March 2008

RELIANCE Life Insurance

Anil Dhirubhai Ambani Group

A Reliance Capital Company

# the analyst monthly factsheet

## fund snapshot

| asset allocation | funds | gross return (CAGR*) (%) as on February 29, 2008 last 1 year | last 2 years | last 3 years | since inception | date of inception |
|---|---|---|---|---|---|---|
| 100 % equity | Ulip Equity | 36.39% | 28.20% | 33.58% | 35.22% | August, 2004 |
| 80% equity, 20% debt | Ulip Super Growth | N.A. | N.A. | N.A. | N.A. | May, 2007 |
| 60% equity, 40% debt | Ulip High Growth | 25.93% | N.A. | N.A. | 25.93% | March, 2007 |
| 50%equity, 50% debt | Ulip Growth Plus | 21.89% | N.A. | N.A. | 21.89% | March, 2007 |
| 40% equity, 60% debt | Ulip Growth | 20.68% | 15.90% | 17.26% | 17.38% | August, 2004 |
| 20%equity, 80% debt | Ulip Balanced | 15.70% | 12.16% | 12.21% | 12.46% | February, 2003 |
| 100% bond instruments | Ulip Corporate Bond | N.A. | N.A. | N.A. | N.A. | May, 2007 |
| 100% debt instruments | Ulip Pure Debt | N.A. | N.A. | N.A. | N.A. | April, 2007 |
| 100% govt. securities | Ulip Gilt | N.A. | N.A. | N.A. | N.A. | May, 2007 |
| 100% money market instruments | Ulip Money Market Fund | N.A. | N.A. | N.A. | N.A. | May, 2007 |
| 100% money market instruments | Ulip Capital Secure | 9.47% | 8.17% | 7.28% | 6.35% | February, 2003 |

*CAGR: Compounded Annual Growth Rate

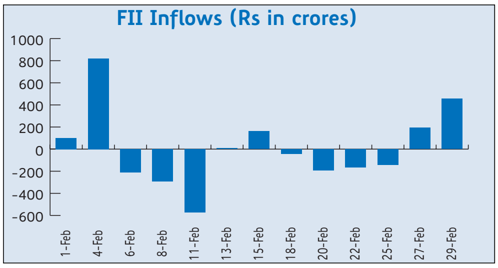
## investment philosophy

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.

| Indices (Closing) | This Month | Last Month | % Change |
|---|---|---|---|
| BSE Sensex | 17,578.72 | 17,648.71 | -0.40 |
| S&P CNX Nifty | 5,223.50 | 5,137.45 | 1.67 |
| CNX Mid Cap | 7,680.39 | 7,766.62 | -1.11 |
| BSE Small Cap | 9,628.13 | 10,124.42 | -4.90 |

| Fixed Income (Indicators %) | This Month | Last Month | Absolute Change |
|---|---|---|---|
| NSE Mibor | 7.54 | 6.93 | 0.61 |
| 91-day-T-Bills | 7.44 | 7.27 | 0.17 |
| 364-day-T-Bills | 7.55 | 7.49 | 0.06 |
| 5-Year-GoI benchmark | 7.55 | 7.51 | 0.04 |
| 10 year GoI benchmark | 7.56 | 7.52 | 0.04 |
| 5-year Corporate Bond Yield | 9.19 | 9.03 | 0.16 |

## equity market update-february 2008




### Market Review

The month of February 2008 was a volatile month for the bourses. The Sensex closed the month losing 0.40% at 17,578.72 points, while the Nifty closed at 5,223.50 points gaining 1.67%.

Despite FII inflows, domestic markets lost ground on weakening investor sentiment and primary markets appeared to be impacted by the ongoing uncertainty, with two IPOs being withdrawn. The selling was more pronounced in large caps.

The market was influenced by continued worries about the slowing US economy and volatility seen in index pivotals. Disappointing economic and corporate reports and high oil prices stoked concerns about the health of the US economy.

The Finance Minister in its Union budget for 2008-09 rationalised excise and custom duties to benefit the common man and combat inflation, bought new services under service tax net, increased threshold limit for income tax exemption to Rs 1,50,000, increased short term capital gains tax from 10% to 15%. The union budget largely maintained policy direction with the focus on agriculture and education sectors.

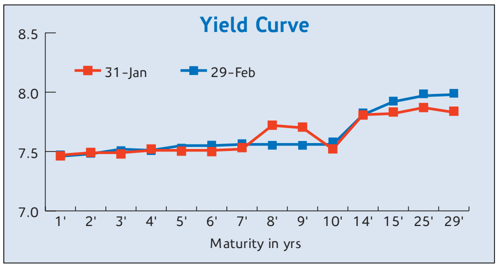
FIIs were net buyers in the market to the tune of Rs 1,733.30 crore. Also on the other hand, mutual funds were net buyers to the tune of Rs 57.50 crore.

Oil prices touched a record high above $103 a barrel amid fresh tensions in the Middle East and the dollar fell to new lows against most of its counterparts.

### Outlook

We believe that concerns over the treatment of STT and the hike in Short term capital gains tax coupled with weak global cues will lead to weak sentiments in the market. Hence, we believe that the market will consolidate and remain range bound for the next few weeks.

## debt market update-february 2008




### Market Review

The bond yields rose as high global oil prices enhanced concerns about rising inflation and cash conditions affecting demand. Pre budget the 10-year G-sec yield traded at 7.68%. Lower borrowing programme for the current fiscal in the budget gave a boost to the market and yield touched 7.55%. The 10-year G-sec yield closed the month at 7.56% as compared to 7.52% in the beginning of the month.

Despite large auctions, liquidity was comfortable due to large refunds from IPOs. Surplus cash thinned in some part of the month as government spending slowed and there was less rupee-selling intervention by the RBI in the foreign exchange market. Call rates traded in the range of 4.00%-9.00%.

India's industrial output rose an annual 7.6% in December 2007, outpacing its previous month's downwardly revised 5.1% due to a pick up in manufacturing. The Finance Minister in its budget proposed to expand the debt market by launching exchange traded currency and interest rate futures, development of a transparent credit market and enable investors to trade the embedded equity option in a convertible bond separately.

The rupee breached the Rs40 mark against the dollar during the month weighed down by losses in stock market and a dollar shortage in the banking system. The rupee ended the month at 40.01/02 per dollar.

Inflation data released during the month was in the range of 4.11%- 4.89%. This was due to rise in prices of food and primary products. US 10-year yield closed the month at 3.54%.

### Outlook

The yield curve at the shorter end is expected to remain flat considering tight liquidity expectations in the month owing to State loan auctions and tax outflow in the second fortnight. After the recent rally in gilts we expect some consolidation and profit booking. The 10-year benchmark G-sec yield may remain in the range of 7.40% to 7.70%.

Reliance Life Insurance

Anil Dhirubhai Ambani Group

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# ULIP Equity Fund

details as on February 29, 2008

## fund performance

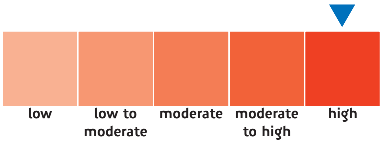
| period | gross fund return | benchmark return | fund standard deviation | benchmark standard deviation | fund sharpe ratio | benchmark sharpe ratio |
|---|---|---|---|---|---|---|
| last 1 year | 36.39% | 39.47% | 28.08% | 28.91% | 1.12 | 1.19 |
| last 2 years (CAGR) | 28.20% | 30.34% | 25.02% | 25.48% | 0.93 | 0.99 |
| last 3 years (CAGR) | 33.58% | 35.42% | 23.87% | 24.26% | 1.20 | 1.25 |
| since inception (CAGR) | 35.22% | 38.35% | 22.46% | 22.77% | 1.35 | 1.46 |
| date of inception | | | august, 2004 | | | |

*CAGR: Compounded Annual Growth Rate

## 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.

## fund risk profile




## products

Reliance Market Return Plan (MRP) - Equity Fund Option

Reliance Golden Year Plan (GYP) - Equity Fund Option

Reliance Automatic Investment Plan (AIP) - Equity Fund Option

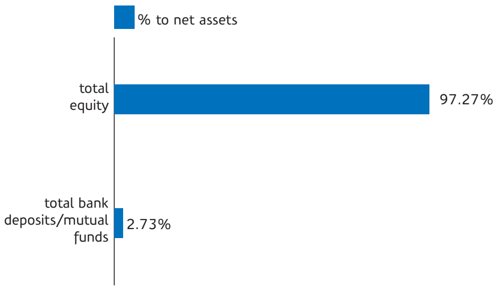
Reliance Secure Child Plan (SCP) - Equity Fund Option

