

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.

Economy Indicators	31st Mar 09	31st Mar 08	Change
Rs./\$	50.73	40.11	-10.62
WPI Inflation	227.30*	226.00	0.31%y-o-y*
Forex Reserves (\$ bn)	252.33	304.66	-52.33bn\$
Oil Price (\$ per Barrel)	46.19	102.43	-56.24\$
Gold (Rs. per 10gm)	15200	12150	Rs. 3050

* As of 21st March 2009

Investments	31st Mar 09	31st Mar 08	Absolute Change
FII (Rs Crs)	-47706	53404	-101110
MFI (Rs Crs)	6984	15775	-8791

Indices	31st Mar 09	31st Mar 08	% Change
BSE Sensex	9709	15644	-38
S&P CNX Nifty	3021	4735	-36
CNX Mid Cap	3407	6241	-45
BSE Small Cap	3247	7842	-59

Global Indices	31st Mar 09	31st Mar 08	% Change
Dow Jones	7609	12263	-38
FISE 100	3926	5702	-31
Hang Seng	13576	22490	-40
Nikkei	8110	12526	-35

Sectoral Indices	31st Mar 09	31st Mar 08	% Change
CNX Infrastructure	2369	4261	-44
CNX Energy	6500	8581	-24
BSE Capital Goods	6466	14009	-54
BSE Bankex	4491	7718	-42
BSE Oil & Gas	7053	10017	-30
BSE IT	2286	3548	-36

Fixed Income Indicators	31st Mar 09	31st Mar 08	Absolute Change
NSE Mibor	5.00	9.16	-4.16
91 Day T-Bill	4.80	7.23	-2.43
182 Day T-Bill	5.10	7.36	-2.26
1 year GOI Benchmark	4.83	7.54	-2.71
5 Year GOI Benchmark	6.75	7.76	-1.01
5 Year Corp Bond Benchmark	8.54	9.40	-0.86
10 Year GOI Benchmark	7.01	7.93	-0.92
10 Year US Benchmark	2.67	3.43	-0.76

fund snapshot

asset allocation	funds	gross return (CAGR*) (%) as on March 31, 2009				date of inception
		last 1 year	last 2 years	last 3 years	since inception	
100% equity	ULIP Equity	-30.59%	N.A.	N.A.	-36.21%	October, 2007
100% pure equity	ULIP Pure Equity	N.A.	N.A.	N.A.	N.A.	December, 2008
100% equity	ULIP Infrastructure	N.A.	N.A.	N.A.	N.A.	December, 2008
100% equity	ULIP Energy	N.A.	N.A.	N.A.	N.A.	December, 2008
100% equity	ULIP Midcap	N.A.	N.A.	N.A.	N.A.	December, 2008
40% equity, 60% debt	ULIP Growth	-7.78%	0.90%	2.57%	8.92%	August, 2004
20% equity, 80% debt	ULIP Balanced	1.79%	6.31%	6.20%	9.76%	February, 2003
100% bond instruments	ULIP Corporate Bond	12.26%	N.A.	N.A.	10.88%	October, 2007
100% debt instrument	ULIP Pure Debt	N.A.	N.A.	N.A.	N.A.	October, 2008
100% govt. securities	ULIP Gilt	8.34%	N.A.	N.A.	8.02%	October, 2007
100% money market instruments	ULIP Money Market	11.95%	N.A.	N.A.	11.52%	November, 2007
100% money market instruments	ULIP Capital Secure	10.65%	9.77%	8.77%	6.95%	February, 2003

*CAGR: Compounded Annual Growth Rate

Indian Economy : Update & Outlook

India's GDP growth fell from expectations of double-digit rate to 6.9% y-o-y in the first three quarters of FY09. Full-year GDP was estimated to have grown in the region of 6.5%-7.1% from 9% in FY08. The industrial output fell for the second month, down 0.5% y-o-y in January while exports contracted for five straight months. India faced the danger of missing the \$175 bln annual export target, already revised lower from \$200 bln. WPI inflation rate crashed to 0.31% y-o-y from as high as 12.91% in August. The rate was 7.75% last fiscal and moved primarily in sync with commodity/energy prices and base effect.

