

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

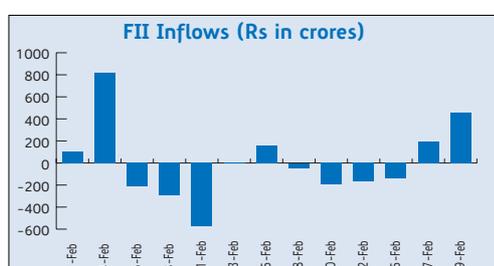
monthly factsheet

fund snapshot

asset allocation	funds	gross return (CAGR*) (%) as on February 29, 2008				date of inception
		last 1 year	last 2 years	last 3 years	since inception	
100% equity	ULIP Equity (GR)	N.A.	N.A.	N.A.	N.A.	October, 2007
40% equity, 60% debt	ULIP Growth (GR)	17.64%	13.86%	15.76%	16.13%	August, 2004
20% equity, 80% debt	ULIP Balanced (GR)	15.05%	11.45%	11.77%	12.04%	February, 2003
100% bond	ULIP Corporate Bond (GR)	N.A.	N.A.	N.A.	N.A.	October, 2007
instruments	ULIP Gilt (GR)	N.A.	N.A.	N.A.	N.A.	October, 2007
100% govt. securities	ULIP Money	N.A.	N.A.	N.A.	N.A.	November, 2007
100% money	Market (GR)	N.A.	N.A.	N.A.	N.A.	February, 2003
market instruments	ULIP Capital	8.60%	7.66%	6.93%	6.19%	February, 2003
100% money	ULIP Secure (GR)					
market instruments						

*CAGR: Compounded Annual Growth Rate

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investor sentiment and primary markets appeared to be impacted by the ongoing uncertainty, with two IPOs being withdrawn.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 pivots. 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.

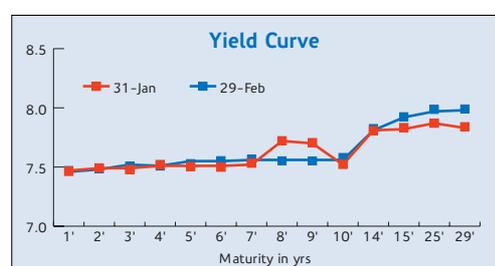
FII's were net buyers in the market to the tune of Rs 1,733.30 crore. Also on the other hand, mutual funds were net buyers to the tune of Rs 57.50 crore.

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%.

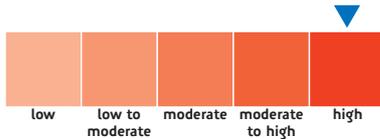
Indices (Closing)	This Month	Last Month	% Change
BSE Sensex	17,578.72	17,648.71	-0.40
S&P CNX Nifty	5,223.50	5,137.45	1.67
CNX Mid Cap	7,680.39	7,766.62	-1.11
BSE Small Cap	9,628.13	10,124.42	-4.90

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

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 Group Leave Encashment (GLE) - Equity Fund 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 97.27%.

benchmark construction

S&P CNX Nifty: 100%

ULIP Equity Fund (GR)

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	october, 2007					

portfolio

security	% to net assets	rating/ 1-yr beta
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equity

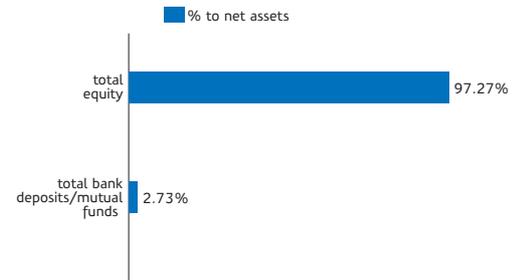
CAP GOODS/ENGINEERING	15.63	
LARSEN & TOUBRO	3.97	1.06
AREVA T & D INDIA	3.16	1.03
ALSTOM PROJECTS INDIA	3.06	1.11
SIEMENS	2.52	0.90
TRIVENI ENGINEERING AND INDUSTRIES	1.65	1.15
CUMMINS INDIA	1.27	0.78
BANKING AND FINANCE	15.61	
STATE BANK OF INDIA	5.53	1.00
ICICI BANK	4.80	1.04
PUNJAB NATIONAL BANK	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	1.02
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

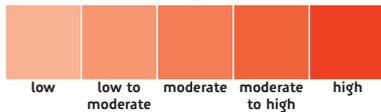
NAV as on February 29, 2008

Reliance Group Leave Encashment (GLE) - Equity Fund Option: 8.8616

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'.

fund risk profile



products

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

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 40.29%.

