

the analyst

fund snapshot

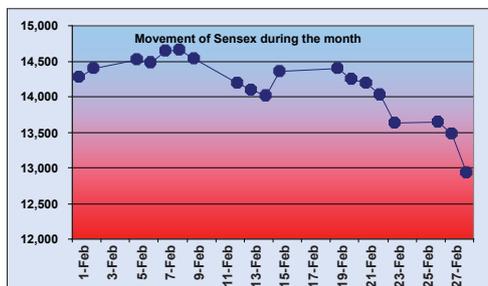
investment philosophy

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*) (%) - February 28, 2007				date of inception
		last 1 year	last 2 years	last 3 years	since inception	
100 % equity	Ulip Equity	20.51	32.19	N.A	35.32	August, 2004
60% debt, 40% equity	Ulip Growth	11.31	15.59	NA	16.38	August, 2004
80% debt, 20%equity	Ulip Balanced	8.72	10.51	9.77	11.84	February, 2003
100% money market instruments	Ulip Capital Secure	6.88	6.21	5.57	5.11	February, 2003
60% debt, 40% equity	Pension Growth	10.08	15.09	N.A	15.80	August, 2004
80% debt, 20%equity	Pension Balanced	8.49	10.47	9.38	11.35	February, 2003
100% money market instruments	Pension Capital Secure	6.82	6.21	5.52	5.08	February, 2003

*CAGR- compounded annual growth rate

equity market update - february 2007



Equity markets in the month of February were marked with heavy volatility. The BSE Sensex after opening in positive territory lost its ground and closed in the red after hitting an intraday all time high of 14732.88. Nifty's closing was also lower after touching a peak of 4245 points. The BSE Sensex lost 1152 point during the month of February, a fall of 8.1% to close at 12938.09. The NSE Nifty corrected by 8.26% to close at 3745.3 points; a fall of 337 points over the previous month's closing.

Concerns over rising inflation, weak global markets and the somewhat exorbitant costs at which India Inc has been going about making mega acquisitions triggered a sell-off. During the month, events like the RBI's move to hike CRR, the loss of the ruling congress party in 2 of the 3 state polls impacted the market negatively and led to heavy profit booking before February 28, 2007, the day of the Union Budget 2007-08.

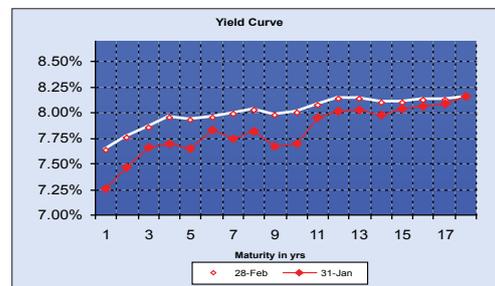
The announcement of a rise in the dividend distribution tax, expansion of the fringe benefit tax to include employee stock option plans, introduction of MAT for information technology companies, introduction of differential excise duty on cement and withdrawal of income tax benefits (80IA) for construction companies led to disappointment among investors. This coupled with weak global markets led to a fall of 541 point on the day of budget.

In the month of February, FILs were net buyers to the extent of Rs 7240crs. On the other hand Mutual funds were net sellers to the extent of Rs 274 crs.

Outlook

The global melt-down has shaken the confidence of investors, traders and mutual funds. On the domestic front, the worry on rising interest rates and inflation would lead to a 'sell on rise' type of a market. We believe that the market is likely to consolidate and will wait for some positive news or initiatives from the government for sharp upward movements. While in the short term, the market will continue to be volatile, the medium to long term outlook continues to be very positive.

debt market update - february 2007



The month was marked by rising bond yields with the ten yr benchmark closing at 7.93% up 16 bps from previous month. The main reasons were CRR hike of 50 bps by RBI, auctions outflows, rising inflation, rise in global crude oil prices and tight liquidity. The main reason for the CRR hike was to tighten liquidity in the banking system and to simultaneously cool the economy and dampen inflation expectations without raising the key policy rate. The CRR hike would drain Rs 14000 cr from the banking system. In spite of this outflow, liquidity in the banking system improved towards the end of the month to a record Rs 30000 cr due to RBI's sustained intervention in forex markets to prevent sharp appreciation in rupee.

