

**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.

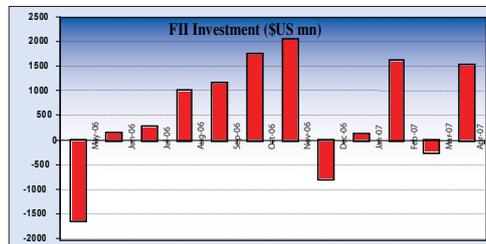
# the analyst

**fund snapshot**

asset allocation	funds	gross return (CAGR*) (%) - as on 30th April, 2007				date of inception
		last 1 year	last 2 years	last 3 years	since inception	
100 % equity	Ulip Equity	11.78%	44.21%	N.A	36.46%	August, 2004
60% equity, 40% debt	Ulip High Growth	N.A	N.A	N.A	N.A	March, 2007
50%equity, 50% debt	Ulip Growth Plus	N.A	N.A	N.A	N.A	March, 2007
40% equity, 60% debt	Ulip Growth	7.83%	21.29%	N.A	16.86%	August, 2004
20%equity, 80% debt	Ulip Balanced	6.90%	12.59%	10.23%	12.25%	February, 2003
100% money market instruments	Ulip Capital Secure	7.47%	6.56%	6.03%	5.29%	February, 2003
40% equity, 60% debt	Group Growth	6.94%	19.23%	N.A	16.33%	August, 2004
20% equity, 80% debt	Group Balanced	6.80%	12.68%	10.27%	11.34%	February, 2003
100% money market instruments	Group Capital Secure	7.36%	6.54%	5.92%	5.26%	February, 2003

\*CAGR- compounded annual growth rate

**equity market update- april 2007**

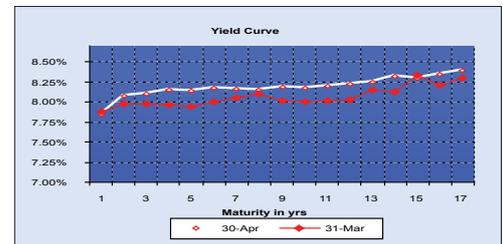


Strong FY 2008 guidance by Infosys, firm global bourses and continued FII-buying, have boosted the bourses this month after the Sensex had tanked 617 points in a single trading session on April 2 following the Reserve Bank of India (RBI)'s surprise hike in interest rates announced after trading hours on March 30, 2007. The BSE Sensex appreciated by 800 points during the month to close at 13872.4 points, an increase of 6.12%. The NSE Nifty advanced by 6.97% to settle at 4087.9 points; an increase of 266.4 over previous month's closing. The nervousness over the slowdown in the US economy resulting into Infosys giving a weak guidance was put to rest with Infosys reporting good set of numbers and giving strong growth guidance in dollar terms for FY2008. Strong numbers reported by all IT majors' reinstated the market's confidence in the IT sector. Besides strong results, a rally in the global markets and forecasts for a good monsoon in India boosted the bourses. Stock markets of the world hit record peaks after top policymakers highlighted the strength and improving balance of global economic growth. FIIs were net buyers during the month. The cumulative inflow of FIIs in April 2007, aggregated to US\$ 1515.7 mln (Rs 6679crs). Mutual funds on the other hand were also net buyers to the extent of Rs 906.04 crs.

**Outlook**

We believe that good performance of key companies is already factored in at current levels and there are very few triggers left in the pipeline. The rising inflation and appreciating rupee still remains a cause of concern. With lack of positive triggers on the domestic front, we believe that the Indian markets will look for global cues in the near term. With the monsoon around the corner, any news on its progress can also act a trigger going ahead.

**debt market update- april 2007**



The month was marked by rising bond yields with the ten yr benchmark closing at 8.17% up 17 bps from previous month. Tight liquidity, two govt auctions worth Rs 16000 cr and MSS ceiling hikes were the main reasons. While liquidity remained tight as the 50 bps hike in CRR took effect, two g-sec auctions in 8 yr, 29 yr and 10 yr maturities which were fully subscribed also led to yields going up. Daily borrowing under RBI's LAF auction was in the range of Rs 8000 cr to Rs 40000 cr. Overnight rates remained volatile in the range of 6% to 14%. CD rates and short term bonds continued to remain at 10.00% plus levels. The corporate bond market was flatcluster with most of the activity focused at the short end. Five yr AAA bonds were trading in the range of 9.80% to 10.00%.

The main event during the month was the Credit policy which was held on 24th April. RBI announced several steps as part of the roadmap towards full capital account convertibility. RBI did not raise any key rates providing a short term relief rally to bond prices. The ten-yr fell to a low of 7.95% before it started rising as RBI hiked MSS (Market Stabilization Scheme) outstanding limit from the current Rs 80000 cr to Rs 95000 cr. After a week RBI again raised the limit to Rs 1,10,000 cr. This made the debt market jittery as two hikes in quick succession was not warranted. The current outstanding MSS is around Rs 78000 cr. As the rupee touched a nine yr high and closed the month at 41.21 compared to 44.08 two months ago, the risk of RBI intervention is also increasing. Remarkably RBI did not intervene in the month of March and allowed the sharp rise presumably because of their concern of rising inflation. However as inflation is expected to come down in the coming months RBI would actively intervene in the forex market to depreciate the overvalued rupee. Inflation data released during the month also came lower than previous month and was in the range of 5.74% to 6.09%. The fall in inflation from previous month has been due to a benign base effect.

**Outlook**

Liquidity may continue to remain tight. Yields look attractive at the current levels although the yield curve is expected to remain flat. The ten yr yield may trade in the range of 7.95% to 8.25% with downward bias.

**disclaimer**

"While every care has been taken in the preparation of this document, Reliance Life Insurance Company Ltd makes no representation or warranty about the accuracy or completeness of any statement in it including, without limitation, any forecasts. Past performance is not a reliable indicator of future performance. This document has been prepared for the purpose of providing general information, without taking account of any particular investor's objectives, financial situation or needs. An investor should, before making any investment decisions, consider the appropriateness of the information in this document, and seek professional advice, having regard to the investor's objectives, financial situation and needs. This document is solely for the use of the party to whom it is provided."