India's fiscal deficit ballooned to Rs.3.07 tln, revised upwards to around 6% of GDP from the budgeted estimate of 2.5% of GDP. Deficit widened after the government announced extra spending to cover for farm debt scheme, subsidies and steps to stimulate a slowing economy.

Current account deficit widened to \$14.64 billion in October-December, more than triple from Q3 FY08. It was the widest since economic reforms began in early 1990's. The balance of payments deficit was \$17.88 billion, compared with a revised surplus of \$26.74 billion in year-ago quarter. The capital account fell into a deficit for the first time in a decade.

Outlook:

Inflation after touching a high of 12.91% tapered sharply to almost zero levels during the last FY. With lower inflation and moderating growth, we see room for the RBI to cut rates further during the year. Still sign of economic recovery in near future appears bleak on account of international and domestic slackening in demand. We expect fiscal stimulus and easing of rates in the domestic economy will act as a trigger with some lag. Policies of the new government in office will be crucial for the revival of the economy. On account of this we may expect visible signals of recovery in the economy from 2nd half of the FY. The GDP growth for the FY 2009-10 is expected to be in the range of 4.5-5.50%.

Debt Market : Update & Outlook

The 10-year benchmark bond yield rose 175 bps in Jan-March 2009 after having fallen 250 bps in the 2008 calendar. The yield moved in a wide range of 4.86% to 9.47%, ending the fiscal year at 7.06%, but nearly 90 bps lower than 7.93% in the beginning of the FY08. Liquidity conditions improved drastically with the RBI going on an aggressive rate-cutting spree. Since October, CRR was reduced by 400 bps, LAF repo rate was cut by 400 bps and reverse repo rate was cut 250 bps. RBI also used OMO buybacks late in the fiscal when the market reeled under the pressure of massive additional borrowing.

The government is scheduled to borrow Rs.2,41,000 crore in the period April-September 2009. The months of April, May and June will see government bond auctions of Rs.48,000 crore each. This means Rs.12,000 crore of government bond supply every week for the next three months. The months of July, August and September will see auctions of Rs.34,000 crore, Rs 31,000 crore and Rs 32,000 crore, respectively with an auction scheduled for three weeks of each month. The bond market is concerned about the absorption of the supply and has taken up bond yields on the back of the supply concern. However, net redemptions of Rs 66,000 crores (including MSS or Market Stabilisation Scheme bonds) and RBI's slated OMO bond purchase of Rs 80,000 crores, the incremental supply is only Rs 95,000 crores, which works to around Rs.16,000 crore a month. The non-utilisation of Rs.33,000 crore of MSS funds in fiscal 2008-09 is available for use in 2009-10, which further brings down the net borrowing amount.

Outlook:

During the FY 2009-10 we expect market to remain volatile on account of high government borrowing. Central Banks assurance of smooth conducting of borrowing will be watched off very closely and will decide the course of yield curve. Overall liquidity in the system is expected to remain comfortable. The benchmark 10 year Government Security is expected to remain in a band of 6.25% to 7.50%

Equity Market : Update & Outlook

FY09 was perceived as the most difficult year by the economists around the world since the Great Depression 1929. Sensex declined from the all time closing high of 21,113 in January 2008 to a low of 8,110.10 in FY09. Sensex ended at 9708.50 while Nifty closed at 3020.95. Sector wise, realty was the worst hit, losing 79% market cap as the sector witnessed lack of demand on uncertainty over interest rates, slowdown in economy and leverage of company. Investments in FMCG and health care seemed to be the safest bet in the year. FMCG index was down merely 11% while health care index was down 26%. FIIs were net sellers of equities worth Rs. 47706.20 crore for the fiscal.

