

## fund snapshot

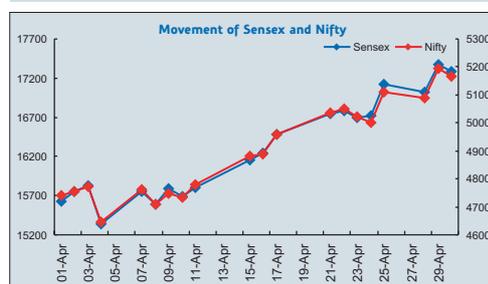
asset allocation	gross return (CAGR*) (%) as on April 30, 2008					date of inception
	funds	last 1 year	last 2 years	last 3 years	since inception	
100% equity	ULIP Equity	N.A.	N.A.	N.A.	N.A.	October, 2007
40% equity, 60% debt	ULIP Growth	11.05%	8.89%	16.25%	14.72%	August, 2004
20% equity, 80% debt	ULIP Balanced	11.24%	8.73%	11.94%	11.44%	February, 2003
100% bond	ULIP Corporate	N.A.	N.A.	N.A.	N.A.	October, 2007
instruments	Bond					
100% govt. securities	ULIP Gilt	N.A.	N.A.	N.A.	N.A.	October, 2007
100% money market	ULIP Money Market	N.A.	N.A.	N.A.	N.A.	November, 2007
instruments						
100% money market	ULIP Capital Secure	9.05%	7.97%	7.19%	6.30%	February, 2003
instruments						

\*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.

## equity market update - april 2008



### Market Review

April proved to be the month when stock markets shrugged off the misery of the last quarter to consolidate and gradually gain steady momentum despite inflows being sporadic. Sensex rallied 10.50% to 17,287.31 and Nifty rallied 9.11% to 5,115.90.

Pockets of volatility existed especially in the first half of the month before domestic and US earnings season kicked off and reduced the extent of pessimism over economic growth. With US economic data also not as worrisome as feared, risk-appetite gradually returned to the global market, aiding emerging economy stock markets.

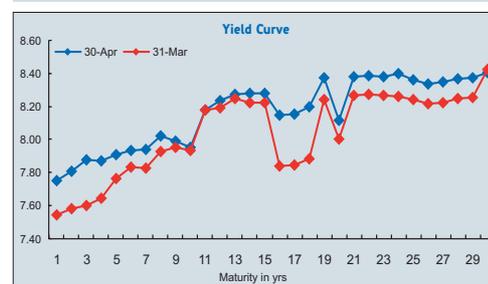
FII flows into Indian equities turned positive in the month but emitted little conviction, lacking a consistent trend. Total inflows were Rs 1074.80 crore, from a negative Rs 130.40 crore in March. MFs were net sellers of Rs 111.50 crore in equities, less than net sales of Rs 1,971.30 in March.

The stock market showed no reaction to the CRR hikes and took rising inflation rate in its stride. The WPI inflation rate held above 7% y-o-y for four straight weeks, hitting a 3-1/2 year high of 7.57%. Meanwhile, benchmark crude oil futures touched \$120 a barrel but found no reaction from stocks even as economists revised growth estimates lower in view of higher inflation and slower global growth.

### Outlook:

The equity market will continue to be range bound. The next short term trigger for the markets will be the quarterly results of corporates. Also the market will keep a close watch on the weekly inflation figures which continue to be high at more than 7%, and the likely impact upon future monetary and fiscal policy decisions. Foreign inflows will depend upon the global economic data which continue to be better than analyst expectations, taking the market by surprise everytime.

## debt market update - april 2008



### Market Review

The bond yield curve moved in a wide range, rising to the highest levels since mid-2007 before slipping back in reaction to the monetary policy. The yield curve flattened, as bonds at the shorter segments could not keep pace with the rally of the medium and longer tenor bonds.

The yield of the fresh 10-year benchmark paper issued on April 21 fell to 7.92% from the cut off of 8.24%. The earlier benchmark 7.99% 2017 paper yield ended at 7.95% from 7.92% over the month after hitting a high of 8.2%.

Bond yields rose regularly through the month till the RBI monetary policy triggered a reversal. The market factored in chances of tighter monetary policy as annual WPI inflation rate rose above 7% and senior policy makers repeatedly expressed concerns over rising prices.

The CRR hike from 7.5% to 8% on April 17 set off a fresh burst of selling pressure. The RBI raised CRR again by 0.25% in the monetary policy. In total, the hikes would drain around Rs 28,000 crore from the money market.

However, the absence of a hike in any of the key interest rates like the LAF rates, boosted market sentiment resulting in a strong recovery of the market. At the policy, the RBI also said that the policy was aimed at bringing annual inflation rate down to 5.5% this fiscal with a preference to bring it down to 5%. The government followed up with fresh fiscal measures, cutting import duties and raising export taxes on certain products.