Reliance Wealth + Health Plan (WHP) - Equity Fund Option

## portfolio

| security | % to net assets | rating/ 1-yr beta |
|---|---|---|
| **equity** | | |
| CAP GOODS/ENGINEERING | 15.63 | |
| LARSEN & TOUBRO | 3.97 | 1.06 |
| AREVA T & D INDIA | 3.16 | 1.03 |
| ALSTOM PROJECTS INDIA | 3.06 | 1.11 |
| SIEMENS | 2.52 | 0.90 |
| TRIVENI ENGEERING AND INDUSTRIES | 1.65 | 1.15 |
| CUMMINS INDIA | 1.27 | 0.78 |
| BANKING AND FINANCE | 15.61 | |
| STATE BANK OF INDIA | 5.53 | 1.00 |
| ICICI BANK | 4.80 | 1.04 |
| PUNJAB NATIONAL BANK | 2.29 | 1.10 |
| HOUSING DEVELOPMENT FINANCE CORPORATION | 1.88 | 0.89 |
| INDIABULLS SECURITIES | 0.54 | 1.00 |
| INDIABULLS FINANCIAL SERVICES | 0.38 | 1.38 |
| STATE BANK OF INDIA RIGHTS | 0.19 | 1.00 |
| METALS | 12.08 | |
| TATA STEEL | 5.32 | 0.73 |
| HINDALCO | 4.24 | 1.10 |
| STEEL AUTHORITY OF INDIA | 2.52 | 1.52 |
| OIL REFINERIES | 7.75 | |
| RELIANCE INDUSTRIES | 7.52 | 1.08 |
| GAIL INDIA | 0.23 | 0.91 |
| IT | 7.75 | |
| INFOSYS TECHNOLOGIES | 4.33 | 0.60 |
| TATA CONSULTANCY SERVICES | 2.15 | 0.73 |
| PATNI COMPUTERS | 0.73 | 0.87 |
| APTECH | 0.54 | 1.48 |
| AUTOMOBILES | 7.13 | |
| MARUTI SUZUKI | 4.76 | 0.83 |
| TATA MOTORS | 1.97 | 0.82 |
| EICHER MOTORS | 0.40 | 1.08 |
| CEMENT & CEMENT PRODUCTS | 4.57 | |
| GRASIM INDUSTRIES | 4.57 | 0.82 |
| OIL AND EXPLORATION | 3.85 | |
| ONGC CORPORATION | 3.85 | 1.09 |
| PHARMACEUTICALS | 3.78 | |
| DIVIS LABORATORIES | 3.78 | 1.07 |
| POWER | 3.77 | |
| TATA POWER | 3.77 | 1.18 |
| FERTILIZERS | 3.68 | |
| GUJARAT NARMADA VALLEY FERTILIZERS | 2.61 | 0.99 |
| GUJARAT STATE FERTILIZERS & CHEMICALS | 1.07 | 0.72 |
| TELECOM | 3.47 | |
| BHARTI AIRTEL | 3.06 | 0.89 |
| RELIANCE COMMUNICATIONS | 0.41 | 1.19 |
| AVIATION | 3.16 | |
| DECCAN AVIATION | 2.52 | 1.06 |
| JET AIRWAYS | 0.64 | 0.84 |
| HOTELS | 2.68 | |
| INDIAN HOTELS | 2.46 | 0.80 |
| INDIAN HOTELS RIGHTS | 0.22 | 0.80 |
| AUTO ANCILLARY | 1.36 | |
| AUTOMATIVE AXLES | 1.36 | 0.47 |
| CONSTRUCTION | 1.00 | |
| GAMMON INDIA | 1.00 | 0.92 |
| **total equity** | **97.27** | |
| **total bank deposits/mutual funds** | **2.73** | |
| **total net assets** | **100.00** | |

### asset allocation




### fund characteristics as on February 29, 2008

| | |
|---|---|
| Fund Beta | 0.97 |

### NAV as on February 29, 2008

Reliance Market Return Plan (MRP) - Equity Fund Option: Rs 28.1378

Reliance Golden Year Plan (GYP) - Equity Fund Option: Rs 14.0334

Reliance Automatic Investment Plan (AIP) - Equity Fund Option: Rs 11.9068

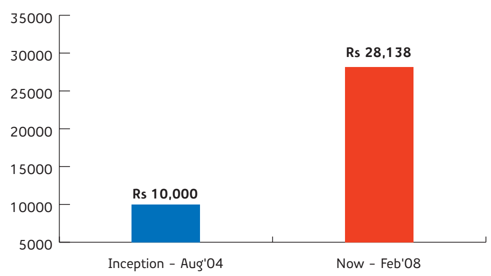
Reliance Secure Child Plan (SCP) - Equity Fund Option: Rs 9.0970

Reliance Wealth + Health Plan (WHP) - Equity Fund Option: Rs 9.9078

## fund manager's report

The month of February saw the markets remaining very volatile. The trend was influenced by increasing concerns of US economy slowing down further. The markets saw buying from the FIIs and mutual funds for the month. Looking at the volatile trend in the markets and the risk profile of the scheme, the holding in equities was kept at 97.27%.

### growth of initial investment of Rs 10,000 in MRP




## benchmark construction

S&P CNX Nifty: 100%

Reliance Life Insurance
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# ULIP Super Growth Fund

details as on February 29, 2008

## fund performance

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

## 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, which will be moderated through some exposure to debt. The risk appetite is 'high'.

## fund risk profile

low | low to moderate | moderate | moderate to high | high

## products

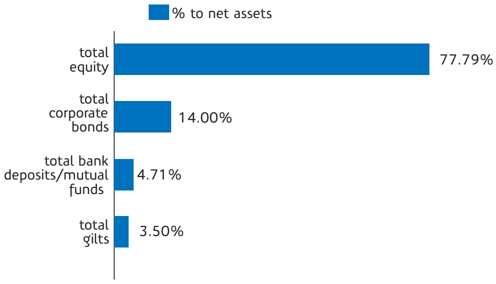
Reliance Automatic Investment Plan (AIP) - A Option

Relaince Wealth + Health Plan (WHP) - A Option

## portfolio

| security | % to net assets | rating/ 1-yr beta |
|---|---|---|
| **corporate bonds** | | |
| 10.05% NABARD 11-06-14 | 2.63 | AAA |
| 9.50% NABARD NPS BONDS SER IX I 15-10-12 | 1.97 | AAA |
| 5.85% PFC 01-08-08 | 1.83 | AAA |
| 7% PFC 24-12-09 | 1.69 | AAA |
| 9.25% EXIM BANK 13-12-12 | 1.56 | AAA |
| 9.20% HDFC 09-02-12 | 0.97 | AAA |
| 8.65% HDFC 12-09-11 | 0.95 | AAA |
| 6.10% IRFC 13-05-10 | 0.92 | AAA |
| 10% NABARD SER IX 14-05-12 | 0.60 | AAA |
| 9.25% POWER GRID CORPORATION 09-02-13 | 0.49 | AAA |
| 9.76% IRFC 03-07-12 | 0.40 | AAA |
| **total corporate bonds** | **14.00** | |
| **gilts** | | SOVEREIGN |
| 7.27% GOI 03-09-13 | 1.93 | |
| 7.99% GOI 09-07-17 | 0.70 | |
| 7.38% GOI 03-09-15 | 0.68 | |
| 7.44% GOI SPL. OIL BOND 23-03-12 | 0.19 | |
| **total gilts** | **3.50** | |
| **equity** | | |
| BANKING AND FINANCE | 12.22 | |
| STATE BANK OF INDIA | 4.85 | 1.00 |
| ICICI BANK | 3.53 | 1.04 |
| PUNJAB NATIONAL BANK | 1.84 | 1.10 |
| HOUSING DEVELOPMENT FINANCE CORPORATION | 1.22 | 0.89 |
| INDIABULLS SECURITIES | 0.40 | 1.00 |
| INDIABULLS FINANCIAL SERVICES | 0.22 | 1.38 |
| STATE BANK OF INDIA RIGHTS | 0.15 | 1.00 |
| CAP GOODS/ENGINEERING | 11.34 | |
| SIEMENS | 2.78 | 0.90 |
| LARSEN & TOUBRO | 2.28 | 1.06 |
| ALSTOM PROJECTS INDIA | 2.17 | 1.11 |
| AREVA T & D INDIA | 1.77 | 1.03 |
| TRIVENI ENGEERING AND INDUSTRIES | 1.18 | 1.15 |
| CUMMINS INDIA | 1.16 | 0.78 |
| METALS | 9.11 | |
| TATA STEEL | 4.51 | 0.73 |
| HINDALCO | 2.77 | 1.10 |
| STEEL AUTHORITY OF INDIA | 1.83 | 1.52 |
| OIL REFINERIES | 7.16 | |
| RELIANCE INDUSTRIES | 7.00 | 1.08 |
| GAIL INDIA | 0.16 | 0.91 |
| IT | 6.20 | |
| INFOSYS TECHNOLOGIES | 3.63 | 0.60 |
| TATA CONSULTANCY SERVICES | 1.90 | 0.73 |
| PATNI COMPUTERS | 0.59 | 0.87 |
| APTECH | 0.08 | 1.48 |
| AUTOMOBILES | 6.13 | |
| MARUTI SUZUKI | 3.60 | 0.83 |
| TATA MOTORS | 2.14 | 0.82 |
| EICHER MOTORS | 0.39 | 1.08 |
| CEMENT & CEMENT PRODUCTS | 3.92 | |
| GRASIM INDUSTRIES | 3.92 | 0.82 |
| PHARMACEUTICALS | 3.59 | |
| DIVIS LABORATORIES | 3.59 | 1.07 |
| OIL AND EXPLORATION | 3.21 | |
| ONGC CORPORATION | 3.21 | 1.09 |
| FERTILIZERS | 3.04 | |
| GUJARAT NARMADA VALLEY FERTILIZERS | 2.14 | 0.99 |
| GUJARAT STATE FERTILIZERS & CHEMICALS | 0.90 | 0.72 |
| POWER | 3.00 | |
| TATA POWER | 3.00 | 1.18 |
| TELECOM | 2.71 | |
| BHARTI AIRTEL | 2.68 | 0.89 |
| RELIANCE COMMUNICATIONS | 0.03 | 1.19 |
| HOTELS | 2.40 | |
| INDIAN HOTELS | 2.20 | 0.80 |
| INDIAN HOTELS RIGHTS | 0.19 | 0.80 |
| AVIATION | 2.11 | |
| DECCAN AVIATION | 1.94 | 1.06 |
| JET AIRWAYS | 0.17 | 0.84 |
| CONSTRUCTION | 0.91 | |
| GAMMON INDIA | 0.91 | 0.92 |
| AUTO ANCILLARY | 0.75 | |
| AUTOMATIVE AXLES | 0.75 | 0.47 |
| **total equity** | **77.79** | |
| **total bank deposits/mutual funds** | **4.71** | |
| **total net assets** | **100.00** | |

### asset allocation




### fund characteristics as on February 29, 2008

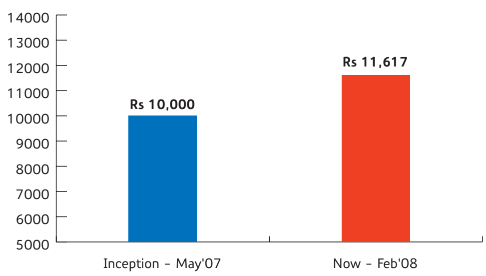
| | |
|---|---|
| M.Duration of debt portfolio: | 2.46 years |
| YTM of debt portfolio: | 8.68% |
| Beta of equity portfolio: | 0.96 |

### NAV as on February 29, 2008

Reliance Automatic Investment Plan (AIP) - A Option: Rs 11.6166

Reliance Wealth + Health Plan (WHP) - A Option: Rs 9.9204

### growth of initial investment of Rs 10,000 in AIP




## fund manager's report

The month of February saw the markets remaining very volatile. The trend was influenced by increasing concerns of US economy slowing down further. The markets saw buying from the FIIs and mutual funds for the month. Looking at the volatile trend in the markets and the risk profile of the scheme, the holding in equities was kept at 77.79%.

