# **Funds Available With Current Product Offerings**

- A Snapshot (as on 30<sup>th</sup> November 2012)

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



## Message from CIO's Desk

Themonth of November 2012 saw the benchmark indices; BSE Sensex and CNX Nifty gain 4.51% and 4.63% respectively, even as the Mid-cap index, CNX Mid-cap surged 4.85% during the same period.

Saravana Kumar Chief Investment Officer

Chief Investment Officer	Ea	uity F	uno	ls			
Large Cap Equity Fund (ULIF	017 07/01/08 TL	.C 110)					
Fund Details		Fund	Perfo	rmance	<b>)</b>		Asset Allocation
Investment Objective : The primary investment objection of the Fund is to generate long term capital appreciation from portfolio that is invested predominantly in equity and equity link	a PERIOD	DATE	NAV	S&P CNX Nifty	NAV Change	INDEX Change	
securities.	Last 6 Months Last 1 Year	31-May-12 30-Nov-11	9.8346 9.5909	4924.25 4832.05	21.18% 24.26%	19.41% 21.68%	2.10%
Fund Manager : Mr. Saravana Kumar  NAV as on 30 Nov, 12 : ₹11.9174	Last 2 Years Last 3 Years Last 4 Years	30-Nov-10 30-Nov-09 28-Nov-08	11.6172 9.7610 5.6160	5862.70 5032.70 2755.10	1.28% 6.88% 20.69%	0.15% 5.32% 20.87%	2.08%
Benchmark : S&P CNX Nifty-100% Corpus as on 30 Nov, 12 : ₹959.34 Crs.	Since Inception  Note: The investme and returns above "				3.64% II as up. "Sin	-1.33% ce Inception"	95.81%  Equity Cash Bank & Others Unit Funds

## Whole Life Mid Can Equity Fund

vvnole Life Mid-Cap Equity F	TUNG (ULIF	009 04/01	07 WLE	E 110)			
Fund Details		Fund	Perfo	Asset Allocation			
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	PERIOD	DATE	NAV	NSE CNX MIDCAP	NAV Change	INDEX Change	95.20%
Cap Equity linked securities.	Last 6 Months Last 1 Year	31-May-12 30-Nov-11	12.7313 12.0501	6898.40 6641.05	19.77% 26.54%	18.00% 22.57%	1.53%
Fund Manager : Mr. Saravana Kumar	Last 2 Years	30-Nov-10	14.9031	8907.50	1.15%	-4.41%	0.87%
NAV as on 30 Nov, 12 : ₹15.2486  Benchmark : NSE CNX MIDCAP-100%	Last 3 Years Last 4 Years Last 5 Years	30-Nov-09 28-Nov-08 30-Nov-07	11.7060 6.2010 14.6730	7149.20 3309.65 7993.70	9.21% 25.23% 0.77%	4.42% 25.23% 0.36%	0.86%
Corpus as on 30 Nov, 12 : ₹1963.44Crs.	Since Inception  Note: The investmen	08-Jan-07	10.0000	5156.45	7.41%	8.05%	■ Equity ■ Fixed Deposit ■ Unit Funds ■ Cash Bank & Others
	and returns above "1	Year" are calc	ulated as pe	r CAGR.	·	•	=CD/CP's

## Super Select Equity Fund (ULIF 035 16/10/09 TSS 110)

Fund Details		Fu	nd Pe	rformance			Asset Allocation
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	PERIOD	DATE	NAV	S & P India 500 Shariah Index	NAV Change	INDEX Change	
of capital appreciation.	Last 6 Months Last 1 Year	31-May-12 30-Nov-11		1178.04 1167.25	13.13% 14.78%	12.15% 13.19%	9.43%
Fund Manager : Mr. Saravana Kumar  NAV as on 30 Nov, 12 : ₹12.1384	Last 2 Years Last 3 Years	30-Nov-10 30-Nov-09		1364.02 1208.95	0.62% 6.43%	-1.58% 3.00%	
Benchmark : S & P India 500 Shariah	Since Inception Note: The investment above "1"	nent income a	nd prices m	1217.76 ay go down as well as r CAGR.	6.40% up. "Since In	2.64% ception" and	90.57%
Corpus as on 30 Nov, 12 : ₹485.17 Crs.							■ Equity ■ Cash Bank & Others (Non interest bearing)