Rs 9000 cr auction held during the month was fully subscribed. State Loan auction worth Rs 3400 cr during the month was also fully subscribed. Inflation data released during the month also came higher than previous month and was between 6.11%-6.73%. The rise has been triggered due to a sharp rise in primary food articles, cement and the base effect. In an effort to reduce inflation government announced fuel price cuts of Rs 2 and Rs 1 in petrol and diesel respectively. Crude Oil prices also rose during the month to close around \$62. Overnight rates fell to 6.00%-6.10% levels. However CD rates and short term bonds continued to remain at 10.00% plus levels.

In global events, US treasuries saw a major rally during the month mainly due to Fed's status quo on key rates and safe haven buying towards end of the month as global equity markets fell sharply. The ten yr US benchmark treasury yield fell from 4.82% to 4.53%.

The key event during the month was the presentation of Union Budget for FY08. The main highlights were government meeting FRBM targets and budgeting a gross borrowing of Rs 1,51,00 cr for FY08. All this was in line with market expectations. However MSS ceiling was increased by Rs 10000 cr to Rs 80000 cr and the budget for auctions under MSS for FY 08 is much higher at Rs 141135 cr as against Rs 110415 cr during FY 07. This was taken negatively by the market.

Outlook

Liquidity may tighten temporarily during the month on advance tax outflows estimated around Rs 40000 cr and auction outflows. Short term CD rates and bonds may continue to remain tight. The ten yr benchmark G sec yield may remain in the range of 7.75% to 8.25%.

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

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
(formerly Kanaka Shree)

ulip capital secure fund

details as on February 28, 2007

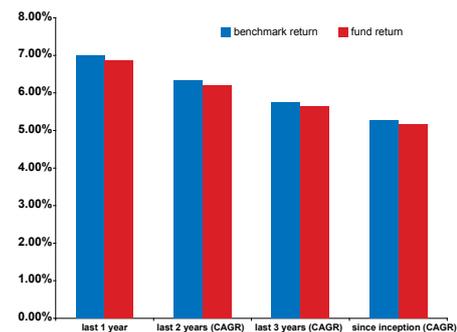
fund performance

period	benchmark return	fund return	benchmark standard deviation	fund standard deviation	benchmark sharpe ratio	fund sharpe ratio
last 1 year	6.97%	6.88%	0.08%	0.22%	23.17	8.51
last 2 years (CAGR)	6.31%	6.21%	0.22%	0.25%	5.97	4.79
last 3 years (CAGR)	5.75%	5.57%	0.33%	0.39%	2.27	1.44
since inception (CAGR)	5.36%	5.11%	0.38%	0.41%	0.94	0.28
date of inception	february, 2003					

portfolio

security	% of total assets	rating
bank deposits		
STATE BANK OF HYDERABAD CD 07-06-07	41.71	A1+
ICICI BANK CD 04-04-07	18.44	A1+
9.45% ICICI BANK FD 30-04-07	17.80	A1+
ICICI BANK CD 18-04-07	12.90	A1+
KOTAK MAHINDRA BANK CD 24-04-07	8.88	P1+
CASH AND CASH RECEIVABLES	0.10	
total bank deposits	99.82	
total mutual funds	0.18	
total net assets	100.00	

fund return v/s benchmark return

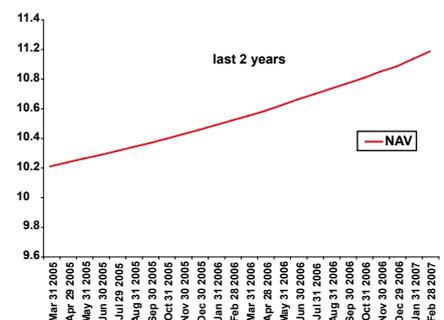


asset allocation



M. Duration of debt portfolio : 0.16 years

NAV movement



fund manager's report

Allocation to short-term Certificate of Deposits (CDs) and Fixed Deposits (FDs) was increased to 99% in order to take advantage of high short term rates

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 a low probability of negative returns in the short term. The risk appetite is defined as 'low to moderate'.

products

Reliance Market Return plan
(formerly Kanaka Shree)

fund manager's report

The allocation to gilts was reduced to 21% in order to increase the exposure to high-yielding CDs and corporate bonds. The debt portfolio duration was kept low as bond prices were volatile during the month. Allocation to bank deposits was higher at 21% in order to take advantage of short term yields. The equity market in the month of February was volatile and corrected significantly in the last week taking a cue from the global markets. 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 18.95%.

