

fund snapshot

investment philosophy

Reliance Life Insurance seeks consistent and superior long term returns with a well-defined and disciplined investment approach symbolizing integrity and transparency to benefit all stakeholders.

asset allocation	funds	gross return (CAGR*) (%) - March 31, 2007				date of inception
		last 1 year	last 2 years	last 3 years	since inception	
100 % equity	Ulip Equity	8.08%	33.99%	N.A	33.88%	August, 2004
40% debt, 60% equity	Ulip High Growth	N.A	N.A	N.A	-0.58%	March, 2007
50% debt, 50% equity	Ulip Growth Plus	N.A	N.A	N.A	-0.57%	March, 2007
60% debt, 40% equity	Ulip Growth	6.63%	17.25%	N.A	16.49%	August, 2004
80% debt, 20% equity	Ulip Balanced	6.49%	10.82%	9.54%	11.71%	February, 2003
100% money market instruments	Ulip Capital Secure	7.16%	6.37%	5.87%	5.20%	February, 2003
60% debt, 40% equity	Group Growth	6.02%	15.93%	N.A	15.55%	August, 2004
80% debt, 20% equity	Group Balanced	6.30%	10.76%	9.54%	11.05%	February, 2003
100% money market instruments	Group Capital Secure	6.94%	6.27%	5.71%	5.16%	February, 2003

*CAGR- compounded annual growth rate

Indian Economy: Update and Outlook

The buoyant Industrial production and infrastructure growth in addition to an estimated 11% growth in the services sector bodes well for the government's estimate of 9.2% GDP growth for FY07. The six core infrastructure industries rose 8.4% on a cumulative basis during Apr 06-Jan 07. Cement, Steel, coal production and electricity were the main contributors to growth. Industrial growth as measured by IIP was up 11% during Apr 06-Jan 07. An uptrend in savings and investment of 32% and 33% in FY06 respectively also support the growth story. On the external front, the trade deficit widened in the third quarter of FY07 to \$19 bn; contributed significantly by the strong demand for oil and non oil imports. However the Balance of Payments swung sharply to show a surplus of \$7.5 bn from a deficit of \$4.67 bn deficit for the same period last year. Aided by strong FII and FDI inflows, the Forex reserves have risen sharply during the year to \$197 bn, an increase of over \$46 bn over the previous year.

Outlook: GDP for FY08 is expected to be around 8% on the back of continued strong domestic demand, strong export growth and high capital inflows.

Debt Market: Update and Outlook

Over the past one year, interest rates in India have shown a rising trend due to successive hikes in policy rates like CRR (cash reserve ratio), repo (rate at which RBI lends money to banks), reverse repo (rate at which banks place surplus funds with RBI) , rising inflation, strong credit growth and tight liquidity. The ten yr benchmark G sec yield rose from 7.50% at the end of Mar 06 to 8.00% by the end of Mar '07. Short term rates touched new highs in Mar'07 as liquidity became extremely tight. RBI hiked CRR to 6.5% three times during the year totaling 150 bps. The reverse repo rate was hiked twice totaling 50 bps and repo rate was hiked four times totaling 125 bps. The present rates of CRR, reverse repo and repo are 6.50%, 6.00% and 7.75% respectively. Inflation which remained benign last year at around 4.00% started rising during the year above RBI's target level of 5.50% to remain at around 6.50% towards the close of FY07. The revised estimate of the fiscal deficit for FY 07 stood at 3.7% as against a budgeted estimate of 3.8%.

Outlook: Inflation is expected to come off to 5.50% levels in the first half of FY08 on the back of fiscal and monetary measures taken by the Govt. and the RBI and also due to the base effect. Gilt yields are likely to remain under pressure in the first half of FY08 as RBI maintains a tightening monetary policy stance.

Equity Market: Update and Outlook

The Financial year 2006-07 ended positive with a high degree of volatility. Amidst the ups and downs, the BSE Sensex ended the year with a gain of 1792 points or 15.88%, to close at 13072.10. Similarly, the S&P CNX Nifty surged 12.31% or 419 points, to close the year at 3821.5. FY2006-07 was a yo-yo year with the Sensex swinging wildly in the range of 5794 points, touching a low of 8929 on June 14, 2006 and a high of 14723.88 on February 9, 2007. The year witnessed two major melt-downs; the first being a historic crash in May 2006, due to a hike in the interest rates by the US Federal Reserve. The second meltdown in February 2007 resulted from unwinding in yen carry trade. A series of measures taken by the RBI in the form of hiking the repo rate and CRR were viewed negatively by the market. Measures taken by the Govt to curb inflation by banning exports of certain goods, introducing dual tax policy, actively pressuring manufacturers to reduce rates etc, also impacted the market negatively.

Outlook: The equity market has completed a four-year bull run with again of nearly 15% in 2006 -07. This, we believe, is a good sign. Going ahead, we believe concerns over the rising inflation and interest rates will see the market getting consolidated in the near term. A lot would depend on how the global markets pan out. The market will also look out for positive triggers in the form of rate cuts or better than expected guidance from the corporate managements for any upward movements.

disclaimer

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"The premium paid in Unit Linked Life Insurance policies are subject to investment risks associated with capital markets and the NAVs of the units may go up or down based on the performance of fund and factors influencing the capital market and the insured is responsible for his/her decisions."