With inflation being the major driving factor of the market, economic data releases barely impacted on trade while government spending boosted liquidity even as the RBI held a slew of auctions under the MSS.

The rupee weakened to 40.51/52 from 40.10/11 against dollar hit by corporate demand and oil prices late in the month. Earlier, strong resistance at 39.90 blocked the upside of the rupee.

### Outlook:

Short term bond yields are expected to rise from current levels as banking system liquidity tightens with CRR hikes taking effect during the month and upcoming auctions. Also inflation continues to be a cause of concern. After the recent rally in both gilt and bond yields we expect some consolidation and profit booking. The ten-yr benchmark g-sec yield may remain in the range of 7.75% to 8.15%.

Economy Indicators	30th April 08	31st March 08	Change
Rs./\$	40.52	40.11	-0.41
WPI Inflation	227.50	226.00	7.57%y-o-y
Forex Reserves (\$ bn)	302.33	304.66	-2.33
Oil Price (\$ per Barrel)	110.57	102.43	8.14
Gold (Rs. per 10gm)	11700	12150	-450

Investments	30th April 08	31st March 08	Absolute Change
FII (Rs Crs)	1074.80	-130.40	1205.20
MFs (Rs Crs)	-111.50	-1971.30	1859.80

Indices	30th April 08	31st March 08	% Change
BSE Sensex	17,287.31	15,644.44	10.50
S&P CNX Nifty	5,165.90	4,734.50	9.11
CNX Mid Cap	7,004.80	6,240.65	12.24
BSE Small Cap	8,773.57	7,841.62	11.88

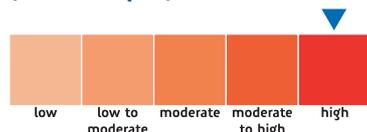
Sectoral Indices	30th April 08	31st March 08	% Change
CNX Infrastructure	4492.19	4261.17	5.42
CNX Energy	9503.48	8580.92	10.75
BSE Capital Goods	13931.25	14009.02	-0.56
BSE Bankex	8819.68	7717.61	14.28
BSE Oil & Gas	11505.79	10016.82	14.86
BSE IT	4261.93	3547.61	20.14

Fixed Income Indicators	30th April 08	31st March 08	Absolute Change
NSE Mibor (%)	6.26	9.16	-2.90
91 Day T-Bill (%)	7.35	7.23	0.12
182 Day T-Bill (%)	7.45	7.36	0.09
1 year GOI Benchmark (%)	7.75	7.54	0.21
5 Year GOI Benchmark (%)	7.91	7.76	0.15
5 Year Corp Bond Benchmark (%)	9.50	9.40	0.10
10 Year GOI Benchmark (%)	7.92	7.93	0.02

## 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 April saw markets gain momentum with high volatility. The positive trend was influenced by strong domestic and global corporate earnings. But the volatility continued to remain high due to high inflation. Looking at the volatile conditions, the holding in equities was kept at 93.79%.

## asset allocation

Equity: 100%

## benchmark construction

S&P CNX Nifty: 100%

# ULIP Equity Fund

details as on April 30, 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					

\*CAGR: Compounded Annual Growth Rate

## portfolio

security % to net assets 1-yr beta

### equity

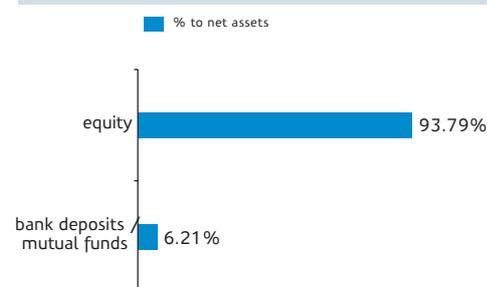
CAP GOODS / ENGINEERING	15.79	
BHARAT HEAVY ELECTRICALS	3.90	1.08
LARSEN & TOUBRO	3.65	1.11
AREVA T & D INDIA	2.59	0.51
ALSTOM PROJECTS INDIA	2.21	1.17
CUMMINS INDIA	1.26	0.76
SIEMENS	1.22	1.07
TRIVENI ENGINEERING AND INDUSTRIES	0.96	1.56
BANKING & FINANCE	14.70	
HDFC	4.32	1.20
STATE BANK OF INDIA	4.27	0.93
ICICI BANK	3.32	1.48
HDFC BANK	2.78	0.95
OIL REFINERIES	13.66	
RELIANCE INDUSTRIES	9.06	1.04
OIL & NATURAL GAS CORPORATION	3.79	0.83
BHARAT PETROLEUM	0.81	0.66
IT	10.18	
INFOSYS TECHNOLOGIES	5.15	1.08
TATA CONSULTANCY SERVICES	2.62	0.84
WIPRO LTD	2.40	1.14
METALS	6.68	
TATA STEEL	4.22	1.15
HINDALCO INDUSTRIES	1.58	1.28
STERLITE INDUSTRIES	0.88	1.07
POWER	6.18	
TATA POWER	3.63	0.85
NTPC	2.55	0.96
AUTOMOBILES	4.64	
MARUTI SUZUKI INDIA	2.98	0.25
TATA MOTORS	1.67	0.57
TELECOM	4.62	
BHARTI AIRTEL	4.36	0.48
RELIANCE COMMUNICATIONS	0.26	1.02
CEMENT & CEMENT PRODUCTS	2.70	
GRASIM INDUSTRIES	1.97	0.72
ACC LTD	0.73	0.55
PHARMACEUTICALS	2.61	
DIVIS LABORATORIES	2.61	1.01
FERTILIZERS	2.59	
GUJARAT NARMADA VALLEY FERTILISERS	1.76	1.07
GUJARAT STATE FERTILIZERS & CHEMICALS	0.83	0.68
HOTELS	2.13	
INDIAN HOTELS	2.13	1.07
AVIATION	2.04	
DECCAN AVIATION	2.04	1.37
REAL ESTATE	1.92	
UNITECH	0.97	1.45
DLF LIMITED	0.96	1.97
FMCG	1.65	
ITC LTD	0.84	0.55
HINDUSTAN UNILEVER	0.81	0.32
AUTO ANCILLARY	0.87	
AUTOMATIVE AXLES	0.87	0.48
CONSTRUCTION	0.83	
GAMMON INDIA	0.83	0.61