Tight monetary policy in the first half of FY09, sharp contraction in domestic and global demand, high input costs pulled down corporate earnings and raised apprehension among investors. Rupee depreciated 26.70% against dollar. The issue of corporate governance weakened the domestic market in the last quarter. The government announced subsidies, cut in fuel rates, reduction in excise duty and service tax to beleaguered sectors to boost demand. The RBI provided immense support through rate cuts.

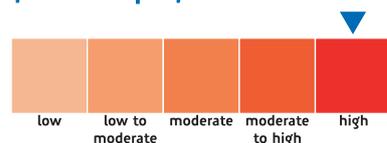
Outlook:

Markets in FY09 were characterized by deep negative news which led to flow of capital from high risk emerging equity markets to safe havens like US Treasury Bonds and gold. This led to Nifty ending the year down 36% Y-o-Y. FY10 has started on a positive note with markets reacting positively to global cues emerging from G20 meet, better than expected auto and housing data in the USA and increased flows to emerging markets like India. This bullishness needs more concrete data for sustenance while negatives continue to be of economic slowdown, expected lower corporate results and uncertain political scenario - these are also relatively 'known' and thus already factored in. Though the pain in terms of global and domestic scenario seems to have eased, the full effect of various stimulus packages can be felt only by end of CY2009.

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



fund manager's report

The Month of March saw markets ending positive led by financials and metals. The markets witnessed buying from the FIIs and domestic institutions due to expectations from the G-20 summit and the optimism of the real impact of the fiscal stimulus on the economy. Keeping all this into consideration and the risk profile of the scheme, the holding in equities was kept at 81.54%

target asset allocation

Equity: 100%

benchmark construction

S&P CNX Nifty: 100%

ULIP Equity Fund

fund performance as on March 31, 2009

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	-30.59%	-36.19%	34.26%	38.09%	-1.04	-1.08
since inception (CAGR)	-36.21%	-37.66%	34.15%	35.27%	-1.21	-1.21
date of inception	october, 2007					

