

Funds Available With Current Product Offerings

- A Snapshot (as on 29th June 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 June 2012 saw a stellar performance from the Indian equity markets with the benchmark indices, BSE Sensex and CNX Nifty posting gains of 7.47% and 7.20% respectively, even as the midcap index, the CNX Midcap ended higher by 6.57% during the month.

We believe that the Indian benchmark indices have largely priced in the weak Indian macro – twin deficit concerns, weak INR, high interest rates as well as sticky inflation and are currently trading at fair valuations. The Indian equities offer a reasonable entry point for long term investors with a 3-5 year view.

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 29 June, 12 : ₹10.5546

Benchmark : S&P CNX Nifty-100%

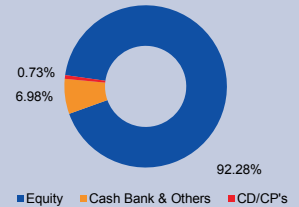
Corpus as on 29 June, 12 : ₹842.51 Crs.

Fund Performance

PERIOD	DATE	NAV	S&P CNX Nifty	NAV Change	INDEX Change
Last 6 Months	30-Dec-11	9.14	4624.30	15.48%	14.16%
Last 1 Year	30-Jun-11	11.20	5647.40	-5.76%	-6.53%
Last 2 Years	30-Jun-10	10.41	5312.50	0.69%	-0.32%
Last 3 Years	30-Jun-09	8.30	4291.10	8.35%	7.15%
Last 4 Years	30-Jun-08	7.82	4040.55	7.78%	6.91%
Since Inception	07-Jan-08	10.00	6279.10	1.21%	-3.80%

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 29 June, 12 : ₹13.3416

Benchmark : NSE CNX MIDCAP-100%

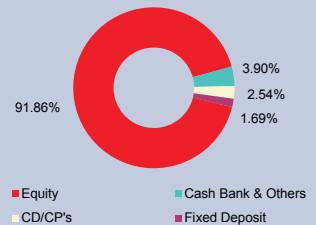
Corpus as on 29 June, 12 : ₹1773.70 Crs.

Fund Performance

PERIOD	DATE	NAV	NSE CNX MIDCAP	NAV Change	INDEX Change
Last 6 Months	30-Dec-11	11.26	6111.85	18.49%	20.29%
Last 1 Year	30-Jun-11	13.79	7971.50	-3.23%	-7.77%
Last 2 Years	30-Jun-10	13.45	8130.85	-0.40%	-4.91%
Last 3 Years	30-Jun-09	9.51	5427.25	11.93%	10.65%
Last 4 Years	30-Jun-08	9.63	5238.85	8.50%	8.84%
Last 5 Years	29-Jun-07	11.57	5975.65	2.90%	4.23%
Since Inception	08-Jan-07	10.00	5156.45	5.41%	6.69%

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 29 June, 12 : ₹11.1711

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

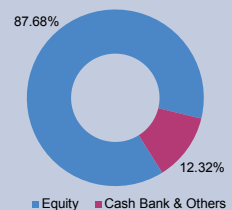
Corpus as on 29 June, 12 : ₹ 410.80 Crs.

Fund Performance

PERIOD	DATE	NAV	S & P India 500 Shariah Index	NAV Change	INDEX Change
Last 6 Months	30-Dec-11	10.22	1130.46	9.28%	8.90%
Last 1 Year	30-Jun-11	11.85	1307.25	-5.73%	-5.82%
Last 2 Years	30-Jun-10	11.06	1308.04	0.48%	-2.98%
Since Inception	16-Oct-09	10.00	1217.76	4.18%	0.40%

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 29 June, 12 : ₹14.7250

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

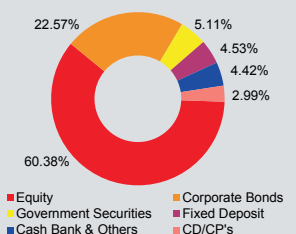
Corpus as on 29 June, 12 : ₹353.50 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	30-Dec-11	13.29	10.84%	10.73%
Last 1 Year	30-Jun-11	14.94	-1.46%	-1.20%
Last 2 Years	30-Jun-10	14.07	2.32%	2.11%
Last 3 Years	30-Jun-09	11.76	7.80%	6.74%
Last 4 Years	30-Jun-08	10.33	9.27%	7.03%
Last 5 Years	29-Jun-07	10.99	6.02%	5.05%
Since Inception	8-Jan-07	10.00	7.32%	5.87%

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



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 29 June, 12 : ₹13.7174

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

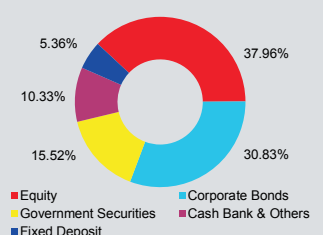
Corpus as on 29 June, 12 : ₹74.58 Crs.