**total equity 93.79**

**total bank deposits/mutual funds 6.21**

**total net assets 100.00**

## asset allocation



## fund characteristics as on April 30, 2008

Fund Beta 0.97

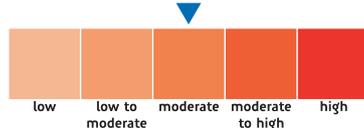
## NAV as on April 30, 2008

Reliance Group Leave Encashment (GLE) - Equity Fund Option: Rs. 8.2154

## 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

Reliance Group Gratuity-Growth Fund Option:

Reliance Group Superannuation-Growth Fund Option:

## fund manager's report

The month of April saw markets gain momentum with high volatility. The positive trend was influenced by strong domestic and global corporate earnings. But the volatility continued to remain high due to high inflation. Looking at the volatile conditions the holding in equities was kept at 39.44%.

The allocation to corporate bonds was reduced to 28.94% from 41.63% in march due to credit issues in Corporate bond segment. Correspondingly, the G-sec allocation was at 13.27% slightly higher from 11.88% in March. The allocation to short term bank deposits and mutual funds was increased to 18.35%. The portfolio is at its desired asset allocation.

## asset allocation

Debt.: 60%  
Equity: 40%

## benchmark construction

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

# ULIP Growth Fund

details as on April 30, 2008

## fund performance

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	11.05%	16.88%	14.06%	13.06%	0.43	0.91
last 2 years (CAGR)	8.89%	13.56%	11.52%	10.92%	0.34	0.78
last 3 years (CAGR)	16.25%	19.42%	10.52%	10.03%	1.07	1.44
since inception (CAGR)	14.72%	17.09%	9.87%	9.40%	0.98	1.29
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	3.69	AAA
9.50% NABARD SER IX I 15-10-12	2.99	AAA
9.58% EXIM BANK 04-09-09	2.77	AAA
8.95% HDFC LTD 29-10-10	2.47	AAA
7.15% IND OIL BOND 10-06-12	2.09	AAA
8.25% IDBI OMNI BOND SER III 26-05-11	1.98	AA+
9.80% POWER FIN CORP SER XXXVIII 20-09-12	1.96	AAA
9.50% INDIAN HOTEL 28-02-12	1.65	AA+
10.20% HDFC LTD 13-04-10	1.12	AAA
9.50% NABARD 29-06-10	1.11	AAA
9.05% EXIM BANK 06-11-10	1.10	AAA
8.65% HDFC LTD 12-09-11	1.08	AAA
0% HDFC 22-09-08	1.07	AAA
7.20% HDFC 03-06-10	0.96	AAA
10.10% POWER GRID CORP 12-06-12	0.57	AAA
9% TATA SONS 27-07-10	0.55	AAA
8.40% EXIM BANK 28-09-10	0.54	AAA
7.39% POWER GRID CORP 22-09-11	0.52	AAA
10% NABARD SER IX 14-05-12	0.45	AAA
9.35% IL & FS LTD 22-10-10	0.28	AAA

**total corporate bonds 28.93**

### gilts

		SOVEREIGN
8.24% GOI 22-04-18	3.11	
7.44% GOI SPL OIL BOND 23-03-12	2.26	
7.99% GOI 09-07-17	1.83	
7.49% GOI 16-04-17	1.34	
7.37% GOI 16-04-14	1.23	
7.33% OIL COMP GOI BOND 07-03-09	1.11	
5.48% GOI 12-06-09	1.08	
7.27% GOI 03-09-13	0.86	
11.40% GOI 31-08-08	0.43	
8.35% GOI 14-05-22	0.02	