The fund has 3.50% exposure to gilts, 14.00% exposure to corporate bonds and 5.35% exposure to short term assets like CBLO and CDs. We may increase duration of the fund going forward.

## benchmark construction

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

Reliance Life Insurance

Anil Dhirubhai Ambani Group

A Reliance Capital Company

# ULIP High Growth Fund

details as on February 29, 2008

## fund performance

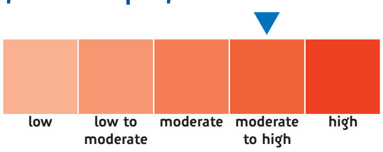
| period | gross fund return | benchmark return | fund standard deviation | benchmark standard deviation | fund sharpe ratio | benchmark sharpe ratio |
|---|---|---|---|---|---|---|
| last 1 year | 25.93% | 27.45% | 17.44% | 17.54% | 1.20 | 1.28 |
| since inception (CAGR) | 25.93% | 27.45% | 17.44% | 17.54% | 1.20 | 1.28 |
| date of inception | | | march, 2007 | | | |

*CAGR: Compounded Annual Growth Rate

## 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'.

## fund risk profile



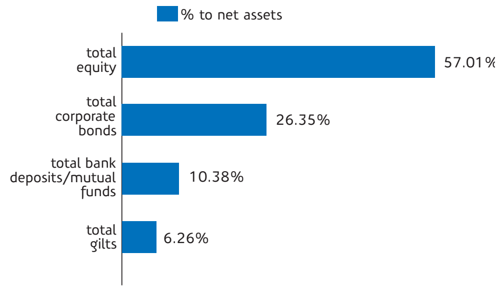

## products

Reliance Money Guarantee Plan (MGP) - F Option

## portfolio

| security | % to net assets | rating/ 1-yr beta |
|---|---|---|
| **corporate bonds** | | |
| 8.90% CITIFINANCIAL CONSUMER 05-08-09 | 2.63 | AAA |
| 9.80% PFC 22-03-12 | 2.41 | AAA |
| 10.20% HDFC 13-04-10 | 2.41 | AAA |
| 9.50% NABARD NPS BONDS SER IX I 15-10-12 | 2.40 | AAA |
| 9.25% EXIM BANK 13-12-12 | 2.38 | AAA |
| 6.31% EXIM BANK 17-01-10 | 2.26 | AAA |
| 10.10% POWER GRID CORPORATION 12-06-12 | 1.95 | AAA |
| 9.68% IRFC 03-07-10 | 1.92 | AAA |
| 8.25% IDBI OMNI BOND SER III 26-05-11 | 1.10 | AA+ |
| 10% NABARD 18-06-10 | 1.06 | AAA |
| 9.65% NABARD SER IX G 10-09-09 | 1.03 | AAA |
| 10.75% IL & FS SER XI 29-03-09 | 0.96 | AAA |
| 9.50% INDIAN HOTELS 28-02-12 | 0.95 | AA+ |
| 9.80% PFC SER XXXVIII 20-09-12 | 0.73 | AAA |
| 7.60% ICICI BANK 30-12-15 | 0.70 | AAA |
| 10.05% NABARD 11-06-14 | 0.49 | AAA |
| 9.76% IRFC 03-07-12 | 0.49 | AAA |
| 10.10% POWER GRID CORPORATION 12-06-11 | 0.48 | AAA |
| **total corporate bonds** | **26.35** | |
| **gilts** | | SOVEREIGN |
| 7.37% GOI 16-04-14 | 2.83 | |
| 9.39% GOI 02-07-11 | 2.49 | |
| 7.38% GOI 03-09-15 | 0.94 | |
| **total gilts** | **6.26** | |
| **equity** | | |
| BANKING AND FINANCE | 9.67 | |
| STATE BANK OF INDIA | 3.75 | 1.00 |
| ICICI BANK | 2.97 | 1.04 |
| PUNJAB NATIONAL BANK | 1.36 | 1.10 |
| HOUSING DEVELOPMENT FINANCE CORPORATION | 0.89 | 0.89 |
| INDIABULLS SECURITIES | 0.37 | 1.00 |
| INDIABULLS FINANCIAL SERVICES | 0.19 | 1.38 |
| STATE BANK OF INDIA RIGHTS | 0.14 | 1.00 |
| CAP GOODS/ENGINEERING | 8.60 | |
| SIEMENS | 2.14 | 0.90 |
| LARSEN & TOUBRO | 2.08 | 1.06 |
| ALSTOM PROJECTS INDIA | 1.36 | 1.11 |
| AREVA T & D INDIA | 1.24 | 1.03 |
| CUMMINS INDIA | 0.91 | 0.78 |
| TRIVENI ENGEERING AND INDUSTRIES | 0.87 | 1.15 |
| METALS | 6.61 | |
| TATA STEEL | 3.32 | 0.73 |
| HINDALCO | 2.03 | 1.10 |
| STEEL AUTHORITY OF INDIA | 1.26 | 1.52 |
| OIL REFINERIES | 5.11 | |
| RELIANCE INDUSTRIES | 4.99 | 1.08 |
| GAIL INDIA | 0.12 | 0.91 |
| IT | 4.43 | |
| INFOSYS TECHNOLOGIES | 2.58 | 0.60 |
| TATA CONSULTANCY SERVICES | 1.33 | 0.73 |
| PATNI COMPUTERS | 0.46 | 0.87 |
| APTECH | 0.06 | 1.48 |
| AUTOMOBILES | 4.22 | |
| MARUTI SUZUKI | 2.46 | 0.83 |
| TATA MOTORS | 1.46 | 0.82 |
| EICHER MOTORS | 0.30 | 1.08 |
| CEMENT & CEMENT PRODUCTS | 2.71 | |
| GRASIM INDUSTRIES | 2.71 | 0.82 |
| OIL AND EXPLORATION | 2.45 | |
| ONGC CORPORATION | 2.45 | 1.09 |
| POWER | 2.23 | |
| TATA POWER | 2.23 | 1.18 |
| FERTILIZERS | 2.19 | |
| GUJARAT NARMADA VALLEY FERTILIZERS | 1.54 | 0.99 |
| GUJARAT STATE FERTILIZERS & CHEMICALS | 0.66 | 0.72 |
| TELECOM | 2.18 | |
| BHARTI AIRTEL | 1.87 | 0.89 |
| RELIANCE COMMUNICATIONS | 0.31 | 1.19 |
| PHARMACEUTICALS | 2.14 | |
| DIVIS LABORATORIES | 2.14 | 1.07 |
| HOTELS | 1.61 | |
| INDIAN HOTELS | 1.47 | 0.80 |
| INDIAN HOTELS RIGHTS | 0.14 | 0.80 |
| AVIATION | 1.56 | |
| DECCAN AVIATION | 1.44 | 1.06 |
| JET AIRWAYS | 0.12 | 0.84 |
| CONSTRUCTION | 0.67 | |
| GAMMON INDIA | 0.67 | 0.92 |
| AUTO ANCILLARY | 0.61 | |
| AUTOMATIVE AXLES | 0.61 | 0.47 |
| **total equity** | **57.01** | |
| **total bank deposits/mutual funds** | **10.38** | |
| **total net assets** | **100.00** | |

## asset allocation



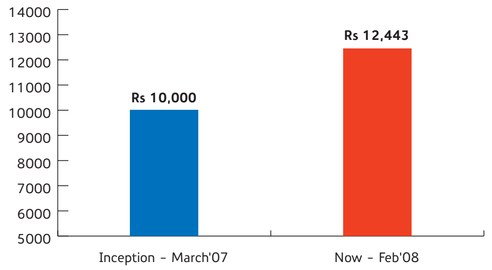

## fund characteristics as on February 29, 2008

| | |
|---|---|
| M.Duration of debt portfolio: | 2.17 years |
| YTM of debt portfolio: | 9.44% |
| Beta of equity portfolio: | 0.96 |

## NAV as on February 29, 2008

Reliance Money Guarantee Plan (MGP) - F Option: Rs 12.4425

## growth of initial investment of Rs 10,000 in MGP




## fund manager's report

The month of February saw the markets remaining very volatile. The trend was influenced by increasing concerns of US economy slowing down further. The markets saw buying from the FIIs and mutual funds for the month. Looking at the volatile trend in the markets and the risk profile of the scheme, the holding in equities was kept at 57.01%.

The allocation to gilts was at 6.26%. The allocation to short term assets also was higher at 9.69%. The allocation to corporate bonds was maintained to around 26.35% of the portfolio. We may increase duration of fund going forward.