The allocation to corporate bonds was at 43.63% in February. The allocation to gilts came down to 9.72% slightly higher than previous month. Short term assets and cash was around 5.32%. We may increase the equities going forward as and when suitable opportunity comes.

benchmark construction

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

ULIP Growth Fund (GR)

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	17.64%	21.25%	12.03%	11.87%	1.05	1.37
last 2 years (CAGR)	13.86%	16.69%	10.71%	10.45%	0.83	1.12
last 3 years (CAGR)	15.76%	17.79%	9.96%	9.87%	1.08	1.30
since inception (CAGR)	16.13%	17.73%	9.33%	9.17%	1.19	1.39
date of inception			august, 2004			

*CAGR: Compounded Annual Growth Rate

portfolio

security	% to net assets	rating/ 1-yr beta
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corporate bonds

9.68% IRFC 03-07-10	11.01	AAA
9.58% EXIM BANK 04-09-09	10.91	AAA
9.35% IL & FS 22-10-10	6.04	AAA
8.65% HDFC 12-09-11	5.92	AAA
9.50% NABARD NPS BONDS SER IX 1 15-10-12	4.87	AAA
10% NABARD SER IX 14-05-12	2.48	AAA
8.90% CITIFINANCIAL CONSUMER 05-08-09	2.40	AAA

total corporate bonds 43.63

gilts

7.99% GOI 09-07-17	9.33	SOVEREIGN
8.35% GOI 14-05-22	0.39	

total gilts 9.72

equity

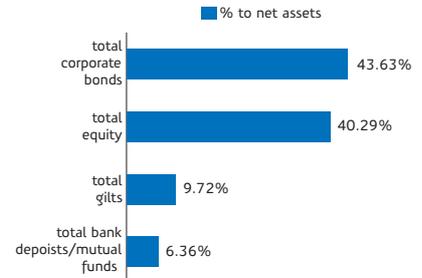
BANKING AND FINANCE	6.27	
STATE BANK OF INDIA	2.35	1.00
ICICI BANK	2.01	1.04
PUNJAB NATIONAL BANK	0.91	1.10
HOUSING DEVELOPMENT FINANCE CORPORATION	0.63	0.89
INDIABULLS SECURITIES	0.18	1.00
INDIABULLS FINANCIAL SERVICES	0.13	1.38
STATE BANK OF INDIA RIGHTS	0.06	1.00
CAP GOODS/ENGINEERING	6.21	
SIEMENS	1.59	0.90
LARSEN & TOUBRO	1.30	1.06
AREVA T & D INDIA	1.06	1.03
ALSTOM PROJECTS INDIA	1.00	1.11
CUMMINS INDIA	0.65	0.78
TRIVENI ENGINEERING AND INDUSTRIES	0.62	1.15
METALS	4.60	
TATA STEEL	2.36	0.73
HINDALCO	1.44	1.10
STEEL AUTHORITY OF INDIA	0.80	1.52
IT	3.76	
INFOSYS TECHNOLOGIES	2.09	0.60
TATA CONSULTANCY SERVICES	1.11	0.73
PATNI COMPUTERS	0.52	0.87
APTECH	0.04	
OIL REFINERIES	3.61	
RELIANCE INDUSTRIES	3.53	1.08
GAIL INDIA	0.08	0.91
AUTOMOBILES	2.91	
MARUTI SUZUKI	1.77	0.83
TATA MOTORS	0.93	0.82
EICHER MOTORS	0.21	1.08
CEMENT & CEMENT PRODUCTS	1.96	
GRASIM INDUSTRIES	1.96	0.82
OIL AND EXPLORATION	1.68	
ONGC CORPORATION	1.68	1.09
POWER	1.57	
TATA POWER	1.57	1.18
TELECOM	1.55	
BHARTI AIRTEL	1.36	0.89
RELIANCE COMMUNICATIONS	0.19	1.19
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
HOTELS	1.15	
INDIAN HOTELS	1.06	0.80
INDIAN HOTELS RIGHTS	0.10	0.80
AVIATION	1.10	
DECCAN AVIATION	1.01	1.06
JET AIRWAYS	0.09	0.84
AUTO ANCILLARY	0.45	
AUTOMATIVE AXLES	0.45	0.47
CONSTRUCTION	0.45	
GAMMON INDIA	0.45	0.92

