

Funds Available With Current Product Offerings

- A Snapshot (as on 31st August 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 August 2012 saw the benchmark indices; BSE Sensex and CNX Nifty gaining 1.12% and 0.56% respectively even as the Mid-cap index, CNX Mid-cap shed 1.43% during the same period.

Equity Funds

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

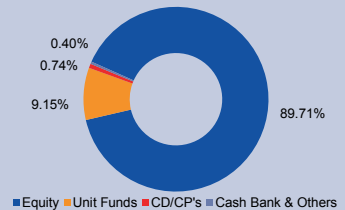
Fund Manager : Mr. Saravana Kumar
NAV as on 31 August, 12 : ₹10.5689
Benchmark : S&P CNX Nifty-100%
Corpus as on 31 August, 12 : ₹852.24 Crs.

Fund Performance

| PERIOD | DATE | NAV | S&P CNX Nifty | NAV Change | INDEX Change |
|-----------------|-----------|---------|---------------|------------|--------------|
| Last 6 Months | 29-Feb-12 | 10.6256 | 5385.20 | -0.53% | -2.35% |
| Last 1 Year | 30-Aug-11 | 9.9934 | 5001.00 | 5.76% | 5.15% |
| Last 2 Years | 31-Aug-10 | 10.6922 | 5402.40 | -0.58% | -1.34% |
| Last 3 Years | 31-Aug-09 | 8.9640 | 4662.10 | 5.64% | 4.09% |
| Last 4 Years | 29-Aug-08 | 8.3830 | 4360.00 | 5.96% | 4.80% |
| Since Inception | 07-Jan-08 | 10.0000 | 6279.10 | 1.20% | -3.74% |

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.

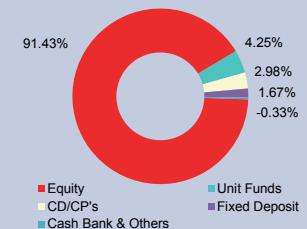
Fund Manager : Mr. Saravana Kumar
NAV as on 31 August, 12 : ₹13.5671
Benchmark : NSE CNX MIDCAP-100%
Corpus as on 31 August, 12 : ₹1799.90 Crs.

Fund Performance

| PERIOD | DATE | NAV | NSE CNX MIDCAP | NAV Change | INDEX Change |
|-----------------|-----------|---------|----------------|------------|--------------|
| Last 6 Months | 29-Feb-12 | 13.3025 | 7705.60 | 1.99% | -8.30% |
| Last 1 Year | 30-Aug-11 | 12.9666 | 7294.75 | 4.63% | -3.14% |
| Last 2 Years | 31-Aug-10 | 14.1704 | 8679.85 | -2.15% | -9.78% |
| Last 3 Years | 31-Aug-09 | 10.5560 | 6117.90 | 8.72% | 4.92% |
| Last 4 Years | 29-Aug-08 | 10.4420 | 5698.95 | 6.76% | 5.52% |
| Last 5 Years | 31-Aug-07 | 11.9090 | 6043.80 | 2.64% | 3.17% |
| Since Inception | 08-Jan-07 | 10.0000 | 5156.45 | 5.55% | 5.73% |

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



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

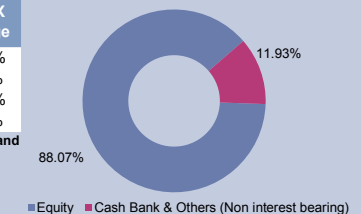
Fund Manager : Mr. Saravana Kumar
NAV as on 31 August, 12 : ₹11.4233
Benchmark : S & P India 500 Shariah Index - 100%
Corpus as on 31 August, 12 : ₹437.24 Crs.

Fund Performance

| PERIOD | DATE | NAV | S & P India 500 Shariah Index | NAV Change | INDEX Change |
|-----------------|-----------|---------|-------------------------------|------------|--------------|
| Last 6 Months | 29-Feb-12 | 11.3377 | 1273.24 | 0.76% | -1.95% |
| Last 1 Year | 30-Aug-11 | 10.9066 | 1184.94 | 4.74% | 5.35% |
| Last 2 Years | 31-Aug-10 | 11.2633 | 1287.72 | 0.71% | -1.54% |
| Since Inception | 16-Oct-09 | 10.0000 | 1217.76 | 4.73% | 0.87% |

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

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.