## benchmark construction

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

Reliance Life Insurance

Anil Dhirubhai Ambani Group

A Reliance Capital Company

# ULIP Growth Plus Fund

details as on February 29, 2008

## fund performance

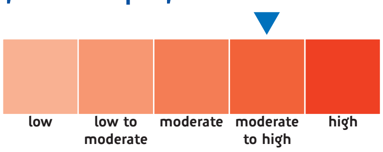
| period | gross fund return | benchmark return | fund standard deviation | benchmark standard deviation | fund sharpe ratio | benchmark sharpe ratio |
|---|---|---|---|---|---|---|
| last 1 year | 21.89% | 24.36% | 14.19% | 14.70% | 1.19 | 1.32 |
| since inception (CAGR) | 21.89% | 24.36% | 14.19% | 14.70% | 1.19 | 1.32 |
| date of inception | | | march, 2007 | | | |

*CAGR: Compounded Annual Growth Rate

## 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'.

## fund risk profile




## products

Reliance Money Guarantee Plan (MGP) - E Option

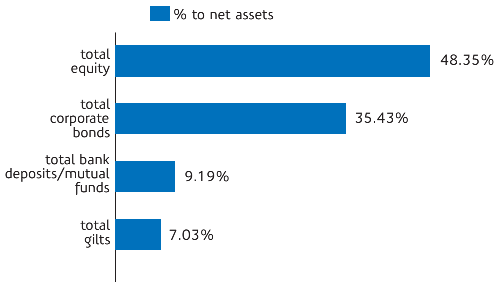
Reliance Automatic Investment Plan (AIP) - B Option

Reliance Wealth + Health Plan (WHP) - B Option

## portfolio

| security | % to net assets | rating/ 1-yr beta |
|---|---|---|
| **corporate bonds** | | |
| 5.85% PFC 01-08-08 | 4.59 | AAA |
| 9.65% NABARD SER IX G 10-09-09 | 3.71 | AAA |
| 10.05% NABARD 11-06-14 | 3.15 | AAA |
| 8.90% CITIFINANCIAL CONSUMER 05-08-09 | 2.38 | AAA |
| 9.20% IL & FS SER VI 23-04-08 | 2.18 | AAA |
| 9.20% HDFC 09-02-12 | 2.17 | AAA |
| 8.95% HDFC 29-10-10 | 2.15 | AAA |
| 8.65% HDFC 12-09-11 | 2.13 | AAA |
| 6.10% IRFC 13-05-10 | 2.04 | AAA |
| 9.50% NABARD NPS BONDS SER IX I 15-10-12 | 1.75 | AAA |
| 9.25% EXIM BANK 13-12-12 | 1.74 | AAA |
| 7% PFC 24-12-09 | 1.67 | AAA |
| 7.60% ICICI BANK 30-12-15 | 1.60 | AAA |
| 6.10% POWER GRID CORPORATION 17-07-10 | 1.01 | AAA |
| 10% NABARD SER IX 14-05-12 | 0.89 | AAA |
| 9.35% IL & FS 22-10-10 | 0.87 | AAA |
| 8.50% EXIM BANK 26-09-11 | 0.85 | AAA |
| 10.10% POWER GRID CORPORATION 12-06-11 | 0.55 | AAA |
| **total corporate bonds** | **35.43** | |
| **gilts** | | SOVEREIGN |
| 7.99% GOI 09-07-17 | 4.02 | |
| 7.38% GOI 03-09-15 | 1.51 | |
| 7.37% GOI 16-04-14 | 1.08 | |
| 7.44% GOI SPL. OIL BOND 23-03-12 | 0.42 | |
| **total gilts** | **7.03** | |
| **equity** | | |
| BANKING AND FINANCE | 8.17 | |
| STATE BANK OF INDIA | 3.03 | 1.00 |
| ICICI BANK | 2.83 | 1.04 |
| PUNJAB NATIONAL BANK | 1.09 | 1.10 |
| HOUSING DEVELOPMENT FINANCE CORPORATION | 0.76 | 0.89 |
| INDIABULLS SECURITIES | 0.23 | 1.00 |
| INDIABULLS FINANCIAL SERVICES | 0.13 | 1.38 |
| STATE BANK OF INDIA RIGHTS | 0.10 | 1.00 |
| CAP GOODS/ENGINEERING | 7.15 | |
| SIEMENS | 1.81 | 0.90 |
| LARSEN & TOUBRO | 1.62 | 1.06 |
| ALSTOM PROJECTS INDIA | 1.22 | 1.11 |
| AREVA T & D INDIA | 1.07 | 1.03 |
| TRIVENI ENGEERING AND INDUSTRIES | 0.73 | 1.15 |
| CUMMINS INDIA | 0.70 | 0.78 |
| METALS | 5.73 | |
| TATA STEEL | 2.81 | 0.73 |
| HINDALCO | 1.77 | 1.10 |
| STEEL AUTHORITY OF INDIA | 1.15 | 1.52 |
| OIL REFINERIES | 4.45 | |
| RELIANCE INDUSTRIES | 4.35 | 1.08 |
| GAIL INDIA | 0.10 | 0.91 |
| AUTOMOBILES | 3.81 | |
| MARUTI SUZUKI | 2.22 | 0.83 |
| TATA MOTORS | 1.24 | 0.82 |
| EICHER MOTORS | 0.35 | 1.08 |
| IT | 3.73 | |
| INFOSYS TECHNOLOGIES | 2.16 | 0.60 |
| TATA CONSULTANCY SERVICES | 1.15 | 0.73 |
| PATNI COMPUTERS | 0.37 | 0.87 |
| APTECH | 0.05 | 1.48 |
| CEMENT & CEMENT PRODUCTS | 2.36 | |
| GRASIM INDUSTRIES | 2.36 | 0.82 |
| OIL AND EXPLORATION | 2.06 | |
| ONGC CORPORATION | 2.06 | 1.09 |
| FERTILIZERS | 1.88 | |
| GUJARAT NARMADA VALLEY FERTILIZERS | 1.33 | 0.99 |
| GUJARAT STATE FERTILIZERS & CHEMICALS | 0.56 | 0.72 |
| POWER | 1.88 | |
| TATA POWER | 1.88 | 1.18 |
| PHARMACEUTICALS | 1.84 | |
| DIVIS LABORATORIES | 1.84 | 1.07 |
| TELECOM | 1.64 | |
| BHARTI AIRTEL | 1.62 | 0.89 |
| RELIANCE COMMUNICATIONS | 0.02 | 1.19 |
| HOTELS | 1.33 | |
| INDIAN HOTELS | 1.22 | 0.80 |
| INDIAN HOTELS RIGHTS | 0.11 | 0.80 |
| AVIATION | 1.30 | |
| DECCAN AVIATION | 1.20 | 1.06 |
| JET AIRWAYS | 0.10 | 0.84 |
| CONSTRUCTION | 0.55 | |
| GAMMON INDIA | 0.55 | 0.92 |
| AUTO ANCILLARY | 0.46 | |
| AUTOMATIVE AXLES | 0.46 | 0.47 |
| **total equity** | **48.35** | |
| **total bank deposits/mutual funds** | **9.19** | |
| **total net assets** | **100.00** | |

## asset allocation




## fund characteristics as on February 29, 2008

| | |
|---|---|
| M.Duration of debt portfolio: | 2.38 years |
| YTM of debt portfolio: | 8.98% |
| Beta of equity portfolio: | 0.96 |

## NAV as on February 29, 2008

Reliance Money Guarantee Plan (MGP) - E Option: Rs 12.0387

Reliance Automatic Investment Plan (AIP) - B Option: Rs 11.3352

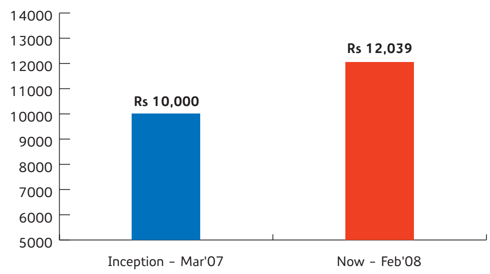
Reliance Wealth + Health Plan (WHP) - B Option: Rs 9.9537

## fund manager's report

The month of February saw the markets remaining very volatile. The trend was influenced by increasing concerns of US economy slowing down further. The markets saw buying from the FIIs and mutual funds for the month. Looking at the volatile trend in the markets and the risk profile of the scheme, the holding in equities was kept at 48.35%.

The allocation to gilts was marginally increased to 7.03% in February. Allocation to short term assets was increased to 8.61% in February, 2008 to get the benefit of high yields. Allocation to corporate bonds was reduced to 35.43%.

## growth of initial investment of Rs 10,000 in MGP




## benchmark construction

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

Reliance Life Insurance

Anil Dhirubhai Ambani Group

A Reliance Capital Company

# ULIP Growth Fund

details as on February 29, 2008

## fund performance

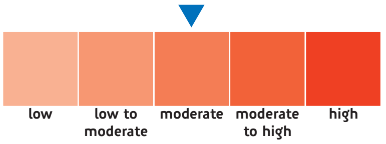
| period | gross fund return | benchmark return | fund standard deviation | benchmark standard deviation | fund sharpe ratio | benchmark sharpe ratio |
|---|---|---|---|---|---|---|
| last 1 year | 20.68% | 21.25% | 12.17% | 11.87% | 1.29 | 1.37 |
| last 2 years (CAGR) | 15.90% | 16.69% | 10.71% | 10.45% | 1.02 | 1.12 |
| last 3 years (CAGR) | 17.26% | 17.79% | 9.97% | 9.87% | 1.23 | 1.30 |
| since inception (CAGR) | 17.38% | 17.73% | 9.34% | 9.17% | 1.33 | 1.39 |
| date of inception | | | august, 2004 | | | |

*CAGR: Compounded Annual Growth Rate

## fund objective

The investment objective of the fund is to 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'.

## fund risk profile




## products

Reliance Market Return Plan (MRP) - Growth Fund Option

Reliance Golden Year Plan (GYP) - Growth Fund Option

Reliance Money Guarantee Plan (MGP) - D Option

Reliance Secure Child Plan (SCP) - H Option

## fund manager's report

The month of February saw the markets remaining very volatile. The trend was influenced by increasing concerns of US economy slowing down further. The markets saw buying from the FIIs and mutual funds for the month. Looking at the volatile trend in the markets and the risk profile of the scheme, the holding in equities was kept at 39.76%.

The allocation to corporate bonds was increased marginally to 43.56% in February. The G-sec allocation was at 11.95% in February. The allocation to short term bank deposits and mutual funds was at 4.73%. Going forward we may increase gilts exposure.