total equity 40.29

total bank deposits/mutual funds 6.36

total net assets 100.00

asset allocation



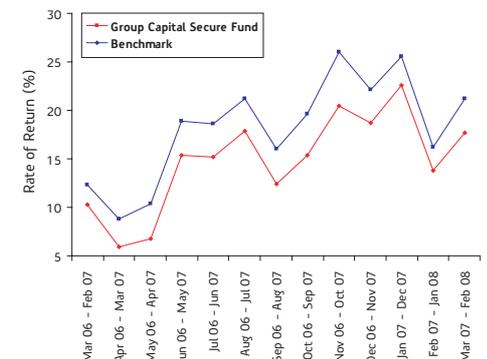
fund characteristics as on February 29, 2008

M.Duration of debt portfolio:	2.69 years
YTM of debt portfolio:	8.86%
Beta of equity portfolio:	0.95

NAV as on February 29, 2008

Reliance Group Gratuity - Growth Fund Option:
11.2532
Reliance Group Superannuation - Growth Fund
Option: 9.5864

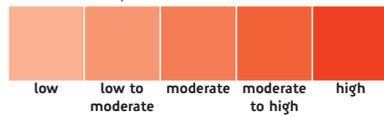
rolling yearly performance



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'.

fund risk profile



products

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

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 19.98%.

The exposure to corporate bonds was around 46.73% during the month slightly lower than previous month. The allocation to gilts was increased to 19.39% slightly higher than the previous month in order to achieve the targeted duration. The allocation to short-term bank deposits and CDs was at 13.34% slightly lower than previous month. With this the portfolio is at the desired target asset allocation. Going forward we will manage the fund actively to increase the yield.

benchmark construction

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

ULIP Balanced Fund (GR)

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	15.05%	14.98%	6.33%	6.24%	1.59	1.60
last 2 years (CAGR)	11.45%	11.88%	5.84%	5.49%	1.11	1.25
last 3 years (CAGR)	11.77%	11.89%	5.36%	5.13%	1.26	1.34
since inception (CAGR)	12.04%	10.93%	4.64%	4.73%	1.52	1.25
date of inception			february, 2003			

*CAGR: Compounded Annual Growth Rate

portfolio

security	% to net assets	rating/ 1-yr beta
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corporate bonds

9.50% NABARD NPS BONDS SER IX 1 15-10-12	2.97	AAA
9% TATA SONS 27-07-10	2.41	AAA
9.35% LIC HOUSING FINANCE 23-11-12	2.25	AAA
9.68% IRFC 03-07-10	2.23	AAA
10% NABARD SER IX 14-05-12	1.95	AAA
9.80% POWER FINANCE CORPORATION SER XXXVIII 20-09-12	1.90	AAA
9.80% POWER FINANCE CORPORATION 22-03-12	1.90	AAA
10% CITIFINANCIAL CONSUMER 27-09-10	1.89	AAA
9.68% IRFC 03-07-08	1.87	AAA
9.65% NABARD SER IX G 10-09-09	1.87	AAA
10.35% HDFC 16-05-17	1.87	AAA
9.24% L & T FINANCE 30-07-10	1.86	AA+
8% EXIM BANK 27-09-08	1.85	AAA
8.50% HDFC 29-08-09	1.84	AAA
8.40% EXIM BANK 28-09-10	1.83	AAA
0% IDFC 27-06-08	1.82	AAA
0% HDFC 22-09-08	1.77	AAA
8.50% EXIM BANK 26-09-11	1.76	AAA
9.50% INDIAN HOTELS 28-02-12	1.56	AAA
10.10% POWER GRID CORPORATION 12-06-11	1.38	AAA
0% CITI FINANCIAL CONSUMER 23-07-10	1.26	AAA
6.50% HINDALCO 06-09-09	1.14	AA
9.76% IRFC 03-07-12	1.11	AAA
5.75% IDFC 08-08-08	1.11	AAA
7.20% HDFC 03-06-10	1.07	AAA
9.80% ICICI BANK 10-02-13	0.97	AAA
10% NABARD 18-06-10	0.76	AAA
9.20% HDFC 09-02-12	0.75	AAA

