 6 Months	31-Mar-11	33.88	19445.22	-13.35%	-14.13%		
NAV as on 29 Sep, 11	: ₹29.36	Last 1 Year	30-Sep-10	35.82	20069.12	-18.02%	-16.80%		
Benchmark	: BSE Sensex - 100%	Last 2 Years	30-Sep-09	29.19	17126.84	0.29%	-1.26%		
Corpus as on 29 Sep, 11	: ₹2780.21 Crs.	Last 3 Years	30-Sep-08	23.88	12860.43	7.13%	9.09%		
		Last 4 Years	30-Sep-07	33.90	17291.10	-3.53%	-0.87%		
		Last 5 Years	29-Sep-06	22.37	12454.42	5.60%	6.04%		
		Since Inception	02-Mar-04	10.00	5823.17	15.27%	14.91%		
		<small>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.</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	NAV Change	INDEX Change		
Fund Manager	: Mr. Saravana Kumar	Last 6 Months	31-Mar-11	13.63	8040.15	-6.52%	-11.46%		
NAV as on 29 Sep, 11	: ₹12.74	Last 1 Year	30-Sep-10	14.91	9164.25	-14.55%	-22.32%		
Benchmark	: NSE CNX Midcap Index - 100%	Last 2 Years	30-Sep-09	11.12	6713.30	7.05%	2.98%		
Corpus as on 29 Sep, 11	: ₹1510.23 Crs.	Last 3 Years	30-Sep-08	9.16	4890.70	11.60%	13.33%		
		Last 4 Years	30-Sep-07	12.86	6867.20	-0.24%	0.90%		
		Since Inception	08-Jan-07	10.00	5156.45	5.25%	7.06%		
		<small>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.</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	S&P CNX Nifty	NAV Change	INDEX Change		
Fund Manager	: Mr. Saravana Kumar	Last 6 Months	31-Mar-11	11.41	5833.75	-12.11%	-14.03%		
NAV as on 29 Sep, 11	: ₹10.03	Last 1 Year	30-Sep-10	11.71	6029.95	-14.38%	-16.82%		
Benchmark	: NSE Nifty 50 Index - 100%	Last 2 Years	30-Sep-09	9.63	5083.95	2.06%	-0.68%		
Corpus as on 29 Sep, 11	: ₹703.23 Crs.	Last 3 Years	30-Sep-08	7.63	3921.20	9.56%	8.55%		
		Since Inception	07-Jan-08	10.00	6279.10	0.08%	-5.85%		
		<small>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.</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	S&P CNX Nifty	NAV Change	INDEX Change		
Fund Manager	: Mr. Saravana Kumar	Last 6 Months	31-Mar-11	13.03	5833.75	-12.60%	-14.03%		
NAV as on 29 Sep, 11	: ₹11.39	Last 1 Year	30-Sep-10	13.48	6029.95	-15.53%	-16.82%		
Benchmark	: NSE Nifty 50 Index - 100%	Last 2 Years	30-Sep-09	10.89	5083.95	2.28%	-0.68%		
Corpus as on 29 Sep, 11	: ₹199.28 Crs.	Last 3 Years	30-Sep-08	8.45	3921.20	10.48%	8.55%		
		Since Inception	04-Feb-08	10.00	5463.50	3.63%	-2.32%		
		<small>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.</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 6 Months	31-Mar-11	17.96	1340.15	-8.60%	-10.86%		
NAV as on 29 Sep, 11	: ₹16.42	Last 1 Year	30-Sep-10	18.40	1396.81	-10.80%	-14.47%		
Benchmark	: S & P India 500 Shariah Index - 100%	Last 2 Years	30-Sep-09	14.90	1210.84	4.97%	-0.67%		
Corpus as on 29 Sep, 11	: ₹159.79 Crs.	Since Inception	06-Oct-08	10.00	844.46	18.09%	12.34%		
		<small>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.</small>							

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(Funds with AUM of more than ₹125 crores as on 29th September 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 Sep, 11 : ₹10.80

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

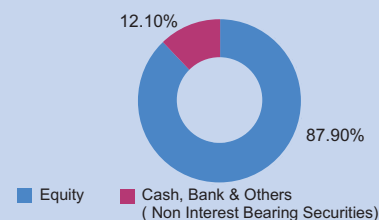
Corpus as on 29 Sep, 11 : ₹284.15 Crs.