**total gilts 13.27**

### equity

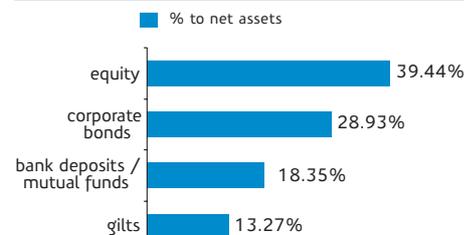
OIL REFINERIES	6.85	
RELIANCE INDUSTRIES	4.06	1.04
OIL & NATURAL GAS CORPORATION	1.82	0.83
RELIANCE PETROLEUM	0.64	1.08
BHARAT PETROLEUM	0.33	0.66
BANKING & FINANCE	5.53	
STATE BANK OF INDIA	1.42	0.93
ICICI BANK	1.33	1.48
HDFC	1.01	1.20
HDFC BANK	0.81	0.95
FEDERAL BANK	0.58	0.69
PUNJAB NATIONAL BANK	0.38	0.88
CAP GOODS / ENGINEERING	4.57	
LARSEN & TOUBRO	1.18	1.11
BHARAT HEAVY ELECTRICALS	0.79	1.08
AREVA T & D INDIA	0.63	0.51
ALSTOM PROJECTS INDIA	0.54	1.17
CUMMINS INDIA	0.42	0.76
CROMPTON GREAVES	0.34	0.78
SIEMENS	0.34	1.07
ABB	0.33	0.94
IT	3.87	
INFOSYS TECHNOLOGIES	1.96	1.08
TATA CONSULTANCY SERVICES	1.00	0.84
SATYAM COMPUTERS	0.52	0.85
WIPRO LTD	0.39	1.14
POWER	3.31	
NTPC	2.08	0.96
TATA POWER	1.23	0.85
METALS	2.69	
TATA STEEL	1.33	1.15
HINDALCO INDUSTRIES	0.61	1.25
STERILITE INDUSTRIES	0.40	1.07
STEEL AUTHORITY OF INDIA	0.34	1.46
TELECOM	2.27	
BHARTI AIRTEL	1.88	0.48
RELIANCE COMMUNICATIONS	0.39	1.02
PHARMACEUTICALS	1.82	
DIVIS LABORATORIES	1.02	1.01
SUN PHARMACEUTICALS	0.41	0.27
JUBILANT ORGANOSYS	0.39	0.74
AUTOMOBILES	1.49	
MARUTI SUZUKI INDIA	0.67	0.25
MAHINDRA & MAHINDRA LTD	0.44	0.33
TATA MOTORS	0.37	0.57
FMCG	1.09	
HINDUSTAN UNILEVER	0.55	0.32
ITC LTD	0.54	0.55
CONSTRUCTION	1.02	
JAIPRAKASH ASSOCIATES	0.62	2.17
GAMMON INDIA	0.41	0.61
REAL ESTATE	0.87	
DLF LIMITED	1.97	1.97
UNITECH	0.39	1.45
CEMENT & CEMENT PRODUCTS	0.82	
GRASIM INDUSTRIES	0.50	0.72
ACC LTD	0.32	0.55
OIL EXPLORATION	0.52	
CARM INDIA	0.52	1.21
HOTELS	0.46	
INDIAN HOTELS	0.46	1.07
AVIATION	0.45	
DECCAN AVIATION	0.45	1.37
FERTILIZERS	0.42	
GUJARAT NARMADA VALLEY FERTILISERS	0.42	1.07
RETAIL	0.38	
PANTALOON RETAIL	0.38	0.96
TEXTILE	0.37	
ADITYA BIRLA NUVO	0.37	0.80
LOGISTICS	0.35	
CONTAINER CORPORATION OF INDIA	0.35	0.19
MEDIA	0.30	
ZEE ENTERTAINMENT ENTERPRISES	0.30	0.50

**total equity 39.44**

**total bank deposits/mutual funds 18.35**

**total net assets 100.00**

## asset allocation



## fund characteristics as on April 30, 2008

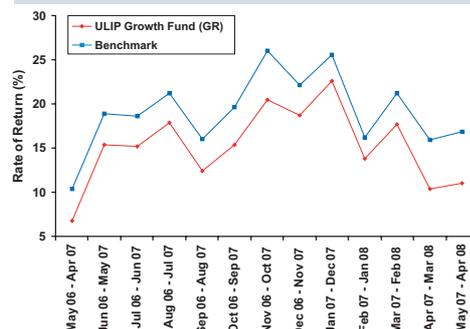
M.Duration of debt portfolio: 2.13 years  
YTM of debt portfolio: 8.79%  
Beta of equity portfolio: 0.95

## NAV as on April 30, 2008

Reliance Group Gratuity-Growth Fund Option: Rs. 11.0029

Reliance Group Superannuation-Growth Fund Option: Rs. 9.3580

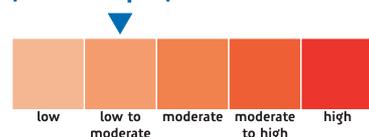
## rolling yearly performance



## 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

Reliance Group Gratuity - Balanced Fund Option

Reliance Group Superannuation - Balanced Fund Option

## fund manager's report

The month of April saw markets gain momentum with high volatility. The positive trend was influenced by strong domestic and global corporate earnings. But the volatility continued to remain high due to high inflation. Looking at the volatile conditions the holding in equities was kept at 19.62%.

