

Quick Glance - Funds Performance

(Funds with AUM of more than ₹125 crores as on 31st May 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 May 2012 saw the benchmark indices BSE Sensex and CNX Nifty shed 6.35% and 6.17% respectively even as the Mid cap index, CNX Midcap closed the month lower by 7.66%.

Equity Funds

Life 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

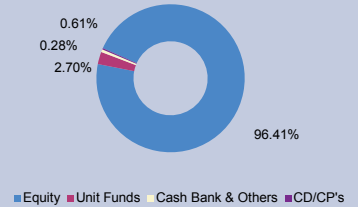
Fund Manager : Mr. Saravana Kumar
NAV as on 31 May, 12 : ₹28.18
Benchmark : BSE Sensex - 100%
Corpus as on 31 May, 12 : ₹2477.03 Crs.

Fund Performance

PERIOD	DATE	NAV	BSE Sensex	NAV Change	INDEX Change
Last 6 Months	30-Nov-11	27.86	16123.46	1.15%	0.59%
Last 1 Year	31-May-11	32.94	18503.28	-14.44%	-12.35%
Last 2 Years	31-May-10	29.99	16944.63	-3.06%	-2.17%
Last 3 Years	29-May-09	25.43	14625.25	3.48%	3.51%
Last 4 Years	30-May-08	30.64	16415.57	-2.07%	-0.30%
Last 5 Years	31-May-07	28.31	14544.46	-0.09%	2.20%
Since Inception	02-Mar-04	10.00	5823.17	13.38%	13.22%

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



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

Fund Details

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

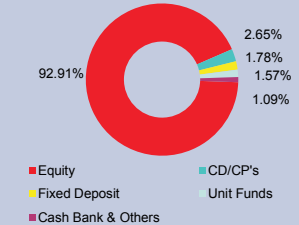
Fund Manager : Mr. Saravana Kumar
NAV as on 31 May, 12 : ₹12.73
Benchmark : NSE CNX MIDCAP-100%
Corpus as on 31 May, 12 : ₹1685.79 Crs.

Fund Performance

PERIOD	DATE	NAV	NSE CNX MIDCAP	NAV Change	INDEX Change
Last 6 Months	30-Nov-11	12.05	6641.05	5.65%	3.88%
Last 1 Year	31-May-11	13.86	8064.80	-8.15%	-14.46%
Last 2 Years	31-May-10	12.85	7755.95	-0.46%	-5.69%
Last 3 Years	29-May-09	9.44	5353.55	10.44%	8.82%
Last 4 Years	30-May-08	11.80	6562.70	1.91%	1.25%
Last 5 Years	31-May-07	10.98	5644.15	3.00%	4.10%
Since Inception	08-Jan-07	10.00	5156.45	4.57%	5.54%

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 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.

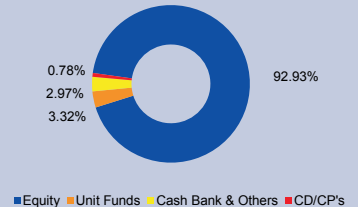
Fund Manager : Mr. Saravana Kumar
NAV as on 31 May, 12 : ₹9.83
Benchmark : S&P CNX Nifty-100%
Corpus as on 31 May, 12 : ₹782.23 Crs.

Fund Performance

PERIOD	DATE	NAV	S&P CNX Nifty	NAV Change	INDEX Change
Last 6 Months	30-Nov-11	9.59	4832.05	2.54%	1.91%
Last 1 Year	31-May-11	11.08	5560.15	-11.25%	-11.44%
Last 2 Years	31-May-10	9.97	5086.30	-0.68%	-1.61%
Last 3 Years	29-May-09	8.34	4448.95	5.64%	3.44%
Last 4 Years	30-May-08	9.30	4870.10	1.41%	0.28%
Since Inception	07-Jan-08	10.00	6279.10	-0.38%	-5.37%

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.

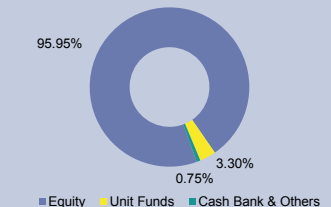
Fund Manager : Mr. Saravana Kumar
NAV as on 31 May, 12 : ₹10.94
Benchmark : S&P CNX Nifty-100%
Corpus as on 31 May, 12 : ₹196.96 Crs.