"Reliance Life Insurance Company Limited is only the name of the Insurance Company and the specified Unit Linked funds do not in any way indicate the quality of the contract, its future prospects or returns."

fund objective

Provide high real rate of return in the long term through high exposure to equity investments, while recognizing that there is significant probability of negative returns in the short term. The risk appetite is 'high'.

products

Reliance Market Return plan-Equity Fund Option

Reliance Golden Year Plan-Equity Fund Option

fund manager's report

The year 2006-07 was a significant year on the equity front. We changed our style of equity management from passive to active style. During the year sectors wherein we were relatively underweight such as IT, telecom and banks had out-performed. We are currently restructuring our portfolio in order to reduce the sectoral mismatches and shall see the fruits of restructuring in the coming months.

benchmark construction

S&P CNX Nifty: 100%

ulip equity fund

details as on March 31, 2007

fund performance

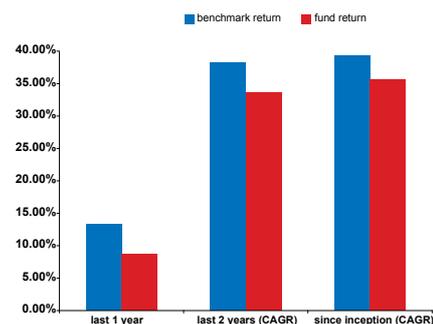
period	benchmark return	fund return	benchmark standard deviation	fund standard deviation	benchmark sharpe ratio	fund sharpe ratio
last 1 year	12.31%	8.08%	20.49%	20.11%	0.36	0.15
last 2 years (CAGR)	37.02%	33.99%	21.83%	21.84%	1.47	1.33
since inception (CAGR)	37.57%	33.88%	20.15%	20.18%	1.62	1.43
date of inception	august, 2004					

portfolio

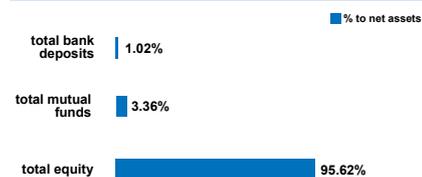
security	% of total assets	beta
equity		
RELIANCE INDUSTRIES	7.66	1.00
TATA MOTORS	5.31	1.12
TCS	5.11	0.97
BHARTI AIRTEL	4.32	0.94
INFOSYS TECHNOLOGIES	4.18	0.87
ONGC CORPORATION	4.08	0.92
STATE BANK OF INDIA	3.61	0.89
CUMMINS INDIA	3.60	1.02
TATA STEEL	3.52	1.35
ICICI BANK	3.38	0.93
GRASIM INDUSTRIES	3.38	1.14
LARSEN & TOUBRO	3.08	1.12
INDIAN HOTELS	3.01	1.14
BHEL	2.94	1.09
ACC	2.87	1.01
SIEMENS	2.71	1.27
JSW STEELS	2.70	1.04
DIVIS LABORATORIES	2.42	1.14
ALSTOM POWER INDIA	2.30	1.32
GUJARAT AMBUJA CEMENTS	2.26	0.96
HCL TECHNOLOGIES	2.15	0.94
PUNJAB TRACTORS	2.07	0.61
JAIPRAKASH ASSOCIATES	1.96	1.34
AUTOMATIVE AXLES	1.80	0.58
ZEE ENTERTAINMENT ENTERPRISES	1.78	0.82
SUN PHARMACEUTICALS	1.46	0.69
MARUTI UDYOG	1.40	1.16
HINDUSTAN LEVER	1.38	1.00
GSFC	1.36	0.75
RELIANCE COMMUNICATIONS	1.27	1.24
PUNJAB NATIONAL BANK	1.17	0.98
DECCAN AVIATION	1.05	0.94
HDFC	0.98	0.89
ITC	0.91	0.94
AREVA T & D INDIA	0.87	0.91
INDIAN OIL CORPORATION	0.83	0.78
TVS MOTOR COMPANY	0.75	1.15

total equity	95.62
total bank deposits	1.02
total mutual funds	3.36
total net assets	100.00

fund return v/s benchmark return

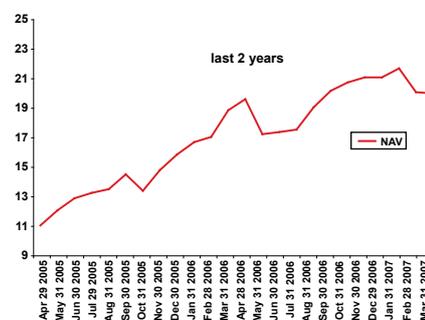


asset allocation



fund beta : 1.015

NAV movement



fund objective

Provide, in the long term, returns which are significantly higher than the inflation rate, through high exposure to equity investments, while recognizing that there is some probability of negative returns in the short term. The risk appetite is 'moderate to high'.

products

Reliance Money Guarantee Plan-F Option

fund manager's report

This fund was launched recently and has completed one month. Being a new fund, a fresh portfolio was constructed with 23% allocation to high-yielding corporate bonds, 12% allocation to short term CDs and FDs and 8% allocation to liquid mutual funds. As corporate bonds and short term assets were giving a spread of more than 150 bps over gilts, there was no allocation to gilts. The portfolio duration was kept low at 1.44 yr as interest rates rose during the month.

Keeping in mind the risk profile of the fund and also based on our view of the market, the holding in equities was kept below the maximum level at 56%.

benchmark construction

CRISIL ST Bond Index: 40%
S&P CNX Nifty: 60%

ulip high growth fund

details as on March 31, 2007

fund performance

period	benchmark return	fund return
since inception (CAGR)	1.28%	-0.58%
date of inception	march, 2007	

portfolio

security	% of total assets	rating
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corporate bonds

9.80% POWER FINANCE CORP 22-03-12	6.21	AAA
8.90% CITIFINANCIAL CONSUMER 05-08-09	5.90	AAA
6.31% EXIM BANK NCD 17-01-10)	5.65	AAA
10.75% IL & FS NCD SR XI 29-03-08	2.50	AAA
9.50% INDIAN HOTELS 28-02-12	2.43	AA+
7.10% POWER GRID CORP 18-02-09	0.35	AAA

total corporate bonds 23.04

equity

N.A.