The allocation to gilts was at 17% similar to previous month. The allocation to corporate bonds was reduced to 36.76% from 47.40% in March owing to credit issues in the corporate bond segment. The allocation to short-term bank deposits and mutual funds was increased to 25.91% from 16.39% in the previous month to take advantage of higher yields from these instruments. The portfolio is at the desired asset allocation with these changes and we propose to maintain it.

## asset allocation

Debt.: 80%  
Equity: 20%

## benchmark construction

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

# ULIP Balanced Fund

details as on April 30, 2008

## fund performance

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	11.24%	13.02%	7.57%	6.82%	0.82	1.18
last 2 years (CAGR)	8.73%	10.47%	6.34%	5.74%	0.59	0.95
last 3 years (CAGR)	11.94%	12.80%	5.68%	5.19%	1.22	1.50
since inception (CAGR)	11.44%	10.80%	4.89%	4.81%	1.32	1.21
date of inception	february, 2003					

\*CAGR: Compounded Annual Growth Rate

## portfolio

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

### corporate bonds

8% EXIM BANK 27-09-09	2.04	AAA
9% TATA SONS 27-07-10	1.73	AAA
9.68% IRFC 03-07-10	1.64	AAA
9.50% NABARD SER IX 115-10-12	1.62	AAA
9.80% ICICI BANK LTD 10-02-13	1.56	AAA
9.50% INDIAN HOTEL 28-02-12	1.52	AA+
8.40% EXIM BANK 28-09-10	1.50	AAA
0% IDFC 27-06-08	1.41	AAA
0% HDFC 22-09-08	1.38	AAA
9.35% LIC HOUSING FINANCE LTD 23-11-12	1.22	AAA
10% NABARD SER IX 14-05-12	1.06	AAA
10% CITIFINANCIAL CONSUMER 27-09-10	1.04	AAA
9.80% POWER FINANCE CORP SER XXXVIII 20-09-12	1.03	AAA
9.80% POWER FINANCE CORP 22-03-12	1.03	AAA
9.65% NABARD SER IX 10-09-10	1.03	AAA
9.68% IRFC 03-07-08	1.02	AAA
9.24% L & T FINANCE 30-07-10	1.02	AA+
9.40% TATA TEA LTD 08-11-10	1.02	AA+
8.50% HDFC LTD 29-08-09	1.01	AAA
10.35% HDFC LTD 16-05-17	1.01	AAA
8.50% EXIM BANK MD 26-09-11	0.86	AAA
9.00% SUNDARAM FINANCE 17-08-09	0.79	AA+
9.35% IL & FS LTD 22-10-10	0.78	AAA
10.10% POWER GRID CORP 12-06-11	0.76	AAA
0% CITIFINANCIAL CONSUMER 23-07-10	0.70	AAA
6.25% ULTRATECH CEMENT 25-06-09	0.69	AAA
6.50% HINDALCO LTD 06-09-09	0.63	AA
10.20% HDFC LTD 13-04-10	0.62	AAA
10.75% IL & FS LTD SER XI 29-03-09	0.62	AAA
5.75% IDFC 08-08-08	0.61	AAA
9.76% IRFC 03-07-12	0.60	AAA
7.20% HDFC 03-06-10	0.59	AAA
9.25% EXIM BANK 13-12-02	0.51	AAA
8.25% IDBI OMNI BOND SER III 26-05-11	0.45	AA+
7.39% POWER GRID CORP 22-09-11	0.42	AAA
10% NABARD 18-06-10	0.41	AAA
9.50% NABARD 29-06-10	0.41	AAA
9.20% HDFC LTD 09-02-12	0.41	AAA

**total corporate bonds 36.76**

### gilts

		SOVEREIGN
7.37% GOI 16-04-14	3.27	
8.24% GOI 22-04-18	2.24	
7.27% GOI 03-09-13	2.19	
7.59% GOI 07-17	1.86	
7.38% GOI 03-09-2015	1.78	
7.44% GOI SPL OIL BOND 23-03-12	1.57	
5.48% GOI 12-06-09	1.40	
5.87% GOI 02-01-10	1.39	
7.33% OIL COMP GOI BOND 07-03-09	0.70	
6.96% GOI SPL OIL BOND 30-03-09	0.52	
7.49% GOI 16-04-17	0.20	
9.39% GOI 02-07-11	0.20	
11.40% GOI 31-08-08	0.11	