"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."

"Insurance is the subject matter of solicitation. Reliance Life Insurance Company Limited is a fully licensed life insurance company registered with the Insurance Regulatory and Development Authority (Registration No: 121) in accordance with the provisions of the Insurance Act 1938."

## 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 Years Plan-Equity Fund Option

## fund manager's report

The equity market for the month of April went up gradually after taking cues from the strong global markets and good quarterly results. Based on our view of the market, the holding in equities was kept at 96%, below the maximum level of 100%.

## benchmark construction

S&P CNX Nifty: 100%

# ULIP Equity Fund

details as on April 30, 2007

## fund performance

period	benchmark return	fund return	benchmark standard deviation	fund standard deviation	benchmark sharpe ratio	fund sharpe ratio
last 1 year	16.52%	11.78%	21.25%	21.11%	0.54	0.33
last 2 years (CAGR)	46.58%	44.21%	20.87%	20.94%	1.99	1.91
since inception (CAGR)	39.63%	36.46%	19.99%	20.12%	1.73	1.56
date of inception			august, 2004			

## portfolio

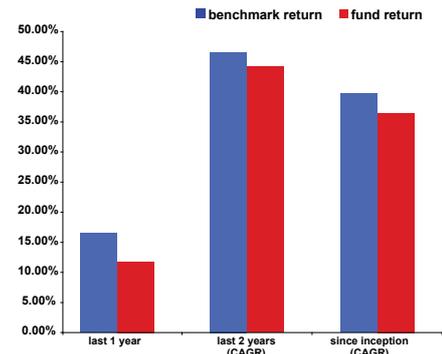
security	% of total assets	beta
----------	-------------------	------

### equity

CAP GOODS/ENGINEERING	12.98	
CUMMINS INDIA	3.11	1.01
ALSTOM PROJECTS INDIA	2.90	1.29
LARSEN & TOUBRO	2.68	1.14
BHEL	2.30	1.11
SIEMENS	1.02	1.24
AREVA T & D INDIA	0.97	0.91
IT	12.94	
INFOSYS TECHNOLOGIES	5.31	0.85
TCS	4.44	0.93
HCL TECHNOLOGIES	3.19	0.96
OIL REFINERIES	10.59	
RELIANCE INDUSTRIES	7.75	1.01
INDIAN OIL CORPORATION	2.84	0.77
BANKING AND FINANCE	10.38	
ICICI BANK	4.08	0.93
STATE BANK OF INDIA	3.26	0.92
HDFC BANK	1.59	0.84
HDFC	1.01	0.93
PUNJAB NATIONAL BANK	0.43	1.03
AUTOMOBILES	9.53	
TATA MOTORS	5.17	1.12
MARUTI UDYOG	2.70	1.17
PUNJAB TRACTORS	1.66	0.59
CEMENT & CEMENT PRODUCTS	7.35	
GRASIM INDUSTRIES	3.93	1.09
ACC	2.28	1.01
AMBUJA CEMENTS	1.15	0.94
TELECOM	7.06	
BHARTI AIRTEL	5.86	0.96
RELIANCE COMMUNICATIONS	1.20	1.26
OIL AND EXPLORATION	6.63	
ONGC CORPORATION	6.63	0.94
METALS	5.38	
TATA STEEL	3.87	1.37
JSW STEELS	1.50	1.06
PHARMACEUTICALS	3.69	
DIVIS LABORATORIES	2.39	1.12
SUN PHARMACEUTICALS	1.15	0.68
SUN PHARMA ADVANCE RESEARCH CO.	0.15	N.A
CONSTRUCTION	2.69	
JAIPRAKASH ASSOCIATES	2.69	1.29
FMCG	1.91	
HINDUSTAN LEVER	1.11	0.99
ITC	0.80	0.92
AUTO ANCILLARY	1.51	
AUTOMATIVE AXLES	1.51	0.54
HOTELS	1.26	
INDIAN HOTELS	1.26	1.11
FERTILISER	1.15	
GSFC	1.15	0.72
AVIATION	0.98	
DECCAN AVIATION	0.98	0.93

total equity	96.02
total bank deposits	1.16
total mutual funds	2.82
total net assets	100.00

## fund return v/s benchmark return

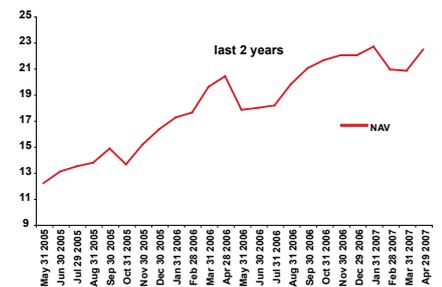


## asset allocation



## fund beta : 1.004

## 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

The equity market for the month of April went up gradually after taking cues from the strong global markets and good quarterly results.

Keeping in mind the risk profile of the fund and also based on our view of the market, the holding in equities was kept at 56.5%, below the maximum level of 60%.

The allocation to gilts was increased from 0% to 12%. The modified duration of the debt portfolio was increased to 2.29 yrs from 1.44 yrs in the previous month in line with our view that the yield levels may be peaking. The allocation to short term assets was reduced from 20% to 9% to deploy in gilts and bonds.