RELIANCE INDUSTRIES	4.49
TCS	3.19
TATA MOTORS	2.86
INFOSYS TECHNOLOGIES	2.61
ONGC CORPORATION	2.54
TATA STEEL	2.24
GRASIM INDUSTRIES	2.12
ICICI BANK	2.12
LARSEN & TOUBRO	2.10
CUMMINS INDIA	2.04
ACC	1.88
BHARTI AIRTEL	1.83
SIEMENS	1.79
JSW STEELS	1.68
INDIAN HOTELS	1.68
STATE BANK OF INDIA	1.68
BHEL	1.64
ALSTOM PROJECTS INDIA	1.52
PUNJAB TRACTORS	1.43
DIVIS LABORATORIES	1.33
GUJARAT AMBUJA CEMENTS	1.31
HCL TECHNOLOGIES	1.26
JAIPRAKASH ASSOCIATES	1.14
AUTOMATIVE AXLES	1.01
ZEE ENTERTAINMENT ENTERPRISES	0.97
HINDUSTAN LEVER	0.86
GSFC	0.84
MARUTI UDYOG	0.83
PUNJAB NATIONAL BANK	0.73
DECCAN AVIATION	0.66
RELIANCE COMMUNICATIONS	0.60
HDFC	0.59
TVS MOTOR COMPANY	0.57
ITC	0.54
SUN PHARMACEUTICALS	0.54
INDIAN OIL CORPORATION	0.51
AREVA T & D INDIA	0.43
TATA TEA	0.18

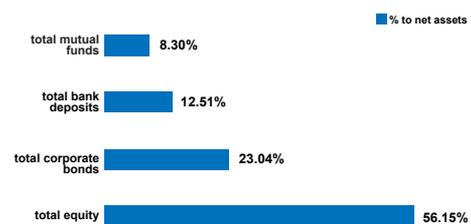
total equity 56.15

total bank deposits 12.51

total mutual funds 8.30

total net assets 100.00

asset allocation



M. Duration of debt portfolio: 1.44 years

fund objective

Provide, in the long term, returns which are significantly higher than the inflation rate, through high exposure to equity investments, while recognizing that there is some probability of negative returns in the short term. The risk appetite is 'moderate to high'.

products

Reliance Money Guarantee Plan-E Option

fund manager's report

This fund was launched recently and has completed one month. Being a new fund, a fresh portfolio was constructed with 34% allocation to high yielding corporate bonds, 15% allocation to short term CDs and FDs and 3% allocation to liquid mutual funds. As corporate bonds and short term assets were giving a spread of more than 150 bps over gilts, there was no allocation to gilts. The portfolio duration was kept low at 1 yr as interest rates rose during the month.

Keeping in mind the risk profile of the fund and also based on our view of the market, the holding in equities was kept below the maximum level at 46%.

benchmark construction

CRISIL ST Bond Index: 50%
S&P CNX Nifty: 50%

ulip growth plus fund

details as on March 31, 2007

fund performance

period	benchmark return	fund return
since inception (CAGR)	1.28%	-0.57%
date of inception	march, 2007	

portfolio

security	% of total assets	rating
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corporate bonds

8.90% CITIFINANCIAL CONSUMER 05-08-09	18.96	AAA
9.20% IL & FS NCD SR VI 23-04-08	15.54	AAA

total corporate bonds	34.50	
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equity

N.A.

RELIANCE INDUSTRIES	3.74
TCS	2.55
TATA MOTORS	2.36
INFOSYS TECHNOLOGIES	2.12
ONGC CORPORATION	2.04
TATA STEEL	1.80
BHARTI AIRTEL	1.77
GRASIM INDUSTRIES	1.71
ICICI BANK	1.71
CUMMINS INDIA	1.69
LARSEN & TOUBRO	1.64
STATE BANK OF INDIA	1.55
ACC	1.48
INDIAN HOTELS	1.43
SIEMENS	1.38
JSW STEELS	1.37
BHEL	1.37
ALSTOM PROJECTS INDIA	1.22
DIVIS LABORATORIES	1.20
GUJARAT AMBUJA CEMENTS	1.17
PUNJAB TRACTORS	1.10
JAIPRAKASH ASSOCIATES	1.08
HCL TECHNOLOGIES	0.99
AUTOMATIVE AXLES	0.85
ZEE ENTERTAINMENT ENTERPRISES	0.82
HINDUSTAN LEVER	0.69
GSFC	0.68
SUN PHARMACEUTICALS	0.66
MARUTI UDYOG	0.66
PUNJAB NATIONAL BANK	0.60
DECCAN AVIATION	0.52
HDFC	0.47
RELIANCE COMMUNICATIONS	0.46
ITC	0.45
INDIAN OIL CORPORATION	0.44
AREVA T & D INDIA	0.40
TVS MOTOR COMPANY	0.28

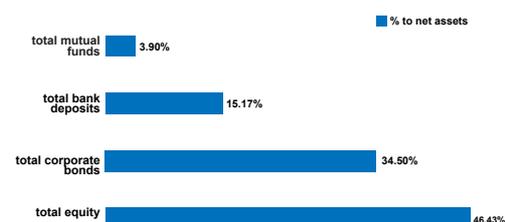
total equity	46.43
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total bank deposits	15.17
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total mutual funds	3.90
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total net assets	100.00
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asset allocation



M. Duration of debt portfolio: 1.04 years

fund objective

Provide investment returns that exceed the rate of inflation in the long term while maintaining moderate probability of negative returns in the short term. The risk appetite is defined as 'moderate'.

products

Reliance Market Return Plan-Growth Fund Option

Golden Year Plan-Growth Fund Option

fund manager's report

The allocation to gilts was reduced from 44% in Mar 06 to 18% in Mar 07 and the allocation to corporate bonds and short term deposits and CDs was increased to 22% and 15% respectively. The main reason behind this was to increase exposure to high yielding assets as the spreads between gilts and corporate bonds widened and was in the range of 140 to 200 bps. Short-term CD rates also shot up by 150-200 bps over the prevailing rates of last year as RBI had kept liquidity conditions tight and had increased key rates like repo rate and CRR successively. The modified duration of debt portfolio during the year was kept between 1 to 2 yrs as interest rates remained volatile and increased over the year.

