

Funds Available With Current Product Offerings - A Snapshot

(as on 30th August 2011)

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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

There was some cause to cheer as the south west monsoon advanced at a brisk rate in August, with the cumulative rainfall for the season till Aug 24, 2011 remained stable at just 1% below normal. There was reason to be optimistic on the Indian economy as the Index of Industrial production (IIP) for June 2011 surprised on the upside to clock a robust 8.8% year on year as against the consensus of 5.5%. Wholesale Price Index (WPI) Inflation for the month of July 2011 came in at 9.22% close to the consensus of around 9.24% and lower compared to the June 2011 headline inflation figure of 9.44%. With growth still strong enough, RBI continued its anti-inflationary stance in its mid-quarter monetary policy review on September 16th with another policy rate hike of 25 bps.

Life Large Cap Equity Fund

Equity Funds

Fund Details

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.

Fund Manager : Mr. Saravana Kumar

NAV as on 30 Aug, 11 : ₹9.99

Benchmark : S&P CNX Nifty-100%

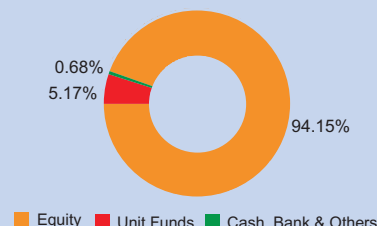
Corpus as on 30 Aug, 11 : ₹696.38 Crs.

Fund Performance

PERIOD	DATE	NAV	S&P CNX Nifty	NAV Change	INDEX Change
Last 6 Months	28-Feb-11	10.57	5333.25	-5.46%	-6.23%
Last 1 Year	31-Aug-10	10.69	5402.40	-6.54%	-7.43%
Last 2 Years	31-Aug-09	8.96	4662.10	5.59%	3.57%
Last 3 Years	29-Aug-08	8.38	4360.00	6.03%	4.68%
Since Inception	07-Jan-08	10.00	6279.10	-0.02%	-6.05%

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

Fund Details

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.

Fund Manager : Mr. Saravana Kumar

NAV as on 30 Aug, 11 : ₹12.97

Benchmark : NSE CNX Midcap Index - 100%

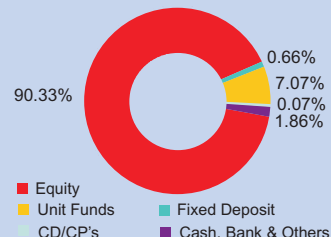
Corpus as on 30 Aug, 11 : ₹1512.89 Crs.

Fund Performance

PERIOD	DATE	NAV	NSE CNX MIDCAP	NAV Change	INDEX Change
Last 6 Months	28-Feb-11	12.64	7370.10	2.59%	-1.02%
Last 1 Year	31-Aug-10	14.17	8679.85	-8.50%	-15.96%
Last 2 Years	31-Aug-09	10.56	6117.90	10.83%	9.20%
Last 3 Years	29-Aug-08	10.44	5698.95	7.48%	8.58%
Last 4 Years	31-Aug-07	11.91	6043.80	2.15%	4.82%
Since Inception	08-Jan-07	10.00	5156.45	5.75%	7.76%

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



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 30 Aug, 11 : ₹10.91

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

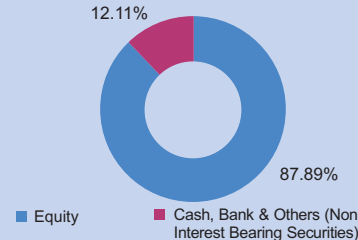
Corpus as on 30 Aug, 11 : ₹272.48 Crs.

Fund Performance

PERIOD	DATE	NAV	S & P India 500 Shariah Index	NAV Change	INDEX Change
Last 6 Months	28-Feb-11	11.00	1241.55	-0.88%	-4.56%
Last 1 Year	31-Aug-10	11.26	1287.72	-3.17%	-7.98%
Since Inception	16-Oct-09	10.00	1217.76	4.75%	-1.45%

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

Balanced Funds

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 30 Aug, 11 : ₹13.95

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

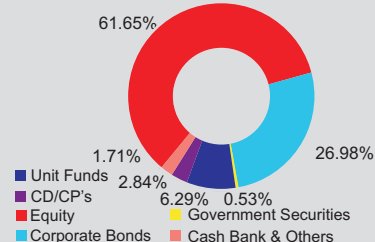
Corpus as on 30 Aug, 11 : ₹278.03 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	28-Feb-11	14.24	-2.06%	-2.77%
Last 1 Year	31-Aug-10	14.42	-3.28%	-2.78%
Last 2 Years	31-Aug-09	12.35	6.27%	4.35%
Last 3 Years	29-Aug-08	10.88	8.62%	5.53%
Last 4 Years	31-Aug-07	11.21	5.63%	4.08%
Since Inception	08-Jan-07	10.00	7.43%	5.60%