## **Balanced Funds**

## Whole Life Aggressive Growth Fund (ULIF 010 04/01/07 WLA 110)

	d Details		Fund	Perform	ance		Asset	Allocation
Investment Objective of the fund is to maximize the	: The primary investment objective e returns with medium to high risk.	PERIOD	DATE	NAV	NAV Change	INDEX Change		23.99%
		Last 6 Months	31-May-12	14.0448	14.55%	14.23%		
		Last 1 Year	30-Nov-11	13.6617	17.76%	17.44%		
Fund Manager	: Mr. Saravana Kumar	Last 2 Years	30-Nov-10	15.2127	2.84%	2.85%		4.16%
NAV as on 30 Nov. 12	: ₹16.0882	Last 3 Years	30-Nov-09	13.1950	6.83%	5.82%		3.36%
Benchmark	: Nifty - 65%	Last 4 Years	28-Nov-08	8.6120	16.91%	16.19%		2.55% 1.61%
Delicilliark	· · · · · · · · · · · · · · · · · · ·	Last 5 Years	30-Nov-07	13.1620	4.10%	2.63%	63.63%	0.70%
	CRISIL Composite Bond	Since Inception	08-Jan-07	10.0000	8.40%	6.94%	■ Equity	Corporate Bonds
Corpus as on 30 Nov, 12		Note : The investmand returns above				Since Inception"	Fixed Deposit CD/CP's Unit Funds	Government Securities Cash Bank & Others

## Whole Life Stable Growth Fund III I are an analyze will see

Fund Details				Fund		Asset Allocation			
nvestment Objective he fund is provide reasonal		The primary investment objective of eturns with low to medium risk.	PERIOD	DATE	NAV	NAV Change	INDEX Change	37.14%	14.21%
			Last 6 Months	31-May-12	13.2858	10.91%	10.53%		4.040/
Fund Manager	:	Mr. Saravana Kumar	Last 1 Year	30-Nov-11	12.8072	15.05%	14.40%		4.94%
NAV as on 30 Nov, 12		₹14.7348	Last 2 Years	30-Nov-10	13.3331	5.13%	4.78%		2.66% 0.74%
Benchmark		Nifty - 40%	Last 3 Years	30-Nov-09	12.0520	6.93%	6.17%		0.74%
encimark		CRISIL Composite Bond	Last 4 Years	28-Nov-08	8.9770	13.19%	12.85%		
		Index - 60%	Last 5 Years	30-Nov-07	11.4740	5.13%	4.21%		40.31%
			Since Inception	08-Jan-07	10.0000	6.79%	6.85%		
Corpus as on 30 Nov, 12 :			Note : The investme returns above "1 Ye			as well as up. "Sir	nce Inception" and	Equity Government Securities Cash Bank & Others	■ Corporate Bonds ■ Fixed Deposit ■ Unit Funds



# **Funds Available With Current Product Offerings**

- A Snapshot (as on 30<sup>th</sup> November 2012)

## Fixed Income Funds

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

#### **Fund Details** Fund Performance Asset Allocation : The primary investment objective Investment Objective PERIOD INDEX NAV of the Fund is to generate income through investing in a range Change **Bond Fund Index** Change of debt and money market instruments of various maturities with a view to maximizing the optimal balance between yield, safety 4.54% Last 6 Months 31-May-12 14.2264 1822.28 5.44% 4.62% and liquidity. The Fund will have no investments in equity or equity Last 1 Year 30-Nov-11 13,4600 1740 31 11 44% 9 54% 2.28% linked instruments at any point in time. Last 2 Years 30-Nov-10 12.5877 1638.39 9.16% 7.87% 2.25% Last 3 Years 30-Nov-09 11.9410 1567.57 7.90% 6.74% Mr. Saravana Kumar **Fund Manager** Last 4 Years 28-Nov-08 10.5520 1427.35 9.19% 7.50% Last 5 Years NAV as on 30 Nov, 12 : ₹15.0000 30-Nov-07 10.0770 1375.11 8.28% 6.75% Since Inception 08-Jan-07 10.0000 1298.79 7.12% 6.72% Benchmark CRISIL Composite Bond ■ Corporate Bonds ■ Cash Bank & Others ■ CD/CP's Government Securities Fixed Deposit Unit Funds Note: The investment income and prices may go down as well as and returns above "1 Year" are calculated as per CAGR. up. "Since Inception" Index -100% Corpus as on 30 Nov, 12 ₹197.06 Crs.

