# Funds Available With Current Product Offerings
# - A Snapshot (as on 31st January 2014)

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

## *Investment Report*

***The month of January 2014 saw the benchmark indices; BSE Sensex and CNX Nifty shed around 3.10% and 3.40% respectively, even as the Mid-cap index, CNX Mid-cap fell 6.58% 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.

**NAV as on 31 Jan, 14** : ₹12.7207

**Benchmark** : CNX Nifty-100%

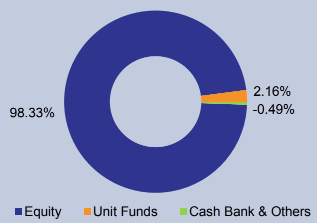
**Corpus as on 31 Jan, 14** : ₹905.77 Crs.

#### Fund Performance

| PERIOD | DATE | NAV | CNX Nifty | NAV Change | INDEX Change |
|---|---|---|---|---|---|
| Last 6 Months | 31-Jul-13 | 11.8589 | 5742.00 | 7.27% | 6.05% |
| Last 1 Year | 31-Jan-13 | 12.0870 | 6034.75 | 5.24% | 0.91% |
| Last 2 Years | 31-Jan-12 | 10.2167 | 5199.25 | 11.58% | 8.22% |
| Last 3 Years | 31-Jan-11 | 10.9437 | 5505.90 | 5.14% | 3.42% |
| Last 4 Years | 29-Jan-10 | 9.5290 | 4882.05 | 7.49% | 5.68% |
| Last 5 Years | 30-Jan-09 | 5.6740 | 2874.80 | 17.52% | 16.20% |
| Since Inception | 07-Jan-08 | 10.0000 | 6279.10 | 4.04% | -0.50% |

**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.

**NAV as on 31 Jan, 14** : ₹16.2796

**Benchmark** : NSE CNX MIDCAP-100%

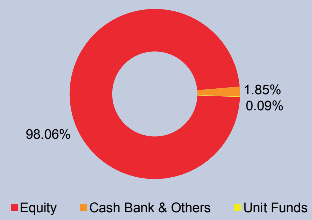
**Corpus as on 31 Jan, 14** : ₹1,501.36 Crs.

#### Fund Performance

| PERIOD | DATE | NAV | NSE CNX MIDCAP | NAV Change | INDEX Change |
|---|---|---|---|---|---|
| Last 6 Months | 31-Jul-13 | 15.0087 | 6872.95 | 8.47% | 9.71% |
| Last 1 Year | 31-Jan-13 | 15.5173 | 8363.70 | 4.91% | -9.85% |
| Last 2 Years | 31-Jan-12 | 12.5780 | 7100.55 | 13.77% | 3.05% |
| Last 3 Years | 31-Jan-11 | 13.4128 | 7922.50 | 6.67% | -1.64% |
| Last 4 Years | 29-Jan-10 | 11.8340 | 7201.85 | 8.30% | 1.15% |
| Last 5 Years | 30-Jan-09 | 6.2010 | 3357.35 | 21.29% | 17.56% |
| Since Inception | 08-Jan-07 | 10.0000 | 5156.45 | 7.14% | 5.52% |

**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.

**NAV as on 31 Jan, 14** : ₹13.7512

**Benchmark** : CNX India 500 Shariah Index - 100%

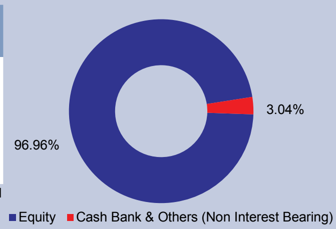
**Corpus as on 31 Jan, 14** : ₹631.30 Crs.