Fund Performance

PERIOD	DATE	NAV	S & P India 500 Shariah Index	NAV Change	INDEX Change
Last 6 Months	31-Mar-11	11.73	1340.15	-7.98%	-10.86%
Last 1 Year	30-Sep-10	11.96	1396.81	-9.72%	-14.47%
Since Inception	16-Oct-09	10.00	1217.76	4.01%	-0.98%

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



Life Aggressive Growth Fund

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 Sep, 11 : ₹14.89

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

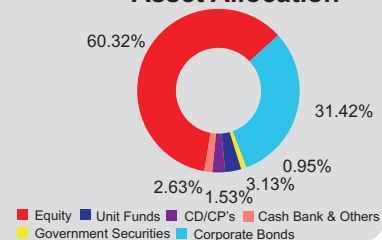
Corpus as on 29 Sep, 11 : ₹303.25 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	31-Mar-11	16.22	-8.21%	-8.10%
Last 1 Year	30-Sep-10	16.92	-12.03%	-8.97%
Last 2 Years	30-Sep-09	14.36	1.82%	1.11%
Last 3 Years	30-Sep-08	11.43	9.21%	8.36%
Last 4 Years	30-Sep-07	13.73	2.04%	1.59%
Last 5 Years	29-Sep-06	10.19	7.88%	6.03%
Since Inception	01-Jul-06	10.00	7.87%	7.99%

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

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 Sep, 11 : ₹13.94

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

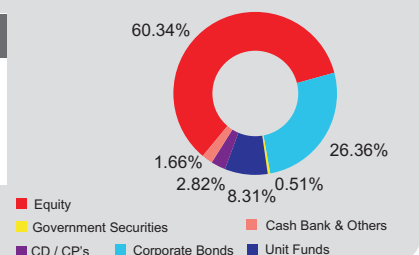
Corpus as on 29 Sep, 11 : ₹282.97 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	31-Mar-11	15.06	-7.42%	-8.04%
Last 1 Year	30-Sep-10	15.39	-9.44%	-8.99%
Last 2 Years	30-Sep-09	12.99	3.61%	1.49%
Last 3 Years	30-Sep-08	10.31	10.57%	8.00%
Last 4 Years	30-Sep-07	11.96	3.90%	2.14%
Since Inception	08-Jan-07	10.00	7.28%	5.57%

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



Life Income Fund

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 Sep, 11 : ₹14.75

Benchmark : CRISIL Composite Bond Index - 100%

Corpus as on 29 Sep, 11 : ₹174.08 Crs.

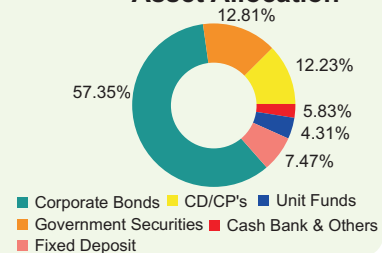
Fixed Income Funds

Fund Performance

PERIOD	DATE	NAV	Crissil Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	31-Mar-11	14.23	1667.12	3.71%	3.09%
Last 1 Year	30-Sep-10	13.85	1628.02	6.55%	5.56%
Last 2 Years	30-Sep-09	12.96	1543.70	6.71%	5.51%
Last 3 Years	30-Sep-08	11.36	1403.15	9.10%	6.99%
Last 4 Years	30-Sep-07	10.91	1353.09	7.83%	6.16%
Last 5 Years	29-Sep-06	10.25	1283.17	7.55%	6.02%
Since Inception	02-Mar-04	10.00	1193.20	5.26%	4.93%