Fund Performance

PERIOD	DATE	NAV	S&P CNX Nifty	NAV Change	INDEX Change
Last 6 Months	30-Nov-11	10.90	4832.05	0.34%	1.91%
Last 1 Year	31-May-11	12.67	5560.15	-13.66%	-11.44%
Last 2 Years	31-May-10	11.35	5086.30	-1.82%	-1.61%
Last 3 Years	29-May-09	9.44	4448.95	5.05%	3.44%
Last 4 Years	30-May-08	10.19	4870.10	1.81%	0.28%
Since Inception	04-Feb-08	10.00	5463.50	2.10%	-2.38%

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 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 May, 12 : ₹16.43
Benchmark : S & P India 500 Shariah Index - 100%
Corpus as on 31 May, 12 : ₹192.09 Crs.

Quick Glance - Funds Performance

(Funds with AUM of more than ₹125 crores as on 1st May 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 May, 12 : ₹10.73

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

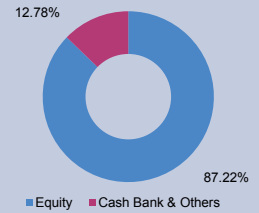
Corpus as on 31 May, 12 : ₹390.94 Crs.

Fund Performance

PERIOD	DATE	NAV	S & P India 500 Shariah Index	NAV Change	INDEX Change
Last 6 Months	30-Nov-11	10.58	1167.25	1.45%	0.92%
Last 1 Year	31-May-11	11.73	1300.79	-8.54%	-9.44%
Last 2 Years	31-May-10	10.59	1242.87	0.68%	-2.64%
Since Inception	16-Oct-09	10.00	1217.76	2.72%	-1.26%

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

Life 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 May, 12 : ₹14.80

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

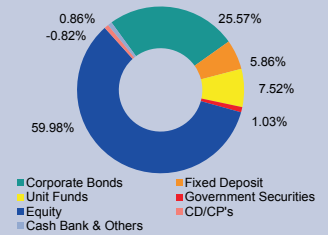
Corpus as on 31 May, 12 : ₹298.93 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	30-Nov-11	14.48	2.23%	2.03%
Last 1 Year	31-May-11	15.91	-6.97%	-4.91%
Last 2 Years	31-May-10	14.87	-0.23%	0.85%
Last 3 Years	29-May-09	12.90	4.69%	4.34%
Last 4 Years	30-May-08	13.22	2.86%	2.12%
Last 5 Years	31-May-07	12.17	4.00%	3.82%
Since Inception	01-Jul-06	10.00	6.85%	7.07%

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 May, 12 : ₹14.04

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

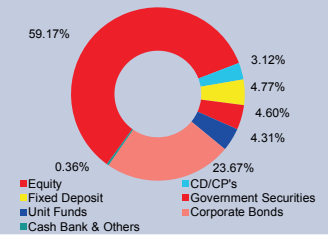
Corpus as on 31 May, 12 : ₹336.11 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	30-Nov-11	13.66	2.80%	2.89%
Last 1 Year	31-May-11	14.76	-4.82%	-4.32%
Last 2 Years	31-May-10	13.58	1.70%	1.22%
Last 3 Years	29-May-09	11.66	6.39%	4.30%
Last 4 Years	30-May-08	11.65	4.78%	2.50%
Last 5 Years	31-May-07	10.79	5.42%	4.19%
Since Inception	08-Jan-07	10.00	6.50%	5.03%

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

Fund Details

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

Fund Manager : Mr. Saravana Kumar

NAV as on 31 May, 12 : ₹23.02

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

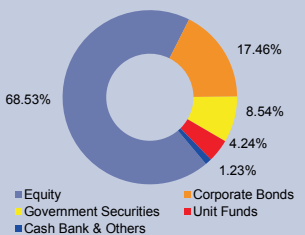
Corpus as on 31 May, 12 : ₹141.55 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	30-Nov-11	22.59	1.91%	2.03%
Last 1 Year	31-May-11	25.16	-8.51%	4.91%
Last 2 Years	31-May-10	23.66	-1.35%	0.85%
Last 3 Years	29-May-09	20.95	3.20%	4.34%
Last 4 Years	30-May-08	22.91	0.12%	2.12%
Last 5 Years	31-May-07	21.11	1.75%	3.82%
Since Inception	02-Mar-04	10.00	10.63%	10.44%

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 (ULIF 012 04/01/07 WLI 110)

Fund Details

Investment Objective : The primary investment objective of the Fund Instrument Rating % of NAV 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 May, 12 : ₹14.23

Benchmark : CRISIL Composite Bond Index - 100%

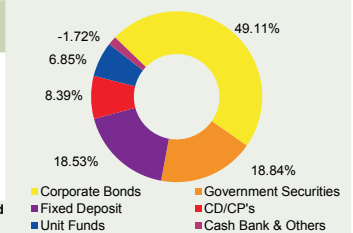
Corpus as on 31 May, 12 : ₹182.29 Crs.