#### Fund Performance

| PERIOD | DATE | NAV | CNX India 500 Shariah Index | NAV Change | INDEX Change |
|---|---|---|---|---|---|
| Last 6 Months | 31-Jul-13 | 12.6692 | 1392.53 | 8.54% | 8.45% |
| Last 1 Year | 31-Jan-13 | 12.4733 | 1374.11 | 10.25% | 9.90% |
| Last 2 Years | 31-Jan-12 | 10.9215 | 1214.33 | 12.21% | 11.52% |
| Last 3 Years | 31-Jan-11 | 11.5054 | 1294.22 | 6.12% | 5.28% |
| Last 4 Years | 29-Jan-10 | 9.9780 | 1198.63 | 8.35% | 5.95% |
| Since Inception | 16-Oct-09 | 10.0000 | 1217.76 | 7.70% | 5.14% |

**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.

**NAV as on 31 Jan, 14** : ₹16.9141

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

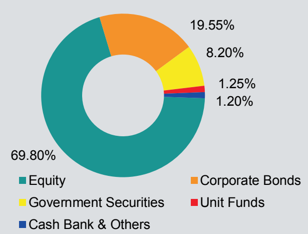
**Corpus as on 31 Jan, 14** : ₹356.79 Crs.

#### Fund Performance

| PERIOD | DATE | NAV | NAV Change | INDEX Change |
|---|---|---|---|---|
| Last 6 Months | 31-Jul-13 | 16.0254 | 5.55% | 5.08% |
| Last 1 Year | 31-Jan-13 | 16.5505 | 2.20% | 1.81% |
| Last 2 Years | 31-Jan-12 | 14.3389 | 8.61% | 7.58% |
| Last 3 Years | 31-Jan-11 | 14.5535 | 5.14% | 4.66% |
| Last 4 Years | 29-Jan-10 | 12.9730 | 6.86% | 5.90% |
| Last 5 Years | 30-Jan-09 | 8.9920 | 13.47% | 12.62% |
| Since Inception | 08-Jan-07 | 10.0000 | 7.72% | 6.38% |

**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




### *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.

**NAV as on 31 Jan, 14** : ₹15.5593

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

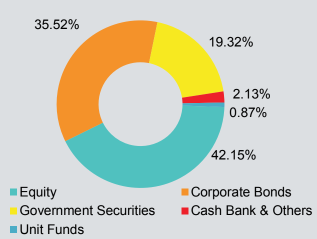
**Corpus as on 31 Jan, 14** : ₹82.64 Crs.

#### Fund Performance

| PERIOD | DATE | NAV | NAV Change | INDEX Change |
|---|---|---|---|---|
| Last 6 Months | 31-Jul-13 | 14.8912 | 4.49% | 4.39% |
| Last 1 Year | 31-Jan-13 | 15.1358 | 2.80% | 2.46% |
| Last 2 Years | 31-Jan-12 | 13.3310 | 8.03% | 7.13% |
| Last 3 Years | 31-Jan-11 | 13.0609 | 6.01% | 5.54% |
| Last 4 Years | 29-Jan-10 | 12.0230 | 6.66% | 6.05% |
| Last 5 Years | 30-Jan-09 | 9.4020 | 10.60% | 10.06% |
| Since Inception | 08-Jan-07 | 10.0000 | 6.45% | 6.38% |

**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




TATA AIA LIFE

# Funds Available With Current Product Offerings - A Snapshot (as on 31st January 2014)

## 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.

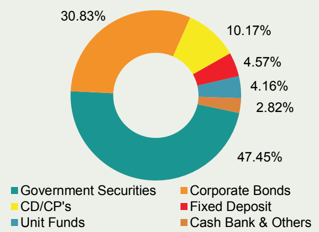
| | | |
|---|---|---|
| **NAV as on 31 Jan, 14** | : | ₹15.9748 |
| **Benchmark** | : | CRISIL Composite Bond Index -100% |
| **Corpus as on 31 Jan, 14** | : | ₹240.60 Crs. |

#### Fund Performance

| PERIOD | DATE | NAV | Crisil Composite Bond Fund Index | NAV Change | INDEX Change |
|---|---|---|---|---|---|
| Last 6 Months | 31-Jul-13 | 15.5703 | 1947.21 | 2.60% | 3.28% |
| Last 1 Year | 31-Jan-13 | 15.3585 | 1943.07 | 4.01% | 3.50% |
| Last 2 Years | 31-Jan-12 | 13.8558 | 1776.42 | 7.37% | 6.40% |
| Last 3 Years | 31-Jan-11 | 12.6452 | 1643.29 | 8.10% | 6.96% |
| Last 4 Years | 29-Jan-10 | 12.0230 | 1575.32 | 7.36% | 6.29% |
| Last 5 Years | 30-Jan-09 | 11.0800 | 1504.76 | 7.59% | 5.97% |
| Since Inception | 08-Jan-07 | 10.0000 | 1298.79 | 6.85% | 6.38% |