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

Fund Details			Fur	nd Pei	Asset Allocation				
	: The primary investment objective e stable returns by investing in fixed norter maturity periods. Under normal	PERIOD	DATE	NAV	CRISIL Short- Term Bond Index	NAV Change	INDEX Change	17.12%	9.90%
circumstances, the average	maturity of the Fund may be in the	Last 6 Months	31-May-12	14.1705	1886.09	5.23%	4.68%		6.72%
ange of 1-3 years.		Last 1 Year	30-Nov-11	13.5849	1807.09	9.76%	9.25%		
		Last 2 Years	30-Nov-10	12.6231	1682.27	8.69%	8.33%		4.69%
und Manager	: Mr. Saravana Kumar	Last 3 Years	30-Nov-09	12.0380	1609.64	7.40%	7.04%		
IAV as on 30 Nov, 12	: ₹14.9110	Last 4 Years	28-Nov-08	10.7470	1464.24	8.53%	7.76%	61.58%	
<i>'</i>		Last 5 Years	30-Nov-07	10.1020	1371.58	8.10%	7.56%	01.50%	
Benchmark	: CRISIL Short Term Bond Index -100%	Since Inception	08-Jan-07	10.0000	1281.09	7.01%	7.61%		
Corpus as on 30 Nov, 12	: ₹100.31 Crs.	Note : The investr			nay go down as well as as per CAGR.	up. "Since	Inception"	<ul><li>Corporate Bonds</li><li>CD/CP's</li><li>Unit Funds</li></ul>	■ Fixed Deposit ■ Cash Bank & Other

### **Equity Outlook**

he month of November 2012 saw the benchmark indices; BSE Sensex and CNX Nifty gain 4.51% and 4.63% respectively, even as the Mid-cap index, CNX Mid-cap surged 4.85% during the same period.

The FIIs were net buyers of Indian equity over the month of November 2012 to the tune of USD 1.8 billion and have invested around USD 19.5 billion in Indian equities, calendar year to date. The DIIs sold around USD 0.9 billion of Indian equity over the month with insurance companies and domestic mutual funds being net sellers to the tune of around USD 0.7 billion and USD 0.2 billion respectively. The insurance companies and mutual funds have sold USD 6 billion and USD 3.1 billion respectively, this calendar year to date.

The second quarter earnings growth for companies making up the BSE sensex was at a modest 3% year on year with the earnings growth excluding the energy sector, at a more respectable 13% year on year. Aggregate second quarter fiscal 2012-13 revenue for the companies making up the BSE sensex moderated to a three-year low of 12%. The current consensus earnings growth estimates stand at 10% for FY13E and 14% for FY14E. While there is some upside to earnings from the expected reduction in interest rates, the key risks to current earnings estimates could come from uncertain global financial and crude oil markets, which could keep the INR under pressure. A slew of reform announcements, including the diesel price hike, have raised hopes that the RBI would respond by lowering interest rates sooner than later.

The slowdown in second quarter headline GDP growth was on the back of muted agricultural sector growth, largely along expected lines. Though the Mining sector has optically recorded growth aided by a favorable base, concerns pertaining to environmental issues and policy framework continue to weigh down this sector, specifically impacting the coal production. The manufacturing sector has seen a sharp moderation in recent months on weak global demand which have affected exports. It has also borne the brunt of a stalled investment cycle due to high interest rates and supply bottlenecks in key sectors. Construction continued to register strong numbers as it grew by 6.7% in the second quarter, similar to the 6.2% growth registered in the same quarter, the prior year. Services have kept the GDP a float over the last 24 months and this heavyweight sector continued to post relatively strong growth numbers, albeit showing some signs of moderation as compared to the prior year. Services grew by 7.2% in the second quarter FY 2013 as compared to the robust 8.8% seen in the same quarter, the prior year.

The winter session of Parliament will be crucial as the government has indicated its commitment to get business done by lining up a packed legislative agenda. The government has listed 25 bills for 'consideration and passing' including nine economic bills. A few key economic bills expected to be taken up relate to Banking, Insurance & Pension and National highways. The market expects the smooth passage of the Banking Amendment Bill which would facilitate the RBI to hand-out the next round of bank licenses.

The Direct cash transfer rollout mooted by the government seems to be a win-win idea as it could benefit all stakeholders. It is believed that the Direct cash transfer when rolled out nationwide, can generate meaningful savings on spending as well as strengthen financial inclusion if some last mile glitches can be smoothened.

