

# Quick Glance - Funds Performance

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

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



## Message from CIO's Desk

The month of July 2012 saw the benchmark indices, BSE Sensex and CNX Nifty shed 1.11% and 0.95% respectively even as the Mid-cap index CNX Midcap lost 2.49% during the same period.

Saravana Kumar  
Chief Investment Officer

## 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

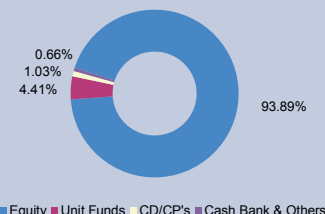
**Fund Manager** : Mr. Saravana Kumar  
**NAV as on 31 July, 12** : ₹30.0129  
**Benchmark** : BSE Sensex - 100%  
**Corpus as on 31 July, 12** : ₹2594.85 Crs.

#### Fund Performance

PERIOD	DATE	NAV	BSE Sensex	NAV Change	INDEX Change
Last 6 Months	31-Jan-12	29.6195	17193.55	1.33%	0.25%
Last 1 Year	29-Jul-11	32.4385	18197.20	-7.48%	-5.28%
Last 2 Years	30-Jul-10	32.2569	17868.29	-3.54%	-1.78%
Last 3 Years	31-Jul-09	26.8350	15670.31	3.80%	3.23%
Last 4 Years	31-Jul-08	26.0850	14355.75	3.57%	4.68%
Last 5 Years	31-Jul-07	30.4330	15550.99	-0.28%	2.08%
Since Inception	02-Mar-04	10.0000	5823.17	13.94%	13.76%

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.

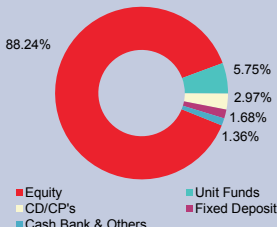
**Fund Manager** : Mr. Saravana Kumar  
**NAV as on 31 July, 12** : ₹13.4248  
**Benchmark** : NSE CNX MIDCAP-100%  
**Corpus as on 31 July, 12** : ₹1791.09 Crs.

#### Fund Performance

PERIOD	DATE	NAV	NSE CNX MIDCAP	NAV Change	INDEX Change
Last 6 Months	31-Jan-12	12.5780	7100.55	6.73%	0.96%
Last 1 Year	29-Jul-11	13.8498	8017.35	-3.07%	-10.59%
Last 2 Years	30-Jul-10	13.8923	8415.30	-1.70%	-7.70%
Last 3 Years	31-Jul-09	10.2840	5950.20	9.29%	6.41%
Last 4 Years	31-Jul-08	10.1280	5536.95	7.30%	6.67%
Last 5 Years	31-Jul-07	11.9100	6177.70	2.42%	3.02%
Since Inception	08-Jan-07	10.0000	5156.45	5.44%	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



### 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.

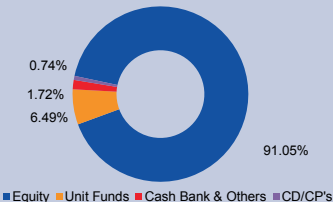
**Fund Manager** : Mr. Saravana Kumar  
**NAV as on 31 July, 12** : ₹10.5408  
**Benchmark** : S&P CNX Nifty-100%  
**Corpus as on 31 July, 12** : ₹847.65 Crs.

#### Fund Performance

PERIOD	DATE	NAV	S&P CNX Nifty	NAV Change	INDEX Change
Last 6 Months	31-Jan-12	10.2167	5199.25	3.17%	0.57%
Last 1 Year	29-Jul-11	10.9588	5482.00	-3.81%	-4.62%
Last 2 Years	30-Jul-10	10.6060	5367.60	-0.31%	-1.30%
Last 3 Years	31-Jul-09	8.8260	4636.45	6.10%	4.09%
Last 4 Years	31-Jul-08	8.2260	4332.95	6.39%	4.81%
Since Inception	07-Jan-08	10.0000	6279.10	1.16%	-3.93%

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



### 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.

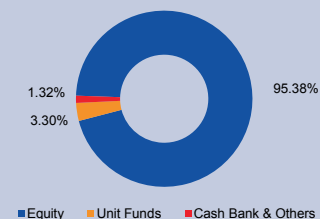
**Fund Manager** : Mr. Saravana Kumar  
**NAV as on 31 July, 12** : ₹11.7278  
**Benchmark** : S&P CNX Nifty-100%  
**Corpus as on 31 July, 12** : ₹212.09 Crs.