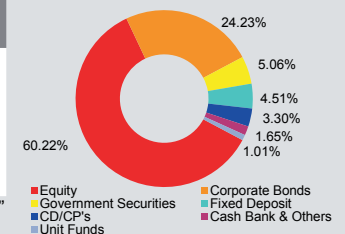
Fund Manager : Mr. Saravana Kumar
NAV as on 31 August, 12 : ₹14.7335
Benchmark : Nifty - 65%
CRISIL Composite Bond Index -35%
Corpus as on 31 August, 12 : ₹354.68 Crs.

Fund Performance

| PERIOD | DATE | NAV | NAV Change | INDEX Change |
|-----------------|-----------|---------|------------|--------------|
| Last 6 Months | 29-Feb-12 | 14.7250 | 0.06% | -0.11% |
| Last 1 Year | 30-Aug-11 | 13.9471 | 5.64% | 6.40% |
| Last 2 Years | 31-Aug-10 | 14.4199 | 1.08% | 1.68% |
| Last 3 Years | 31-Aug-09 | 12.3490 | 6.06% | 5.02% |
| Last 4 Years | 29-Aug-08 | 10.8820 | 7.87% | 5.75% |
| Last 5 Years | 31-Aug-07 | 11.2050 | 5.63% | 4.54% |
| Since Inception | 08-Jan-07 | 10.0000 | 7.10% | 5.73% |

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 Stable Growth Fund (ULIF 011 04/01/07 WLS 110)

Fund Details

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

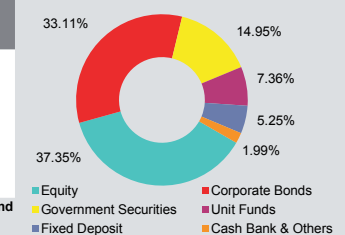
Fund Manager : Mr. Saravana Kumar
NAV as on 31 August, 12 : ₹13.8398
Benchmark : Nifty - 40%
CRISIL Composite Bond Index - 60%
Corpus as on 31 August, 12 : ₹76.13 Crs.

Fund Performance

| PERIOD | DATE | NAV | NAV Change | INDEX Change |
|-----------------|-----------|---------|------------|--------------|
| Last 6 Months | 29-Feb-12 | 13.6062 | 1.72% | 1.50% |
| Last 1 Year | 30-Aug-11 | 12.9378 | 6.97% | 7.30% |
| Last 2 Years | 31-Aug-10 | 12.8643 | 3.72% | 3.83% |
| Last 3 Years | 31-Aug-09 | 11.5380 | 6.25% | 5.69% |
| Last 4 Years | 29-Aug-08 | 10.2200 | 7.87% | 6.43% |
| Last 5 Years | 31-Aug-07 | 10.3180 | 6.05% | 5.41% |
| Since Inception | 08-Jan-07 | 10.0000 | 5.92% | 6.06% |

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



Funds Available With Current Product Offerings - A Snapshot (as on 31st August 2012)

Fixed Income Funds

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

Fund Details

Investment Objective : The primary investment objective of the Fund is to generate income through investing in a range of debt and money market instruments of various maturities with a view to maximizing the optimal balance between yield, safety and liquidity. The Fund will have no investments in equity or equity linked instruments at any point in time.

Fund Manager : Mr. Saravana Kumar

NAV as on 31 August, 12 : ₹14.5966

Benchmark : CRISIL Composite Bond Index -100%

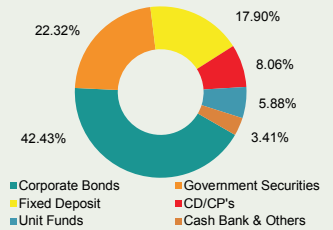
Corpus as on 31 August, 12: ₹188.73 Crs.

Fund Performance

| PERIOD | DATE | NAV | Crisil Composite Bond Fund Index | NAV Change | INDEX Change |
|-----------------|-----------|---------|----------------------------------|------------|--------------|
| Last 6 Months | 29-Feb-12 | 13.9581 | 1790.26 | 4.57% | 4.06% |
| Last 1 Year | 30-Aug-11 | 13.2758 | 1713.36 | 9.95% | 8.73% |
| Last 2 Years | 31-Aug-10 | 12.3900 | 1618.71 | 8.54% | 7.28% |
| Last 3 Years | 31-Aug-09 | 11.6670 | 1530.92 | 7.75% | 6.76% |
| Last 4 Years | 29-Aug-08 | 10.3280 | 1393.70 | 9.03% | 7.52% |
| Last 5 Years | 31-Aug-07 | 9.9940 | 1341.12 | 7.87% | 6.79% |
| Since Inception | 08-Jan-07 | 10.0000 | 1298.79 | 6.92% | 6.59% |

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 Short Term Fixed Income Fund (ULIF 013 04/01/07 WLF 110)

Fund Details

Investment Objective : The primary investment objective of the Fund is to generate stable returns by investing in fixed income securities having shorter maturity periods. Under normal circumstances, the average maturity of the Fund may be in the range of 1-3 years.