benchmark construction

CRISIL ST Bond Index: 80%
CNX Nifty: 20%

ulip balanced fund

details as on February 28, 2007

fund performance

period	benchmark return	fund return	benchmark standard deviation	fund standard deviation	benchmark sharpe ratio	fund sharpe ratio
last 1 year	8.87%	8.72%	4.77%	5.16%	0.81	0.72
last 2 years (CAGR)	10.37%	10.51%	4.57%	4.76%	1.18	1.16
last 3 years (CAGR)	8.82%	9.77%	4.37%	4.28%	0.87	1.11
since inception (CAGR)	9.96%	11.84%	4.33%	4.10%	1.15	1.67
date of inception	february, 2003					

portfolio

security	% of total assets	rating
corporate bonds		
8.25% IDBI OMNI BOND SER III 26-05-11	4.23	AA+
7.39% POWER GRID CORP 22-09-11	3.80	AAA
8.40% IRFC 14-05-07	3.76	AAA
8.90% CITIFINANCIAL CONSUMER NCD 05-08-09	3.67	AAA
6.25% ULTRATECH CEMENT 25-06-09	3.46	AA+
9.50% INDIAN HOTELS 28-02-12	3.40	AA+
9.20% IL & FS NCD SR VI 23-04-08	3.38	AAA
9.00% SUNDARAM FINANCE NCD 17-08-09	3.33	AA+
7.15% IND OIL BOND 10-06-12	1.58	AAA
8.05% IRFC 15-07-07	1.36	AAA
6.50% HINDALCO 06-09-09	1.27	AAA
7.10% POWER GRID CORP 18-02-09	0.65	AAA
total corporate bonds	33.90	

gilts

7.44% GOI SPL. OIL BOND 23-03-12	5.47
11.99% GOI 07-04-09	4.43
7.33% OIL COMP GOI BOND 07-03-09	3.46
7.55% GOI 14-05-10	2.37
7.37% GOI 16-04-14	2.25
11.40% GOI 31-08-08	1.50
12.25% GOI 08-09-08	1.39
9.39% GOI 02-07-11	0.14
11.90% GOI 28-05-07	0.03
total gilts	21.04

total bank deposits

21.73

equity

N.A.

RELIANCE INDUSTRIES LIMITED	1.21
TATA CONSULTANCY SERVICES	1.06
TATA MOTORS	0.98
INFOSYS TECHNOLOGIES	0.97
GRASIM INDUSTRIES	0.85
ONGC CORPORATION	0.83
TATA STEEL	0.82
SIEMENS	0.77
ICICI BANK	0.76
LARSEN & TOUBRO	0.72
ACC	0.67
PUNJAB TRACTORS	0.66
CUMMINS INDIA	0.66
ALSTOM POWER INDIA	0.66
DR REDDY LABORATORIES	0.65
BHARTI AIRTEL	0.61
JSW STEELS	0.58
ITC	0.57
INDIAN HOTELS	0.55
ASHOK LEYLAND	0.48
AUTOMATIVE AXLES	0.35
DECCAN AVIATION	0.33
GUJARAT STATE FERTILIZERS & CHEMICALS	0.33
RELIANCE COMMUNICATIONS	0.33
IPCL	0.31
HPCL	0.30
STATE BANK OF INDIA	0.29
HINDUSTAN LEVER	0.28
TVS MOTOR COMPANY	0.25
PUNJAB NATIONAL BANK	0.24
INDIAN OIL CORPORATION	0.20
JET AIRWAYS	0.19
HINDALCO INDUSTRIES	0.16
GREAVES COTTON	0.12
TATA TEA	0.11
AREVA T & D INDIA	0.11