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

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 30 Aug, 11 : ₹12.94

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

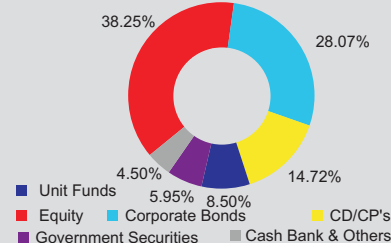
Corpus as on 30 Aug, 11 : ₹58.82 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	28-Feb-11	12.92	0.11%	-0.31%
Last 1 Year	31-Aug-10	12.86	0.57%	0.54%
Last 2 Years	31-Aug-09	11.54	5.89%	4.90%
Last 3 Years	29-Aug-08	10.22	8.18%	6.15%
Last 4 Years	31-Aug-07	10.32	5.82%	4.94%
Since Inception	08-Jan-07	10.00	5.70%	5.81%

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



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Whole Life Income Fund

Fixed Income Funds

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 30 Aug, 11 : ₹13.28

Benchmark : CRISIL Composite Bond Index -100%

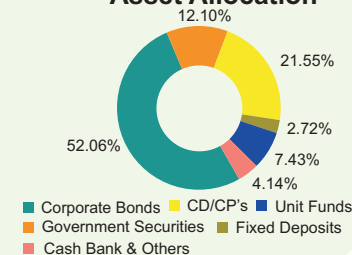
Corpus as on 30 Aug, 11 : ₹121.12 Crs.

Fund Performance

PERIOD	DATE	NAV	Crissil Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	28-Feb-11	12.70	1653.11	4.50%	3.64%
Last 1 Year	31-Aug-10	12.39	1618.71	7.15%	5.85%
Last 2 Years	31-Aug-09	11.67	1530.92	6.67%	5.79%
Last 3 Years	29-Aug-08	10.33	1393.70	8.73%	7.13%
Last 4 Years	31-Aug-07	9.99	1341.12	7.36%	6.32%
Since Inception	08-Jan-07	10.00	1298.79	6.29%	6.15%

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

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 30 Aug, 11 : ₹13.34

Benchmark : CRISIL Short Term Bond Index -100%

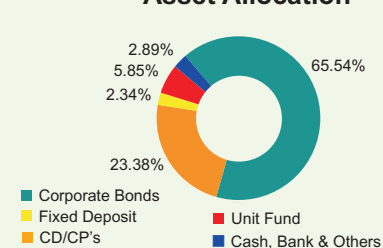
Corpus as on 30 Aug, 11 : ₹51.28 Crs.

Fund Performance

PERIOD	DATE	NAV	CRISIL Short-Term Bond Index	NAV Change	INDEX Change
Last 6 Months	28-Feb-11	12.72	1701.47	4.89%	4.29%
Last 1 Year	31-Aug-10	12.47	1662.57	6.95%	6.73%
Last 2 Years	31-Aug-09	11.78	1583.39	6.43%	5.86%
Last 3 Years	29-Aug-08	10.47	1431.80	8.42%	7.41%
Last 4 Years	31-Aug-07	10.00	1341.94	7.48%	7.23%
Since Inception	08-Jan-07	10.00	1281.09	6.40%	7.27%

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

Indian Benchmark indices, BSE Sensex and CNX Nifty saw a sharp correction in August 2011 on the back of a mood of global risk aversion triggered by increased risks in the Euro zone as well as a possible slowdown in the US economy. The Benchmark indices, BSE Sensex and CNX Nifty shed 8.36% and 8.77% respectively in the month of August 2011, even as the mid cap index, CNX Midcap lost 9.01%.

The FIIs had been net sellers of Indian equity to the extent of USD 2.30 billion in August 2011, which has resulted in the year to date FII outflow of around USD 0.1 billion. The domestic mutual funds have been net buyers of Indian equity to the tune of USD 0.5 billion in August 2011, year to date domestic mutual funds inflow being USD 1.3 billion. The insurance companies have been large buyers of Indian equity in August 2011, as they bought around USD 1.3 billion, the insurance companies inflow for the year standing at USD 3.7 billion.

The Indian GDP growth for April-June 2011 printed a respectable 7.7% close to the consensus of 7.6% and marginally below the previous quarter growth of 7.8%. The growth in the Indian economy is still showing resilience, despite the slow policy rate increases over the last 18 months. The growth has been on a moderating trajectory as the lagged effects of monetary tightening play itself out to reduce the demand and thereby the inflationary pressures in the economy. The RBI has effectively hiked rates by 475 basis points over past 18 months to rein in rising inflation.