## benchmark construction

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

# ULIP High Growth Fund

details as on April 30, 2007

## fund performance

period	benchmark return	fund return	benchmark standard deviation	fund standard deviation	benchmark sharpe ratio	fund sharpe ratio
last 1 year	data not available as the fund has not completed a period of one year since inception					
date of inception	march, 2007					

## portfolio

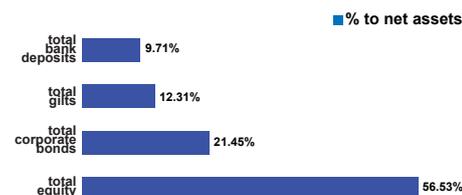
security	% of total assets	rating
<b>corporate bonds</b>		
10.20% HDFC NCD 13-04-10	4.16	AAA
9.80% POWER FINANCE CORP 22-03-12	4.15	AAA
8.90% CITIFINANCIAL CONSUMER 05-08-09	3.94	AAA
6.31% EXIM BANK NCD 17-01-10	3.79	AAA
8.25% IDBI OMNI BOND SER III 26-05-11	1.87	AA+
10.75% IL & FS NCD SER XI 29-03-09	1.67	AAA
9.50% INDIAN HOTELS 28-02-12	1.63	AA+
7.10% POWER GRID CORP 18-02-09	0.24	AAA
<b>total corporate bonds</b>	<b>21.45</b>	

gilts		SOVEREIGN
9.39% GOI 02-07-11	4.32	
6.65% GOI 05-04-09	4.03	
7.37% GOI 16-04-14	3.96	
<b>total gilts</b>	<b>12.31</b>	

equity		N.A
CAP GOODS/ENGINEERING	7.92	
CUMMINS INDIA	1.85	
ALSTOM PROJECTS INDIA	1.61	
LARSEN & TOUBRO	1.60	
BHEL	1.37	
SIEMENS	1.01	
AREVA T & D INDIA	0.47	
IT	7.52	
INFOSYS TECHNOLOGIES	2.96	
TCS	2.65	
HCL TECHNOLOGIES	1.92	
BANKING AND FINANCE	6.51	
ICICI BANK	2.42	
STATE BANK OF INDIA	2.25	
HDFC BANK	0.93	
HDFC	0.60	
PUNJAB NATIONAL BANK	0.31	
OIL REFINERIES	6.12	
RELIANCE INDUSTRIES	4.44	
INDIAN OIL CORPORATION	1.68	
AUTOMOBILES	5.75	
TATA MOTORS	3.13	
MARUTI UDYOG	1.60	
PUNJAB TRACTORS	1.02	
CEMENT & CEMENT PRODUCTS	4.43	
GRASIM INDUSTRIES	2.34	
ACC	1.40	
AMBUJA CEMENTS	0.69	
OIL AND EXPLORATION	3.95	
ONGC CORPORATION	3.95	
TELECOM	3.66	
BHARTI AIRTEL	3.21	
RELIANCE COMMUNICATIONS	0.45	
METALS	2.76	
TATA STEEL	1.77	
JSW STEELS	0.99	
PHARMACEUTICALS	2.21	
DIVIS LABORATORIES	1.43	
SUN PHARMACEUTICALS	0.69	
SUN PHARMA ADVANCE RESEARCH CO.	0.09	
CONSTRUCTION	1.59	
JAIPRAKASH ASSOCIATES	1.59	
FMCG	1.14	
HINDUSTAN LEVER	0.66	
ITC	0.48	
AUTO ANCILLARY	0.87	
AUTOMATIVE AXLES	0.87	
HOTELS	0.82	
INDIAN HOTELS	0.82	
FERTILISER	0.69	
GSFC	0.69	
AVIATION	0.57	
DECCAN AVIATION	0.57	

<b>total equity</b>	<b>56.53</b>
<b>total bank deposits</b>	<b>9.71</b>
<b>total net assets</b>	<b>100.00</b>

## 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

The equity market for the month of April went up gradually after taking cues from the strong global markets and good quarterly results. Keeping in mind the risk profile of the fund and also based on our view of the market, the holding in equities was kept at 46%, below the maximum level of 50%. The allocation to gilts was increased from 0% to 16%. We increased the duration of the portfolio to around 1.7 yrs in line with our view that the yield levels may be peaking. Allocation to short term assets was reduced from 18% to 15%.

## benchmark construction

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

# ULIP Growth Plus Fund

details as on April 30, 2007

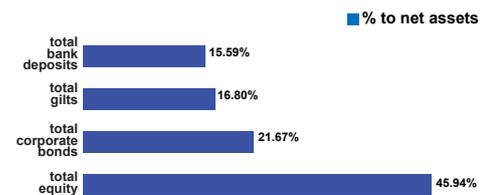
## fund performance

period	benchmark return	fund return	benchmark standard deviation	fund standard deviation	benchmark sharpe ratio	fund sharpe ratio
last 1 year	data not available as the fund has not completed a period of one year since inception					
date of inception	march, 2007					

## portfolio

security	% of total assets	rating
<b>corporate bonds</b>		
8.90% CITIFINANCIAL CONSUMER 05-08-09	11.91	AAA
9.20% IL & FS NCD SR VI 23-04-08	9.76	AAA
<b>total corporate bonds</b>	<b>21.67</b>	
<b>gilts</b>		
		SOVEREIGN
9.39% GOI 02-07-11	16.80	
<b>total gilts</b>	<b>16.80</b>	
<b>equity</b>		
		N.A
CAP GOODS/ENGINEERING	6.55	
CUMMINS INDIA	1.53	
LARSEN & TOUBRO	1.31	
ALSTOM PROJECTS INDIA	1.31	
BHEL	1.19	
SIEMENS	0.84	
AREVA T & D INDIA	0.38	
IT	6.15	
INFOSYS TECHNOLOGIES	2.41	
TCS	2.19	
HCL TECHNOLOGIES	1.55	
AUTOMOBILES	5.29	
TATA MOTORS	2.54	
MARUTI UDYOG	1.30	
PUNJAB TRACTORS	0.74	
AUTOMATIVE AXLES	0.71	
BANKING AND FINANCE	5.07	
ICICI BANK	1.98	
STATE BANK OF INDIA	1.59	
HDFC BANK	0.70	
HDFC	0.49	
PUNJAB NATIONAL BANK	0.30	
OIL REFINERIES	5.00	
RELIANCE INDUSTRIES	3.67	
INDIAN OIL CORPORATION	1.33	
CEMENT & CEMENT PRODUCTS	3.63	
GRASIM INDUSTRIES	1.89	
ACC	1.16	
AMBUJA CEMENTS	0.58	
OIL AND EXPLORATION	3.21	
ONGC CORPORATION	3.21	
TELECOM	2.99	
BHARTI AIRTEL	2.66	
RELIANCE COMMUNICATIONS	0.33	
METALS	2.29	
TATA STEEL	1.45	
JSW STEELS	0.84	
PHARMACEUTICALS	1.81	
DIVIS LABORATORIES	1.16	
SUN PHARMACEUTICALS	0.58	
SUN PHARMA ADVANCE RESEARCH CO.	0.07	
CONSTRUCTION	1.29	
JAIPRAKASH ASSOCIATES	1.29	
FMCG	0.94	
HINDUSTAN LEVER	0.55	
ITC	0.39	
HOTELS	0.69	
INDIAN HOTELS	0.69	
FERTILISER	0.56	
GSFC	0.56	
AVIATION	0.48	
DECCAN AVIATION	0.48	
<b>total equity</b>	<b>45.94</b>	
<b>total bank deposits</b>	<b>15.59</b>	
<b>total net assets</b>	<b>100.00</b>	