**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




### 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.

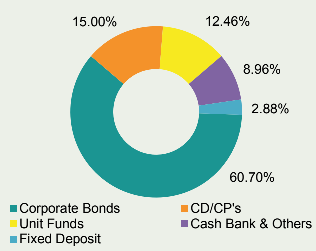
| | | |
|---|---|---|
| **NAV as on 31 Jan, 14** | : | ₹16.3395 |
| **Benchmark** | : | CRISIL Short Term Bond Index -100% |
| **Corpus as on 31 Jan, 14** | : | ₹139.05 Crs. |

#### Fund Performance

| PERIOD | DATE | NAV | CRISIL Short- Term Bond Index | NAV Change | INDEX Change |
|---|---|---|---|---|---|
| Last 6 Months | 31-Jul-13 | 15.5964 | 2057.14 | 4.76% | 5.31% |
| Last 1 Year | 31-Jan-13 | 15.1248 | 2001.25 | 8.03% | 8.25% |
| Last 2 Years | 31-Jan-12 | 13.7834 | 1835.31 | 8.88% | 8.65% |
| Last 3 Years | 31-Jan-11 | 12.6624 | 1693.26 | 8.87% | 8.56% |
| Last 4 Years | 29-Jan-10 | 12.1230 | 1620.44 | 7.75% | 7.53% |
| Last 5 Years | 30-Jan-09 | 11.1910 | 1525.53 | 7.86% | 7.27% |
| Since Inception | 08-Jan-07 | 10.0000 | 1281.09 | 7.19% | 7.72% |

**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 January 2014 saw the benchmark indices; BSE Sensex and CNX Nifty shed around 3.10% and 3.40% respectively, even as the Mid-cap index, CNX Mid-cap fell 6.58% during the same period.

FII flows were muted at near zero levels in the month of January 2014 even as the DIIs were net sellers to the tune of around USD 0.14 billion, with Insurance companies' net buyers of around USD 0.2 billion and domestic mutual funds, net sellers to the extent of around USD 0.34 billion over the same period. In the calendar year 2013, the FIIs had been net buyers to the tune of USD 20.1 billion with the DIIs net sellers to the tune of USD 13 billion, Insurance companies and mutual funds selling Indian equities to the tune of USD 9.2 billion and USD 3.8 billion respectively.

The third quarter fiscal 2014 saw FII inflows to the tune of USD 6.6 bn, raising the FII holding to around 23% as of December 2013, a new all-time high. In contrast, DII holding fell to 11.2% as of December 2013, lowest level since 2009, as they sold equities to the extent of USD 4.7 bn in the third quarter fiscal 2014. Consensus earnings estimates for the MSCI India were revised higher by 0.1% for FY 2014 (E) and FY 2015(E) to 9.5% and 18.5% for FY2014 (E) and FY2015 (E) respectively.

The month of January was a mixed bag for the Indian macro-economy as the growth indicators in the Indian economy remained soft even as the inflationary pressures moderated. The backdrop of a Chinese growth slowdown as well as RBI's unexpected rate hike weighed down Indian equity market sentiments in January even as continued QE tapering by the US Fed added further pressure on the EM equities and EM currencies.

The third quarter fiscal 2014 earnings season has been muted thus far with IT and Private Banks reporting better than expected results even as PSU banks, FMCG, Consumer Discretionary and Auto sector have largely disappointed.

RBI's monthly credit deployment data of scheduled commercial banks for month ended December-2013 indicated muted growth in Non food credit at 14.8% year on year as against the elevated 18.2% year on year in September 2013. Services sector loan stood at 17.4% on a year on year basis led by an up tick in the trade segment even as agriculture and industrial sector saw muted credit growth. On a year on year basis, healthy credit growth was registered in the personal loans segment at 15.8% year on year led by a surge in home loans and auto loans. Double digit growth in the industrial segment was driven by Micro and small industries as well as key infrastructure sectors such as power and roads.