#### Fund Performance

PERIOD	DATE	NAV	S&P CNX Nifty	NAV Change	INDEX Change
Last 6 Months	31-Jan-12	11.6384	5199.25	0.77%	0.57%
Last 1 Year	29-Jul-11	12.4935	5482.00	-6.13%	-4.62%
Last 2 Years	30-Jul-10	12.1513	5367.60	-1.76%	-1.30%
Last 3 Years	31-Jul-09	10.0070	4636.45	5.43%	4.09%
Last 4 Years	31-Jul-08	9.1110	4332.95	6.52%	4.81%
Since Inception	04-Feb-08	10.0000	5463.50	3.61%	-0.97%

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.

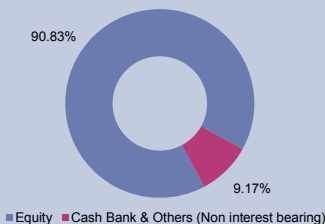
**Fund Manager** : Mr. Saravana Kumar  
**NAV as on 31 July, 12** : ₹17.0807  
**Benchmark** : S & P India 500 Shariah Index - 100%  
**Corpus as on 31 July, 12** : ₹200.76 Crs.

#### Fund Performance

PERIOD	DATE	NAV	S & P India 500 Shariah Index	NAV Change	INDEX Change
Last 6 Months	31-Jan-12	16.5919	1214.33	2.95%	0.12%
Last 1 Year	29-Jul-11	17.7502	1275.35	-3.77%	-4.67%
Last 2 Years	30-Jul-10	17.0684	1298.75	0.04%	-3.24%
Last 3 Years	31-Jul-09	13.9520	1104.92	6.98%	3.24%
Since Inception	06-Oct-08	10.0000	844.46	15.05%	10.01%

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



# Quick Glance - Funds Performance

(Funds with AUM of more than ₹125 crores as on 31st July 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 July, 12** : ₹11.1458

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

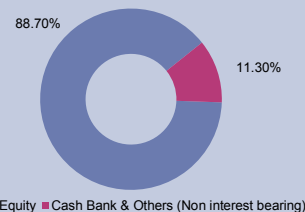
**Corpus as on 31 July, 12** : ₹418.44 Crs.

### Fund Performance

PERIOD	DATE	NAV	S & P India 500 Shariah Index	NAV Change	INDEX Change
Last 6 Months	31-Jan-12	10.9215	1214.33	2.05%	0.12%
Last 1 Year	29-Jul-11	11.6166	1275.35	-4.05%	-4.67%
Last 2 Years	30-Jul-10	11.1416	1298.75	0.02%	-3.24%
Since Inception	16-Oct-09	10.0000	1217.76	3.96%	-0.06%

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 July, 12** : ₹15.5146

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

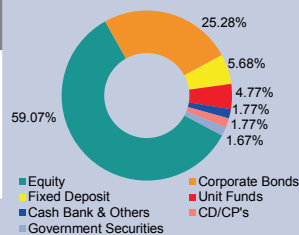
**Corpus as on 31 July, 12** : ₹308.27 Crs.

### Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	31-Jan-12	15.1793	2.21%	1.61%
Last 1 Year	29-Jul-11	15.8728	-2.26%	-0.34%
Last 2 Years	30-Jul-10	15.7256	-0.67%	1.32%
Last 3 Years	31-Jul-09	13.5320	4.66%	4.28%
Last 4 Years	31-Jul-08	11.9630	6.71%	5.68%
Last 5 Years	31-Jul-07	12.8860	3.78%	3.63%
Since Inception	01-Jul-06	10.0000	7.48%	7.67%

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 July, 12** : ₹14.6897

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

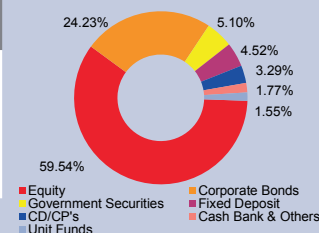
**Corpus as on 31 July, 12** : ₹353.87 Crs.

### Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	31-Jan-12	14.3389	2.45%	1.82%
Last 1 Year	29-Jul-11	14.7743	-0.57%	0.09%
Last 2 Years	30-Jul-10	14.2751	1.44%	1.63%
Last 3 Years	31-Jul-09	12.2660	6.19%	4.84%
Last 4 Years	31-Jul-08	10.6660	8.33%	5.77%
Last 5 Years	31-Jul-07	11.2060	5.56%	4.18%
Since Inception	08-Jan-07	10.0000	7.16%	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



### 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 July, 12** : ₹24.2869

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

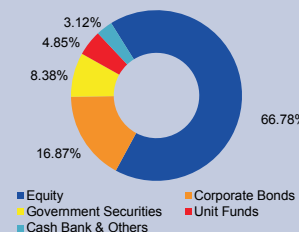
**Corpus as on 31 July, 12** : ₹144.27 Crs.

### Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	31-Jan-12	23.7754	2.15%	1.61%
Last 1 Year	29-Jul-11	24.9589	-2.69%	-0.34%
Last 2 Years	30-Jul-10	24.8394	-1.12%	1.32%
Last 3 Years	31-Jul-09	21.8170	3.64%	4.28%
Last 4 Years	31-Jul-08	20.4080	4.45%	5.68%
Last 5 Years	31-Jul-07	22.4440	1.59%	3.63%
Since Inception	02-Mar-04	10.0000	11.12%	10.82%

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



## 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 July, 12** : ₹14.4753

**Benchmark** : CRISIL Composite Bond Index - 100%

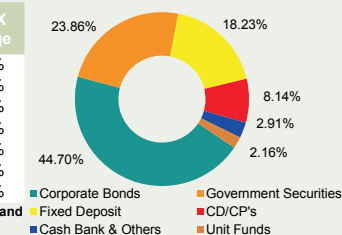
**Corpus as on 31 July, 12** : ₹185.30 Crs.

### Fund Performance

PERIOD	DATE	NAV	Crisil Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	31-Jan-12	13.8558	1776.42	4.47%	4.14%
Last 1 Year	29-Jul-11	13.1511	1699.88	10.07%	8.83%
Last 2 Years	30-Jul-10	12.3580	1613.57	8.23%	7.08%
Last 3 Years	31-Jul-09	11.6830	1543.10	7.40%	6.23%
Last 4 Years	31-Jul-08	10.2660	1382.84	8.97%	7.55%
Last 5 Years	31-Jul-07	10.0020	1349.23	7.67%	6.52%
Since Inception	08-Jan-07	10.0000	1298.79	6.87%	6.56%

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



## 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.

# Quick Glance - Funds Performance

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

## 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

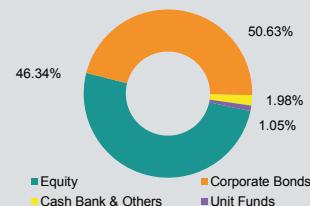
**Corpus as on 31 July, 12** : ₹334.31 Crs.

### Fund Performance

PERIOD	DATE	NAV	NAV Change
Last 6 Months	31-Jan-12	11.3753	2.77%
Last 1 Year	29-Jul-11	11.6507	0.34%
Last 2 Years	30-Jul-10	11.4066	1.24%
Last 3 Years	31-Jul-09	10.1380	4.86%
Since Inception	10-Jun-09	10.0000	5.10%

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



## 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** : ₹11.8329

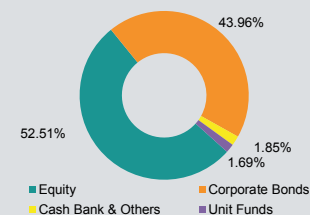
**Corpus as on 31 July, 12** : ₹237.33 Crs.

### Fund Performance

PERIOD	DATE	NAV	NAV Change
Last 6 Months	31-Jan-12	10.5940	2.94%
Last 1 Year	29-Jul-11	10.9299	-0.23%
Last 2 Years	30-Jul-10	10.5835	1.51%
Since Inception	10-Nov-09	10.0000	3.23%

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 July 2012 saw the benchmark indices, BSE Sensex and CNX Nifty shed 1.11% and 0.95% respectively even as the Mid-cap index CNX Midcap lost 2.49% during the same period. MSCI India lost 0.7% in US dollar terms over the month and underperformed the MSCI EM index, which had notched up gains of 1.6% in the same period.

The FII's were net buyers of Indian equity over the month of July 2012 to the tune of around USD 1.85 billion and have invested USD 10.3 billion in Indian equities, calendar year to date. The DIIs sold USD 952 million over the month with insurance companies and domestic mutual funds being net sellers to the tune of USD 617 million and USD 335 million respectively. The insurance companies and mutual funds have sold USD 3.3 billion and USD 1.6 billion respectively, this calendar year to date.

First quarter earnings season has been a mixed bag so far reflecting the reduced pricing power of corporate India on the back of the moderating demand in the economy. The EBITDA margins contracted on a year on year basis with the net profit margins under pressure due to higher borrowing costs. However, there are early indications of exporters benefiting from the INR depreciation. Consensus earnings estimates for the broad market (MSCI India) were revised down marginally over the month to an estimated earnings growth of 13% and 14% for FY13 (E) and FY14 (E) respectively.

The equity markets have been waiting for some policy actions from the government such as increasing diesel and urea prices, clearing key investment projects and increasing FDI in Retail and Aviation. These actions on the policy front are crucial for the fiscal situation and balance of payments position to improve.