## 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

Reliance Golden Years Plan-Growth Fund Option

Reliance Money Guarantee Plan-D Option

## fund manager's report

The equity market for the month of April went up gradually after taking cues from the strong global markets and good quarterly results. Keeping in mind the risk profile of the fund and also based on our view of the market, the holding in equities was kept at 38.3%, below the maximum level of 40%.

The allocation to corporate bonds and gilts was marginally increased further to 23% and 20% respectively in Apr 07. We intend to reduce the G-Sec allocation as and when good quality corporate bonds become available. The allocation to short term CDs and bank deposits was at 15% of the portfolio. We increased the duration of the portfolio to around 2 yrs in line with our view that the yield levels may be peaking.

## benchmark construction

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

# ULIP Growth Fund

details as on April 30, 2007

## fund performance

period	benchmark return	fund return	benchmark standard deviation	fund standard deviation	benchmark sharpe ratio	fund sharpe ratio
last 1 year	10.33%	7.83%	8.76%	8.79%	0.44	0.19
last 2 years (CAGR)	20.72%	21.29%	8.44%	8.49%	1.46	1.44
since inception (CAGR)	17.16%	16.86%	7.93%	8.08%	1.53	1.47
date of inception	august, 2004					

## portfolio

security	% of total assets	rating
----------	-------------------	--------

### corporate bonds

9.20% IL & FS NCD SR VI 23-04-08	4.77	AAA
9.50% INDIAN HOTELS 28-02-12	4.07	AA+
10.20% HDFC NCD 13-04-10	2.78	AAA
7.15% IND OIL BOND 10-06-12	2.76	AAA
8.25% IDBI OMNI BOND SER III 26-05-11	2.34	AA+
6.50% HINDALCO 06-09-09	2.30	AAA
7.39% POWER GRID CORP 22-09-11	1.27	AAA
9.00% SUNDARAM FINANCE17-08-09	1.21	AA+
6.25% ULTRATECH CEMENT 25-06-09	1.15	AA+
8.90% CITIFINANCIAL CONSUMER 05-08-09	0.81	AAA
7.10% POWER GRID CORP 18-02-09	0.26	AAA

**total corporate bonds 23.71**

### gilts

		SOVEREIGN
7.44% GOI SPL. OIL BOND 23-03-12	5.66	
11.99% GOI 07-04-09	4.73	
8.07% GOI 15-01-17	3.43	
7.33% OIL COMP GOI BOND 07-03-09	2.75	
11.40% GOI 31-08-08	1.54	
12.25% GOI 08-09-08	0.89	
7.55% GOI 14-05-10	0.62	
9.39% GOI 02-07-11	0.22	
7.37% GOI 16-04-14	0.07	

**total gilts 19.91**

### equity

		N.A
CAP GOODS/ENGINEERING	5.87	
CUMMINS INDIA	1.28	
LARSEN & TOUBRO	1.26	
ALSTOM PROJECTS INDIA.	1.21	
BHARAT HEAVY ELECTRICALS	1.02	
SIEMENS	0.82	
AREVA T & D INDIA	0.28	
IT	4.88	
INFOSYS TECHNOLOGIES	1.99	
TATA CONSULTANCY SERVICES	1.64	
HCL TECHNOLOGIES	1.25	
OIL REFINERIES	4.44	
RELIANCE INDUSTRIES	3.27	
INDIAN OIL CORPORATION	1.17	
BANKING AND FINANCE	4.06	
ICICI BANK	1.59	
STATE BANK OF INDIA	1.22	
HDFC BANK	0.63	
HDFC	0.39	
PUNJAB NATIONAL BANK	0.23	
AUTOMOBILES	3.95	
TATA MOTORS	1.95	
MARUTI UDYOG	1.12	
PUNJAB TRACTORS	0.87	
CEMENT & CEMENT PRODUCTS	3.21	
GRASIM INDUSTRIES	1.65	
ACC	1.03	
AMBUJA CEMENTS	0.53	
OIL AND EXPLORATION	2.40	
ONGC CORPORATION	2.40	
TELECOM	2.13	
BHARTI AIRTEL	1.50	
RELIANCE COMMUNICATIONS	0.62	
METALS	1.85	
TATA STEEL	1.13	
JSW STEELS	0.72	
PHARMACEUTICALS	1.40	
DIVIS LABORATORIES	1.03	
SUN PHARMACEUTICALS	0.33	
SUN PHARMA ADVANCE RESEARCH CO.	0.04	
CONSTRUCTION	1.14	
JAIPRAKASH ASSOCIATES	1.14	
FMCG	0.82	
HINDUSTAN LEVER	0.48	
ITC	0.34	
AUTO ANCILLARY	0.62	
AUTOMATIVE AXLES	0.62	
HOTELS	0.61	
INDIAN HOTELS	0.61	
FERTILISER	0.50	
GSFC	0.50	
AVIATION	0.42	
DECCAN AVIATION	0.42	