Fund Performance

PERIOD	DATE	NAV	NAV Change	INDEX Change
Last 6 Months	30-Dec-11	12.65	8.48%	8.28%
Last 1 Year	30-Jun-11	13.46	1.92%	2.60%
Last 2 Years	30-Jun-10	12.70	3.94%	3.84%
Last 3 Years	30-Jun-09	11.20	6.99%	6.44%
Last 4 Years	30-Jun-08	9.91	8.48%	7.11%
Last 5 Years	29-Jun-07	10.15	6.20%	5.73%
Since Inception	8-Jan-07	10.00	5.94%	6.11%

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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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 29 June, 12 : ₹14.3351

Benchmark : CRISIL Composite Bond Index -100%

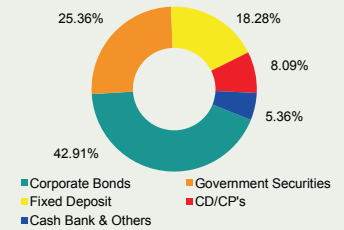
Corpus as on 29 June, 12 : ₹184.80 Crs.

Fund Performance

PERIOD	DATE	NAV	Crissil Composite Bond Fund Index	NAV Change	INDEX Change
Last 6 Months	30-Dec-11	13.6	1757.68	5.06%	4.36%
Last 1 Year	30-Jun-11	13.0	1687.72	9.89%	8.69%
Last 2 Years	30-Jun-10	12.4	1613.87	7.54%	6.61%
Last 3 Years	30-Jun-09	11.6	1541.55	7.23%	5.97%
Last 4 Years	30-Jun-08	10.3	1386.28	8.69%	7.25%
Last 5 Years	29-Jun-07	10.0	1318.86	7.45%	6.82%
Since Inception	08-Jan-07	10.0	1298.79	6.80%	6.51%

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 29 June, 12 : ₹14.2806

Benchmark : CRISIL Short Term Bond Index -100%

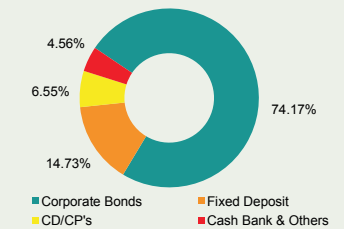
Corpus as on 29 June, 12 : ₹89.42 Crs.

Fund Performance

PERIOD	DATE	NAV	CRISIL Short-Term Bond Index	NAV Change	INDEX Change
Last 6 Months	30-Dec-11	13.7	1820.74	4.36%	4.39%
Last 1 Year	30-Jun-11	13.1	1746.69	8.75%	8.81%
Last 2 Years	30-Jun-10	12.5	1654.29	7.10%	7.19%
Last 3 Years	30-Jun-09	11.7	1577.74	6.86%	6.40%
Last 4 Years	30-Jun-08	10.4	1418.04	8.28%	7.60%
Last 5 Years	29-Jun-07	10.0	1324.24	7.36%	7.49%
Since Inception	08-Jan-07	10.0	1281.09	6.72%	7.47%

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 gained 7.47% and 7.20% respectively even as the midcap index, the CNX Midcap ended higher by 6.57% during the month of June 2012. The MSCI India gained 7% in June 2012 in USD terms and outperformed the MSCI EM index, which gained a more modest 3%.

The FIIs were marginal sellers of Indian equity over the month of June 2012 to the tune of around USD 86 million and have invested USD 8.5 billion in Indian equities calendar year to date. The DIIs bought USD 227 million over the month with Insurance companies and domestic Mutual funds being net buyers to the tune of USD123 million and USD 104 million respectively. The Insurance companies and Mutual funds have sold USD 2.8 billion and USD 1.2 billion respectively, this calendar year.

During the month, the consensus earnings estimates for the broad market (MSCI India) were revised down marginally to an earnings growth of 13% and 15% for FY13 (E) and FY14 (E) respectively. The key risk to current earnings estimates emanates from a weak monsoon and increased uncertainty in global financial markets leading to volatility and sustained pressure on the currency.

The first quarter FY 2013 earnings season could see the top line growth of corporate India moderating to a two year low due to a fall in demand even as the operating margins could stabilize on the back of a correction in global commodity prices.

The equity markets have started building expectations of some meaningful reforms to address the economic growth related concerns as well as improve the sagging business confidence, now that the Prime Minister has taken charge of the Finance portfolio. The draft guideline on General Anti-avoidance Rules (GAAR) was well received by the markets, as it places the onus of proving tax liabilities on the Indian authorities. The measures such as a recent push to big-ticket infrastructure projects with a monitoring mechanism to fast track execution as well as hike in power tariffs by some states have had some impact in improving the sentiment.

There was some cause to cheer as Moody's retained India's Baa3 sovereign outlook at Stable. Moody's highlighted the role of state governments in being engines of economic growth and believes that weak fiscal, elevated inflation and uncertain policy environment are priced in the current rating. They believe that the current trends of moderating growth, slowing investment and poor sentiment are unlikely to sustain and that India's slowdown is neither unique nor irreversible.