total equity

18.95

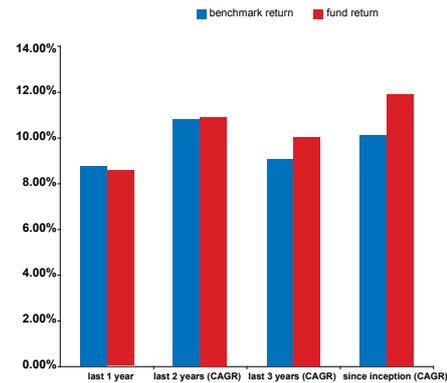
total mutual funds

4.38

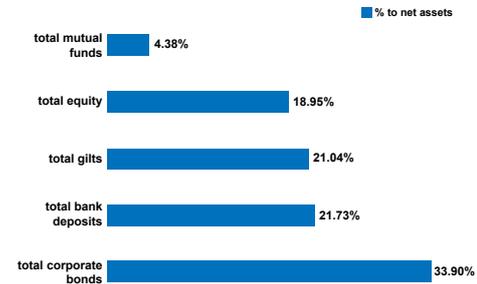
total net assets

100.00

fund return v/s benchmark return

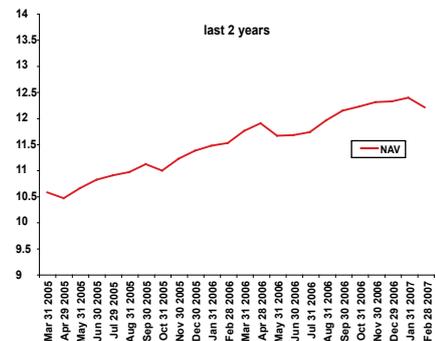


asset allocation



M. Duration of debt portfolio : 1.74 years

NAV movement



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 (formerly Kanaka Shree)

fund manager's report

The allocation to gilts was reduced to 20% in order to increase the exposure to high yielding CDs and corporate bonds. The debt portfolio duration was kept low as bond prices were volatile during the month. Allocation to bank deposits was higher at 17% in order to take advantage of short term yields. The equity market in the month of February was volatile and corrected significantly in the last week taking a cue from the global markets. 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 38.55%.

benchmark construction

CRISIL ST Bond Index: 60%
CNX Nifty: 40%

ulip growth fund

details as on February 28, 2007

fund performance

period	benchmark return	fund return	benchmark standard deviation	fund standard deviation	benchmark sharpe ratio	fund sharpe ratio
last 1 year	12.30%	11.31%	9.20%	9.41%	0.79	0.67
last 2 years (CAGR)	16.10%	15.59%	8.97%	8.94%	1.24	1.18
since inception (CAGR)	16.40%	16.38%	8.09%	8.21%	1.41	1.39
date of inception	august, 2004					

portfolio

security	% of total assets	rating
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corporate bonds

9.20% IL & FS NCD SR VI 23-04-08	5.58	AAA
7.15% IND OIL BOND 10-06-12	3.21	AAA
9.50% INDIAN HOTELS 28-02-12	3.20	AA+
8.25% IDBI OMNI BOND SER III 26-05-11	2.76	AA+
6.50% HINDALCO 06-09-09	2.68	AAA
7.39% POWER GRID CORP 22-09-11	1.49	AAA
9.00% SUNDARAM FINANCE17-08-09	1.41	AA+
6.25% ULTRATECH CEMENT 25-06-09	1.33	AA+
8.90% CITIFINANCIAL CONSUMER 05-08-09	0.94	AAA
7.10% POWER GRID CORP 18-02-09	0.31	AAA

total corporate bonds 22.92

sovereign

gilts

7.44% GOI SPL OIL BOND 23-03-12	6.64	
11.99% GOI 07-04-09	5.58	
7.33% OIL COMP GOI BOND 07-03-09	3.21	
11.40% GOI 31-08-08	1.81	
12.25% GOI 08-09-08	1.05	
7.55% GOI 14-05-10	0.73	
9.39% GOI 02-07-11	0.26	
7.37% GOI 16-04-14	0.08	
11.90% GOI 28-05-07	0.00	

total gilts 19.36

total bank deposits 16.92

equity

N.A.