total corporate bonds 46.73

gilts

7.99% GOI 09-07-17	4.96
7.37% GOI 16-04-14	3.82
7.27% GOI 03-09-13	2.21
7.38% GOI 03-09-15	2.04
7.44% GOI SPL OIL BOND 23-03-12	1.82
8.33% GOI 07-06-36	1.56
11.99% GOI 07-04-09	1.33
7.33% GOI OIL COMP BOND 07-03-09	1.28
9.39% GOI 02-07-11	0.37

total gilts 19.39

equity

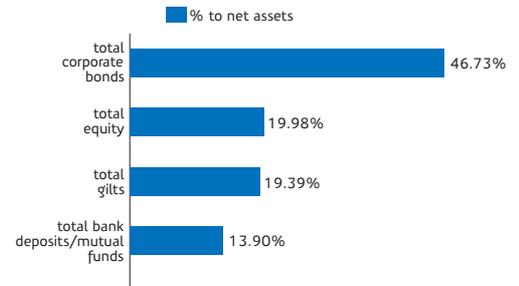
		SOVEREIGN
BANKING AND FINANCE	3.23	
STATE BANK OF INDIA	1.22	1.00
ICICI BANK	1.01	1.04
PUNJAB NATIONAL BANK	0.49	1.10
HOUSING DEVELOPMENT FINANCE CORPORATION	0.31	0.89
INDIABULLS SECURITIES	0.11	1.00
INDIABULLS FINANCIAL SERVICES	0.05	1.38
STATE BANK OF INDIA RIGHTS	0.04	1.00
CAP GOODS/ENGINEERING	3.22	
SIEMENS	0.88	0.90
LARSEN & TOUBRO	0.72	1.06
AREVA T & D INDIA	0.51	1.03
ALSTOM PROJECTS INDIA	0.48	1.11
TRIVENI ENGINEERING AND INDUSTRIES	0.32	1.15
CUMMINS INDIA	0.31	0.78
METALS	2.34	
TATA STEEL	1.19	0.73
HINDALCO	0.72	1.10
STEEL AUTHORITY OF INDIA	0.43	1.52
OIL REFINERIES	1.81	
RELIANCE INDUSTRIES	1.77	1.08
GAIL INDIA	0.04	0.91
IT	1.53	
INFOSYS TECHNOLOGIES	0.91	0.60
TATA CONSULTANCY SERVICES	0.45	0.73
PATNI COMPUTERS	0.15	0.87
APTECH	0.02	1.48
AUTOMOBILES	1.44	
MARUTI SUZUKI	0.85	0.83
TATA MOTORS	0.48	0.82
EICHER MOTORS	0.11	1.08
CEMENT & CEMENT PRODUCTS	0.93	
GRASIM INDUSTRIES	0.93	0.82
OIL AND EXPLORATION	0.82	
ONGC CORPORATION	0.82	1.09
TELECOM	0.84	
BHARTI AIRTEL	0.71	0.89
RELIANCE COMMUNICATIONS	0.13	1.19
POWER	0.83	
TATA POWER	0.83	1.18
FERTILIZERS	0.73	
GUJARAT NARMADA VALLEY FERTILIZERS	0.51	0.99
GUJARAT STATE FERTILIZERS & CHEMICALS	0.22	0.72
PHARMACEUTICALS	0.70	
DIVIS LABORATORIES	0.70	1.07
HOTELS	0.52	
INDIAN HOTELS	0.48	0.80
INDIAN HOTELS RIGHTS	0.04	0.80
AVIATION	0.52	
DECCAN AVIATION	0.48	1.06
JET AIRWAYS	0.04	0.84
AUTO ANCILLARY	0.28	
AUTOMATIVE AXLES	0.28	0.47
CONSTRUCTION	0.22	
GAMMON INDIA	0.22	0.92