The real GDP growth for FY 2012 could read a sub-8% number, considering a weaker global growth trajectory. In the near term, the high rate of inflation and consequently a tight monetary policy from the RBI is expected to result in a muted second quarter GDP growth. However, as the inflation peaks out in the next few months resulting in a pause in the monetary tightening, the second half of FY 2012 could witness a more robust GDP growth.

The combination of increased global uncertainty and a moderating domestic economy has resulted in a slew of earnings downgrades since the beginning of the year. The consensus EPS estimates for the benchmark indices, BSE Sensex and CNX Nifty have been revised downwards by 2-3% since June end resulting in a cumulative earnings downgrade of around 6% since January 2011. The Sensex EPS estimates stand at around ₹1,150 in FY12 and close to ₹1,360 in FY13 but the FY 13 EPS number could be vulnerable to further downgrades.

India has been one of the worst performing markets, down over 18% YTD and has been largely ignored by the foreign investors (FII) in the past year. All this could change as India is among the few markets in Emerging Asia with least dependence on the slowing advanced economies, India having a robust domestic consumption story on the back of a strong rural demand.

The Indian equity markets, as indicated by the benchmark BSE Sensex is currently trading at around 13 times one year forward earnings, offering reasonable valuations as compared to its long term average of around 14.2 times. It presents an attractive entry point for a medium term investor with a 2-5 year view.

Debt Outlook

The month of August 2011 saw the benchmark 10 year Government security (G-sec) starting the month at 8.45% and rallied to 8.19% during the month following the global uncertainty triggered by Standard and Poors downgrade of the rating of US long term debt. The 10 year G-sec stabilized eventually to close the month at 8.32%. Overall, the G-sec yields eased by 13 bps for the month of August 2011.

The corporate bond yields took the cue from the easing G-sec yields as they eased by 11 bps in August 2011 from 9.50% to 9.39%. As a consequence, the corporate bond spread over the 10 year G-sec was in the range of around 90-95 bps over the month of August, similar to the spreads in July 2011.

The liquidity position was benign throughout August, in the RBIs comfort zone of a negative 1% of NDTL (Net Demand Time Liabilities). The Government borrowings for August 2011 stood at ₹47,000 crores as compared to the planned borrowing number of ₹35,000 crores. The increase of ₹12,000 crores over the planned borrowing number was due to the advancing of the borrowing slated for the last week of September 2011 into mid-August. This paves the way for a higher than plan first half borrowing as the market analysts infer the possibility of an extra round of weekly borrowing in September 2011. It is widely believed that the government would exceed its borrowing target for FY 2012 on the back of a ballooning fuel and fertilizer subsidy bill and could slip on the fiscal deficit target of 4.6% of the GDP set for FY 2012.

Wholesale Price Index (WPI) Inflation for the month of July 2011 came in at 9.22% close to the consensus of around 9.24% and lower compared to the June 2011 headline inflation figure of 9.44% and July 2010 print of 9.98%. In keeping with the recent trend, the WPI inflation for May 2011 was revised upward to 9.56% from the provisional estimate of 9.06%. The July inflation number is the lowest in eight months and might give an early indication of the start of the peaking out process of headline inflation over the next couple of months.

On an annualized basis, there was a moderation in food articles inflation in July 2011 at 8.19% as against the 8.38% inflation recorded in June, with inflation in overall primary articles weighted at around 20% in the WPI basket, moderating to 11.30% in July from 12.22% in June due to favorable base effects and a fall in fibre prices. However, the manufactured products inflation with an overwhelming weight of around 65% in the WPI basket continued its upward trajectory clocking 7.49% on a year on year basis in July 2011. The manufactured non-food inflation clocked around 7.5% as against 7.3% in June on the back of higher prices of beverages & tobacco, textiles, and basic metals.

We could see upward pressure on the 10 year G-sec due to RBIs continued anti-inflationary stance on the back of elevated headline inflation numbers. There is a strong possibility of another policy rate hike from the RBI to the tune of 25 bps during the mid-quarter monetary policy meeting slated for September 16th as the first quarter GDP growth of 7.7% has been within the RBIs tolerance limit but the 9% plus headline inflation level is clearly above the RBI comfort zone. The 10 year G-sec could trade in the range of 8.30-8.45% in the near term.

Funds Available With Current Product Offerings - A Snapshot

(as on 30th August 2011)



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Disclaimer

1. The fund is managed by Tata AIG Life Insurance Company Ltd. (hereinafter the "Company").
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).
3. 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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Unique Reference Number: L&C/Advt/2011/Sep/153