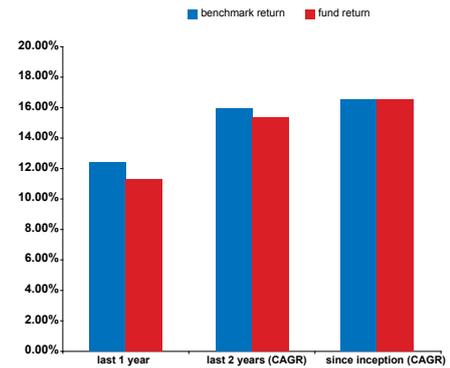
RELIANCE INDUSTRIES LIMITED	2.91
TATA CONSULTANCY SERVICES	2.07
INFOSYS TECHNOLOGIES	1.98
TATA MOTORS	1.94
ACC	1.80
GRASIM INDUSTRIES	1.69
TATA STEEL	1.63
ONGC CORPORATION	1.62
ICICI BANK	1.58
SIEMENS	1.51
CUMMINS INDIA	1.46
LARSEN & TOUBRO	1.40
PUNJAB TRACTORS	1.31
ALSTOM POWER INDIA	1.29
DR REDDY LABORATORIES	1.26
BHARTI AIRTEL	1.20
ITC	1.17
JSW STEELS	1.14
INDIAN HOTELS	1.08
ASHOK LEYLAND	0.95
AUTOMATIVE AXLES	0.72
GUJARAT STATE FERTILIZERS & CHEMICALS	0.66
DECCAN AVIATION	0.64
RELIANCE COMMUNICATIONS	0.64
IPCL	0.59
STATE BANK OF INDIA	0.56
HPCL	0.56
HINDUSTAN LEVER	0.53
TVS MOTOR COMPANY	0.48
PUNJAB NATIONAL BANK	0.47
INDIAN OIL CORPORATION	0.39
JET AIRWAYS	0.38
HINDALCO INDUSTRIES	0.31
GREAVES COTTON	0.23
AREVA T & D INDIA	0.22
TATA TEA	0.18

total equity 38.55

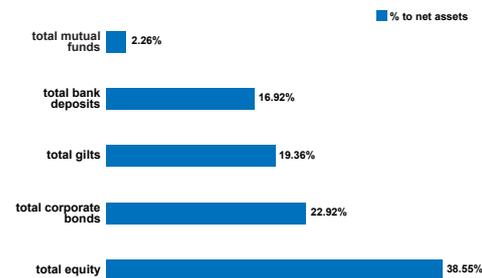
total net assets 2.26

total net assets 100.00

fund return v/s benchmark return

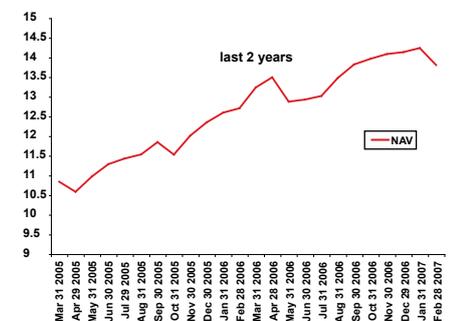


asset allocation



M. Duration of debt portfolio: 1.76 years

NAV movement



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
(formerly Kanaka Shree)

fund manager's report

The equity market in the month of February was volatile and corrected significantly in the last week taking a cue from the global markets. Keeping in mind the risk profile of the fund and also based on our view of the market, the equity market exposure was kept at 99.5%.

benchmark construction

CNX Nifty: 100%

ulip equity fund

details as on February 28, 2007

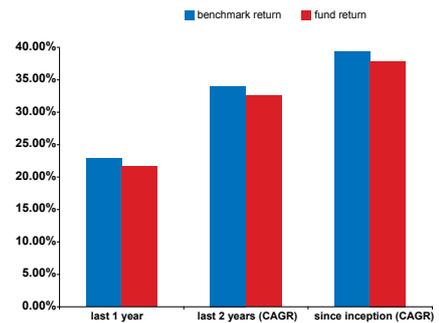
fund performance

period	benchmark return	fund return	benchmark standard deviation	fund standard deviation	benchmark sharpe ratio	fund sharpe ratio
last 1 year	21.81%	20.51%	22.61%	22.61%	0.74	0.69
last 2 years (CAGR)	33.44%	32.19%	22.25%	22.11%	1.28	1.23
since inception (CAGR)	37.92%	35.32%	20.48%	20.43%	1.61	1.48
date of inception	august, 2004					

