

Funds Available With Current Product Offerings - A Snapshot

(as on 31st March 2012)

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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

Though the Union Budget has fallen short of any big ticket reforms, it is broadly seen as credible as the key assumptions on growth and projections on tax revenue appear realistic. The Wholesale Price Index (WPI) inflation for February 2012 came in at 6.95% marginally higher than both the consensus of 6.7% and the January 2012 WPI inflation print of 6.55%. The Index of Industrial Production (IIP) in January 2012 clocked 6.8%, considerably above consensus of 2.1%. Though the IIP growth has surprised positively, it does not seem to reflect the moderating growth, clearly visible in the economy.

Equity Funds

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 Mar, 12 : ₹10.50

Benchmark : S&P CNX Nifty-100%

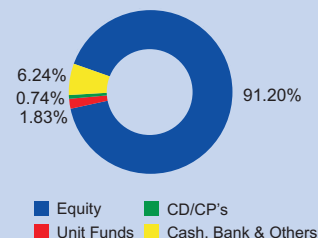
Corpus as on 31 Mar, 12 : ₹821.39 Crs.

Fund Performance

PERIOD	DATE	NAV	S&P CNX Nifty	NAV Change	INDEX Change
Last 6 Months	30-Sep-11	9.89	4943.25	6.16%	7.13%
Last 1 Year	31-Mar-11	11.41	5833.75	-7.96%	-9.23%
Last 2 Years	31-Mar-10	10.09	5249.10	2.03%	0.44%
Last 3 Years	31-Mar-09	5.73	3020.95	22.39%	20.57%
Last 4 Years	31-Mar-08	9.36	4734.50	2.92%	2.84%
Since Inception	07-Jan-08	10.00	6279.10	1.17%	-3.94%

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 Mar, 12 : ₹13.55

Benchmark : NSE CNX Midcap Index - 100%

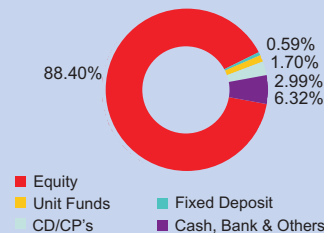
Corpus as on 31 Mar, 12 : ₹1769.42 Crs.

Fund Performance

PERIOD	DATE	NAV	NSE CNX MIDCAP	NAV Change	INDEX Change
Last 6 Months	30-Sep-11	12.69	7094.00	6.78%	8.70%
Last 1 Year	31-Mar-11	13.63	8040.15	-0.59%	-4.09%
Last 2 Years	31-Mar-10	12.76	7704.90	3.03%	0.04%
Last 3 Years	31-Mar-09	6.22	3407.45	29.65%	31.29%
Last 4 Years	31-Mar-08	11.79	6240.65	3.54%	5.43%
Last 5 Years	30-Mar-07	10.03	4850.05	6.19%	9.72%
Since Inception	08-Jan-07	10.00	5156.45	5.97%	8.00%

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



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 Mar, 12 : ₹11.29

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

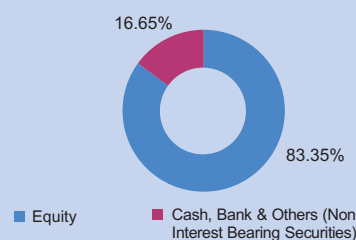
Corpus as on 31 Mar, 12 : ₹394.44 Crs.

Fund Performance

PERIOD	DATE	NAV	S & P India 500 Shariah Index	NAV Change	INDEX Change
Last 6 Months	30-Sep-11	10.72	1184.71	5.27%	5.74%
Last 1 Year	31-Mar-11	11.73	1340.15	-3.80%	-6.52%
Last 2 Years	31-Mar-10	10.48	1274.90	3.81%	-0.87%
Since Inception	16-Oct-09	10.00	1217.76	5.06%	1.16%

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 Mar, 12 : ₹14.62

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

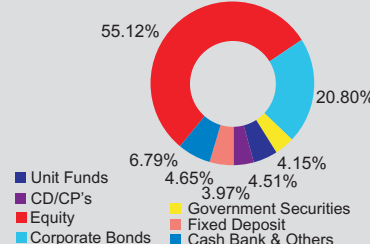
Corpus as on 31 Mar, 12 : ₹344.02 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	30-Sep-11	13.82	5.80%	6.19%
Last 1 Year	31-Mar-11	15.06	-2.87%	-3.30%
Last 2 Years	31-Mar-10	13.62	3.63%	2.52%
Last 3 Years	31-Mar-09	9.12	17.05%	15.49%
Last 4 Years	31-Mar-08	11.64	5.88%	4.08%
Last 5 Years	30-Mar-07	10.01	7.87%	6.74%
Since Inception	08-Jan-07	10.00	7.54%	6.04%

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 to provide reasonable returns with low to medium risk.