*CAGR: Compounded Annual Growth Rate

portfolio as on March 31, 2009

security % to net assets 1-yr beta

equity

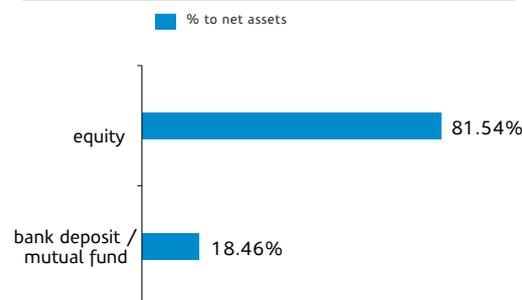
OIL REFINERIES	15.50	
RELIANCE INDUSTRIES	9.44	1.21
OIL & NATURAL GAS CORPORATION	3.70	0.84
BHARAT PETROLEUM	0.95	0.50
HINDUSTAN PETROLEUM CORPORATION LTD FV10	0.73	0.44
RELIANCE PETROLEUM	0.68	1.03
BANKING & FINANCE	13.98	
STATE BANK OF INDIA	3.69	1.13
ICICI BANK	2.52	1.64
HDFC BANK	2.24	1.04
HDFC	1.93	1.23
BANK OF BARODA	1.45	0.91
PUNJAB NATIONAL BANK	1.36	0.99
AXIS BANK	0.79	1.42
IT	8.28	
INFOSYS TECHNOLOGIES	4.24	0.64
TATA CONSULTANCY SERVICES	3.08	0.87
WIPRO LTD	0.96	0.99
CAP GOODS / ENGINEERING	7.58	
BHARAT HEAVY ELECTRICALS	3.23	1.00
LARSEN & TOUBRO	2.16	1.12
CUMMINS INDIA	0.88	0.51
ALSTOM PROJECTS INDIA	0.76	0.99
ABB	0.55	0.91
POWER	6.61	
NTPC	2.73	0.77
TATA POWER	2.07	1.03
AREVA T & D INDIA LTD	1.09	0.90
SUZLON ENERGY	0.49	1.53
POWER GRID CORPORATION OF INDIA LTD	0.23	0.81
FMCG	6.29	
ITC LTD	3.28	0.53
HINDUSTAN UNILEVER	2.77	0.46
MARICO LTD.	0.24	0.35
PHARMACEUTICALS	5.59	
DIVIS LABORATORIES	1.94	0.83
CIPLA LTD	1.63	0.52
SUN PHARMACEUTICALS	1.10	0.28
RANBAXY LAB	0.59	0.73
GLENMARK PHARMACEUTICALS LTD	0.32	0.66
METALS	4.65	
STEEL AUTHORITY OF INDIA	2.03	1.25
TATA STEEL	1.15	1.44
STERLITE INDUSTRIES	0.85	1.31
JINDAL STEEL AND POWER LTD	0.48	1.22
NATIONAL ALUMINIUM COMPANY LTD	0.15	0.98
TELECOM	4.18	
BHARTI AIRTEL	3.77	0.99
IDEA CELLULAR LTD	0.42	1.10
AUTOMOBILES	2.76	
MARUTI SUZUKI INDIA	1.81	0.72
BAJAJ AUTO LTD	0.95	0.64
GAS	1.93	
GAIL (INDIA)	1.93	0.80
OIL EXPLORATION	1.72	
CAIRN INDIA	1.72	1.00
CEMENT & CEMENT PRODUCTS	1.62	
GRASIM INDUSTRIES	0.88	0.77
ACC LTD	0.49	0.68
ULTRATECH CEMENT LTD	0.24	0.58
HOTELS	0.41	
INDIAN HOTELS	0.41	0.53
CONSTRUCTION	0.30	
IVRCL INFRASTRUCTURES	0.30	1.72
AUTO ANCILLARY	0.15	
AUTOMATIVE AXLES	0.15	0.49

total equity 81.54

total bank deposits/mutual funds 18.46

total net assets 100.00

asset allocation as on Mar 31, 2009



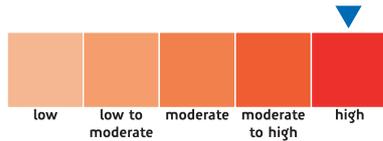
fund characteristics as on Mar 31, 2009

Fund Beta 0.94

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



ULIP Pure Equity Fund

fund performance as on March 31, 2009

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 the not completed a period of one year since inception					
date of inception	december, 2008					