total equity 19.98

total bank deposits/ mutual funds 13.90

total net assets 100.00

asset allocation



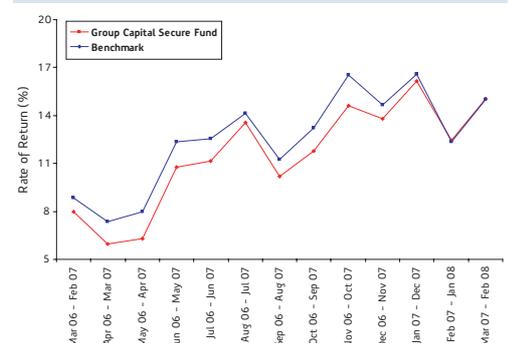
fund characteristics as on February 29, 2008

M.Duration of debt portfolio: 2.63 years
YTM of debt portfolio: 8.97%
Beta of equity portfolio: 0.96

NAV as on February 29, 2008

Reliance Group Gratuity - Balanced Fund Option: 11.1807
Reliance Group Superannuation - Balanced Fund Option: 14.2420

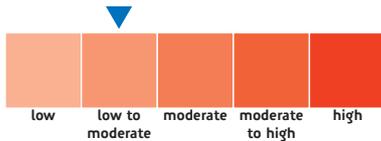
rolling yearly performance



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



products

Reliance Group Leave Encashment (GLE) - Corporate Bond Fund Option

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%

ULIP Corporate Bond Fund (GR)

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	october, 2007					

portfolio

security	% to net assets	rating/ 1-yr beta
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corporate bonds

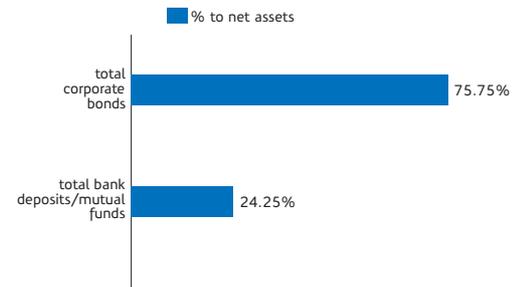
9.40% TATA TEA 08-11-10	15.00	AA+
9.05% EXIM BANK 06-11-10	14.96	AAA
8.88% IDFC 07-01-11	14.90	AAA
8.90% CITIFINANCIAL CONSUMER 05-08-09	8.39	AAA
7.39% POWER GRID CORPORATION 22-09-11	5.11	AAA
9.20% HDFC 09-02-12	3.01	AAA
0% HDFC 22-09-08	2.89	AAA
6.25% ULTRATECH CEMENT 25-06-09	2.61	AAA
7.10% POWER 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:	1.69 years
YTM of debt portfolio:	9.05%

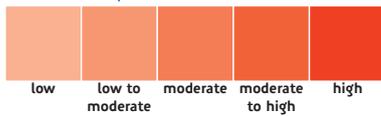
NAV as on February 29, 2008

Reliance Group Leave Encashment (GLE) - Corporate Bond Fund Option: 10.1986

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



products

Reliance Group Leave Encashment (GLE) - Gilt Fund Option

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%

ULIP Gilt Fund (GR)