The year 2006-07 was a significant year on the equity front. We changed our style of equity management from passive to active style. During the year sectors wherein we were relatively underweight such as IT, telecom and banks had out-performed. We are currently restructuring our portfolio in order to reduce the sectoral mismatches and shall see the fruits of restructuring in the coming months. Taking the risk profile of the fund into consideration, the equity component was always kept below its maximum limit of 40%.

benchmark construction

CRISIL ST Bond Index: 60%
S&P CNX Nifty: 40%

ulip growth fund

details as on March 31, 2007

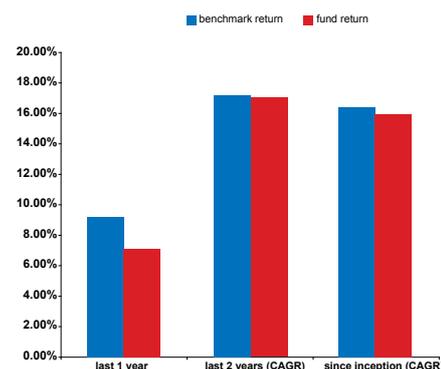
fund performance

period	benchmark return	fund return	benchmark standard deviation	fund standard deviation	benchmark sharpe ratio	fund sharpe ratio
last 1 year	8.82%	6.63%	8.45%	8.46%	0.45	0.19
last 2 years (CAGR)	17.36%	17.25%	8.80%	8.84%	1.40	1.38
since inception (CAGR)	16.91%	16.49%	7.96%	8.10%	1.50	1.42
date of inception	august, 2004					

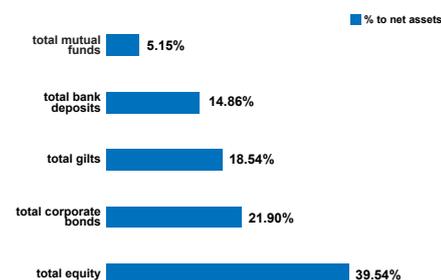
portfolio

security	% of total assets	rating
corporate bonds		
9.20% IL & FS NCD SRVI 23-04-08	5.34	AAA
7.15% IND OIL BOND 10-06-12	3.08	AAA
9.50% INDIAN HOTELS 28-02-12	3.04	AA+
8.25% IDBI OMNI BOND SER III 26-05-11	2.63	AA+
6.50% HINDALCO 06-09-09	2.57	AAA
7.39% POWER GRID CORP 22-09-11	1.42	AAA
9.00% SUNDARAM FINANCE 17-08-09	1.35	AA+
6.25% ULTRATECH CEMENT 25-06-09	1.28	AA+
8.90% CITIFINANCIAL CONSUMER 05-08-09	0.90	AAA
7.10% POWER GRID CORP 18-02-09	0.29	AAA
total corporate bonds	21.90	
sovereign		
gilts		
7.44% GOI SPL OIL BOND 23-03-12	6.38	
11.99% GOI 07-04-09	5.32	
7.33% OIL COMP GOI BOND 07-03-09	3.09	
11.40% GOI 31-08-08	1.73	
12.25% GOI 08-09-08	1.00	
7.55% GOI 14-05-10	0.70	
9.39% GOI 02-07-11	0.25	
7.37% GOI 16-04-14	0.08	
total gilts	18.54	
bank deposits		
STATE BANK OF INDORE CD 21-05-07	4.57	
CBLO 03-04-07	3.31	
9.45% ICICI BANK FD 30-04-07	2.47	
STATE BANK OF INDORE CD 14-05-07	1.80	
CASH AND CASH RECEIVABLES	1.09	
ICICI BANK CD 18-04-07	0.95	
ICICI BANK CD 04-04-07	0.40	
KOTAK MAHINDRA BANK CD 24-04-07	0.27	
total bank deposits	14.86	
equity		
RELiance INDUSTRIES LIMITED	3.26	
TCS	1.97	
TATA MOTORS	1.88	
BHARTI AIRTEL	1.81	
INFOSYS TECHNOLOGIES	1.78	
ONGC CORPORATION	1.67	
STATE BANK OF INDIA	1.50	
ICICI BANK	1.44	
CUMMINS INDIA	1.43	
LARSEN & TOUBRO	1.41	
GRASIM INDUSTRIES	1.39	
TATA STEEL	1.34	
INDIAN HOTELS	1.25	
BHEL	1.22	
ACC	1.21	
SIEMENS	1.18	
JSW STEELS	1.11	
PUNJAB TRACTORS	1.01	
ALSTOM PROJECTS INDIA	1.01	
DIVIS LABORATORIES	1.01	
GUJARAT AMBUJA CEMENTS	0.94	
HCL TECHNOLOGIES	0.90	
JAIPRAKASH ASSOCIATES	0.82	
ZEE ENTERTAINMENT ENTERPRISES	0.74	
AUTOMATIVE AXLES	0.74	
RELiance COMMUNICATIONS	0.62	
MARUTI UDYOG	0.59	
HINDUSTAN LEVER	0.58	
GUJARAT STATE FERTILIZERS & CHEMICALS	0.57	
PUNJAB NATIONAL BANK	0.48	
DECCAN AVIATION	0.44	
TVS MOTOR COMPANY	0.43	
HDFC	0.41	
SUN PHARMACEUTICALS	0.39	
ITC	0.38	
INDIAN OIL CORPORATION	0.35	
AREVA T & D INDIA	0.30	
total equity	39.54	
total mutual funds	5.15	
total net assets	100.00	

fund return v/s benchmark return

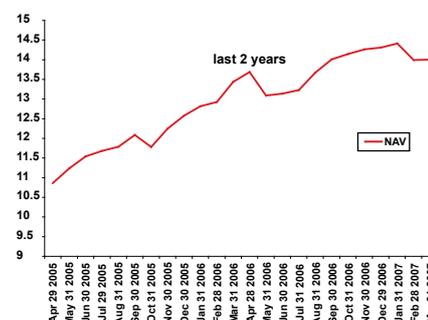


asset allocation



M. Duration of debt portfolio: 1.68 years

NAV movement



fund objective

Provide investment returns that exceed the rate of inflation in the long term while maintaining a low probability of negative returns in the short term. The risk appetite is defined as 'low to moderate'.

products

Reliance Market Return Plan-Balanced Fund Option

Reliance Golden Year Plan-Balanced Fund Option

fund manager's report

The allocation to gilts was reduced from 53% in Mar 06 to 33% in Mar 07 and the allocation to corporate bonds and short term deposits and CDs was increased to 28% and 18% respectively. The main reason behind this was to increase exposure to high yielding assets as the spreads between gilts and corporate bonds widened and was in the range of 140 to 200 bps. Short term CD rates also shot up by 150-200 bps over last year as RBI kept liquidity conditions tight and increased key rates like repo rate and CRR successively. The debt portfolio modified duration during the year was kept between 1 to 2 yrs as interest rates remained volatile and increased over the year.