**total gilts 17.71**

### equity

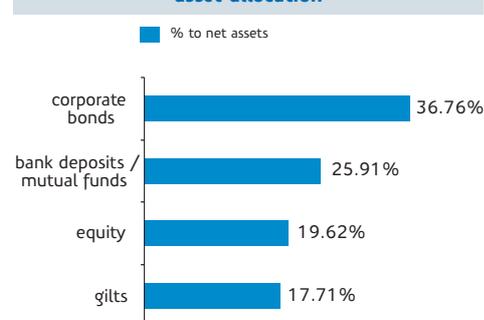
<b>OIL REFINERIES</b>	<b>3.42</b>	
RELIANCE INDUSTRIES	2.03	1.04
OIL & NATURAL GAS CORPORATION	0.91	0.83
RELIANCE PETROLEUM	0.32	1.08
BHARAT PETROLEUM	0.17	0.66
<b>BANKING &amp; FINANCE</b>	<b>2.76</b>	
STATE BANK OF INDIA	0.71	0.93
ICICI BANK	0.66	1.48
HDFC	0.50	1.20
HDFC BANK	0.41	0.95
FEDERAL BANK	0.29	0.69
PUNJAB NATIONAL BANK	0.19	0.88
<b>CAP GOODS / ENGINEERING</b>	<b>2.27</b>	
LARSEN & TOUBRO	0.59	1.11
BHARAT HEAVY ELECTRICALS	0.39	1.08
AREVA T & D INDIA	0.31	0.51
ALSTOM PROJECTS INDIA	0.27	1.17
CUMMINS INDIA	0.21	0.76
CROMPTON GREAVES	0.17	0.76
ABB	0.16	0.94
SIEMENS	0.15	1.07
	1.92	
INFOSYS TECHNOLOGIES	0.98	1.08
TATA CONSULTANCY SERVICES	0.49	0.84
SATYAM COMPUTERS	0.26	0.85
WIPRO LTD	0.19	1.14
<b>POWER</b>	<b>1.65</b>	
NTPC	1.03	0.96
TATA POWER	0.62	0.85
<b>METALS</b>	<b>1.29</b>	
TATA STEEL	0.61	1.15
HINDALCO INDUSTRIES	0.31	1.28
STERILITE INDUSTRIES	0.20	1.07
STEEL AUTHORITY OF INDIA	0.17	1.46
<b>TELECOM</b>	<b>1.13</b>	
BHARTI AIRTEL	0.94	0.48
RELIANCE COMMUNICATIONS	0.19	1.02
<b>PHARMACEUTICALS</b>	<b>0.91</b>	
DIVIS LABORATORIES	0.51	1.01
SUN PHARMACEUTICALS	0.21	0.27
JUBILANT ORGANOSYS	0.19	0.74
<b>AUTOMOBILES</b>	<b>0.74</b>	
MARUTI SUZUKI INDIA	0.34	0.25
MAHINDRA & MAHINDRA LTD	0.22	0.33
TATA MOTORS	0.19	0.57
<b>FMCG</b>	<b>0.54</b>	
HINDUSTAN UNILEVER	0.27	0.32
ITC LTD	0.27	0.55
<b>CONSTRUCTION</b>	<b>0.50</b>	
JAIPRAKASH ASSOCIATES	0.31	2.17
GAMMON INDIA	0.19	0.61
<b>REAL ESTATE</b>	<b>0.43</b>	
DLF LIMITED	0.24	1.97
UNITECH	0.19	1.45
<b>CEMENT &amp; CEMENT PRODUCTS</b>	<b>0.41</b>	
GRASIM INDUSTRIES	0.25	0.72
ACC LTD	0.16	0.55
<b>OIL EXPLORATION</b>	<b>0.26</b>	
CAIRN INDIA	0.26	1.21
<b>HOTELS</b>	<b>0.25</b>	
INDIAN HOTELS	0.25	1.07
<b>AVIATION</b>	<b>0.23</b>	
DECCAN AVIATION	0.23	1.37
<b>FERTILIZERS</b>	<b>0.21</b>	
GUJARAT NARMADA VALLEY FERTILISERS	0.21	1.07
<b>RETAIL</b>	<b>0.19</b>	
PANTALOON RETAIL	0.19	0.96
<b>TEXTILE</b>	<b>0.18</b>	
ADITYA BIRLA NUVO	0.18	0.80
<b>LOGISTICS</b>	<b>0.17</b>	
CONTAINER CORPORATION OF INDIA	0.17	0.19
<b>MEDIA</b>	<b>0.15</b>	
ZEE ENTERTAINMENT ENTERPRISES	0.15	0.50