portfolio

security	% of total assets	beta
equity		
RELIANCE INDUSTRIES	7.48	1.00
TATA CONSULTANCY SERVICES	5.68	0.95
INFOSYS TECHNOLOGIES	5.29	0.85
TATA MOTORS	4.98	1.13
ACC	4.72	1.02
TATA STEEL	4.48	1.41
GRASIM INDUSTRIES	4.35	1.19
ONGC CORPORATION	4.19	0.94
ICICI BANK	3.90	0.89
SIEMENS	3.88	1.26
LARSEN & TOUBRO	3.59	1.09
CUMMINS INDIA	3.59	1.02
ALSTOM POWER INDIA	3.32	1.35
PUNJAB TRACTORS	3.30	0.66
DR REDDY LABORATORIES	3.24	0.67
BHARTI AIRTEL	3.07	0.92
ITC	2.98	0.98
JSW STEELS	2.94	1.01
INDIAN HOTELS	2.78	1.14
ASHOK LEYLAND	2.44	1.05
AUTOMATIVE AXLES	1.90	0.61
GUJARAT STATE FERTILIZERS & CHEMICALS	1.67	0.81
DECCAN AVIATION	1.65	0.97
IPCL	1.55	1.17
RELIANCE COMMUNICATIONS	1.52	1.24
STATE BANK OF INDIA	1.44	0.83
HPCL	1.43	0.75
HINDUSTAN LEVER	1.36	1.02
TVS MOTOR COMPANY	1.22	1.16
PUNJAB NATIONAL BANK	1.20	0.94
INDIAN OIL CORPORATION	0.98	0.82
JET AIRWAYS	0.97	0.87
HINDALCO INDUSTRIES	0.81	1.30
GREAVES COTTON	0.58	1.18
AREVA T & D INDIA	0.56	0.85
TATA TEA	0.49	0.91
total equity	99.52	
total mutual funds	0.48	
total net assets	100.00	

fund return v/s benchmark return

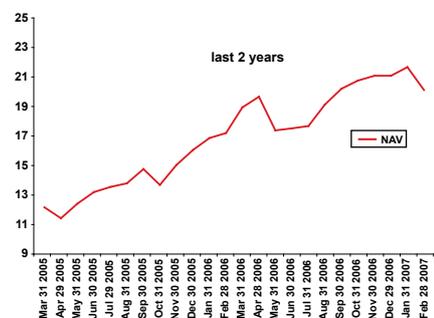


asset allocation



fund beta : 1.012

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 Golden years plan (formerly Bhagya Shree)

Employee benefit plans (Reliance Group gratuity and Reliance Group Superannuation)

pension capital secure fund

details as on February 28, 2007

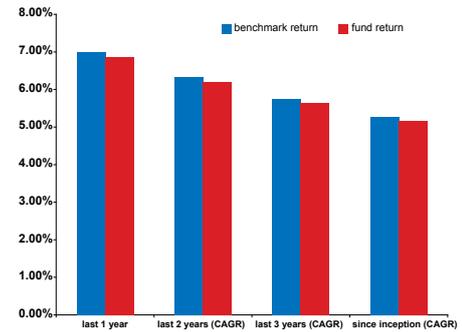
fund performance

period	benchmark return	fund return	benchmark standard deviation	fund standard deviation	benchmark sharpe ratio	fund sharpe ratio
last 1 year	6.97%	6.82%	0.08%	0.15%	23.17	12.47
last 2 years (CAGR)	6.31%	6.21%	0.22%	0.21%	5.97	5.81
last 3 years (CAGR)	5.75%	5.52%	0.33%	0.37%	2.27	1.40
since inception (CAGR)	5.25%	5.08%	0.38%	0.39%	0.64	0.20
date of inception	february, 2003					

portfolio

security	% of total assets	rating
gilts		
sovereign		
11.90% GOI 28-05-07	44.08	
total gilts	44.08	
bank deposits		
CBLO - 01-03-07	20.41	
ICICI BANK CD 04-04-07	15.50	A1+
ICICI BANK CD 18-04-07	10.85	A1+
KOTAK MAHINDRA BANK CD 24-04-07	7.47	P1+
CASH AND CASH RECEIVABLES	1.70	
total bank deposits	55.92	
total net assets	100.00	

fund return v/s benchmark return



asset allocation



fund manager's report

44% of Net Assets was allocated towards a four month G-sec. 56% was allocated towards short term CDs and CBLOs in order to optimize the portfolio yield.

benchmark construction

Yield on 182-day T. Bills

M. Duration of debt portfolio : 0.15 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

Reliance Golden years plan
(formerly Bhagya Shree)

Employee benefit plans
(Reliance Group Gratuity and Reliance Group Superannuation)

fund manager's report

40% of Net assets allocated to gilts. About 26% of portfolio was allocated towards high-yielding corporate bonds. A new bond of Indian Hotels was added to the portfolio. Allocation to short term CDs was increased during the month in order to take advantage of the high yields available. The equity market in the month of February was volatile and corrected significantly in the last week taking a cue from the global markets. 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 17.75%.