The year 2006-07 was a significant year on the equity front. We changed our style of equity management from passive to active style. During the year sectors wherein we were relatively underweight such as IT, telecom and banks had out-performed. We are currently restructuring our portfolio in order to reduce the sectoral mismatches and shall see the fruits of restructuring in the coming months. Taking the risk profile of the fund into consideration, the equity component was always kept below its maximum limit of 20%.

benchmark construction

CRISIL ST Bond Index: 80%
S&P CNX Nifty: 20%

ulip balanced fund

details as on March 31, 2007

fund performance

period	benchmark return	fund return	benchmark standard deviation	fund standard deviation	benchmark sharpe ratio	fund sharpe ratio
last 1 year	7.34%	6.49%	4.47%	4.74%	0.52	0.31
last 2 years (CAGR)	10.99%	10.82%	4.50%	4.71%	1.33	1.24
last 3 years (CAGR)	9.24%	9.54%	4.37%	4.27%	0.97	1.06
since inception (CAGR)	9.97%	11.71%	4.28%	4.07%	1.16	1.65
date of inception	february, 2003					

portfolio

security	% of total assets	rating
corporate bonds		
9.50% INDIAN HOTELS 28-02-12	2.91	AA+
8.25% IDBI OMNI BOND SER III 26-05-11	2.68	AA+
7.39% POWER GRID CORP 22-09-11	2.49	AAA
8.40% IRFC 14-05-07	2.47	AAA
8.90% CITIFINANCIAL CONSUMER NCD 05-08-09	2.43	AAA
9.80% POWER FINANCE CORP 22-03-12	2.35	AAA
6.25% ULTRATECH CEMENT 25-06-09	2.27	AA+
0% IDFC ZCB 27-06-08	2.19	AAA
9.00% SUNDARAM FINANCE NCD 17-08-09	2.16	AA+
10.75% IL & FS NCD SR XI 29-03-09	1.87	AAA
9.20% IL & FS NCD SR VI 23-04-08	1.35	AAA
7.15% IND OIL BOND 10-06-12	1.03	AAA
8.05% IRFC 15-07-07	0.98	AAA
6.50% HINDALCO 06-09-09	0.80	AAA
7.10% POWER GRID CORP 18-02-09	0.23	AAA
total corporate bonds	28.21	

gilts

7.37% GOI 16-04-14	6.07
7.44% GOI SPL. OIL BOND 23-03-12	3.60
9.39% GOI 02-07-11	2.76
11.99% GOI 07-04-09	2.65
7.55% GOI 14-05-10	2.64
182 DAYS TBILL 01-06-07	2.58
8.07% GOI 15-01-17	2.36
7.33% OIL COMP GOI BOND 07-03-09	2.27
6.65% GOI 05-04-09	2.17
11.90% GOI 28-05-07	2.10
6.96% GOI OIL COMP SPL. BOND 30-03-09	1.15
11.40% GOI 31-08-08	0.98
12% GOI 02-05-08	0.94
12.25% GOI 08-09-08	0.84
91 DAYS TBILL 13-04-07	0.70
total gilts	33.80

total bank deposits

sovereign

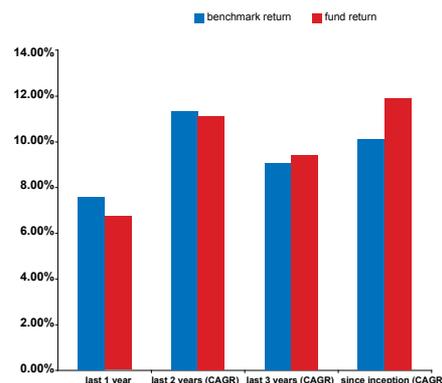
equity

RELINCE INDUSTRIES LIMITED	1.60
TATA CONSULTANCY SERVICES	1.06
TATA MOTORS	0.95
BHARTI AIRTEL	0.90
INFOSYS TECHNOLOGIES	0.87
ONGC CORPORATION	0.85
STATE BANK OF INDIA	0.76
TATA STEEL	0.73
GRASIM INDUSTRIES	0.70
CUMMINS INDIA	0.66
LARSEN & TOUBRO	0.64
INDIAN HOTELS	0.63
BHEL	0.60
ACC	0.60
ICICI BANK	0.57
SIEMENS	0.56
JSW STEELS	0.56
DIVIS LABORATORIES	0.51
ALSTOM PROJECTS INDIA	0.48
GUJARAT AMBUJA CEMENTS	0.47
HCL TECHNOLOGIES	0.45
PUNJAB TRACTORS	0.43
JAIPRAKASH ASSOCIATES	0.41
ZEE ENTERTAINMENT ENTERPRISES	0.37
AUTOMATIVE AXLES	0.35
SUN PHARMACEUTICALS	0.31
MARUTI UDYOG	0.29
HINDUSTAN LEVER	0.29
GUJARAT STATE FERTILIZERS & CHEMICALS	0.28
PUNJAB NATIONAL BANK	0.24
TVS MOTOR COMPANY	0.22
DECCAN AVIATION	0.22
HDFC	0.20
ITC	0.19
AREVA T & D INDIA	0.18
INDIAN OIL CORPORATION	0.17
RELIANCE COMMUNICATIONS	0.12
total equity	19.42