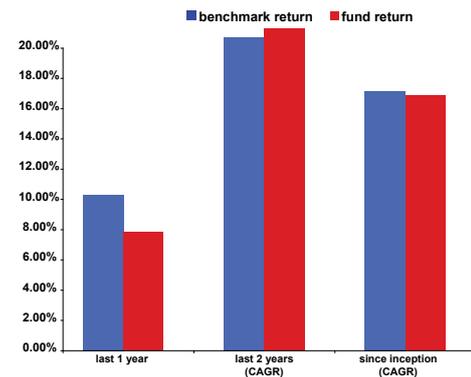
**total equity 38.29**

**total bank deposits 15.02**

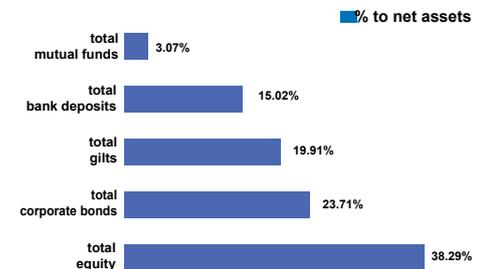
**total mutual funds 3.07**

**total net assets 100.00**

## fund return v/s benchmark return

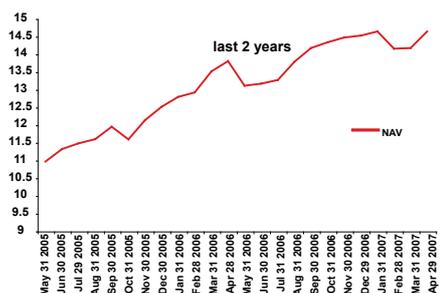


## asset allocation



## 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 Years Plan-Balanced Fund Option

## fund manager's report

The equity market for the month of April went up gradually after taking cues from the strong global markets and good quarterly results. Keeping in mind the risk profile of the fund and also based on our view of the market, the holding in equities was kept at 19.04%, below the maximum level of 20%.

The allocation to gilts at kept at 31%, around the same levels as earlier. The allocation to corporate bonds was increased from 28% to 32% in Apr 07 as bonds were giving attractive spread of around 200 bps or more over gilts. The modified duration of the portfolio was increased to 2.26 yrs in line with our view that the yield levels may be peaking. The allocation to short term bank deposits was reduced from 18% to 15%.

## benchmark construction

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

## fund performance

period	benchmark return	fund return	benchmark standard deviation	fund standard deviation	benchmark sharpe ratio	fund sharpe ratio
last 1 year	7.97%	6.90%	4.62%	4.85%	0.51	0.31
last 2 years (CAGR)	12.69%	12.59%	4.33%	4.52%	1.38	1.29
last 3 years (CAGR)	9.45%	10.23%	4.43%	4.31%	0.96	1.05
since inception (CAGR)	10.28%	12.25%	4.28%	4.06%	1.29	1.78
date of inception	february, 2003					

## portfolio

security	% of total assets	rating
----------	-------------------	--------

### corporate bonds

9.50% INDIAN HOTELS 28-02-12	3.99	AA+
10.20% HDFC NCD 13-04-10	3.60	AAA
8.25% IDBI OMNI BOND SER III 26-05-11	2.59	AA+
7.39% POWER GRID CORP 22-09-11	2.41	AAA
8.40% IRFC 14-05-07	2.39	AAA
8.90% CITIFINANCIAL CONSUMER NCD 05-08-09	2.35	AAA
9.80% POWER FINANCE CORP 22-03-12	2.27	AAA
6.25% ULTRATECH CEMENT 25-06-09	2.20	AA+
0% IDFC ZCB 27-06-08	2.13	AAA
9.00% SUNDARAM FINANCE NCD 17-08-09	2.09	AA+
10.75% IL & FS NCD SR XI 29-03-09	1.80	AAA
9.20% IL & FS NCD SR VI 23-04-08	1.18	AAA
7.15% IND OIL BOND 10-06-12	1.00	AAA
8.05% IRFC 15-07-07	0.95	AAA
6.50% HINDALCO 06-09-09	0.77	AAA
7.10% POWER GRID CORP 18-02-09	0.23	AAA

<b>total corporate bonds</b>	<b>31.96</b>	
------------------------------	--------------	--

### gilts

		SOVEREIGN
7.37% GOI 16-04-14	5.83	
8.07% GOI 15-01-17	5.22	
7.44% GOI SPL. OIL BOND 23-03-12	3.46	
9.39% GOI 02-07-11	3.11	
7.55% GOI 14-05-10	2.55	
182 DAYS TBILL 01-06-07	2.43	
7.33% OIL COMP GOI BOND 07-03-09	2.19	
6.65% GOI 05-04-09	2.10	
11.99% GOI 07-04-09	1.24	
6.96% GOI OIL COMP SPL. BOND 30-03-09	1.11	
11.40% GOI 31-08-08	0.95	
12.25% GOI 08-09-08	0.80	

<b>total gilts</b>	<b>30.97</b>	
--------------------	--------------	--

### equity

		N.A
CAP GOODS/ENGINEERING	2.82	
CUMMINS INDIA	0.59	
ALSTOM PROJECTS INDIA	0.58	
LARSEN & TOUBRO	0.58	
BHARAT HEAVY ELECTRICALS	0.51	
SIEMENS	0.39	
AREVA T & D INDIA	0.17	
IT	2.51	
INFOSYS TECHNOLOGIES	0.98	
TATA CONSULTANCY SERVICES	0.89	
HCL TECHNOLOGIES	0.63	
OIL REFINERIES	2.21	
RELIANCE INDUSTRIES	1.62	
INDIAN OIL CORPORATION	0.60	
AUTOMOBILES	1.94	
TATA MOTORS	0.99	
MARUTI UDYOG	0.56	
PUNJAB TRACTORS	0.39	
BANKING AND FINANCE	1.92	
ICICI BANK	0.67	
STATE BANK OF INDIA	0.63	
HDFC BANK	0.31	
HDFC	0.19	
PUNJAB NATIONAL BANK	0.12	
CEMENT & CEMENT PRODUCTS	1.63	
GRASIM INDUSTRIES	0.84	
ACC	0.52	
AMBUJA CEMENTS	0.27	
OIL AND EXPLORATION	1.21	
ONGC CORPORATION	1.21	
METALS	1.01	
TATA STEEL	0.63	
JSW STEELS	0.38	
TELECOM	0.89	
BHARTI AIRTEL	0.76	
RELIANCE COMMUNICATIONS	0.13	
PHARMACEUTICALS	0.83	
DIVIS LABORATORIES	0.52	
SUN PHARMACEUTICALS	0.27	
SUN PHARMA ADVANCE RESEARCH CO.	0.04	
CONSTRUCTION	0.57	
JAIPRAKASH ASSOCIATES	0.57	
FMCG	0.42	
HINDUSTAN LEVER	0.24	
ITC	0.17	
HOTELS	0.32	
INDIAN HOTELS	0.32	
AUTO ANCILLARY	0.30	
AUTOMATIVE AXLES	0.30	
FERTILISER	0.25	
GUJARAT STATE FERTILIZERS & CHEMICALS	0.25	
AVIATION	0.21	
DECCAN AVIATION	0.21	