The proposal to constitute the National Investment Board (NIB) is considered by some as a key enabler for speeding up large ticket infra project clearances. The full extent of benefits can accrue if the mandate of NIB would extend to monitoring progress of projects to facilitate speedy time-bound completion.

Infrastructure output, comprising eight core sectors of the IIP, grew by 6.5% in October 2012 up from 5% in the prior month. Among the positives, refinery products and coal registered double digit growth even as the natural gas and crude production contracted year on year.

The market experts are bracing for the big gamechangers in the offing such as the rollout of the Goods and Services Tax (GST), which can raise the GDP growth trajectory, increase tax to GDP ratio & minimize multiple layers of taxation. Another potential gamechanger could be the speedy construction of the Delhi-Mumbai freight corridor, which can catalyze investments, speed up freight travel and boost manufacturing activity.

The market offers the comfort of reasonable valuations at around 14.5 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**

he month of November 2012 saw the benchmark 10 year Government security (G-sec) trade in a tight range between 8.16% and 8.23%.

November 2012 saw the G-sec market trading weak for a large part of the month post the disappointment of the RBIs second quarter monetary policy on October 30<sup>th</sup> 2012 and from a overhang of heavy Rs.65,000 crores G-sec borrowing slated for the month. However, the G-sec market posted gains towards the end of the month on the back of RBIs Open market operation (OMO) announcement. The benchmark 10 year G-sec closed the month at 8.17%, 4 bps lower than the October 2012 close of 8.21%. The yield of the 30 year G-sec over the 10 year G-sec expanded to around 28 bps in November 2012 as against the 20 bps, seen in the prior month.

The corporate bond market remained steady during the month on the back of muted supply, to close the month of November 2012 at around the 8.97% levels in the 5-10 year bonds, marginally lower than October levels of 9%. As a consequence, the corporate bond spread over the benchmark 10 year G-sec stood at around 60-65 Bps in November 2012, similar to the prior month.

On the liquidity front, the Liquidity Adjustment Facility - LAF continued to be the primary mode of liquidity injection, maintaining a shortfall of around Rs.1 trillion levels for most of the month, largely due to the festival season cash demand, thereby necessitating the RBI's announcement of the OMO of Rs.12,000 crores to be conducted in the first week of December 2012.

The Government increased FII limits in GSecs and corporate bonds by USD 5 billion each, taking total debt limit to USD 75 billion. The new GSecs limit without any residual maturity limit or lock-in period is focused towards insurance funds, pension funds, central banks and sovereign wealth funds to target their long term allocations. This measure, though primarily intended to stabilize the INR, is a positive for the G-sec market.

RBI released the banking sector business data for fortnight ending 16<sup>th</sup> November 2012, which saw the loan growth improving to 16.9% year on year as against the 16.2% a fortnight prior. Deposit growth declined to 13.4% year on year as against 13.7% in previous fortnight. Consequently, the CD ratio improved to 76.4% as against 75.5% in previous fortnight. In the near term, the muted deposit growth on the back of high CPI inflation is bound to keep liquidity under pressure.

India's exports fell by 1.6% to around USD 23 billion in October 2012, while imports rose 7.4% to around USD 44 billion, leaving a trade deficit at a record high of USD 21 billion. If this trend continues, it could add pressure on the INR and could increase the trajectory of imported inflation, apart from worsening the twin deficits. Alower inflation is a key requirement for the RBI to bring down policy rates.

Subdued corporate tax realization on account of slow economic activity kept growth in gross direct tax collection at a muted 6.6% during April-October 2012. The possibility of slippages in the budgeted revenue and an overshoot of the budgeted subsidy levels could trigger increased second half government borrowing to make good the fiscal slippage.

The muted IIP and GDP prints are a testimony to the weak economic activity. The RBI, while acknowledging the growth slowdown would still look at the emerging inflation trajectory before easing policy rates. In line with the broad guidance from RBI in the second quarter monetary policy review, market watchers are expecting the RBI to nudge policy rates lower only in the third quarter monetary policy review in January 2013.

The prospect of a higher second half borrowing would keep the G-secs under pressure while RBIs continued Open market operations (OMOs) will offer some respite to the G-sec yields. The 10-year yield G-sec may trade in the range of 8.10-8.25% in the near-term, waiting for further cues from the RBIs commentary in its Mid-quarter monetary policy review on December 18<sup>th</sup> 2012.

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