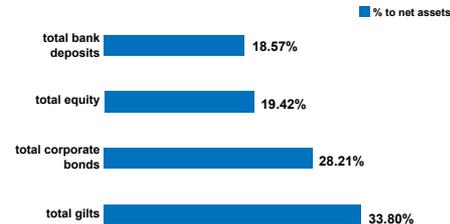
total net assets

100.00

fund return v/s benchmark return

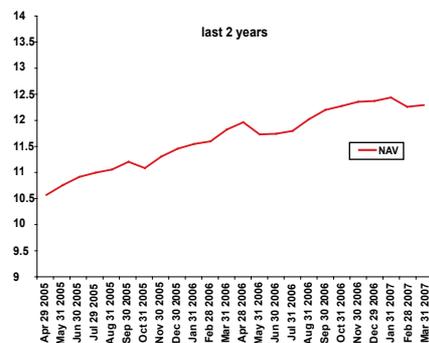


asset allocation



M. Duration of debt portfolio : 2.05 years

NAV movement



fund objective

Maintain the capital value of all contributions (net of charges) and all interest additions, at all times. The risk appetite is 'extremely low'.

products

Reliance Market Return Plan
Capital Secure Fund Option

Reliance Golden Year Plan
Capital Secure Fund Option

ulip capital secure fund

details as on March 31, 2007

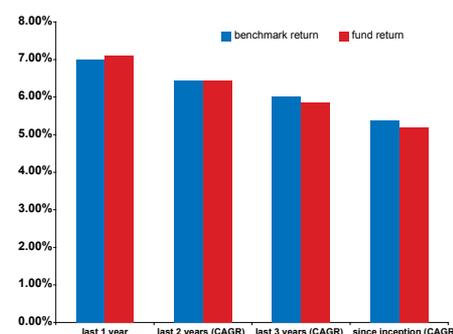
fund performance

period	benchmark return	fund return	benchmark standard deviation	fund standard deviation	benchmark sharpe ratio	fund sharpe ratio
last 1 year	7.06%	7.16%	0.12%	0.27%	17.84	7.98
last 2 years (CAGR)	6.37%	6.37%	0.23%	0.30%	5.87	4.60
last 3 years (CAGR)	5.99%	5.87%	0.31%	0.40%	3.22	2.17
since inception (CAGR)	5.41%	5.20%	0.39%	0.44%	1.05	0.45
date of inception			february, 2003			

portfolio

security	% of total assets	rating
gilts		
sovereign		
11.90% GOI 28-05-07	3.88	
total gilts	3.88	
bank deposits		
CASH AND CASH RECEIVABLES	0.38	
ICICI BANK CD 04-04-07	22.25	A1+
9.45% ICICI BANK FD 30-04-07	19.29	A1+
9.50% ICICI BANK FD 10-04-07	1.91	A1+
ICICI BANK CD 18-04-07	6.73	A1+
STATE BANK OF HYDERABAD CD 07-06-07	45.56	A1+
total bank deposits	96.12	
total net assets	100.00	

fund return v/s benchmark return

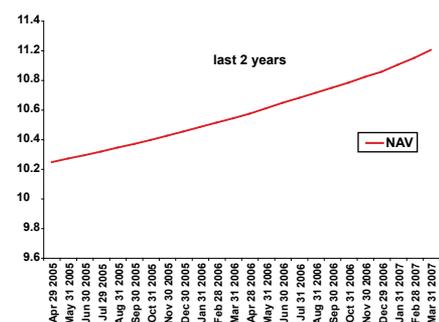


asset allocation



M. Duration of debt portfolio : 0.09 years

NAV movement



fund manager's report

The allocation to gilts was reduced significantly from 60% in Mar 06 to a little over 3% in Mar 07. Exposure to CDs and fixed deposits was increased from 38% to 96%. The main reason behind this was the sharp increase in short term CD and FD rates by over 150 to 200 bps. This was primarily because of the continuous hikes in key short-term rates like CRR, reverse repo and repo rates by RBI. Thus short term CDs and FDs were available at an attractive spread over G-secs. The allocation to the latter was reduced.

benchmark construction

Yield on 182-day T. Bills

fund objective

Provide investment returns that exceed the rate of inflation in the long term while maintaining moderate probability of negative returns in the short term. The risk appetite is defined as 'moderate'.

products

Employee Benefit Plans
(Reliance Group Gratuity & Reliance Group Superannuation)

fund manager's report

As against a 44% allocation to gilts in Mar 06, the allocation to gilts was kept at 47% in Mar 07. The allocation to corporate bonds was kept at 6% as compared to 9% last year. The allocation to short term CDs and FDs was increased to 9% in Mar 07 as compared to 6% in Mar 06; the main reason being the sharp hikes in short term rates by RBI. These hikes increased the CD and FD rates sharply by 150-200 bps and the yields were quite attractive with some short term assets yielding over 10%. Within the gilt portfolio, we added oil bonds issued by government of India as they give a spread of 40-50 bps over the regular gilts. The modified duration of debt portfolio was also kept at low levels; i.e between 1 to 2 yrs, as interest rates remained volatile with upward movements during the year.