While the impact of weak monsoons on growth may not be substantial, food inflation could spike up due to lower agriproduction. Cumulative rainfall deficit is at around 20% below normal for the months of June and July raising the possibility of a moderation in rural consumption, which to some extent can be offset by increased government spends on rural employment generation schemes and higher minimum support prices of Kharif crops.

Going forward, some credible fiscal consolidation efforts by the government and a modest decline in interest rates by RBI in response to the same, can offer some positive trigger for the equity markets. However, the possibility of fiscal slippage due to weak monsoons and higher subsidy bill can weigh on the Indian market in the near term. In the medium term, the lower policy interest rates, high savings rates, competitive exports and import substitution from the INR depreciation can help in putting a floor on the GDP growth.

The market has largely priced in the weak macro-fundamentals and does offer comfort of reasonable valuations at around 13 times one year forward price earnings. That said, the government's policy stance over the next few months would be crucial in determining market direction as the window for reforms has narrowed considerably given a packed state elections calendar in 2013.

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 July 2012 saw the erstwhile benchmark 10 year Government security (G-sec) trading flat, opening at 8.38% levels and closing the month at around 8.36% levels post the RBI first quarter monetary policy. The new 10 year G-sec hardened by around 11 bps during the month to close around 8.25% levels.

The G-sec market had built up some gains during the month on a lesser than consensus June WPI inflation number but once the RBI kept the policy rates on hold even as it unexpectedly decreased the statutory liquidity ratio (SLR) by 100 bps in its first quarter monetary policy, the G-sec market gave up most of the monthly gains. The corporate bond yield eased by around 10 basis points during the month to close the month of July 2012 at 9.20-9.30% levels. As a consequence, the corporate bond spread over the new benchmark 10 year G-sec stood at 85-95 Bps.

On the liquidity front, the Liquidity Adjustment Facility -LAF continued to be the primary mode of liquidity injection, maintaining an average shortfall of around Rs.0.3-0.5 trillion during the month of July 2012, well within the RBIs comfort zone of 1% of the NDTL (Net demand and time liabilities).

On the GDP growth front the RBI revised the projected GDP growth for 2012-13 downwards from 7.3 % to 6.5% on the back of a deficient and uneven monsoon, weak industrial activity, reduced global growth & trade volume and a slowdown in the services sector growth. On the inflation front, the RBI increased the baseline projection of WPI inflation for March 2013 of 6.5 % to 7% due to the adverse impact on food inflation on account of a deficient monsoon, high levels of suppressed inflation in the system and a possible increase in imported inflation due to INR depreciation.

The RBI clarified that keeping in view the slowdown in growth, they had front loaded the policy rate reduction in April 2012 with an unexpected cut of 50 basis points in the repo rate. Subsequent developments suggested that even as growth moderated, inflation remained sticky, which was the main reason for the RBI to pause in the mid-quarter review of June 2012, even in the face of slowing growth.

The RBI guided that the primary focus of monetary policy remained inflation control in order to secure a sustainable growth path over the medium-term. They conceded that monetary actions over the past two years may have contributed to the growth slowdown, an unavoidable consequence of their fight against persistent inflation. The RBI opined that in the current circumstances, lowering policy rates would only aggravate inflationary impulses without necessarily stimulating growth. The RBI assured that as and when the multiple constraints to growth are addressed, they would stand ready to act appropriately.

The RBIs decision to cut the statutory liquidity ratio (SLR) by 100 bps is broadly in line with their objective of maintaining adequate liquidity for the productive sectors. The immediate impact of the SLR cut will be limited as the credit pick up in the economy has been only modest of late but nevertheless, the RBI wanted to signal the shift in the direction of liquidity flow in the medium term.

The RBI expects the policy actions to anchor inflation expectations based on the commitment of monetary policy to inflation control as well as maintain liquidity to facilitate smooth flow of credit to productive sectors to support growth. Going forward, we could see rate cuts from the RBI only as a response to credible steps taken for fiscal consolidation and not solely on the basis of moderating economic activity.

Considering the measures taken by RBI on the liquidity front which may lead to a receding possibility of OMOs in the near term as well as a busy government borrowing calendar over the next four weeks, we could expect the new 10 year benchmark G-sec to be under pressure and trade in a range of 8.10-8.35% in the near term.

## Disclaimer

- The fund is managed by Tata AIA 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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- 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.
- 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.
- ULIP products are different from traditional Life Insurance products and are subject to risk factors.
- 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.

Insurance is the subject matter of the solicitation.

Unique Reference Number: L&C/AdvT/2012/Aug/060