*CAGR: Compounded Annual Growth Rate

portfolio as on March 31, 2009

security % to net assets 1-yr beta

equity

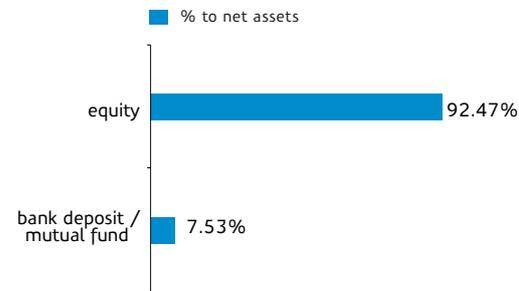
OIL REFINERIES	18.68	
RELIANCE INDUSTRIES	9.51	1.21
OIL & NATURAL GAS CORPORATION	7.07	0.84
RELIANCE PETROLEUM	2.10	1.03
POWER	13.09	
NTPC	7.79	0.77
TATA POWER	3.66	1.03
AREVA T & D INDIA LTD	1.36	0.90
SUZLON ENERGY	0.28	1.53
CAP GOODS / ENGINEERING	11.88	
BHARAT HEAVY ELECTRICALS	3.72	1.00
LARSEN & TOUBRO	3.63	1.12
CUMMINS INDIA	1.21	0.51
ALSTOM PROJECTS INDIA	1.15	0.99
SIEMENS	0.82	1.04
CROMPTON GREAVES	0.80	1.09
ABB	0.55	0.91
IT	11.68	
INFOSYS TECHNOLOGIES	8.77	0.64
WIPRO LTD	2.16	0.99
HCL TECHNOLOGIES LTD FV 2	0.75	0.94
TELECOM	8.57	
BHARTI AIRTEL	8.57	0.99
PHARMACEUTICALS	6.86	
DIVIS LABORATORIES	2.98	0.83
CIPLA LTD	2.16	0.52
SUN PHARMACEUTICALS	1.25	0.28
RANBAXY LAB	0.47	0.73
METALS	5.49	
STEEL AUTHORITY OF INDIA	2.19	1.25
STERLITE INDUSTRIES	1.28	1.31
JINDAL STEEL AND POWER LTD	1.10	1.22
NATIONAL ALUMINIUM COMPANY LTD	0.93	0.98
AUTOMOBILES	5.40	
MARUTI SUZUKI INDIA	3.67	0.72
MAHINDRA & MAHINDRA LTD	1.29	0.91
TATA MOTORS	0.44	1.19
FMCG	3.25	
HINDUSTAN UNILEVER	3.25	0.46
CEMENT & CEMENT PRODUCTS	2.19	
GRASIM INDUSTRIES	1.26	0.77
ACC LTD	0.93	0.68
OIL EXPLORATION	1.65	
CAIRN INDIA	1.65	1.00
GAS	1.34	
GAIL (INDIA)	1.34	0.80
CONSTRUCTION	1.23	
JAIIPRAKASH ASSOCIATES	0.97	1.79
GAMMON INDIA	0.26	0.68
LOGISTICS	1.16	
CONTAINER CORPORATION OF INDIA	1.16	0.23

total equity 92.47

total money market instruments 7.53

total net assets 100.00

asset allocation as on Mar 31, 2009



fund characteristics as on Mar 31, 2009

Beta of equity portfolio: 0.90

fund manager's report

The Month of March saw markets ending positive led metals. The markets witnessed buying from the FIIs and domestic institutions due to expectations from the G-20 summit and the optimism of the real impact of the fiscal stimulus on the economy. Keeping all this into consideration and the risk profile of the scheme, the holding in equities was kept at 92.47%.

target asset allocation

Equity*: 100%

(*Investments only in sectors other than banks and non-banking financial companies, breweries, distilleries, alcohol based chemicals, cigarettes, tobacco, entertainment, leather, sugar and hatcheries.)

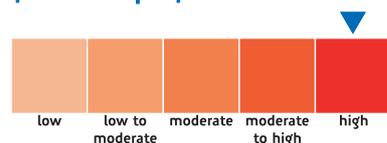
benchmark construction

S&P CNX Nifty 100%

fund objective

Provide high rate of return in the long term through high exposure to equity investments in Infrastructure and allied sectors, while recognizing that there is a significant probability of negative returns in the short term. The risk appetite is 'high'

fund risk profile



fund manager's report

The Month of March saw markets ending positive. The markets witnessed buying from the FIIs and domestic institutions due to expectations from the G-20 summit and the optimism of the real impact of the fiscal stimulus on the economy. Keeping all this into consideration and the risk profile of the scheme, the holding in equities was kept at 72.71%.

target asset allocation

Equity: 100%

benchmark construction

CNX Infrastructure Index: 100%

ULIP Infrastructure Fund

fund performance as on March 31, 2009

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 the not completed a period of one year since inception					
date of inception	december, 2008					