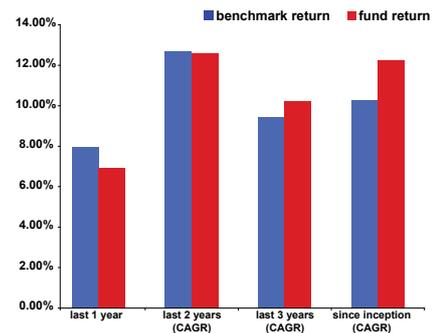
<b>total equity</b>	<b>19.04</b>
---------------------	--------------

<b>total bank deposits</b>	<b>14.96</b>
----------------------------	--------------

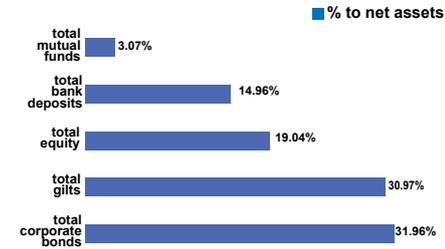
<b>total mutual funds</b>	<b>3.07</b>
---------------------------	-------------

<b>total net assets</b>	<b>100.00</b>
-------------------------	---------------

## fund return v/s benchmark return

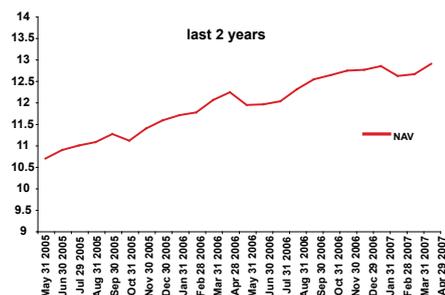


## asset allocation



## 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 Years Plan-Capital Secure Fund Option

# ULIP Capital Secure Fund

details as on April 30, 2007

## fund performance

period	benchmark return	fund return	benchmark standard deviation	fund standard deviation	benchmark sharpe ratio	fund sharpe ratio
last 1 year	7.20%	7.47%	0.16%	0.33%	12.95	6.64
last 2 years (CAGR)	6.54%	6.56%	0.25%	0.35%	5.40	3.94
last 3 years (CAGR)	6.06%	6.03%	0.29%	0.42%	3.46	2.10
since inception (CAGR)	5.36%	5.29%	0.41%	0.47%	1.16	0.85
date of inception	february, 2003					

## portfolio

security	% of total assets	rating
----------	-------------------	--------

### bank deposits

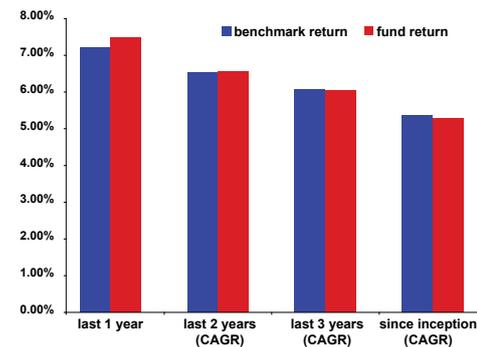
STATE BANK OF HYDERABAD CD 07-06-07	44.38	A1+
12% CITI BANK FD 09-05-07	25.61	
STATE BANK OF BIKANER AND JAIPUR CD 07-06-07	19.71	P1+
STATE BANK OF INDORE CD 21-05-07	8.40	P1+
CBLO 03-05-07	1.61	
CASH AND CASH RECEIVABLES	0.19	

**total bank deposits** 99.90

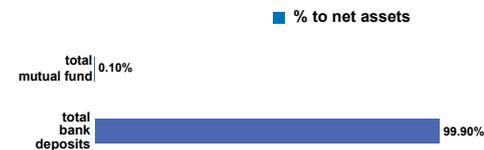
**total mutual funds** 0.10

**total net assets** 100.00

## fund return v/s benchmark return

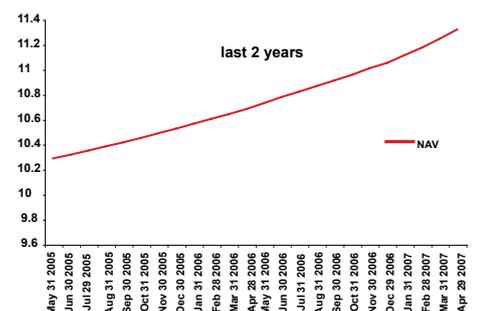


## asset allocation



## M. Duration of debt portfolio : 0.09 years

## NAV movement



## fund manager's report

The allocation to CDs (certificate of Deposits) and bank fixed deposits was at 99% to take advantage of high yields in these instruments.