**total equity 19.62**

**total bank deposits/mutual funds 25.91**

**total net assets 100.00**

## asset allocation



## fund characteristics as on April 30, 2008

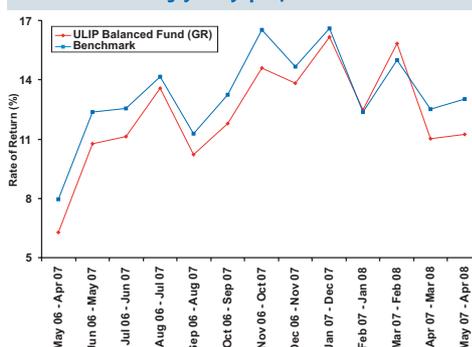
M.Duration of debt portfolio: 1.97 years  
YTM of debt portfolio: 8.62%  
Beta of equity portfolio: 0.95

## NAV as on April 30, 2008

Reliance Group Gratuity - Balanced Fund Option:  
Rs. 11.0729

Reliance Group Superannuation - Balanced Fund Option:  
Rs. 14.0871

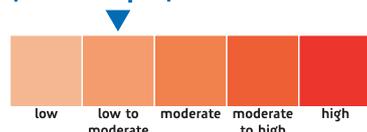
## rolling yearly performance



## 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 higher at 67.61% from 60.72% in March. Around 32.38% is invested in short term bank FDs, CDs and mutual funds. We intend to increase exposure to corporate bonds to 80-90% as and when we attractive investments are available.

## asset allocation

Bond Instruments: 100%

## benchmark construction

CRISIL Composite Bond Index: 100%

# ULIP Corporate Bond Fund

details as on April 30, 2008

## fund performance

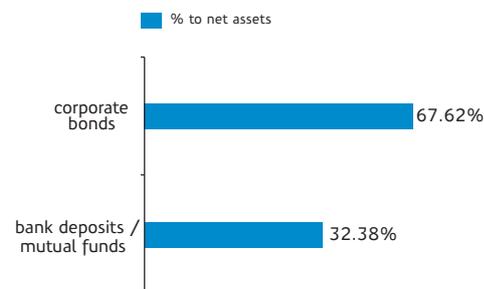
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	data not available as the fund has not completed a period of one year since inception					
date of inception	october, 2007					

\*CAGR: Compounded Annual Growth Rate

## portfolio

security	% to net assets	rating
<b>corporate bonds</b>		
9.40% TATA TEA LTD 08-11-10	10.45	AA+
9.05% EXIM BANK 06-11-10	10.43	AAA
8.88% IDFC 07-01-11	10.38	AAA
8.38% POWER FINANCE CORP 11-12-09	8.29	AAA
10.05% NABARD 11-06-14	6.46	AAA
9.32% HDFC LTD 17-12-12	4.17	AAA
7.39% POWER GRID CORP 22-09-11	3.57	AAA
9.47% POWER GRID CORPORATION 31-03-13	2.10	AAA
9.20% HDFC LTD 09-02-12	2.08	AAA
8.75% IRFC 07-01-13	2.06	AAA
0% HDFC 22-09-08	2.02	AAA
6.25% ULTRATECH CEMENT 25-06-09	1.83	AAA
7.10% POWER GRID CORP 18-02-09	1.45	AAA
9.50% NABARD 29-06-10	1.05	AAA
9.76% IRFC 03-07-12	0.64	AAA
9.25% EXIM BANK 13-12-02	0.62	AAA
<b>total corporate bonds</b>	<b>67.62</b>	
<b>total bank deposits/mutual funds</b>	<b>32.38</b>	
<b>total net assets</b>	<b>100.00</b>	

## asset allocation



## fund characteristics as on April 30, 2008

M.Duration of debt portfolio: 1.70 years  
YTM of debt portfolio: 8.95%

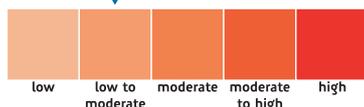
## NAV as on April 30, 2008

Reliance Group Leave Encashment (GLE) – Corporate Bond Fund Option: Rs. 10.3298

## fund objective

Provide returns that exceed the inflation rate, without taking any credit risk (sovereign risk only) and maintaining a low probability of a 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 at around 73%, slightly higher than the previous month. The allocation to short term assets like Bank FDs, CDs and MFs was around 26.52% of the portfolio. We have reduced the duration of the fund during the month.