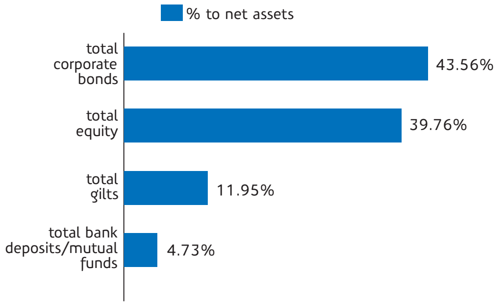
## benchmark construction

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

## portfolio

| security | % to net assets | rating/ 1-yr beta |
|---|---|---|
| **corporate bonds** | | |
| 9.58% EXIM BANK 04-09-09 | 4.01 | AAA |
| 9.20% IL & FS NCD SER VI 23-04-08 | 3.91 | AAA |
| 7.15% INDIAN OIL BOND 10-06-10 | 3.68 | AAA |
| 8.25% IDBI OMNI BOND SER III 26-05-11 | 3.48 | AA+ |
| 9.50% NABARD NPS BONDS SER IX I 15-10-12 | 2.95 | AAA |
| 9.50% INDIAN HOTELS 28-02-12 | 2.92 | AA+ |
| 8.95% HDFC 29-10-10 | 2.90 | AAA |
| 9.68% IRFC 03-07-10 | 2.07 | AAA |
| 10.05% NABARD 11-06-14 | 2.02 | AAA |
| 10.20% HDFC 13-04-10 | 1.98 | AAA |
| 9.50% NABARD 29-06-08 | 1.95 | AAA |
| 0% HDFC 22-09-08 | 1.85 | AAA |
| 7.20% HDFC 03-06-10 | 1.68 | AAA |
| 8.65% HDFC 12-09-11 | 1.43 | AAA |
| 11.03% TML FINANCIAL SERVICES 22-06-09 | 1.29 | AA+ |
| 10.10% POWER GRID CORPORATION 12-06-12 | 1.00 | AAA |
| 9.80% PFC SER XXXVIII 20-09-12 | 0.99 | AAA |
| 9% TATA SONS 27-07-10 | 0.97 | AAA |
| 8.40% EXIM BANK 28-09-10 | 0.95 | AAA |
| 7.39% POWER GRID CORPORATION 22-09-11 | 0.92 | AAA |
| 10% NABARD NCD SER IX 14-05-12 | 0.60 | AAA |
| **total corporate bonds** | **43.56** | |
| **gilts** | | SOVEREIGN |
| 7.44% GOI SPL. OIL BOND 23-03-12 | 4.08 | |
| 7.49% GOI 16-04-17 | 2.43 | |
| 7.37% GOI 16-04-14 | 2.21 | |
| 7.33% GOI OIL COMP BOND 07-03-09 | 1.97 | |
| 11.40% GOI 31-08-08 | 0.77 | |
| 7.99% GOI 09-07-17 | 0.50 | |
| **total gilts** | **11.95** | |
| **equity** | | |
| BANKING AND FINANCE | 6.49 | |
| STATE BANK OF INDIA | 2.42 | 1.00 |
| ICICI BANK | 2.03 | 1.04 |
| PUNJAB NATIONAL BANK | 0.95 | 1.10 |
| HOUSING DEVELOPMENT FINANCE CORPORATION | 0.62 | 0.89 |
| INDIABULLS SECURITIES | 0.25 | 1.00 |
| INDIABULLS FINANCIAL SERVICES | 0.13 | 1.38 |
| STATE BANK OF INDIA RIGHTS | 0.09 | 1.00 |
| CAP GOODS/ENGINEERING | 6.02 | |
| LARSEN & TOUBRO | 1.39 | 1.06 |
| SIEMENS | 1.34 | 0.90 |
| ALSTOM PROJECTS INDIA | 1.05 | 1.11 |
| AREVA T & D INDIA | 0.99 | 1.03 |
| CUMMINS INDIA | 0.64 | 0.78 |
| TRIVENI ENGEERING AND INDUSTRIES LTD | 0.61 | 1.15 |
| METALS | 4.52 | |
| TATA STEEL | 2.32 | 0.73 |
| HINDALCO | 1.34 | 1.10 |
| STEEL AUTHORITY OF INDIA | 0.86 | 1.52 |
| OIL REFINERIES | 3.57 | |
| RELIANCE INDUSTRIES | 3.49 | 1.08 |
| GAIL INDIA | 0.08 | 0.91 |
| IT | 3.06 | |
| INFOSYS TECHNOLOGIES | 1.80 | 0.60 |
| TATA CONSULTANCY SERVICES | 0.91 | 0.73 |
| PATNI COMPUTERS | 0.31 | 0.87 |
| APTECH | 0.04 | 1.48 |
| AUTOMOBILES | 3.02 | |
| MARUTI SUZUKI | 1.75 | 0.83 |
| TATA MOTORS | 1.06 | 0.82 |
| EICHER MOTORS | 0.21 | 1.08 |
| CEMENT & CEMENT PRODUCTS | 1.97 | |
| GRASIM INDUSTRIES | 1.97 | 0.82 |
| TELECOM | 1.86 | |
| BHARTI AIRTEL | 1.34 | 0.89 |
| RELIANCE COMMUNICATIONS | 0.52 | 1.19 |
| OIL AND EXPLORATION | 1.65 | |
| ONGC CORPORATION | 1.65 | 1.09 |
| POWER | 1.55 | |
| TATA POWER | 1.55 | 1.18 |
| FERTILIZERS | 1.54 | |
| GUJARAT NARMADA VALLEY FERTILIZERS | 1.08 | 0.99 |
| GUJARAT STATE FERTILIZERS & CHEMICALS | 0.46 | 0.72 |
| PHARMACEUTICALS | 1.47 | |
| DIVIS LABORATORIES | 1.47 | 1.07 |
| AVIATION | 1.09 | |
| DECCAN AVIATION | 1.00 | 1.06 |
| JET AIRWAYS | 0.09 | 0.84 |
| HOTELS | 1.04 | |
| INDIAN HOTELS | 0.96 | 0.80 |
| INDIAN HOTELS RIGHTS | 0.09 | 0.80 |
| CONSTRUCTION | 0.46 | |
| GAMMON INDIA | 0.46 | 0.92 |
| AUTO ANCILLARY | 0.44 | |
| AUTOMATIVE AXLES | 0.44 | 0.47 |
| **total equity** | **39.76** | |
| **total bank deposits/mutual funds** | **4.73** | |
| **total net assets** | **100.00** | |

## asset allocation




## fund characteristics as on February 29, 2008

| | |
|---|---|
| M.Duration of debt portfolio: | 2.28 years |
| YTM of debt portfolio: | 8.90% |
| Beta of equity portfolio: | 0.96 |

## NAV as on February 29, 2008

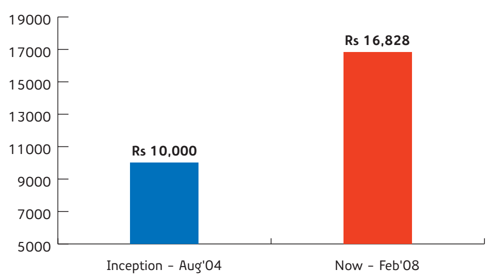
Reliance Market Return Plan (MRP) - Growth Fund Option: Rs 16.8275

Reliance Golden Year Plan (GYP) - Growth Fund Option: Rs 13.4198

Reliance Money Guarantee Plan (MGP) - D Option: Rs 11.8696

Reliance Secure Child Plan (SCP) - H Option: Rs 9.7536

## growth of initial investment of Rs 10,000 in MRP



RELIANCE Life Insurance

Anil Dhirubhai Ambani Group

A Reliance Capital Company

# ULIP Balanced Fund

details as on February 29, 2008

## fund objective

The investment objective of the fund is to 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'.

## fund risk profile

low | low to moderate | moderate | moderate to high | high

## products

Reliance Market Return Plan (MRP) - Balanced Fund Option

Reliance Golden Year Plan (GYP) - Balanced Fund Option

Reliance Automatic Investment Plan (AIP) - C Option

Reliance Secure Child Plan (SCP) - G Option

## fund performance

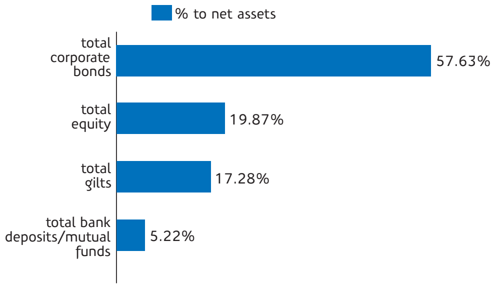
| period | gross fund return | benchmark return | fund standard deviation | benchmark standard deviation | fund sharpe ratio | benchmark sharpe ratio |
|---|---|---|---|---|---|---|
| last 1 year | 15.70% | 14.98% | 6.39% | 6.24% | 1.67 | 1.60 |
| last 2 years (CAGR) | 12.16% | 11.88% | 5.75% | 5.49% | 1.24 | 1.25 |
| last 3 years (CAGR) | 12.21% | 11.89% | 5.30% | 5.13% | 1.36 | 1.34 |
| since inception (CAGR) | 12.46% | 10.93% | 4.60% | 4.73% | 1.62 | 1.25 |
| date of inception | | | february, 2003 | | | |