*CAGR: Compounded Annual Growth Rate

portfolio as on March 31, 2009

security % to net assets 1-yr beta

equity

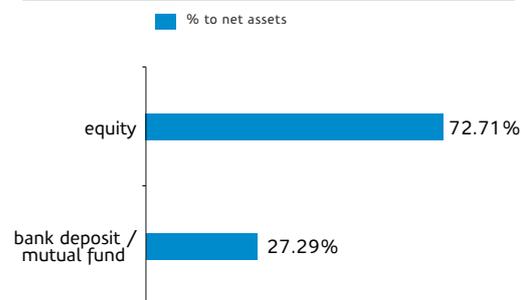
POWER	22.70	
NTPC	17.24	0.77
TATA POWER	2.38	1.03
NEYVELI LIGNITE CORPORATION	2.20	1.13
SUZLON ENERGY	0.89	1.53
CAP GOODS / ENGINEERING	17.83	
BHARAT HEAVY ELECTRICALS	8.38	1.00
LARSEN & TOUBRO	5.61	1.12
SIEMENS	1.47	1.04
ABB	1.02	0.91
CROMPTON GREAVES	0.91	1.09
PUNJ LLOYD	0.44	1.39
TELECOM	17.53	
BHARTI AIRTEL	15.45	0.99
TATA COMMUNICATIONS	1.50	1.00
RELIANCE COMMUNICATIONS	0.59	1.49
OIL REFINERIES	4.47	
RELIANCE INDUSTRIES	4.47	1.21
CONSTRUCTION	2.50	
GMR INFRASTRUCTURE	1.49	1.14
JAIPRAKASH ASSOCIATES	0.79	1.79
IVRCL INFRASTRUCTURES	0.23	1.72
TEXTILE	2.01	
ADITYA BIRLA NUVO	2.01	0.86
BANKING & FINANCE	1.71	
HDFC	1.14	1.23
IDFC	0.58	1.41
METALS	1.23	
TATA STEEL	0.78	1.44
NATIONAL ALUMINIUM COMPANY LTD	0.46	0.98
LOGISTICS	1.03	
CONTAINER CORPORATION OF INDIA	1.03	0.23
CEMENT & CEMENT PRODUCTS	0.85	
GRASIM INDUSTRIES	0.85	0.77
HOTELS	0.43	
INDIAN HOTELS	0.43	0.53
SHIPPING	0.40	
SHIPPING CORPORATION OF INDIA	0.40	0.66

total equity 72.71

total bank deposits/mutual funds 27.29

total net assets 100.00

asset allocation as on Mar 31, 2009



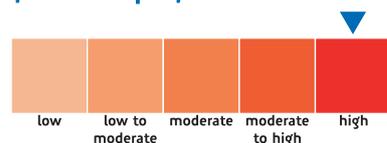
fund characteristics as on Mar 31, 2009

Fund Beta 0.99

fund objective

Provide high rate of return in the long term through high exposure to equity investments in Energy and allied sectors, while recognizing that there is a significant probability of negative returns in the short term. The risk appetite is 'high'

fund risk profile



fund manager's report

The Month of March saw markets ending positive. The markets witnessed buying from the FIIs and domestic institutions due to expectations from the G-20 summit and the optimism of the real impact of the fiscal stimulus on the economy. Keeping all this into consideration and the risk profile of the scheme, the holding in equities was kept at 83.68%.