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 Income Fund

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 29 Sep, 11 : ₹13.30

Benchmark : CRISIL Composite Bond Index - 100%

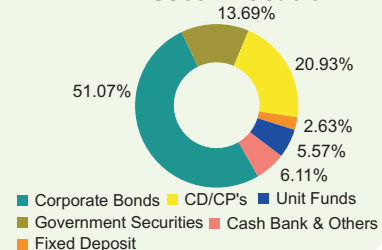
Corpus as on 29 Sep, 11 : ₹125.69 Crs.

Fund Performance

PERIOD	DATE	NAV	Crissil Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	31-Mar-11	12.83	1667.12	3.71%	3.09%
Last 1 Year	30-Sep-10	12.46	1628.02	6.77%	5.56%
Last 2 Years	30-Sep-09	11.75	1543.70	6.41%	5.51%
Last 3 Years	30-Sep-08	10.39	1403.15	8.60%	6.99%
Last 4 Years	30-Sep-07	10.01	1353.09	7.38%	6.16%
Since Inception	08-Jan-07	10.00	1298.79	6.23%	6.10%

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, 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.

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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

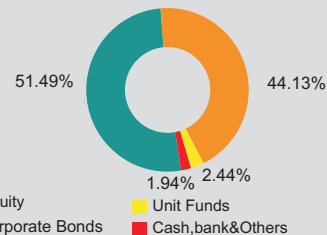
Corpus as on 29 Sep, 11 : ₹348.76 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change
Last 6 Months	31-Mar-11	12.05	-8.00%
Last 1 Year	30-Sep-10	12.43	-10.81%
Last 2 Years	30-Sep-09	10.78	1.41%
Since Inception	10-Jun-09	10.00	4.56%

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

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

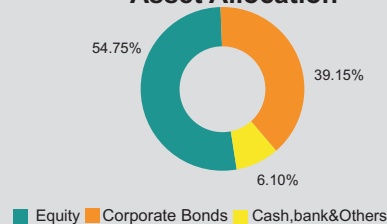
Corpus as on 29 Sep, 11 : ₹166.09 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change
Last 6 Months	31-Mar-11	11.25	-7.71%
Last 1 Year	30-Sep-10	11.50	-9.76%
Since Inception	10-Nov-09	10.00	2.00%

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 Indian equity market has been among the best performing emerging market over the month of September 2011 with the Benchmark indices BSE Sensex and CNX Nifty losing just 1.34% and 1.15% respectively as against a sell off of over 10% in the MSCI Asia ex Japan index and over 6% fall in the MSCI World index during the same period. Post a relatively strong September, Indian equity market has corrected the earlier steep underperformance with the Asian peers, with the BSE Sensex and CNX Nifty losing close to 20% on a local currency basis, similar to MSCI Asia ex Japan, calendar year to date.

September 2011 saw FII net outflows of USD 100 million, year to date outflows of approximately USD 300 million, whereas the Insurance companies have been net buyers to the tune of USD 500 million in September and have invested over USD 4 billion in Indian equities since January 2011. In contrast to the insurance companies, the domestic mutual funds have been net sellers to the tune of USD 200 million in September, their overall inflow for the year standing at USD 1.2 billion. The FII outflows from Indian equities, calendar year to date, is a fraction of the outflows from Taiwan at over USD 10 billion and Korea at over USD 6 billion over the same period.

With the second quarter earnings season set to kick in, there is some uncertainty surrounding the earnings outlook of the leading corporate making up the indices. Over the last 18 months, the Indian equity market has seen a slew of earnings downgrades, with estimates for FY 2012 and FY 2013 cut by around 8% and 10% respectively from peak levels. With increasing global uncertainties and a moderating domestic economy, investors are looking at an earnings growth of around 15% for FY 2012E. There is a possibility of further downgrades to the Indian earnings if global macro situation substantially worsens from current levels and the US economy finds itself in double dip territory.