## benchmark construction

Yield on 182-day T. Bills

## fund performance

period	benchmark return	fund return	benchmark standard deviation	fund standard deviation	benchmark sharpe ratio	fund sharpe ratio
last 1 year	10.33%	6.94%	8.76%	8.87%	0.61	0.22
last 2 years (CAGR)	20.72%	19.23%	8.44%	8.55%	1.86	1.67
since inception (CAGR)	17.16%	16.33%	7.93%	8.11%	1.53	1.40
date of inception			august, 2004			

## portfolio

security	% of total assets	rating
----------	-------------------	--------

### corporate bonds

9.50% INDIAN HOTELS 28-02-12	3.71	AA+
8.25% IDBI OMNI BOND SER III 26-05-11	1.42	AA+
7.15% IND OIL BOND 10-06-12	1.40	AAA
6.50% HINDALCO 06-09-09	1.40	AAA
6.25% ULTRATECH CEMENT 25-06-09	0.69	AA+
7.39% POWER GRID CORP 22-09-11	0.69	AAA

**total corporate bonds** 9.31

### gilts

		SOVEREIGN
9.39% GOI 02-07-11	35.66	
7.44% GOI Spl OIL BOND 23-03-12	3.28	
7.33% OIL COMP GOI BOND 07-03-09	1.59	
11.40% GOI 31-08-08	0.89	
12.25% GOI 08-09-08	0.51	

**total gilts** 41.93

**total bank deposits** 10.40

### equity

		N.A.
IT	6.68	
TCS	3.00	
INFOSYS TECHNOLOGIES	2.67	
HCL TECHNOLOGIES	1.01	
OIL REFINERIES	5.91	
RELIANCE INDUSTRIES	4.25	
INDIAN OIL CORPORATION	1.66	
CAP GOODS/ENGINEERING	5.23	
LARSEN & TOUBRO	2.31	
CUMMINS INDIA	1.77	
BHEL	1.15	
AUTOMOBILES	4.53	
TATA MOTORS	2.63	
MARUTI UDYOG	1.15	
PUNJAB TRACTORS	0.75	
BANKING AND FINANCE	4.43	
STATE BANK OF INDIA	1.59	
ICICI BANK	1.28	
HDFC BANK	0.64	
PUNJAB NATIONAL BANK	0.52	
HDFC	0.40	
OIL AND EXPLORATION	3.05	
ONGC CORPORATION	3.05	
CEMENT & CEMENT PRODUCTS	3.03	
GRASIM INDUSTRIES	1.37	
ACC	1.09	
AMBUJA CEMENTS	0.58	
METALS	1.87	
TATA STEEL	1.87	
FMCG	1.32	
HINDUSTAN LEVER	0.96	
ITC	0.36	
HOTELS	0.79	
INDIAN HOTELS	0.79	
AUTO ANCILLARY	0.70	
AUTOMATIVE AXLES	0.70	
POWER	0.42	
SUZLON ENERGY	0.42	
PHARMACEUTICALS	0.41	
SUN PHARMACEUTICALS	0.36	
SUN PHARMA ADVANCE RESEARCH CO.	0.05	

**total equity** 38.36

**total net assets** 100.00

## 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

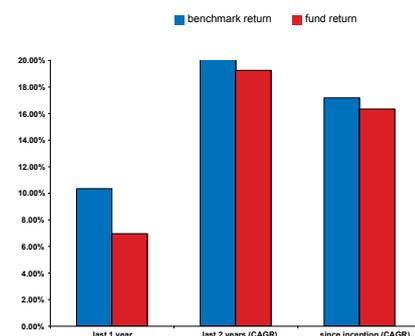
The allocation to G-Secs in Apr '07 was reduced to 42% from 47% in Mar 07. The allocation to corporate bonds was increased to 9% as compared to 6% last month. The allocation to short term CDs and FDs was marginally increased to 10% in Apr 07 as compared to 9% in Mar 07. The modified duration of debt portfolio which was kept at a low level of around 2 yrs, has been gradually increased to 2.7 years in line with our view that the yield levels may be peaking.

The equity market for the month of April went up gradually after taking cues from the strong global markets and good quarterly results. Keeping in mind the risk profile of the fund and also based on our view of the market, the holding in equities was kept at 38%, marginally below the maximum level of 40%.

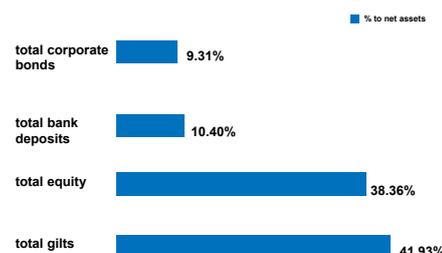
## benchmark construction

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

## fund return v/s benchmark return



## asset allocation



Duration of debt portfolio: 1.62 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

The allocation to G-Secs was increased to 47% in April '07 as against 41% in Mar '07. This was done as there was a dearth of good quality corporate bonds. We intend to reduce the G-Sec allocation as and when good quality corporate bonds become available. The allocation to corporate bonds was maintained at 18%. The allocation to short term CDs and FDs was reduced from 21% in Mar '07 to 15% in April '07 and the unlocked funds have been parked in more liquid G-Secs which will be sold off to acquire corporate bonds. The modified duration of debt portfolio which was kept at a low level of around 2 yrs, has been gradually increased to 2.5 years in line with our view that the yield levels may be peaking.

The equity market for the month of April went up gradually after taking cues from the strong global markets and good quarterly results. Keeping in mind the risk profile of the fund and also based on our view of the market, the holding in equities was kept at 19%, marginally below the maximum level of 20%.

## benchmark construction

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

# Group Balanced Fund

details as on April 30, 2007

## fund performance

period	benchmark return	fund return	benchmark standard deviation	fund standard deviation	benchmark sharpe ratio	fund sharpe ratio
last 1 year	7.97%	6.80%	4.62%	4.92%	0.64	0.37
last 2 years (CAGR)	12.69%	12.68%	4.33%	4.57%	1.78	1.68
last 3 years (CAGR)	9.45%	10.27%	4.43%	4.37%	1.00	1.21
since inception (CAGR)	10.28%	11.34%	4.28%	4.08%	1.23	1.55
date of inception	february, 2003					

## portfolio

security	% of total assets	rating
----------	-------------------	--------

### corporate bonds

9.50% INDIAN HOTELS 28-02-12	3.07	AA+
9.80% POWER FINANCE CORP 22-03-12	2.70	AAA
0% IDFC ZCB 27-06-08	2.32	AAA
8.25% IDBI OMNI BOND SER III 26-05-11	1.39	AA+
8.40% IRFC 14-05-07	1.39	AAA
7.39% POWER GRID CORP 22-09-11	1.36	AAA
10.75% IL & FS NCD SR XI 29-03-09	1.31	AAA
8.90% CITIFINANCIAL CONSUMER 05-08-09	1.27	AAA
6.25% ULTRATECH CEMENT 25-06-09	1.12	AA+
9.00% SUNDARAM FINANCE 17-08-09	1.01	AA+
7.15% IND OIL BOND 10-06-12	0.56	AAA
8.05% IRFC 15-07-07	0.48	AAA
6.50% HINDALCO 06-09-09	0.40	AAA
9.20% IL & FS NCD SR VI 23-04-08	0.27	AAA