target asset allocation

Equity: 100%

benchmark construction

CNX Energy Index: 100%

ULIP Energy Fund

fund performance as on March 31, 2009

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	december, 2008					

*CAGR: Compounded Annual Growth Rate

portfolio as on March 31, 2009

security % to net assets 1-yr beta

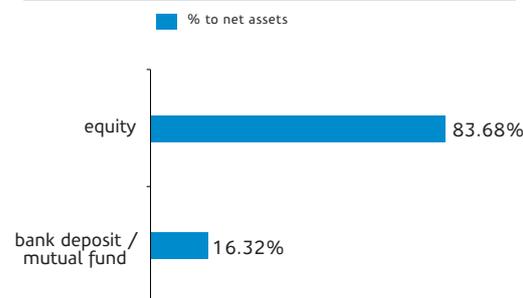
equity

OIL REFINERIES	48.70	
RELIANCE INDUSTRIES	27.67	1.21
OIL & NATURAL GAS CORPORATION	16.42	0.84
RELIANCE PETROLEUM	3.11	1.03
BHARAT PETROLEUM	0.76	0.50
HINDUSTAN PETROLEUM CORP LTD FV10	0.74	0.44
POWER	23.26	
NTPC	14.27	0.77
AREVA T & D INDIA LTD	5.09	0.90
TATA POWER	2.15	1.03
POWER GRID CORP OF INDIA LTD	1.75	0.81
OIL EXPLORATION	3.37	
CAIRN INDIA	3.37	1.00
GAS	3.09	
GAIL (INDIA)	3.09	0.80
CAP GOODS / ENGINEERING	2.75	
ALSTOM PROJECTS INDIA	1.90	0.99
BHARAT HEAVY ELECTRICALS	0.85	1.00
BANKING & FINANCE	1.08	
POWER FINANCE CORPORATION	1.08	0.80
METALS	1.04	
JINDAL STEEL AND POWER LTD	1.04	1.22
FMCG	0.40	
EVEREST KANTO CYLINDER LTD	0.40	0.74
total equity	83.68	

total bank deposits/mutual funds 16.32

total net assets 100.00

asset allocation as on Mar 31, 2009



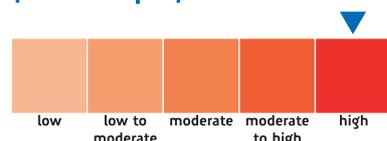
fund characteristics as on Mar 31, 2009

Fund Beta 0.97

fund objective

Provide high rate of return in the long term through high exposure to equity investments in Midcap companies while recognizing that there is significant probability of negative returns in the short term. The risk appetite is 'high'

fund risk profile



fund manager's report

The Month of March saw markets ending positive led by financials and metals. The markets witnessed buying from the FIIs and domestic institutions due to expectations from the G-20 summit and the optimism of the real impact of the fiscal stimulus on the economy. Keeping all this into consideration and the risk profile of the scheme, the holding in equities was kept at 65.83%.