*CAGR: Compounded Annual Growth Rate

## portfolio

| security | % to net assets | rating/ 1-yr beta |
|---|---|---|
| **corporate bonds** | | |
| 9.68% IRFC 03-07-10 | 4.48 | AAA |
| 9.80% ICICI BANK 10-02-13 | 4.43 | AAA |
| 9.40% TATA TEA 08-11-10 | 4.32 | AA+ |
| 8% EXIM BANK 27-09-08 | 4.31 | AAA |
| 9.00% SUNDARAM FINANCE 17-08-09 | 3.36 | AA+ |
| 9.35% IL & FS 22-10-10 | 3.30 | AAA |
| 9.50% INDIAN HOTELS 28-02-12 | 2.95 | AA+ |
| 6.25% ULTRATECH CEMENT 25-06-09 | 2.93 | AAA |
| 10.20% HDFC 13-04-10 | 2.65 | AAA |
| 10.75% IL & FS SER XI 29-03-09 | 2.63 | AAA |
| 9.80% PFC SER XXXVIII 20-09-12 | 2.21 | AAA |
| 11.03% TML FINANCIAL SERVICES 22-06-09 | 2.21 | AA+ |
| 9.25% EXIM BANK 13-12-12 | 2.17 | AAA |
| 8.40% EXIM BANK 28-09-10 | 2.12 | AAA |
| 8.25% IDBI OMNI BOND SER III 26-05-11 | 1.92 | AA+ |
| 7.39% POWER GRID CORPORATION 22-09-11 | 1.80 | AAA |
| 9.50% NABARD NPS BONDS SER IX I 15-10-12 | 1.75 | AAA |
| 9.50% NABARD 29-06-08 | 1.74 | AAA |
| 9% TATA SONS 27-07-10 | 1.72 | AAA |
| 0% IDFC 27-06-08 | 1.69 | AAA |
| 0% HDFC 22-09-08 | 1.65 | AAA |
| 8.95% HDFC 29-10-10 | 1.29 | AAA |
| **total corporate bonds** | **57.63** | |
| **gilts** | | SOVEREIGN |
| 7.37% GOI 16-04-14 | 5.24 | |
| 7.38% GOI 03-09-15 | 2.96 | |
| 7.44% GOI SPL OIL BOND 23-03-12 | 2.56 | |
| 6.96% GOI OIL COMPSPL. BOND 30-03-09 | 2.20 | |
| 7.49% GOI 16-04-17 | 2.17 | |
| 7.99% GOI 09-07-17 | 1.70 | |
| 11.40% GOI 31-08-08 | 0.45 | |
| **total gilts** | **17.28** | |
| **equity** | | |
| BANKING AND FINANCE | 3.30 | |
| STATE BANK OF INDIA | 1.23 | 1.00 |
| ICICI BANK | 1.03 | 1.04 |
| PUNJAB NATIONAL BANK | 0.49 | 1.10 |
| HOUSING DEVELOPMENT FINANCE CORPORATION | 0.31 | 0.89 |
| INDIABULLS SECURITIES | 0.13 | 1.00 |
| INDIABULLS FINANCIAL SERVICES | 0.06 | 1.38 |
| STATE BANK OF INDIA RIGHTS | 0.05 | 1.00 |
| CAP GOODS/ENGINEERING | 3.03 | |
| LARSEN & TOUBRO | 0.71 | 1.06 |
| SIEMENS | 0.68 | 0.90 |
| ALSTOM PROJECTS INDIA | 0.53 | 1.11 |
| AREVA T & D INDIA | 0.50 | 1.03 |
| TRIVENI ENGEERING AND INDUSTRIES | 0.31 | 1.15 |
| CUMMINS INDIA | 0.30 | 0.78 |
| METALS | 2.27 | |
| TATA STEEL | 1.16 | 0.73 |
| HINDALCO | 0.66 | 1.10 |
| STEEL AUTHORITY OF INDIA | 0.45 | 1.52 |
| OIL REFINERIES | 1.80 | |
| RELIANCE INDUSTRIES | 1.76 | 1.08 |
| GAIL INDIA | 0.04 | 0.91 |
| IT | 1.54 | |
| INFOSYS TECHNOLOGIES | 0.91 | 0.60 |
| TATA CONSULTANCY SERVICES | 0.46 | 0.73 |
| PATNI COMPUTERS | 0.15 | 0.87 |
| APTECH | 0.02 | 1.48 |
| AUTOMOBILES | 1.52 | |
| MARUTI SUZUKI | 0.89 | 0.83 |
| TATA MOTORS | 0.53 | 0.82 |
| EICHER MOTORS | 0.10 | 1.08 |
| CEMENT & CEMENT PRODUCTS | 0.99 | |
| GRASIM INDUSTRIES | 0.99 | 0.82 |
| OIL AND EXPLORATION | 0.82 | |
| ONGC CORPORATION | 0.82 | 1.09 |
| TELECOM | 0.80 | |
| BHARTI AIRTEL | 0.68 | 0.89 |
| RELIANCE COMMUNICATIONS | 0.12 | 1.19 |
| POWER | 0.78 | |
| TATA POWER | 0.78 | 1.18 |
| FERTILIZERS | 0.76 | |
| GUJARAT NARMADA VALLEY FERTILIZERS | 0.54 | 0.99 |
| GUJARAT STATE FERTILIZERS & CHEMICALS | 0.23 | 0.72 |
| PHARMACEUTICALS | 0.73 | |
| DIVIS LABORATORIES | 0.73 | 1.07 |
| AVIATION | 0.54 | |
| DECCAN AVIATION | 0.50 | 1.06 |
| JET AIRWAYS | 0.04 | 0.84 |
| HOTELS | 0.51 | |
| INDIAN HOTELS | 0.46 | 0.80 |
| INDIAN HOTELS RIGHTS | 0.04 | 0.80 |
| AUTO ANCILLARY | 0.25 | |
| AUTOMATIVE AXLES | 0.25 | 0.47 |
| CONSTRUCTION | 0.23 | |
| GAMMON INDIA | 0.23 | 0.92 |
| **total equity** | **19.87** | |
| **total bank deposits/mutual funds** | **5.22** | |
| **total net assets** | **100.00** | |

## asset allocation




## fund characteristics as on February 29, 2008

| | |
|---|---|
| M.Duration of debt portfolio: | 2.47years |
| YTM of debt portfolio: | 8.96% |
| Beta of equity portfolio: | 0.96 |

## NAV as on February 29, 2008

Reliance Market Return Plan (MRP) - Balanced Fund Option: Rs 14.3952

Reliance Golden Year Plan (GYP) - Balanced Fund Option: Rs 14.4050

Reliance Automatic Investment Plan (AIP) - C Option: Rs 11.0254

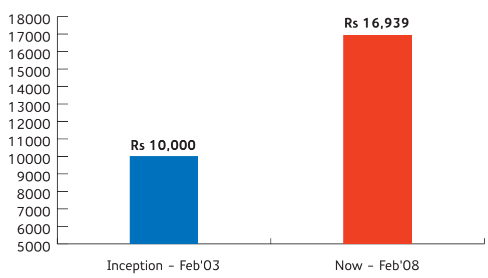
Reliance Secure Child Plan (SCP) - G Option: Rs 10.0092

## fund manager's report

The month of February saw the markets remaining very volatile. The trend was influenced by increasing concerns of US economy slowing down further. The markets saw buying from the FIIs and mutual funds for the month. Looking at the volatile trend in the markets and the risk profile of the scheme, the holding in equities was kept at 19.87%.

The allocation to gilts was at 17.28% similar to previous month. The allocation to corporate bonds was 57.63% in February slightly higher than the previous month. The allocation to assets was at 2.74% lower than previous month. The portfolio is at the desired asset allocation with these changes and we propose to maintain it.

## growth of initial investment of Rs 10,000 in MRP




## benchmark construction

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

Reliance Life Insurance
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A Reliance Capital Company

# ULIP Corporate Bond Fund

details as on February 29, 2008

## fund performance

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

## fund objective

Provide returns that exceed the inflation rate, while taking some credit risk (through investments in corporate debt instruments) and maintaining a moderate probability of negative return in the short-term. The risk appetite is 'low to moderate'.

## fund risk profile

low | low to moderate | moderate | moderate to high | high

## products

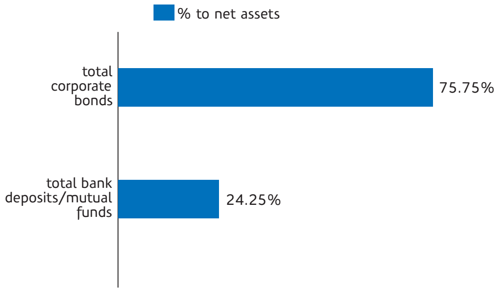
Reliance Automatic Investment Plan (AIP) - Corporate Bond Fund Option

Reliance Wealth + Health Plan (WHP) - Corporate Bond Fund Option

## portfolio

| security | % to net assets | rating/ 1-yr beta |
|---|---|---|
| **corporate bonds** | | |
| 9.40% TATA TEA 08-11-10 | 15.00 | AA+ |
| 9.05% EXIM BANK 06-11-10 | 14.96 | AAA |
| 8.88% IDFC 07-01-11 | 14.90 | AAA |
| 8.90% CITIFINANCIAL CONSUMER 05-08-09 | 8.39 | AAA |
| 7.39% POWER GRID CORPORATION 22-09-11 | 5.11 | AAA |
| 9.20% HDFC 09-02-12 | 3.01 | AAA |
| 0% HDFC 22-09-08 | 2.89 | AAA |
| 6.25% ULTRATECH CEMENT 25-06-09 | 2.61 | AAA |
| 7.10% POWER GRID CORPORATION 18-02-09 | 2.06 | AAA |
| 9.76% IRFC 03-07-12 | 1.55 | AAA |
| 9.50% NABARD 29-06-08 | 1.51 | AAA |
| 8.65% HDFC 12-09-11 | 1.48 | AAA |
| 7.60% ICICI BANK 30-12-15 | 1.39 | AAA |
| 9.25% EXIM BANK 13-12-12 | 0.90 | AAA |
| **total corporate bonds** | **75.75** | |
| **total bank deposits/mutual funds** | **24.25** | |
| **total net assets** | **100.00** | |

### asset allocation




### fund characteristics as on February 29, 2008

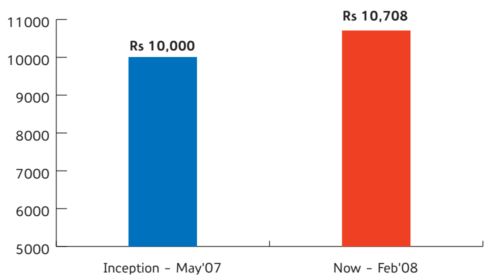
| | |
|---|---|
| M.Duration of debt portfolio: | 1.69years |
| YTM of debt portfolio: | 9.05% |

### NAV as on February 29, 2008

Reliance Automatic Investment Plan (AIP) - Corporate Bond Fund Option: Rs 10.7083

Reliance Wealth + Health Plan (WHP) - Corporate Bond Fund Option: Rs 10.0119

### growth of initial investment of Rs 10,000 in AIP




## fund manager's report

The exposure to corporate bonds was reduced to 75.75% from 93% in January. Around 24.25% is invested in short term bank FDs, CDs and mutual funds to take benefit of higher yields.