Fund Manager : Mr. Saravana Kumar

NAV as on 31 Mar, 12 : ₹13.52

Benchmark : Nifty - 40% CRISIL Composite Bond Index - 60%

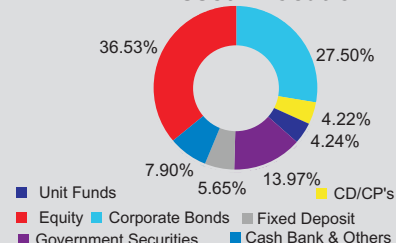
Corpus as on 31 Mar, 12 : ₹70.83 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	30-Sep-11	12.89	4.93%	5.52%
Last 1 Year	31-Mar-11	13.39	0.98%	0.93%
Last 2 Years	31-Mar-10	12.36	4.60%	4.00%
Last 3 Years	31-Mar-09	9.51	12.45%	11.86%
Last 4 Years	31-Mar-08	10.59	6.30%	4.96%
Last 5 Years	30-Mar-07	10.00	6.23%	6.75%
Since Inception	08-Jan-07	10.00	5.94%	6.17%

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 maximising the optimal balance between yield, safety and liquidity. The fund will have no investments in equity or equity-linked instruments at any point of time.

Fund Manager : Mr. Saravana Kumar

NAV as on 31 Mar, 12 : ₹13.96

Benchmark : CRISIL Composite Bond Index -100%

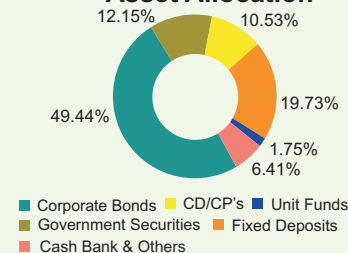
Corpus as on 31 Mar, 12 : ₹171.25 Crs.

Fund Performance

PERIOD	DATE	NAV	Crissil Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	30-Sep-11	13.31	1718.92	4.86%	4.46%
Last 1 Year	31-Mar-11	12.83	1667.12	8.79%	7.70%
Last 2 Years	31-Mar-10	12.15	1586.80	7.19%	6.37%
Last 3 Years	31-Mar-09	11.31	1505.33	7.25%	6.05%
Last 4 Years	31-Mar-08	10.32	1402.21	7.83%	6.38%
Last 5 Years	30-Mar-07	10.00	1295.33	6.89%	6.75%
Since Inception	08-Jan-07	10.00	1298.79	6.58%	6.39%

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 Mar, 12 : ₹13.95

Benchmark : CRISIL Short Term Bond Index -100%

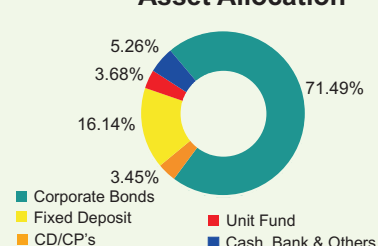
Corpus as on 31 Mar, 12 : ₹81.61 Crs.

Fund Performance

PERIOD	DATE	NAV	CRISIL Short-Term Bond Index	NAV Change	INDEX Change
Last 6 Months	30-Sep-11	13.41	1784.00	4.08%	4.18%
Last 1 Year	31-Mar-11	12.83	1716.04	8.78%	8.31%
Last 2 Years	31-Mar-10	12.25	1632.46	6.75%	6.70%
Last 3 Years	31-Mar-09	11.42	1541.81	6.92%	6.43%
Last 4 Years	31-Mar-08	10.37	1404.31	7.71%	7.26%
Last 5 Years	30-Mar-07	10.00	1290.28	6.89%	7.57%
Since Inception	08-Jan-07	10.00	1281.09	6.58%	7.37%

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



Equity Outlook

The benchmark indices, BSE Sensex and CNX Nifty shed 1.96 % and 1.66 % respectively even as the Midcap index, CNX Midcap closed flat with a 0.08% gain.

The FIIs remained net buyers in March 2012 bring in inflows of USD 1.80 billion even as DIIs continued to be net sellers of Indian equities- Insurance companies net sellers at USD 410 million and Domestic mutual funds net sellers at USD 280 million. For the quarter ending March 2012, the FIIs have bought Indian equities to the tune of around USD 9 billion.

In the near term, the Indian equity markets would be tracking the fourth quarter earnings season, which could see a decline in EBITDA margins of Indian corporate (ex banks and oil & gas) on a year on year basis, mainly on account of slower volume growth and rising cost of inputs, coupled with corporate India saddled with limited pricing power. At the net profit level, the pressure is expected to be even more acute as the net margins in Q4 FY12 are likely to decline even more sharply on a year on year basis due to increased interest costs. However, on a quarter-on-quarter basis, EBITDA margins would improve marginally.

The Union budget took some fledgling steps to revive the equity markets and broaden the equity participation. The Finance minister unveiled the Rajiv Gandhi Equity Saving Scheme, intending to allow for income tax deduction of 50 % to new retail investors, who invest upto ₹50,000 directly in equities and whose annual income is below ₹10 lakh. The scheme will have a lock-in period of 3 years and expected to be operationalized in a few months.