While Moody's decision will offer some respite, it still serves as a wake up call as they reiterate that the stable outlook is predicated that there will be some policy effort to curtail the primary deficit, although a turnaround in fiscal trends is unlikely without a turnaround in growth.

The government needs to announce concrete steps to contain the rising subsidy burden, ease supply side bottlenecks and focus on faster implementation of structural reforms. This would keep the economy on a growth trajectory as well as rein in inflation in the medium term to give the RBI enough room on the monetary side to bring down interest rates in a meaningful manner to spur growth. Specifically, fiscal consolidation by resolving the ballooning subsidy, reviving investor sentiment in capital markets as well as easing infrastructure bottlenecks by addressing the availability of coal needs to be urgently acted upon.

The Indian equities trade at fair valuations and offer a reasonable entry point for a long term investor with a 3-5 year view.

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Debt Outlook

The month of June 2012 saw the erstwhile benchmark 10 year Government security (G-sec) trading flat, opening at 8.38% levels and closing the month at similar levels. However, the new 10 year G-sec traded around 24 Bps lower at 8.14% levels, primarily due to thin trades on the back of lack of supply. The new 10 year briefly traded at 8% levels during the month on the expectations of a policy rate cut.

The muted performance of the G-sec market was primarily due to the RBI keeping policy rates on hold in its Mid-quarter monetary policy review, as against the market expectations of at least 25 Bps rate cut in policy rates. The corporate bond yield was flat, at 9.30-9.40% levels in the month of June 2012. As a consequence, the corporate bond spread over the new benchmark 10 year G-sec stood at 90-100 Bps.

On the liquidity front, the Liquidity Adjustment Facility -LAF continued to be the primary mode of liquidity injection, maintaining an average shortfall of around Rs.0.8-1.2 trillion during the month of June 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 drain from the forex market interventions.

The RBI observed that the global macroeconomic and financial conditions had deteriorated since the Annual Policy statement in April 2012. On the domestic front, growth in FY 2011-12 had moderated significantly and headline inflation remained above levels consistent with sustainable growth, with retail inflation also on an uptrend. The RBI noted that the economic activity in FY 2011-12 moderated sequentially over the quarters to a low of 5.3 % in the fourth quarter, though for the year as a whole, the GDP growth was at 6.5 %. Deceleration in industrial production from the supply side and weak investment from the demand side has, in particular, contributed to the growth slowdown.

On assessing the high interest rates affecting economic growth, it was estimated that real effective bank lending interest rates, though positive, were comparatively lower than the levels seen during the high growth phase of 2003-08, suggesting that factors other than interest rates were contributing more significantly to the growth slowdown. The RBI believed that the rupee depreciation over the past several months had resulted in domestic producers gaining competitiveness over foreign producers, which over time, should result in expanding exports and contracting imports, thus acting as a demand stimulus.

On the inflation front, the RBI observed a moderation in the WPI inflation from a peak of 10% in September 2011 to 7.7 % in March 2012. However, they were concerned about the 2012-13 inflation levels thus far, where the provisional data suggested that it inched up from 7.2 % levels in April 2012 to 7.6 % levels in May 2012, driven mainly by food and fuel prices. With food prices contributing heavily to headline inflation, the performance of the south-west monsoon would play a role in determining inflationary conditions over the course of the current year.

The RBI guided that the evolving growth-inflation dynamic would continue to influence the Reserve Bank's stance on interest rates, with future actions depending on a continuing assessment of external and domestic developments that contribute to lowering inflation risks. Management of liquidity remained a priority and even as the liquidity situation converged to the comfort zone, the Reserve Bank would continue to use OMOs as and when warranted to contain liquidity pressures.

During the month, the RBI announced a slew of measures to mitigate the INR slide. These included raising the FII investment limit in G-secs by USD 5 billion, to USD 20 billion, allowing Indian manufacturing and infrastructure companies that have foreign exchange earnings to avail of external commercial borrowing (ECB) for repayment of outstanding rupee loans towards capital expenditure and/or fresh rupee capital expenditure under the approval route, the ceiling for ECBs under such route pegged at USD10 billion. In addition, the terms and conditions for the scheme for FII investment in infrastructure debt and the scheme for non-resident investment in Infrastructure Development Funds (IDFs) have been further rationalised in terms of lock-in period and residual maturity.

These measures could help in stabilising the INR in the medium term even as the RBI could continue its intervention in the forex market to lessen the short term INR volatility. This would inevitably need to be offset by the OMOs to replenish the liquidity.

Considering the moderating growth trajectory as well as the continued OMOs, we could expect the new 10 year benchmark G-sec to trade in a range of 8.05-8.30% in the near term.

Disclaimer

1. The fund is managed by Tata AIA 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).
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