Fund Performance

PERIOD	DATE	NAV	Crilil Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	30-Nov-11	13.46	1740.31	5.69%	4.71%
Last 1 Year	31-May-11	12.93	1673.27	10.05%	8.91%
Last 2 Years	31-May-10	12.34	1607.49	7.37%	6.47%
Last 3 Years	29-May-09	11.49	1534.70	7.37%	5.89%
Last 4 Years	30-May-08	10.40	1410.86	8.14%	6.61%
Last 5 Years	31-May-07	10.02	1309.82	7.27%	6.83%
Since Inception	08-Jan-07	10.00	1298.79	6.75%	6.48%

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 May 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 : ₹12.76 Crs.

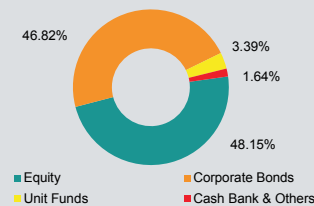
Corpus as on 31 May, 12 : ₹324.64 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change
Last 6 Months	30-Nov-11	10.86	3.29%
Last 1 Year	31-May-11	11.64	-3.58%
Last 2 Years	31-May-10	10.97	1.15%
Since Inception	10-Jun-09	10.00	3.95%

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 : ₹11.83 Crs.

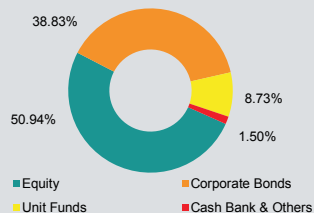
Corpus as on 31 May, 12 : ₹229.17 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change
Last 6 Months	30-Nov-11	10.13	3.39%
Last 1 Year	31-May-11	10.91	-4.01%
Last 2 Years	31-May-10	10.16	1.50%
Since Inception	10-Nov-09	10.00	1.82%

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



Equity Outlook

The benchmark indices, BSE Sensex and CNX Nifty shed around 6.35% and 6.17% respectively even as the Midcap index, CNX Midcap ended lower by 7.66% in the month of May 2012.

This weak performance of the Indian markets were due to the adverse news flow from the Euro zone due to the escalation in the sovereign debt crisis and the increasing possibility of a disorderly exit of Greece from the Euro zone. The muted market returns and a sharply depreciating INR combined to pull down the MSCI India (USD) by 12% over the month of May 2012.

FII's were marginal sellers to the tune of USD 58 million in equities in the month of May 2012 even as the DIIs bought USD 130 million over the month, with Insurance companies investing USD 70 million and domestic mutual funds investing USD 60 million. In the first five months of the calendar year 2012, the FIIs have bought Indian equities to the tune of around USD 8.6 billion even as DIIs have sold around USD 4.1 billion during the same period. Among the DIIs, the domestic mutual funds have been net sellers of around USD 1.1 billion even as the insurance companies have sold close to USD 3 billion during the period.

The fourth quarter earnings season had its share of positive surprises as the aggregate fourth quarter earnings growth for the Sensex companies stood at a reasonable 15% on a year on year basis, higher than single digit earnings growth estimates. The aggregate fourth quarter revenue for Sensex companies increased a healthy 19% year on year even as the margins stabilized on a sequential basis. The Consensus earnings estimates for the broad market (MSCI India) were revised down marginally over the month of May 2012 with the estimated earnings growth currently standing at 9% and 14% for FY 2013 (E) and FY 2014 (E) respectively.

Going forward, we could expect the support to earnings coming from the continuing interest rate cut cycle as well as the benefit from lower global commodity prices. However, there are headwinds to earnings from issues such as asset quality of SEB and Aviation accounts in the banking space as well as muted order inflows into the capital goods sector. In addition to these concerns, there are several key projects affected by administrative hurdles, land acquisition and high cost of capital with CMIE estimates pegging the quantum of shelved projects in FY 2012 at a new record figure of more than Rs5 trillion. There is some cause to cheer as the CMIE estimates that a total of Rs3.8trillion worth of projects were commissioned in FY 2012, an impressive increase over the FY 2011 print of Rs3.4 trillion, marking a turnaround in the decelerating trend seen since the 2008 crisis.