In the Union budget, the Finance minister has provided a corpus of ₹15,880 crore for bank capitalization, to protect the financial health of Public Sector Banks and Financial Institutions and stated that he would examine the possibility of creating a financial holding company to raise resources to meet the capital requirements of PSU Banks.

With Infrastructure being the key thrust area of the Twelfth Plan period and investment in infrastructure expected to go up to ₹50 lakh crore, the private sector participation is key to the Infra creation (as private sector would need to fund 50% of the total investment). In the union budget, the Finance minister allowed Tax free bonds of ₹60,000 crore for financing infrastructure projects in 2012-13 and considered expanding the sectors eligible for Viability Gap Funding under the scheme "Support to PPP in infrastructure".

The Finance minister alluded to the National Manufacturing Policy announced with the objective to increase the share of manufacturing in GDP to 25% and create 10 crore jobs within a decade, in a bid to kick start the industrial growth.

The quality of fiscal deficit in the FY 2013 budget would be determined by the initiatives around containing the ballooning subsidies. In that context, the fuel price hike is critical to solving the issue of oil under-recoveries and avoiding a slippage in the government's budgeted fiscal deficit target of 5.1 % in FY 2013. The scale of hike will send a key signal to the market watchers on the government's resolve to rationalize the subsidy bill. In an effort to target subsidies, the Finance minister in the Union Budget has focused on expanding the scope of the UID project by leveraging the initiative for direct transfer of kerosene and LPG subsidy through phase wise UID enablement. Similar efforts would be undertaken to effect the direct transfer of fertilizer subsidy to retailer and the farmer.

The markets are bracing for a directional shift in the RBI's tightening trajectory and to that effect, the April 17th Monetary policy review may be crucial to understand the RBI's assessment on fiscal consolidation attempted in the Union budget as well as to determine the magnitude of rate cuts possible in FY 2013.

The equity markets are trading at around 13 times FY 2013 earnings and offer a reasonable entry point for a long term investor with 3-5 year view.

Debt Outlook

The month of March 2012 saw the benchmark 10 year Government security (G-sec) hardening by around 37 basis points and closing the month at 8.57% levels. During the month, the G-secs was under pressure post announcements of the government borrowing quantum in FY 2013 in the Union budget, even though the RBI continued the purchase of Government securities through the Open market operations (OMOs). The RBI has purchased the G-sec's through OMOs to the tune of around ₹1.3 trillion (USD 25.4 billion) in FY 2012.

The corporate bond yield hardened by around 24 basis points in March 2012 and closed the month at 9.50% levels. As a consequence, the corporate bond spread over the 10 year G-sec stood at 70-80 bps, slightly lower than the February 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 ₹1.3-1.7 trillion during the month of March 2012 and reaching an all time high of around ₹1.95 trillion, even though the RBI enabled the infusion of primary liquidity of around ₹48,000 crore (USD 9.4 billion) in the system by effecting a CRR cut of 75 bps.

Despite some attempt at incremental fiscal consolidation in the Union budget, the fiscal policy makes the effectiveness of RBI's monetary stance more challenging. The market watchers are seeing risks on both revenue and spending targets, which could cause the fiscal deficit for FY 2013 to overshoot the government's target of 5.1%. The Budget pegged gross market borrowing by the government at ₹5.69 trillion (net borrowing: ₹4.79trillion), higher than the market expectations of around ₹5.2 trillion and even higher than the FY 2012 revised gross borrowing of ₹5.1 trillion (net borrowing: ₹4.36 trillion).

The large quantum of weekly borrowings to the tune of ₹15000-18,000 crore in the first half of FY 2013 would keep the 10 year G-sec yields under pressure and could increase the risk of crowding out of the private sector. In the first half of FY 2013, the Central Government will borrow ₹3.7 trillion on a gross basis, completing around 65% of its gross borrowing program for FY2013. After taking into account redemptions during this time, net borrowing will be ₹2.84 trillion (63% of the full year borrowing), which would be nearly 50% higher than the net borrowing in FY2012.

Given the huge borrowing program, the RBI will need to continue its OMO operations into FY 2013 to prevent disruptive movement in G-Sec yields and manage the domestic liquidity situation. The actual timing of OMOs would factor in the Government borrowing program as well as the structural liquidity requirements due to the RBIs likely forex intervention

In the absence of the continued OMO support from the RBI, the G-sec yields will be under pressure due to increased supply on a weekly basis. The only near term positive for G-sec yields is the possible repo rate cut of 25 bps by the RBI on April 17th monetary policy review. Given the backdrop of a depreciating currency and persistently high oil prices, there could be a limited cumulative easing of policy rates in FY 2013.

We expect the benchmark 10 year G-sec yields to remain under pressure and trade in a range of 8.50-8.80% in the near term and the continuation of OMOs as well as the commentary from the RBI in its monetary policy review along with the expected rate cut would be a key trigger in easing the bond yields in April 2012

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