The year 2006-07 was a significant year on the equity front. We changed our style of equity management from passive to active style. During the year, sectors wherein we were relatively underweight, such as IT, telecom and banks had out-performed. We are currently restructuring our portfolio in order to reduce the sectoral mismatches and shall see the fruits of restructuring in the coming months. Taking the risk profile of the fund into consideration, the equity component was always kept below its maximum limit of 40% and all equity investments were made only in approved stocks.

benchmark construction

CRISIL ST Bond Index: 60%
S&P CNX Nifty: 40%

group growth fund

details as on March 31, 2007

fund performance

period	benchmark return	fund return	benchmark standard deviation	fund standard deviation	benchmark sharpe ratio	fund sharpe ratio
last 1 year	8.82%	6.02%	8.45%	8.66%	0.45	0.13
last 2 years (CAGR)	17.36%	15.93%	8.80%	8.92%	1.40	1.23
since inception (CAGR)	16.34%	15.55%	7.96%	8.16%	1.42	1.29
date of inception	august, 2004					

portfolio

security	% of total assets	rating
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corporate bonds

8.25% IDBI OMNI BOND SER III 26-05-11	1.49	AA+
6.50% HINDALCO 06-09-09	1.46	AAA
7.15% IND OIL BOND 10-06-12	1.46	AAA
7.39% POWER GRID CORP 22-09-11	0.73	AAA
6.25% ULTRATECH CEMENT 25-06-09	0.73	AA+

total corporate bonds 5.87

gilts sovereign

11.99% GOI 07-04-09	33.67	
7.44% GOI Spl OIL BOND23-03-12	3.46	
11.90% GOI 28-05-07	3.44	
12% GOI 02-05-08	3.27	
7.33% OIL COMP GOI BOND 07-03-09	1.68	
11.40% GOI 31-08-08	0.94	
12.25% GOI 08-09-08	0.54	
9.39% GOI 02-07-11	0.30	

total gilts 47.30

total bank deposits 8.72

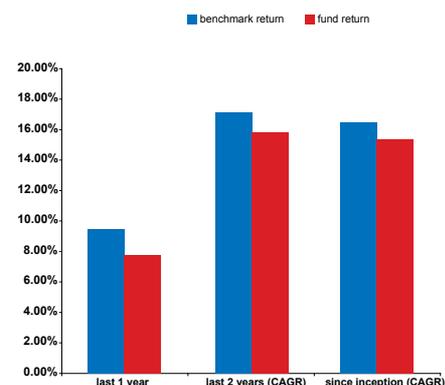
equity N.A.

RELIANCE INDUSTRIES	4.10
TATA CONSULTANCY SERVICES	3.35
TATA MOTORS	2.55
L&T	2.46
INFOSYS TECHNOLOGIES	2.45
ONGC CORPORATION	2.29
TATA STEEL	1.96
CUMMINS INDIA	1.87
STATE BANK OF INDIA	1.81
INDIAN HOTELS	1.39
BHARAT HEAVY ELECTRICALS	1.26
ACC	1.21
HINDUSTAN LEVER	1.10
GRASIM INDUSTRIES	1.06
ICICI BANK	1.04
GUJARAT AMBUJA CEMENTS	0.96
PUNJAB TRACTORS	0.82
INDIAN OIL CORPORATION	0.81
AUTOMATIVE AXLES	0.80
ZEE ENTERTAINMENT ENTERPRISES	0.76
PUNJAB NATIONAL BANK	0.75
HCL TECH	0.61
MARUTI UDYOG	0.59
TVS MOTOR COMPANY	0.55
HDFC	0.41
SUN PHARMACEUTICALS	0.40
SUZLON ENERGY	0.39
ITC	0.38

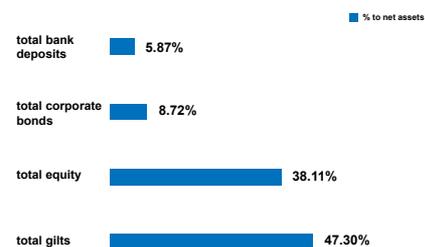
total equity 38.11

total net assets 100.00

fund return v/s benchmark return



asset allocation



M. Duration of debt portfolio: 2.05 years

fund objective

Provide investment returns that exceed the rate of inflation in the long term while maintaining a low probability of negative returns in the short term. The risk appetite is defined as 'low to moderate'.

products

Employee Benefit Plans
(Reliance Group Gratuity and Reliance Group Superannuation)

fund manager's report

As against 53% allocation to gilts in Mar 06, the allocation to gilts was kept at 41% in Mar 07. The allocation to corporate bonds was kept at 18% as compared to 21% last year. The allocation to short term CDs and FDs was increased sharply to 21% in Mar 07 as compared to 5% in Mar 06; the main reason being the sharp hikes in short term rates by RBI. These hikes increased the CD and FD rates sharply by 150-200 bps and the yields were quite attractive with some short term assets yielding over 10%. Within the gilt portfolio, we added oil bonds issued by government of India as they give a spread of 40-50 bps over the regular gilts. The modified duration of debt portfolio was also kept at low levels i.e. between 1 to 2 yrs, as interest rates remained volatile with upward movements during the year.

The year 2006-07 was a significant year on the equity front. We changed our style of equity management from passive to active style. During the year sectors wherein we were relatively underweight such as IT, telecom and banks had out-performed. We are currently restructuring our portfolio in order to reduce the sectoral mismatches and shall see the fruits of restructuring in the coming months. Taking the risk profile of the fund into consideration, the equity component was always kept below its maximum limit of 20% and all equity investments were made only in approved stocks.

benchmark construction

CRISIL ST Bond Index: 80%
S&P CNX Nifty: 20%

group balanced fund

details as on March 31, 2007

fund performance

period	benchmark return	fund return	benchmark standard deviation	fund standard deviation	benchmark sharpe ratio	fund sharpe ratio
last 1 year	7.34%	6.30%	4.47%	4.81%	0.52	0.29
last 2 years (CAGR)	11.00%	10.76%	4.50%	4.76%	1.33	1.24
last 3 years (CAGR)	8.94%	9.54%	4.37%	4.34%	0.90	1.05
since inception (CAGR)	9.97%	11.05%	4.28%	4.09%	1.16	1.48
date of inception	february, 2003					

portfolio

security	% of total assets	rating
corporate bonds		
9.80% POWER FINANCE CORP 22-03-12	3.23	AAA
9.50% INDIAN HOTELS 28-02-12	2.66	AA+
8.25% IDBI OMNI BOND SER III 26-05-11	1.67	AA+
8.40% IRFC 14-05-07	1.66	AAA
7.39% POWER GRID CORP 22-09-11	1.62	AAA
10.75% IL & FS NCD SR XI 29-03-09	1.57	AAA
8.90% CITIFINANCIAL CONSUMER 05-08-09	1.52	AAA
6.25% ULTRATECH CEMENT 25-06-09	1.34	AA+
9.00% SUNDARAM FINANCE 17-08-09	1.21	AA+
7.15% IND OIL BOND 10-06-12	0.67	AAA
8.05% IRFC 15-07-07	0.57	AAA
6.50% HINDALCO 06-09-09	0.48	AAA
9.20% IL & FS NCD SR VI 23-04-08	0.32	AAA
total corporate bonds	18.51	