Going forward, it is expected that robust rural demand from increased farm incomes following an excellent south west monsoon, could support the Indian GDP growth in a weak global growth environment. This could offset the sharp moderation expected in export led growth due to the global slowdown and provide a strong floor to the Indian GDP growth at around 6.5% in FY 2012 in an unlikely situation of a US double dip scenario.

When compared to other Asian emerging economies with greater trade dependence on Europe and US, India could withstand global economic shocks better and bounce back faster. This provides the Indian equity markets with a chance to outperform global peers, given the fact that the Indian corporate earnings have a more balanced growth profile than their Asian peers.

The equity markets seem to offer value, as on a one year forward PE basis, the CNX Nifty is almost at a 20% discount as compared to the last 5 years average forward PE. Even the ratio of the market capitalization to the GDP is significantly below the 5 year average.

In the near term, the immediate trigger for the sentiment to improve would come from a pause in the rate hike cycle by the RBI, as well as some short term resolution to the Greek debt crisis through the continued bailout assistance and an expansion of the European financial stability fund, in order to minimize contagion risks in the Euro zone.

Given the fact that India still offers a growth differential as compared to the slowing western economies, we believe that the Indian equity market offers an attractive entry point for a long term investor with a 2-5 year view.

Debt Outlook

The month of September 2011 saw the benchmark 10 year Government security (G-sec) starting the month at 8.32% and trading in a tight range of 8.28-8.36% during the month and hardening to 8.44% towards the end of the month as the government announced its second half borrowing calendar. This 12bps hardening can be attributed to the additional borrowing of close to ₹52,900 crores to be completed in the second half of FY 2012, taking the second half borrowing to ₹2,20,000 crores.

The corporate bond yields took the cue from the G-sec yields as they hardened by 19 bps in September 2011 from 9.39% to 9.58%. As a consequence, the corporate bond spread over the 10 year G-sec was in the range of around 95-100 bps over the month of September.

The liquidity position was benign in first fortnight to average a negative ₹40,000 crores, within the RBIs comfort zone of a negative 1% of NDTL (Net Demand Time Liabilities) and subsequently tightened to around a negative ₹65,000 crores on the back of advance tax outflows from the system.

The Government borrowings for September 2011 stood at ₹22,000 crores to complete the first half planned borrowing number of ₹2,50,000 crores. This reduced G-sec supply for the month and heightened global uncertainties prevented the G-sec yields from further hardening, in response to higher headline inflation and consequent RBI tightening.

The Wholesale Price Index (WPI) Inflation for the month of August 2011 clocked 9.78%, marginally above the consensus estimate of around 9.65% and well above the July 2011 print of 9.22%. The non-food manufactured products inflation referred to as core inflation remained elevated at 7.79%, as against the July reading of 7.49%. The primary articles inflation rose sharply in August 2011 to 12.58%, as against the July reading of 11.3%. The non-food primary articles, which includes fibres, oilseeds and minerals, registered an inflation rate of 17.8% in August as against 15.5% in July. In the minerals category, inflation eased to 23.4% year on year as against 25% in July 2011.

The only silver lining to the gloomy headline inflation picture stems from the fact that the year on year inflation for June 2011 was revised higher by only 7 bps to 9.51% from earlier provisional estimate of 9.44%. This extent of upward revision is negligible compared to the steep revisions to the provisional estimates of around 50-100 bps seen in the recent past.

With the September 2011 headline inflation expected to remain elevated, the RBI would be constrained to keep the anti-inflationary stance intact in the second quarter monetary policy on October 25th 2011. The RBI stance as well as the increased second half borrowing would put pressure on the benchmark 10 year G-sec, as we could see it breaching the 8.50% in October and trading in an 8.40-8.60% band for the month.

Disclaimer

- The fund is managed by Tata AIG Life Insurance Company Ltd. (hereinafter the "Company").
- 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).
- 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.
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