Fund Manager : Mr. Saravana Kumar

NAV as on 31 August, 12 : ₹14.5577

Benchmark : CRISIL Short Term Bond Index -100%

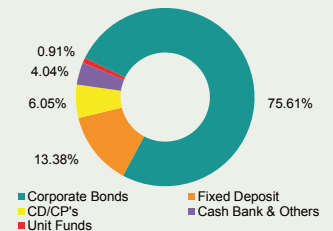
Corpus as on 31 August, 12: ₹98.41 Crs.

Fund Performance

| PERIOD | DATE | NAV | CRISIL Short-Term Bond Index | NAV Change | INDEX Change |
|-----------------|-----------|---------|------------------------------|------------|--------------|
| Last 6 Months | 29-Feb-12 | 13.8760 | 1847.91 | 4.91% | 4.54% |
| Last 1 Year | 30-Aug-11 | 13.3398 | 1774.44 | 9.13% | 8.87% |
| Last 2 Years | 31-Aug-10 | 12.4726 | 1662.57 | 8.04% | 7.79% |
| Last 3 Years | 31-Aug-09 | 11.7760 | 1583.39 | 7.32% | 6.85% |
| Last 4 Years | 29-Aug-08 | 10.4680 | 1431.80 | 8.59% | 7.78% |
| Last 5 Years | 31-Aug-07 | 9.9980 | 1341.94 | 7.80% | 7.56% |
| Since Inception | 08-Jan-07 | 10.0000 | 1281.09 | 6.87% | 7.54% |

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



Equity Outlook

The month of August 2012 saw the benchmark indices, BSE Sensex and CNX Nifty gaining 1.12% and 0.56% respectively even as the Mid-cap index, CNX Mid cap shed 1.43% during the same period.

The FIIs were net buyers of Indian equity over the month of August 2012 to the tune of USD 1.80 billion and have invested around USD 12 billion in Indian equities, calendar year to date. The DIIs sold around USD 780 million of Indian equity over the month, with insurance companies and domestic mutual funds being net sellers to the tune of around USD 500 million and USD 280 million respectively. The insurance companies and mutual funds have sold USD 3.8 billion and USD 1.9 billion respectively, this calendar year to date.

There has been some reason to cheer on the monsoon situation in recent weeks, as the South west monsoons have finally picked up momentum, with the cumulative rainfall till August 29th 2012 improving to 12% below normal as compared to 29% below normal at end-June and 19% below normal as of July end. The improvement in monsoons has replenished the water stock in 84 major reservoirs, standing at around 100% of the 10 year average. Monsoon rains are a key for a robust farm output and help in maintaining a buoyant rural demand.

The July 2012 exports saw a sharp decline by 14.8% on a year on year basis and the imports declined by 7.6%, year on year. Monthly trade deficit widened to USD 15.5 billion as the decline in exports was much sharper than imports. Going forward, the muted global economic environment would weigh down India's exports even as the INR depreciation could cushion the impact of the global slowdown to some extent. The moderation in domestic demand, import substitution in certain sectors and falling gold imports is expected to slow the non-oil imports.

The GDP growth for the first quarter FY2012-13 came in at 5.5% on a year on year basis, aided by a better than expected agriculture growth as well as robust performance of the construction segment. The gross fixed capital formation has been a concern in recent quarters due to a steep fall in the investment cycle resulting in muted capacity creation. The investment cycle has been stalled due to weak investor sentiment and a drop in business confidence as well as an increase in cost of capital due to high interest rates. In addition, the investment cycle has suffered due to global uncertainties and hindrances to key large ticket infra projects.