## asset allocation

Government Securities: 100%

## benchmark construction

I-Sec Composite Sovereign Bond Index: 100%

# ULIP Gilt Fund

details as on April 30, 2008

## fund performance

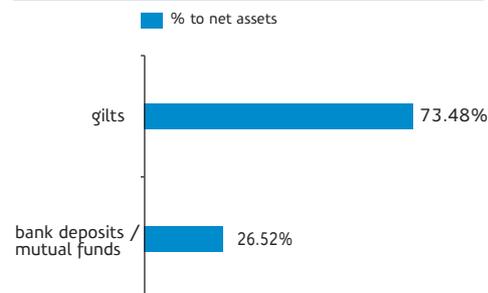
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	data not available as the fund has not completed a period of one year since inception					
date of inception	october, 2007					

\*CAGR: Compounded Annual Growth Rate

## portfolio

security	% to net assets	rating
<b>gilts</b>		
<b>SOVEREIGN</b>		
7.27% GOI 03-09-13	28.05	
5.48% GOI 12-06-09	15.13	
5.87% GOI 02-01-10	15.04	
9.39% GOI 02-07-11	10.65	
8.24% GOI 22-04-18	2.47	
11.40% GOI 31-08-08	2.04	
9.85% GOI 16-10-15	0.10	
<b>total gilts</b>	<b>73.48</b>	
<b>total bank deposits/mutual funds</b>	<b>26.52</b>	
<b>total net assets</b>	<b>100.00</b>	

## asset allocation



## fund characteristics as on April 30, 2008

M.Duration of debt portfolio: 2.13 years  
YTM of debt portfolio: 8.10%

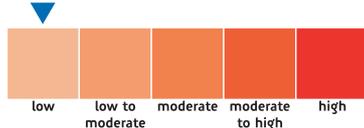
## NAV as on April 30, 2008

Reliance Group Leave Encashment (GLE) - Gilt Fund Option: Rs. 10.2612

## 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 99.66% of the portfolio which is giving the highest yield among money market instruments. The balance is in short term assets like CBLO and MFs.

## asset allocation

Money Market Instruments: 100%

## benchmark construction

CRISIL Liquid Bond Index: 100%

# ULIP Money Market Fund

details as on April 30, 2008

## fund performance

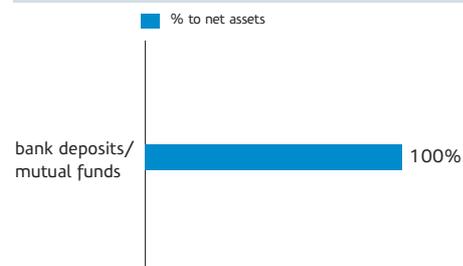
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	data not available as the fund has not completed a period of one year since inception					
date of inception	november, 2007					

\*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 April 30, 2008

M.Duration of debt portfolio: 0.31 years  
YTM of debt portfolio: 8.97%

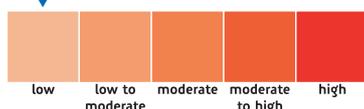
## NAV as on April 30, 2008

Reliance Group Leave Encashment (GLE) - Money Market Fund Option: Rs. 10.3783

## 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

Reliance Group Gratuity - Capital Secure Fund Option

Reliance Group Superannuation-Capital Secure Fund Option

## fund manager's report

The allocation to CDs (Certificate of Deposits) and bank fixed deposits was reduced to 93% from 100% in March and the balance was invested in MFs to take advantage of high yields in these instruments. The fund continues to outperform its benchmark. We propose to increase the exposure to CDs as and when rates become attractive

## asset allocation

Money Market Instruments: 100%

## benchmark construction

Yield on 182-day T.Bills

# ULIP Capital Secure Fund

details as on April 30, 2008

## fund performance

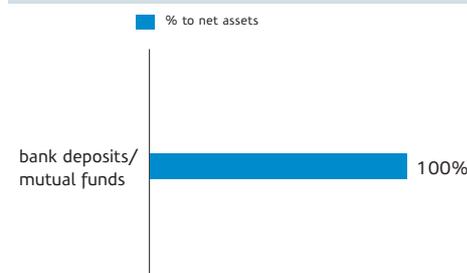
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	9.05%	7.61%	0.14%	0.15%	29.00	16.88
last 2 years (CAGR)	7.97%	7.41%	0.40%	0.16%	7.35	14.71
last 3 years (CAGR)	7.19%	6.90%	0.50%	0.26%	4.42	7.21
since inception (CAGR)	6.30%	5.79%	0.52%	0.44%	2.52	1.77
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 April 30, 2008

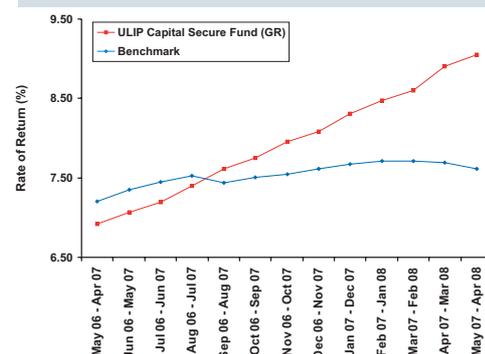
M.Duration of debt portfolio: 0.05 years  
YTM of debt portfolio: 8.42%

## NAV as on April 30, 2008

Reliance Group Gratuity - Capital Secure Fund Option: Rs. 11.0007

Reliance Group Superannuation-Capital Secure Fund Option : Rs 10.0769

## 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 for 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 Sharp 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

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

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

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

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](http://www.reliancelife.co.in)

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