details as on February 29, 2008

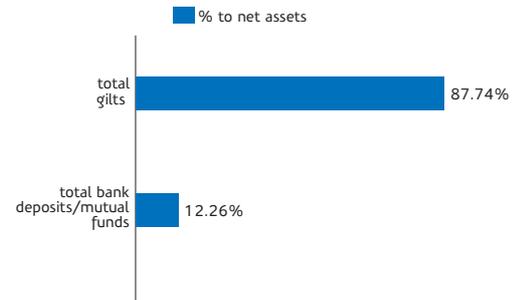
fund performance

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	october, 2007					

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%

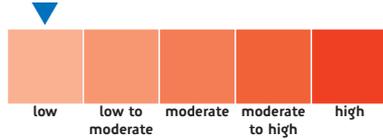
NAV as on February 29, 2008

Reliance Group Leave Encashment (GLE) - Gilt Fund Option: 10.2689

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



products

Reliance Group Leave Encashment (GLE) - Money Market Fund Option

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%

ULIP Money Market Fund (GR) details as on February 29, 2008

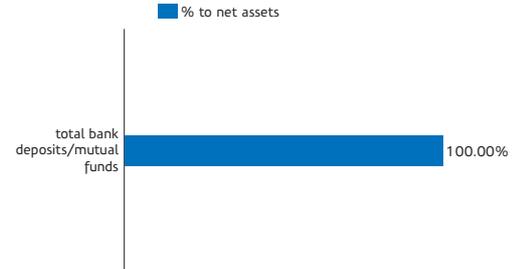
fund performance

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	november, 2007					

portfolio

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

asset allocation



fund characteristics as on February 29, 2008

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

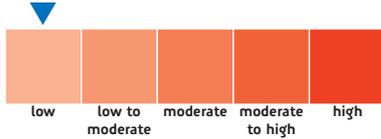
NAV as on February 29, 2008

Reliance Group Leave Encashment (GLE) - Money Market Fund Option: 10.2313

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



products

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

fund manager's report

The allocation to CDs (Certificate of Deposits) and bank fixed deposits was maintained at 99.26% in February to take advantage of high yields in these instruments. The balance was invested in CBLO. The portfolio is at the desired target asset allocation and we expect the fund to continue to outperform the benchmark.

benchmark construction

Yield on 182-day T.Bills

ULIP Capital Secure Fund (GR)

details as on February 29, 2008

fund performance

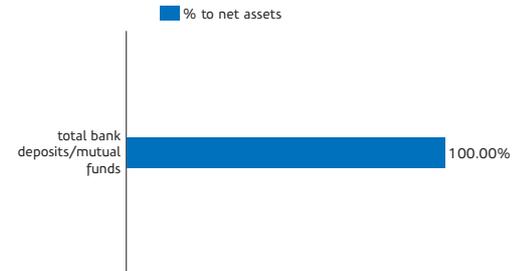
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	8.60%	7.71%	0.22%	0.17%	16.65	15.77
last 2 years (CAGR)	7.66%	7.33%	0.41%	0.17%	6.55	13.92
last 3 years (CAGR)	6.95%	6.77%	0.47%	0.27%	4.16	6.54
since inception (CAGR)	6.19%	5.72%	0.48%	0.44%	2.46	1.65
date of inception	february, 2003					

*CAGR: Compounded Annual Growth Rate

portfolio

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

asset allocation



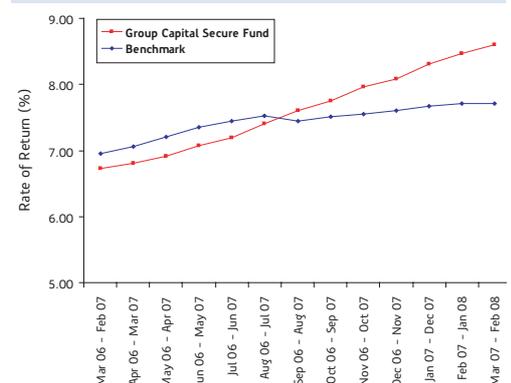
fund characteristics as on February 29, 2008

M.Duration of debt portfolio: 0.26 years
YTM of debt portfolio: 9.57%

NAV as on February 29, 2008

Reliance Group Gratuity - Capital Secure Fund
Option: 10.8443

rolling yearly performance



- ✓ Gross Fund Return
- ✓ Benchmark Return
- ✓ Fund Standard Deviation
- ✓ Fund Sharpe Ratio
- ✓ Benchmark Sharpe Ratio
- ✓ Modified Duration of Debt Portfolio
- ✓ Fund Beta

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.

- ✓ 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

investment strategy and risk control

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 on 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 compliant with the relevant regulations. Our rigorous processes and risk/compliance controls are well documented.

the analyst

Disclaimer

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Reliance Total Investment Plan

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- Choose your Life Cover
- Pay any amount of premium for subsequent purchases in subsequent years

Series II – Pension

Key Features

- A simple ULIP plan
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Anil Dhirubhai Ambani Group

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