## benchmark construction

CRISIL Composite Bond Index: 100%

Reliance Life Insurance
Anil Dhirubhai Ambani Group
A Reliance Capital Company

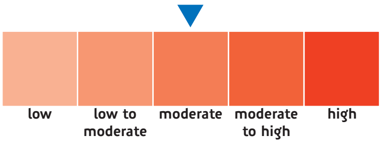
# ULIP Pure Debt Fund

details as on February 29, 2008

## fund objective

Provide steady investment returns achieved through 100% investment in debt securities, while maintaining moderate probability of negative returns in the short- term. The risk appetite is defined as 'moderate'.

## fund risk profile




## products

Reliance Money Guarantee Plan (MGP) - Return Shield Option

Reliance Secure Child Plan (SCP)- Return Shield Option

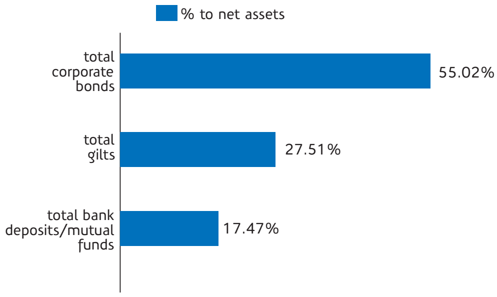
## fund performance

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

## portfolio

| security | % to net assets | rating |
|---|---|---|
| **corporate bonds** | | |
| 5.85% PFC 01-08-08 | 9.32 | AAA |
| 9.35% LIC HOUSING FINANCE 23-11-12 | 7.01 | AAA |
| 8.65% HDFC 12-09-11 | 5.13 | AAA |
| 8.40% EXIM BANK 28-09-10 | 5.13 | AAA |
| 10% NABARD SER IX 14-05-12 | 3.58 | AAA |
| 9.65% NABARD SER IX G 10-09-09 | 3.50 | AAA |
| 9.20% HDFC 09-02-12 | 3.49 | AAA |
| 10% NABARD 18-06-10 | 2.83 | AAA |
| 9.20% IL & FS SER VI 23-04-08 | 1.75 | AAA |
| 9.50% NABARD 29-06-08 | 1.75 | AAA |
| 9.35% IL & FS 22-10-10 | 1.75 | AAA |
| 9% TATA SONS 27-07-10 | 1.73 | AAA |
| 8.50% EXIM BANK 26-09-11 | 1.70 | AAA |
| 7.60% ICICI BANK 30-12-15 | 1.61 | AAA |
| 9.76% IRFC 03-07-12 | 1.43 | AAA |
| 9.50% NABARD NPS BONDS SER IX I 15-10-12 | 1.06 | AAA |
| 10.10% POWER GRID CORPORATION 12-06-11 | 0.89 | AAA |
| 11.03% TML FINANCIAL SERVICES 22-06-09 | 0.71 | AA+ |
| 7.20% HDFC 03-06-10 | 0.67 | AAA |
| **total corporate bonds** | **55.02** | |
| **gilts** | | SOVEREIGN |
| 7.99% GOI 09-07-17 | 13.55 | |
| 9.39% GOI 02-07-11 | 3.69 | |
| 7.38% GOI 03-09-15 | 3.46 | |
| 7.27% GOI 03-09-13 | 3.45 | |
| 364 DAYS T-BILL 29-08-08 | 3.37 | |
| **total gilts** | **27.51** | |
| **total bank deposits/mutual funds** | **17.47** | |
| **total net assets** | **100.00** | |

### asset allocation




### fund characteristics as on February 29, 2008

| | |
|---|---|
| M.Duration of debt portfolio: | 2.74 years |
| YTM of debt portfolio: | 8.71% |

### NAV as on February 29, 2008

Reliance Money Guarantee Plan (MGP) - Return Shield Option: Rs 10.7267

Reliance Secure Child Plan (SCP) - Return Shield Option: Rs 10.1205

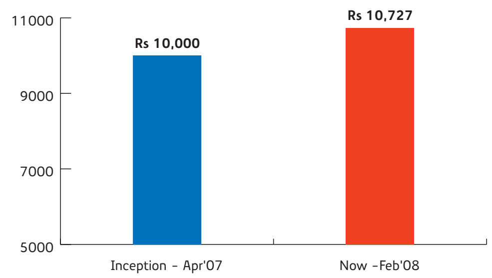
## fund manager's report

The exposure to gilts was at 27.51% marginally lower as the G-sec market was weak we were cautious on gilts. Exposure to corporate bonds was slightly increased to 55.02% from 49.22% in January. The exposure to short term assets was at 18.22%. We intend to purchase bonds and gilts as and when attractive investments are available.

## benchmark construction

CRISIL Composite Bond Index: 100%

### growth of initial investment of Rs 10,000 in MGP



Reliance Life Insurance

Anil Dhirubhai Ambani Group

A Reliance Capital Company

# ULIP Gilt Fund

details as on February 29, 2008

## fund performance

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

## fund objective

Provide returns that exceed the inflation rate, without taking any credit risk (sovereign risk only) and maintaining a low probability of negative return in the short-term. The risk appetite is 'low to moderate'.

## fund risk profile

low | low to moderate | moderate | moderate to high | high

## products

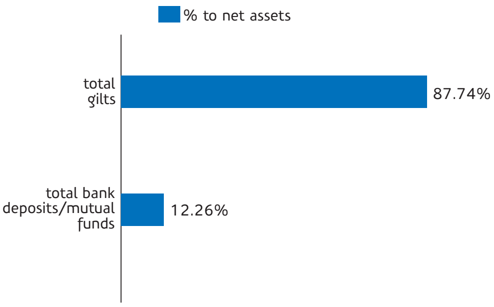
Reliance Automatic Investment Plan (AIP) - Gilt Fund Option

Reliance Wealth + Health Plan (WHP) - Gilt Fund Option

## portfolio

| security | % to net assets | rating/ 1-yr beta |
|---|---|---|
| **gilts** | | **SOVEREIGN** |
| 7.99% GOI 09-07-17 | 28.89 | |
| 5.87% GOI 02-01-10 | 21.59 | |
| 9.39% GOI 02-07-11 | 15.45 | |
| 7.27% GOI 03-09-13 | 8.77 | |
| 8.33% GOI 07-06-36 | 4.62 | |
| 364 DAY T-BILL 29-08-08 | 4.29 | |
| 11.40% GOI 31-08-08 | 2.94 | |
| 11.99% GOI 07-04-09 | 1.03 | |
| 9.85% GOI 16-10-15 | 0.15 | |
| **total gilts** | **87.74** | |
| **total bank deposits/mutual funds** | **12.26** | |
| **total net assets** | **100.00** | |

## asset allocation




## fund characteristics as on February 29, 2008

| | |
|---|---|
| M.Duration of debt portfolio: | 3.50 years |
| YTM of debt portfolio: | 7.96% |

## NAV as on February 29, 2008

Reliance Automatic Investment Plan (AIP) - Gilt Fund Option: Rs 10.4869

Reliance Wealth + Health Plan (WHP) - Gilt Fund Option: Rs 10.0195

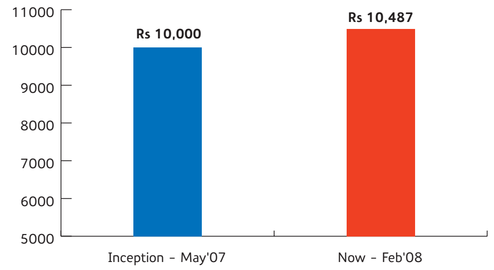
## fund manager's report

The allocation to gilts was around 87.74% higher than previous month. The allocation to short term assets like Bank FDs, CDs and MFs was around 12.26% of the portfolio. We have marginally increased the duration of the fund during the month.

## benchmark construction

I-Sec Composite Sovereign Bond Index: 100%

## growth of initial investment of Rs 10,000 in AIP



RELIANCE Life Insurance

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# ULIP Money Market Fund

details as on February 29, 2008

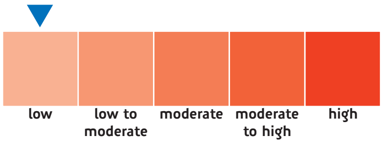
## fund performance

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

## fund objective

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

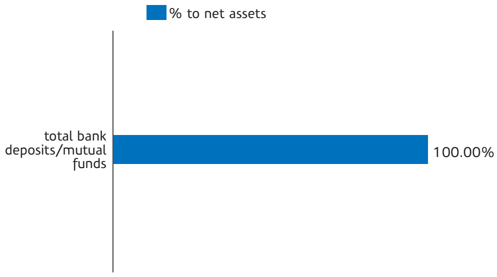
## fund risk profile




## portfolio

| security | % to net assets |
|---|---|
| total bank deposits/mutual funds | 100.00 |
| total net assets | 100.00 |

### asset allocation




## products

Reliance Automatic Investment Plan (AIP) - Money Market Fund Option

Reliance Wealth + Health Plan (WHP) - Money Market Fund Option

### fund characteristics as on February 29, 2008

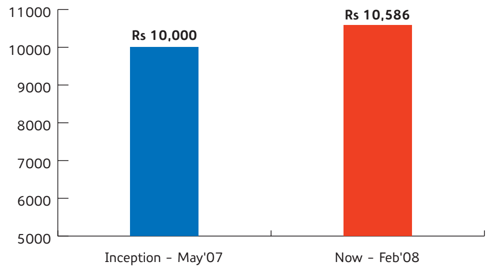
| | |
|---|---|
| M.Duration of debt portfolio: | 0.41 years |
| YTM of debt portfolio: | 8.85% |

### NAV as on February 29, 2008

Reliance Automatic Investment Plan (AIP) - Money Market Fund Option: Rs 10.5856

Reliance Wealth + Health Plan (WHP) - Money Market Fund Option: Rs 10.0042

### growth of initial investment of Rs 10,000 in AIP




## fund manager's report

Presently the investments of this fund are mostly in Certificate of deposits at around 97.50% of the portfolio which is giving the highest yield among money market instruments. The balance is in short term assets like CBLO and MFs.