gilts

7.37% GOI 16-04-14	7.18
11.99% GOI 07-04-09	6.00
9.39% GOI 02-07-11	3.70
182 DAYS TBILL 01-06-07	3.52
6.65% GOI 05-04-09	3.24
8.07% GOI 15-01-17	3.23
11.90% GOI 28-05-07	3.07
7.55% GOI 14-05-10	2.44
7.44% GOI Spl OIL BOND 23-03-12	2.22
6.96% OIL COMP GOI Spl. BOND 30-03-09	1.57
7.33% OIL COMP GOI Spl. BOND 07-03-09	1.40
12% GOI 02-05-08	1.28
91 DAYS TBILL 13-04-07	0.96
12.25% GOI 08-09-08	0.62
11.40% GOI 31-08-08	0.61
total gilts	41.04

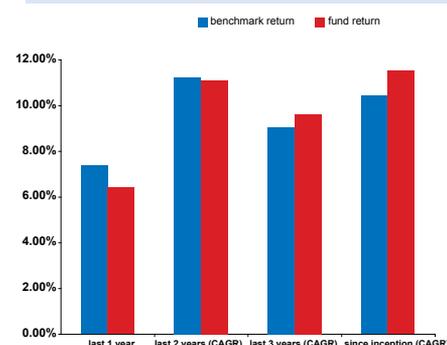
total bank deposits 21.79

equity

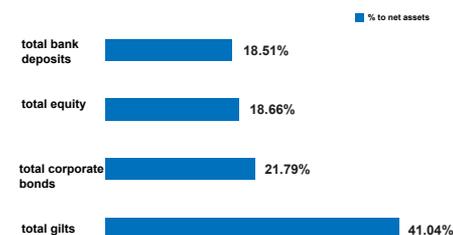
security	N.A.
RELIANCE INDUSTRIES	1.88
TATA CONSULTANCY SERVICES	1.60
TATA MOTORS	1.47
L&T	1.19
INFOSYS TECHNOLOGIES	1.18
ONGC CORPORATION	1.11
CUMMINS INDIA	1.02
GRASIM INDUSTRIES	0.89
STATE BANK OF INDIA	0.82
TATA STEEL	0.79
INDIAN HOTELS	0.66
BHARAT HEAVY ELECTRICALS	0.60
HINDUSTAN LEVER	0.53
ICICI BANK	0.51
ACC	0.48
GUJARAT AMBUJA CEMENTS	0.48
PUNJAB TRACTORS	0.43
INDIAN OIL CORPORATION	0.39
ZEE ENTERTAINMENT ENTERPRISES	0.38
AUTOMATIVE AXLES	0.35
PUNJAB NATIONAL BANK	0.33
HCL TECH	0.31
MARUTI UDYOG	0.29
TVS MOTOR COMPANY	0.24
HDFC	0.20
ITC	0.19
SUZLON ENERGY	0.19
SUN PHARMACEUTICALS	0.15
total equity	18.66

total net assets 100.00

fund return v/s benchmark return



asset allocation



M. Duration of debt portfolio : 1.62 years

fund objective

Maintain the capital value of all contributions (net of charges) and all interest additions, at all times. The risk appetite is 'extremely low'.

products

Employee Benefit Plans (Reliance Group Gratuity and Reliance Group Superannuation)

group capital secure fund

details as on March 31, 2007

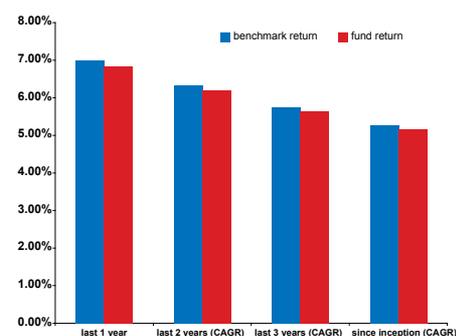
fund performance

period	benchmark return	fund return	benchmark standard deviation	fund standard deviation	benchmark sharpe ratio	fund sharpe ratio
last 1 year	7.06%	6.94%	0.12%	0.17%	17.82	11.70
last 2 years (CAGR)	6.41%	6.27%	0.23%	0.23%	6.05	5.81
last 3 years (CAGR)	5.90%	5.71%	0.31%	0.37%	2.92	1.94
since inception (CAGR)	5.30%	5.16%	0.39%	0.41%	0.76	0.40
date of inception			february, 2003			

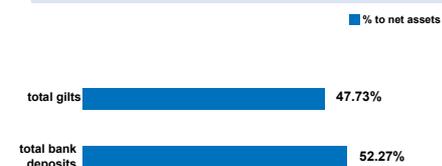
portfolio

security	% of total assets	rating
gilts		
sovereign		
11.90% GOI 28-05-07	47.73	
total gilts	47.73	
bank deposits		
ICICI BANK CD 04-04-07	16.95	A1+
9.50% ICICI BANK FD 10-04-07	15.32	A1+
ICICI BANK CD 18-04-07	11.84	A1+
KOTAK MAHINDRA BANK CD 24-04-07	8.16	P1+
total bank deposits	52.27	
total net assets	100.00	

fund return v/s benchmark return



asset allocation



fund manager's report

The allocation to G-secs was 47% in Mar 07 compared to 61% in Mar 06. The allocation was reduced as short-term CD and FD rates increased by 150 to 200 bps over the year and yields were quite attractive.

benchmark construction

Yield on 182-day T. Bills

M. Duration of debt portfolio : 0.09 years