The government, in an effort to limit the fiscal deficit to the targeted 4.8% could focus on revenue increase through the sale of its SUUTI holdings, initiate stake sales in Hindustan Zinc and Balco and request special dividends from cash rich PSUs like Coal India and NMDC. However, a sharp contraction in the plan expenditure in the fourth quarter would be seen as negative for growth in the subsequent quarters.

The near term direction of the Indian equity market will depend on direction of FII flows given the backdrop of the continued QE taper and the EM risk-off sentiment. In the medium term, the electoral outcome of the Indian general elections as well as the economic policies of the new government will be a key determinant of the FII flows and consequently the trajectory of the Indian equity markets. 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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# Funds Available With Current Product Offerings - A Snapshot (as on 31st January 2014)

## Debt Outlook

January 2014 saw the benchmark 10 year Government securities (G-sec) soften by around 7 bps during the month to 8.77% levels. The spread of 10 year G-sec over the 30 year G-sec was at 46 bps in January.

The corporate bonds remained in a tight range during January 2014 to close the month at around 9.63% levels in the 10 year bonds, similar to the December 2013 levels of 9.62%. As a consequence, the corporate bond spread over the benchmark 10 year G-sec stood at around 66 bps in January 2014, similar to the 59 bps in the prior month.

The RBI, in its third quarter review of monetary policy, increased the policy repo rate by 25 bps from 7.75 % to 8.00 % as against the market expectation of a pause. On the domestic front, the RBI noted the loss of momentum of growth in third quarter of 2013-14. The RBI was concerned that the Industrial activity remained in contractionary mode, mainly on account of manufacturing, which declined for the second month in succession during the third quarter. Moreover, the lead indicators of services suggested a subdued outlook, barring some pick-up in transport and communication activity.

The RBI stated that, while the retail CPI inflation declined significantly on account of the anticipated reduction in vegetable and fruit prices, it still remained elevated at near double digit levels. Inflation excluding food and fuel had also been high, especially with respect of services, indicative of wage pressures and other second round effects. The RBI was satisfied that the WPI headline inflation eased to a four-month low led by a sharp decline in vegetable and fruit prices. Core inflation, however, rose in December on an up tick in prices of chemicals, non-metallic minerals and paper products.

The RBI illustrated a “glide path” for disinflation, setting an objective of below 8% CPI inflation by January 2015 and below 6% CPI inflation by January 2016. The RBIs baseline projections indicated that over the ensuing 12 month horizon, with the current policy stance, there were upside risks to the central forecast of 8%. The RBI believed that the increase in the policy rate by 25 bps will not only be consistent with the guidance given in the December mid-quarter review but also set the economy securely on the recommended disinflationary path.

The RBI summarized that the extent and direction of further policy steps will be data dependent, though if the disinflationary process evolved according to this baseline projection, further policy tightening in the near term was not anticipated at this juncture.

Dr. Urjit Patel committee of the RBI on the monetary policy had recommended a shift to flexible inflation targeting, with the headline CPI inflation as the nominal anchor. The committee also recommended that for effective monetary policy transmission, it would be necessary to develop a better interest rate framework, with most of the current interest rate distortion removed. The intention would be to develop the term repo market with RBI having a greater flexibility in managing the operative rate through its liquidity management tools.

The market watchers expect the government to indicate a lower fiscal deficit target of around 4.2% of GDP for FY 2015, in line with the amended FRBM rules. However, the gross market borrowing is expected to remain elevated on account of large redemption of government bonds of around ₹ 1.68 trillion due in FY 2015 and this would sustain pressure on G-sec yields over the next year.

Bond yields have remained at elevated levels, despite favourable inflation prints due to the overhang from the expert committee recommendations on the monetary policy as well as renewed emerging market risk-off sentiment. On the positive side, the lower G-sec supply due to culmination of the FY 2014 government bond auctions calendar as well as expectations of further softening of inflation due to moderating vegetable prices augur well for the bond market in the near term. The bond markets will be taking cues from the FY 2014 fiscal deficit print as well as the FY 2015 auction calendar in the medium term.




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Unique Reference Number: L&C/Advt/2014/Feb/065


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