benchmark construction

CRISIL ST Bond Index: 80%
CNX Nifty: 20%

pension balanced fund

details as on February 28, 2007

fund performance

period	benchmark return	fund return	benchmark standard deviation	fund standard deviation	benchmark sharpe ratio	fund sharpe ratio
last 1 year	8.87%	8.49%	4.77%	5.24%	0.81	0.67
last 2 years (CAGR)	10.37%	10.47%	4.57%	4.80%	1.18	1.14
last 3 years (CAGR)	8.82%	9.38%	4.37%	4.35%	0.87	1.01
since inception (CAGR)	9.96%	11.35%	4.33%	4.13%	1.15	1.54
date of inception			february, 2003			

portfolio

security	% of total assets	rating
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corporate bonds

8.25% IDBI OMNI BOND SER III 26-05-11	3.63	AA+
8.40% IRFC 14-05-07	3.53	AAA
7.39% POWER GRID CORP 22-09-11	3.53	AAA
8.90% CITIFINANCIAL CONSUMER 05-08-09	3.33	AAA
6.25% ULTRATECH CEMENT 25-06-09	2.99	AA+
9.00% SUNDARAM FINANCE 17-08-09	2.75	AA+
7.15% IND OIL BOND 10-06-12	1.44	AAA
9.50% INDIAN HOTELS 28-02-12	1.40	AA+
8.05% IRFC 15-07-07	1.34	AAA
6.50% HINDALCO 06-09-09	1.05	AAA
9.20% IL & FS NCD SR VI 23-04-08	0.70	AAA
7.10% POWER GRID CORP 18-02-09	0.40	AAA

total corporate bonds 26.08

gilts

11.99% GOI 07-04-09	9.42
11.90% GOI 28-05-07	6.28
7.55% GOI 14-05-10	5.37
7.44% GOI SPl OIL BOND 23-03-12	4.86
7.33% OIL COMP GOI BOND 07-03-09	3.07
12% GOI 02-05-08	2.82
7.37% GOI 16-04-14	2.15
91 DAYS TBILL 13-04-07	2.10
11.40% GOI 31-08-08	1.33
12.25% GOI 08-09-08	1.24
9.39% GOI 02-07-11	0.72

total gilts 39.37

total bank deposits 16.81

equity

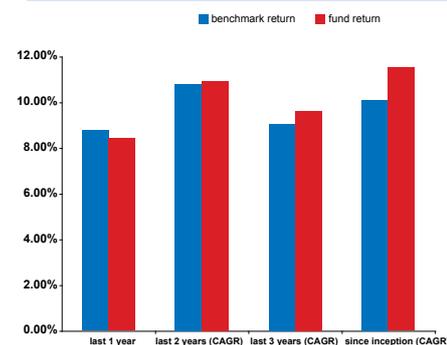
RELiance INDUSTRIES	1.55
TATA CONSULTANCY SERVICES	1.43
TATA MOTORS	1.36
INFOSYS TECHNOLOGIES	1.11
DR REDDY LABORATORIES	1.02
L&T	1.00
GRASIM INDUSTRIES	0.92
ONGC CORPORATION	0.90
CUMMINS INDIA	0.89
TATA STEEL	0.80
ACC	0.62
BHARAT HEAVY ELECTRICALS	0.54
PUNJAB TRACTORS	0.54
ITC	0.53
INDIAN HOTELS	0.50
ASHOK LEYLAND	0.49
ICICI BANK	0.48
HINDUSTAN LEVER	0.42
INDIAN OIL CORPORATION	0.37
HPCL	0.33
AUTOMATIVE AXLES	0.32
STATE BANK OF INDIA	0.29
IPCL	0.29
PUNJAB NATIONAL BANK	0.27
TVS MOTOR COMPANY	0.25
SUZLON ENERGY	0.18
TATA TEA	0.17
HINDALCO INDUSTRIES	0.16

total equity 17.74

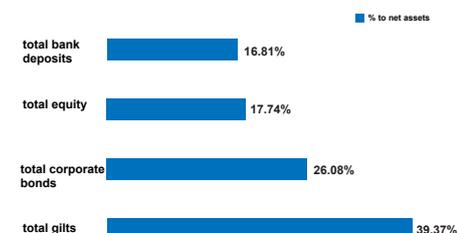
total net assets 100.00

sovereign

fund return v/s benchmark return



asset allocation



M. Duration of debt portfolio : 1.72 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

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

fund manager's report

About 48% of Net Assets were allocated to gilts. 6% of the portfolio was allocated towards high yielding corporate bonds. Allocation to short term CDs was increased during the month in order to take advantage of the high yields. The equity market in the month of February was volatile and corrected significantly in the last week taking a cue from the global markets. 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 38.3%.