We could expect some reforms such as FDI in aviation sector and a diesel price hike, post the closure of the Monsoon session of parliament but the current political gridlock would mean that the market expectations of big ticket reforms such as FDI in multibrand retail and raising FDI limits in the insurance sector may not be met. However, the weak global macro-environment does throw up the possibility of more quantitative easing from the US Federal reserve and the ECB and the flood of liquidity as a result, could support the equity markets in the near term.

The market offers the comfort of reasonable valuations at around 13 times one year forward price earnings. We believe that the Indian equities offer an attractive entry point for a long term investor with a 3-5 year view.

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Debt Outlook

The month of August 2012 saw the benchmark 10 year Government security (G-sec) trading range bound between 8.13% to 8.27%.

The month of August started on a positive note, with the G-sec market cheering the statements by the Finance minister on fiscal consolidation, addressing supply concerns, reviewing ambiguous tax proposals as well as raising investment levels. The 10 year benchmark eased by around 10 basis points in a knee jerk reaction and this largely helped the first few auctions for the month to sail through. The gains in the G-sec market could not sustain as there were a series of statements from the RBI which emphasized that inflation mitigation was still their key priority in the current macro-environment. The heavy borrowing calendar of Rs.75,000 crores also added pressure in the market, especially in the second half of the month.

The corporate bond yield eased by around 5 basis points during the month to close the month of August 2012 at 9.15%-9.25% levels. As a consequence, the corporate bond spread over the new benchmark 10 year G-sec stood at 80-85 Bps.

The WPI inflation for the month of July 2012 softened to 6.87%, lower than the June 2012 WPI inflation reading of 7.25%. Another positive on the headline inflation front was the fact that the provisional May 2012 WPI inflation did not see any upward revisions as was the norm in the past. However, much of the moderation in the headline WPI inflation was due to a sharp decline in the level of fuel and power inflation, which came in at 5.98% in July 2012 as against the 10.27% registered in the month of June. Going forward, we could see the fuel inflation back to elevated levels as the international price of crude oil has hardened over the last few weeks. The favorable base effect could also vanish in the near future as the government would need to raise the prices of diesel and kerosene to contain the ballooning subsidy bill in an effort to rein in the fiscal deficit. Thus, the muted fuel inflation in the month of July 2012, reflects the suppressed inflation in oil, electricity and coal on account of incomplete or delayed pass-through in prices in the economy. Hence the electricity tariff revisions coupled with the expected fuel price hike would result in the elevated fuel price inflation prints in the near future.

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

The GDP growth for the first quarter FY 2012-13 came in at 5.5%, marginally better than the consensus estimate of 5.2%. Manufacturing sector grew by a tepid 0.2% year on year as compared to a robust 7.3% in the same quarter last year, reflecting a broad based industrial slowdown. Services sector was powered by a robust 10.8% growth registered in the heavyweight financing, insurance, real estate & business services sector as against an equally impressive 9.4% growth in this segment the same quarter last year.

Going forward, we could expect the GDP growth to remain weak, lower than RBI's GDP growth projection of 6.5% for FY 2012-13. Apart from a slowdown in investments and problems of large twin deficits, there are significant upside risks to headline inflation. Despite the slowdown in the GDP growth, the RBI would not be able to bring down interest rates at a rapid pace as the inflation has tended to be sticky at elevated levels.

We could expect some slippage in the government's budgeted fiscal deficit due to a slowing domestic growth and slippages on both revenues and expenditure number and this would inevitable mean a higher than budgeted borrowings for the second half of FY 2013. The spectre of a large fiscal deficit reduces the possibility of a policy push for investments as it could easily fuel inflationary pressures. Additionally, higher quantum of government borrowings have a tendency to crowd out private investment demand and raise the borrowing costs for more productive sectors of the economy.

The market expects the RBI to hold the policy rates in their September 17th mid-quarter monetary policy review as the headline and retail inflation is clearly above the RBIs comfort zone and unless credible steps are initiated for fiscal consolidation, the RBI has little space for further monetary action in response to the sharply moderating economic activity.

Considering the measures taken by RBI on the liquidity front which has lead to a receding possibility of OMOs in the near term, as well as clear indications of a possible slippage in the budgeted fiscal deficit of 5.1% of the GDP, we could expect the 10 year benchmark G-sec to be under pressure and trade in a range of 8.15-8.35% in the near term.

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2. Past performance is not indicative of future performance. Returns are calculated on an absolute basis for a period of less than (or equal to) a year, with reinvestment of dividends (if any).
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