While valuations are below long term averages, the market is grappling with a sharp moderation in economic activity as evident from the fourth quarter GDP growth of 5.3%, almost at decadal lows and the deteriorating position of the twin deficits, worst in over a decade. Given this backdrop, the fall in crude oil prices from USD 120 levels to USD 100 levels does offer some space in reining in the twin deficits. Some announcements from the Government on kick starting infrastructure projects could improve the business confidence.

The equity markets are trading at around 13 times FY 2013 earnings. The current valuation is close to the long-term average, but it is well below its five-year average of 15.5 times. Hence we believe that there is valuation comfort for a long term investor at these levels over a 3-5 year horizon.

Debt Outlook

The month of May 2012 saw the benchmark 10 year Government security (G-sec) easing by around 29 basis points, opening at 8.67% levels and closing the month at 8.38% levels. At the start of the month, the G-secs was under pressure on the back of supply concerns, the S&P India outlook downgrade and the expectation of issuance of a new 10 year G-sec. The easing in the G-sec yields were largely due to a muted fourth quarter GDP growth of just 5.3%, raising hopes of a continuing rate cut scenario as there is expectation that the focus of the RBI would now shift towards accelerating growth rates.

In contrast with the easing G-sec yields, the corporate bond yield was flat at around 9.42% levels in the month of May 2012 due to lack of adequate interest from investors on the back of lower credit spreads. As a consequence, the corporate bond spread over the 10 year G-sec which stood at 50-60 bps in April 2012, rose sharply in May 2012 to around 80-90 bps on the back of the rally in the G-sec market.

The corporate bond yield eased by around 5 basis points in February 2012 and closed the month at 9.26% levels. As a consequence, the corporate bond spread over the 10 year G-sec stood at 80-90 bps, broadly similar to January 2012 spread.

On the liquidity front, the Liquidity Adjustment Facility -LAF has emerged as a primary mode of liquidity injection, maintaining an average shortfall of around Rs.0.8-1 trillion during the month of May 2012. However, the liquidity deficit was manageable due to the RBI injecting liquidity into the system through tactical Open market operations (OMOs) to offset the liquidity deficit from the forex market interventions.

Going forward, we could expect more space for the RBI to reduce policy rates as the economic growth has deteriorated sharply in the fourth quarter and this could rein in the non-food manufacturing inflation, a proxy to core inflation and closely tracked by the RBI. The unexpected sharp decline in Brent crude from USD 120 levels to a more moderate USD 100 levels augurs well for the twin deficits, which India is grappling with as well as help in moderating the inflation trajectory.

However, the concerns for the RBI on the inflation front emanate from the high food prices, weak rupee and the widening fiscal deficit, all of which continue to fuel inflationary pressures. Food inflation crossed the double digit mark, clocking 10.49% on a year on year basis in April 2012 as against the March 2012 print of 9.94%, on the back of a surge in the prices of vegetables. The INR depreciation is largely a function of the worsening Balance of Payments (BoP) situation as the trade deficit has grown rapidly since July 2011 when the export growth slowed down below import growth. The invisibles surplus and capital flows have seen muted growth over the last 3-4 years, unable to offset the trade deficit, resulting in BoP deficit in the third quarter FY 2012 and rendering the INR vulnerable in global risk off scenarios.

In the near term, there is an urgent need for the RBI to deliver on the conflicting goals of easing the INR volatility as well as to address the liquidity in the system.

RBI could deal with the liquidity issue through sustained OMOs and CRR cuts. The RBI and Government could come together and implement certain measures such as moving oil importers to a direct line of access to US Dollars from the RBI as well as targeting inflows to the tune of around USD 15 billion from NRIs through schemes like Resurgent India Bonds as well as consider increasing the FII limits in GSecs.

The RBI has announced the issuance of a new 10 year G-sec, which could attract investors and prevent upward pressure on yields in the near term even as the market watchers have begun to expect a 25 bps rate cut in the June 18th Mid-quarter monetary policy review in the wake of the sharply moderating economic growth and the recent fall in crude oil prices.

We could expect the RBI to continue with its tactical OMOs in the near term to infuse liquidity into the system to offset the liquidity drain through its forex intervention. The RBI has already infused around Rs.32,000 crores in FY 2013 thus far, through the OMO route.

Considering the moderating growth trajectory, softening interest rate bias as well as the possibility of continued OMOs, we could expect the new 10 year benchmark G-sec to trade in a range of 8.10-8.30% in the near term.

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).
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- 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/Adv/2012/Jun/235