**total corporate bonds** 18.65

### gilts

security	% of total assets	rating
9.39% GOI 02-07-11	12.12	SOVEREIGN
8.07% GOI 15-01-17	6.98	
7.55% GOI 14-05-10	6.31	
7.37% GOI 16-04-14	5.96	
11.99% GOI 07-04-09	4.99	
182 DAYS TBIL 01-06-07	2.96	
6.65% GOI 05-04-09	2.71	
7.44% GOI Spl OIL BOND 23-03-12	1.84	
6.96% OIL COMP GOI Spl. BOND 30-03-09	1.30	
7.33% OIL COMP GOI Spl. BOND 07-03-09	1.17	
12.25% GOI 08-09-08	0.52	
11.40% GOI 31-08-08	0.50	

**total gilts** 47.36

**total bank deposits** 14.90

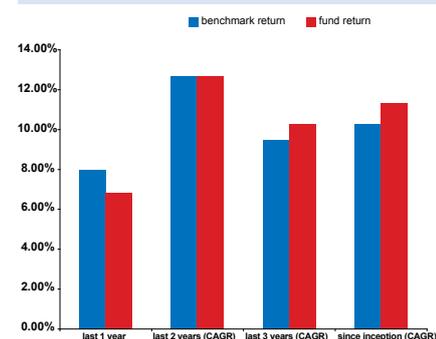
### equity

security	% of total assets	rating
IT	3.27	N.A.
TATA CONSULTANCY SERVICES	1.44	
INFOSYS TECHNOLOGIES	1.31	
HCL TECHNOLOGIES	0.52	
OIL REFINERIES	2.74	
RELIANCE INDUSTRIES	1.92	
INDIAN OIL CORPORATION	0.82	
CAP GOODS/ENGINEERING	2.67	
LARSEN AND TOUBRO	1.15	
CUMMINS INDIA	1.00	
BHARAT HEAVY ELECTRICALS	0.52	
AUTOMOBILES	2.30	
TATA MOTORS	1.31	
MARUTI UDYOG	0.57	
PUNJAB TRACTORS	0.41	
BANKING AND FINANCE	2.16	
STATE BANK OF INDIA	0.74	
ICICI BANK	0.65	
HDFC BANK	0.32	
PUNJAB NATIONAL BANK	0.26	
HDFC	0.20	
CEMENT & CEMENT PRODUCTS	1.81	
GRASIM INDUSTRIES	1.08	
ACC	0.43	
AMBUJA CEMENTS LTD	0.30	
OIL AND EXPLORATION	1.51	
ONGC CORPORATION	1.51	
METALS	0.90	
TATA STEEL	0.90	
FMCG	0.66	
HINDUSTAN LEVER	0.48	
ITC	0.18	
HOTELS	0.38	
INDIAN HOTELS	0.38	
AUTO ANCILLARY	0.32	
AUTOMATIVE AXLES	0.32	
POWER	0.21	
SUZLON ENERGY	0.21	
PHARMACEUTICALS	0.16	
SUN PHARMACEUTICALS	0.14	
SUN PHARMA ADVANCE RESEARCH CO.	0.02	

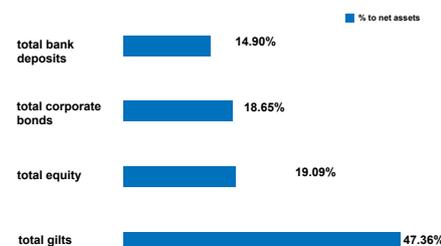
**total equity** 19.09

**total net assets** 100.00

## fund return v/s benchmark return



## asset allocation



Duration of debt portfolio: 2.04 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 April 30, 2007

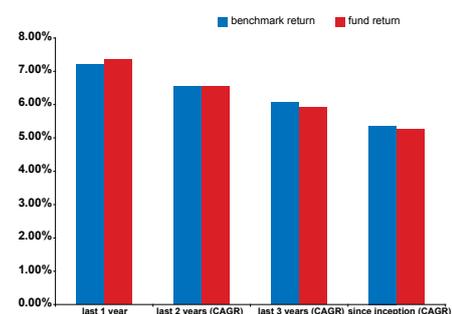
## fund performance

period	benchmark return	fund return	benchmark standard deviation	fund standard deviation	benchmark sharpe ratio	fund sharpe ratio
last 1 year	7.20%	7.36%	0.16%	0.29%	13.83	8.20
last 2 years (CAGR)	6.54%	6.54%	0.25%	0.31%	6.07	4.94
last 3 years (CAGR)	6.06%	5.92%	0.29%	0.39%	3.72	2.38
since inception (CAGR)	5.36%	5.26%	0.41%	0.45%	0.89	0.58
date of inception	february, 2003					

## portfolio

security	% of total assets	rating
<b>gilts</b>		
SOVEREIGN		
91 DAYS TBIL 29-06-07	42.09	
<b>total gilts</b>	<b>42.09</b>	
<b>bank deposits</b>		
STATE BANK OF HYDERABAD CD 07-06-07	40.96	A1+
STATE BANK OF INDORE CD 21-05-07	16.95	P1+
CASH AND CASH RECEIVABLES	0.01	
<b>total bank deposits</b>	<b>57.91</b>	
<b>total net assets</b>	<b>100.00</b>	

## fund return v/s benchmark return



## asset allocation



Duration of debt portfolio: 0.09 years

## fund manager's report

The allocation to G-secs was 42% in Apr'07 compared to 47% in Mar'06. The allocation was reduced to take advantage of the high yielding short-term CDs and FDs.

## benchmark construction

Yield on 182-day T. Bills