## benchmark construction

CRISIL Liquid Bond Index: 100%

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# ULIP Capital Secure Fund

details as on February 29, 2008

## fund performance

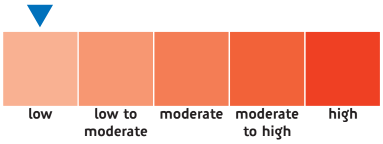
| period | gross fund return | benchmark return | fund standard deviation | benchmark standard deviation | fund sharpe ratio | benchmark sharpe ratio |
|---|---|---|---|---|---|---|
| last 1 year | 9.47% | 7.71% | 0.10% | 0.17% | 45.29 | 15.77 |
| last 2 years (CAGR) | 8.17% | 7.35% | 0.40% | 0.16% | 7.99 | 14.63 |
| last 3 years (CAGR) | 7.28% | 6.79% | 0.48% | 0.27% | 4.80 | 6.60 |
| since inception (CAGR) | 6.35% | 5.73% | 0.50% | 0.44% | 2.70 | 1.66 |
| date of inception | | | february, 2003 | | | |

*CAGR: Compounded Annual Growth Rate

## 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'.

## fund risk profile




## portfolio

| security | % to net assets |
|---|---|
| total bank deposits/mutual funds | 100.00 |
| total net assets | 100.00 |

## asset allocation


## products

Reliance Market Return Plan (MRP) - Capital Secure Fund Option

Reliance Golden Year Plan (GYP) - Capital Secure Fund Option

## fund characteristics as on February 29, 2008

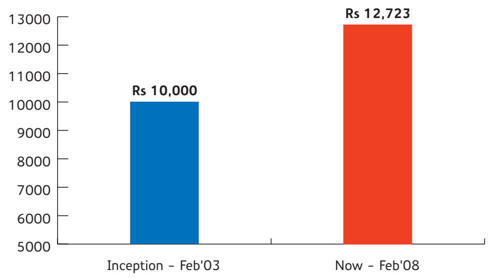
| | |
|---|---|
| M.Duration of debt portfolio: | 0.12 years |
| YTM of debt portfolio: | 8.76% |

## NAV as on February 29, 2008

Reliance Market Return Plan (MRP) - Capital Secure Fund Option: Rs 12.0645

Reliance Golden Year Plan (GYP) - Capital Secure Fund Option: Rs 12.0325

## growth of initial investment of Rs 10,000 in MRP




## fund manager's report

The allocation to CDs (certificate of Deposits) and bank fixed deposits was at 100% to take advantage of high yields in these instruments. The fund continues to outperform its benchmark.

## benchmark construction

Yield on 182-day T.Bills

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# the analyst expressions



**Gross Fund Return**

This is the return calculated on an NAV basis plus the fund management fees which are debited periodically to the fund. We calculate gross fund returns in order to give uniformity while evaluating fund management performance as the fund management fees vary from company to company.

**Benchmark Return**

A benchmark is a standard against which the investment performance of a fund can be measured. Benchmarks are pre-determined primarily on the basis of the asset allocation structure of the fund. Benchmarks can be readily available in the market or have to be constructed. The CNX Nifty is a readily available benchmark for our equity portfolio manager as the equity fund primarily invests in equities.

**Fund Standard Deviation**

Risk of investing in a fund is identified by the volatility of the fund's periodic returns. Standard deviation measures the volatility of the fund's returns. Standard Deviation for a particular time period gives us the deviation from the mean returns for that fund during that period. Higher the standard deviation greater is the volatility and therefore, greater is the risk of investing in that fund.

**Fund Sharpe Ratio**

Sharpe Ratio of a fund tells us how much return the fund has been able to generate per unit of risk. The higher the Sharpe Ratio, the better the performance of a fund from the risk point of view.

The excess return generated by a fund for a particular time is first calculated by subtracting the risk free rate from the rate of return generated by that fund. Dividing this result by the standard deviation of the fund return, one can obtain the Sharpe Ratio.

**Benchmark Sharpe Ratio**

Just as fund returns are compared to a benchmark return, the Sharpe Ratio of the fund is also compared to the benchmark's Sharpe Ratio in order to evaluate the risk-adjusted performance.

**Modified Duration of Debt Portfolio**

Modified duration indicates the sensitivity of the value of the debt portfolio to any given change in interest rates. Modified duration represents a weighted average of the time periods to maturity. The weights for each time period are equal to the present values of the cash flows in each time periods. Modified duration gives one a 'rule of thumb' - the percentage change in the price of a bond is the duration multiplied by the change in interest rates.

**Fund Beta**

Beta measures the risk of a security (say a particular stock) in relation to its broad market. The broad market is generally defined as the specified benchmark index. The beta assigned to the benchmark index is 1. Beta of the stock describes the sensitivity of the price of the stock to the benchmark index. The fund beta is the sum of the weighted individual stock betas in the portfolio.

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# investment strategy and risk control

- ✔ Macro Analysis
- ✔ Appreciation of Market Dynamics
- ✔ Meeting Investment Objectives vis-à-vis Risk Appetite
- ✔ Asset Allocation Strategy
- ✔ Security Selection – Portfolio Construction
- ✔ Benchmarks
- ✔ Risk Management/ Portfolio Evaluation/ Diagnostics
- ✔ Governance and Processes

**Macro Analysis** of the economy is carried out by tracking the trends in key economic indicators.

**Market Dynamics** are also studied apart from the above to determine our view of the changes likely in the interest rate scenario and equity market movements. Price movements in the market are monitored at all times along with factors that affect them such as the prevailing market sentiments, cash flows in the market and views/actions of key market participants including institutional investors like FIIs and mutual funds. For analyzing the debt markets, yield curve movements and changes in its shape are also studied.

The **risk appetite and investment objective** is clearly defined for each fund keeping in mind the investment horizon, liquidity requirements etc.

A range of acceptable holdings under each asset class is determined at the investment policy level. The **asset allocation** primarily takes into account, the investment objectives, regulatory issues and the likely risk return matrix to obtain a potential return which is the highest achievable for the risk that is assumed. Within the strategic asset allocation, the fund managers determine the weights of the various asset classes; primarily factoring in the developing market scenarios.

Based on the investment objectives of each fund option, a rigorous **security selection** process is followed. The fixed income fund manager identifies cheaper securities across the yield curve and builds a basket of securities to arrive at the optimum level of yield within the range of pre-determined 'duration' for the entire portfolio after paying particular attention to the liquidity position and the liquidity premium on the securities. An active fund management style is followed or the equity portfolios. A core portfolio of stocks is first created driven by a top-down approach and a research based bottom-up stock selection method is followed.

**Benchmarks** are pre-determined for each fund based on the most appropriate indices available in the market or by constructing proxy benchmarks out of multiple indices. Performance of each fund is continuously tracked based on the benchmarks and recalibrated.

A statistical analysis is carried out to determine that the **risk levels** are in tune with the risk appetite of the particular fund. Statistical tools such as the standard deviation and risk-adjusted return measures such as the Sharpe Ratio are calculated in order to compare the returns generated per unit of risk vis-à-vis benchmarks.

The investment policy has been designed by the **Board** to cover regulatory guidelines, the various product investment objectives, risk appetite strategic asset allocation and the investment style. It is ensured that the portfolio is always kept complaint with the relevant regulations. Our rigorous processes and risk/compliance controls are well documented.

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# the analyst

## 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."

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"For more details on RLIC products and respective risk factors, terms and conditions please read respective sales brochure documents carefully before concluding a sale. The respective sales brochure documents for various products are published in the website "www.reliancelife.co.in"

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# Reliance Total Investment Plan

## total investment, total flexibility.

| Series I – Insurance | Series II – Pension |
| --- | --- |
| **Key Features**<br>▪ Wide range of funds including Infrastructure, Energy and Midcap funds first time<br>▪ Unique option to purchase same plan in subsequent years at discount<br>▪ **Unmatched flexibility:** No surrender charge, no partial withdrawal charge, no STP charge, 52 free switches, settlement option, exchange option, top ups...<br>▪ Choose your Life Cover<br>▪ Pay any amount of premium for subsequent purchases in subsequent years | **Key Features**<br>▪ A simple ULIP plan<br>▪ Basket opens at discount for subsequent purchases for any amount of Premium<br>▪ Sectoral Funds: Infrastructure, Energy and Midcap join the countdown of Mother Funds for growth of your investments<br>▪ Flexibility like never before: No Surrender Charge, No STP charge, Exchange option, Top ups, 52 free switches<br>▪ Tax Benefit separately for each purchase |

call **30338181**, sms **TIPS** to **55454**
or log on to **www.reliancelife.com**

RELIANCE Life Insurance
Anil Dhirubhai Ambani Group
A Reliance Capital Company

▪ Income tax exemptions and deductions subject to conditions. ▪ Fund value tax exemption u/s 10(10D) not applicable above 45 years of age.
▪ Easy liquidity and section 10(10D) benefit are available under Reliance Total Investment Plan Series I – Insurance only.

▪ 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 Reliance Total Investment Plan is only the name of the unit linked life insurance contract and does not in any way indicate the quality of the contract, its future prospects or returns. ▪ Tax laws are subject to changes with retrospective effect and consulting a tax expert for an opinion is recommended. For more details on risk factors, terms and conditions please read sales brochure carefully before concluding a sale.

ISO 9001:2000
CERTIFIED COMPANY

Insurance is the subject matter of the solicitation. Reliance Life Insurance Company Limited (Reg. No. 121)
UIN for Reliance Total Investment Plan Series I – Insurance: 121L029V01, Reliance Total Investment Plan Series II – Pension: 121L030V01

Mktg/TIPS – Ad/Version 1.0/March 2008