benchmark construction

CRISIL ST Bond Index: 60%
CNX Nifty: 40%

pension growth fund

details as on February 28, 2007

fund performance

period	benchmark return	fund return	benchmark standard deviation	fund standard deviation	benchmark sharpe ratio	fund sharpe ratio
last 1 year	12.30%	10.08%	9.20%	9.66%	0.79	0.53
last 2 years (CAGR)	16.10%	15.09%	8.97%	9.09%	1.24	1.11
since inception (CAGR)	16.40%	15.80%	8.09%	8.33%	1.41	1.30
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	1.54	AA+
6.50% HINDALCO 06-09-09	1.49	AAA
7.15% IND OIL BOND 10-06-12	1.49	AAA
7.39% POWER GRID CORP 22-09-11	0.75	AAA
6.25% ULTRATECH CEMENT 25-06-09	0.74	AA+

total corporate bonds 6.01

gilts

	% of total assets	sovereign
11.99% GOI 07-04-09	34.53	
7.44% GOI Spl Oil BOND23-03-12	3.52	
11.90% GOI 28-05-07	3.52	
12% GOI 02-05-08	3.34	
7.33% OIL COMP GOI BOND 07-03-09	1.71	
11.40% GOI 31-08-08	0.96	
12.25% GOI 08-09-08	0.56	
9.39% GOI 02-07-11	0.31	

total gilts 48.44

total bank deposits 7.23

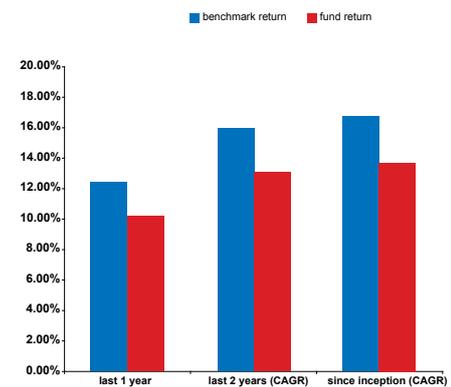
equity

	% of total assets	N.A.
RELIANCE INDUSTRIES	3.46	
TATA CONSULTANCY SERVICES	3.17	
INFOSYS TECHNOLOGIES	2.47	
TATA MOTORS	2.45	
L&T	2.21	
TATA STEEL	2.07	
DR REDDY LABORATORIES	2.02	
ONGC CORPORATION	2.01	
CUMMINS INDIA	1.74	
ACC	1.63	
HPCL	1.23	
BHARAT HEAVY ELECTRICALS	1.20	
ITC	1.19	
GRASIM INDUSTRIES	1.19	
INDIAN HOTELS	1.11	
ASHOK LEYLAND	1.09	
ICICI BANK	1.05	
PUNJAB TRACTORS	1.00	
HINDUSTAN LEVER	0.93	
INDIAN OIL CORPORATION	0.82	
STATE BANK OF INDIA	0.78	
AUTOMATIVE AXLES	0.71	
PUNJAB NATIONAL BANK	0.65	
IPCL	0.61	
TVS MOTOR COMPANY	0.55	
SUZLON ENERGY	0.40	
HINDALCO INDUSTRIES	0.35	
TATA TEA	0.24	

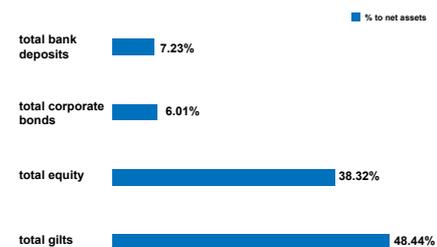
total equity 38.32

total net assets 100.00

fund return v/s benchmark return



asset allocation



M. Duration of debt portfolio: 1.43 years