target asset allocation

Equity: 100%

benchmark construction

Nifty Midcap 50: 100%

ULIP Midcap Fund

fund performance as on March 31, 2009

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	december, 2008					

*CAGR: Compounded Annual Growth Rate

portfolio as on March 31, 2009

security % to net assets 1-yr beta

equity

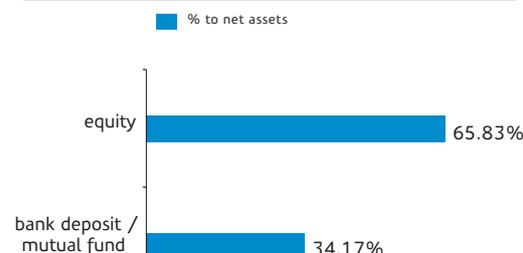
PHARMACEUTICALS	8.19	
LUPIN	3.59	0.55
DIVIS LABORATORIES	2.85	0.83
WOCKHARDT	0.63	0.59
NICHOLAS PIRAMAL INDIA	0.59	0.42
JUBILANT ORGANOSYS	0.54	0.21
BANKING & FINANCE	7.92	
CORPORATION BANK	1.67	0.53
ANDHRA BANK	1.31	0.73
ALLAHABAD BANK	1.19	0.60
SYNDICATE BANK	1.06	0.64
CANARA BANK	0.98	0.69
FEDRAL BANK	0.89	0.75
JAMMU & KASHMIR BANK	0.83	0.52
CAP GOODS / ENGINEERING	6.48	
LARSEN & TOUBRO	1.40	1.12
ALSTOM PROJECTS INDIA	1.36	0.99
BEML	1.17	0.62
PUNJ LLOYD	1.12	1.39
VOLTAS LTD	0.85	1.08
AJA ENGINEERING LTD	0.58	0.54
FMCG	5.97	
TITAN INDUSTRIES	2.43	0.72
TATA TEA	2.17	0.39
MARICO LTD.	1.37	0.35
CEMENT & CEMENT PRODUCTS	4.91	
INDIA CEMENTS	1.80	0.89
SHREE CEMENT	1.78	0.89
BIRLA CORPORATION	0.87	0.64
KESORAM INDUSTRIES	0.46	0.71
POWER	4.89	
TATA POWER	2.19	1.03
CESC	1.55	0.82
LANCO INFRATECH	1.15	1.62
IT	4.37	
MPHASIS	2.26	0.66
TATA CONSULTANCY SERVICES	0.77	0.87
ROLTA INDIA	0.75	0.95
MOSER BAER	0.59	1.19
OIL REFINERIES	3.81	
RELIANCE INDUSTRIES	2.11	1.21
CHENNAI PETROLEUM CORPORATION	0.94	0.67
RELIANCE PETROLEUM	0.77	1.03
CONSTRUCTION	3.59	
HINDUSTAN CONST	1.04	1.36
IVRCL INFRASTRUCTURES	0.99	1.72
NAGARJUNA CONSTRUCTION	0.89	1.43
PATEL ENGINEERING	0.67	1.09
SHIPPING	3.41	
SHIPPING CORPORATION OF INDIA	1.77	0.66
GREAT EASTERN SHIPPING	1.64	0.88
TELECOM	2.04	
TATA TELESERVICES (MAHARASHTRA)	2.04	0.86
FERTILISERS	1.90	
TATA CHEMICALS	1.90	1.06
LOGISTICS	1.56	
CONTAINER CORPORATION OF INDIA	1.56	0.23
AUTOMOBILES	1.45	
ASHOK LEYLAND	1.45	0.73
AUTO ANCILLARY	1.34	
EXIDE INDUSTRIES	0.77	0.51
AMTEK AUTO	0.56	0.80
GAS	1.32	
PETRONET LNG	1.32	0.85
REAL ESTATE	1.00	
BOMBAY DYEING	0.46	1.47
PENINSULA LAND	0.31	1.30
ANSAL PROPERTIES & INFRASTRUCTURE	0.24	1.39
PIPES	0.79	
MAHARASHTRA SEAMLESS	0.79	0.79
HOTELS	0.43	
HOTEL LEELA VENTURE	0.43	0.63
SUGAR	0.39	
BAJAJ HINDUSTAN	0.39	1.17
RETAIL	0.09	
VISHAL RETAIL	0.09	0.66

total equity 65.83

total bank deposits/mutual funds 34.17

total net assets 100.00

asset allocation as on Mar 31, 2009



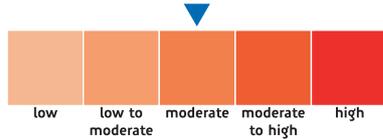
fund characteristics as on Mar 31, 2009

Fund Beta 0.82

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



fund manager's report

The Month of March saw markets ending positive led by financials and metals. The markets witnessed buying from the FIIs and domestic institutions due to expectations from the G-20 summit and the optimism of the real impact of the fiscal stimulus on the economy. Keeping all this into consideration and the risk profile of the scheme, the holding in equities was kept at 32.54%.

The allocation to corporate bonds was decreased to 42.89% from 47.43% due to profit booking. The allocation to the G-sec was also decreased to 4.08% from 6.37%. Accordingly the allocation to short term bank deposits and CDs/CPs was increased to 20.48% from 13.13%.

target asset allocation

Debt.:	60%
Equity:	40%

benchmark construction

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

ULIP Growth Fund

fund performance as on March 31, 2009

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	-7.78%	-9.79%	15.93%	15.93%	-0.80	-0.93
last 2 years (CAGR)	0.90%	2.24%	14.88%	14.63%	-0.28	-0.19
last 3 years (CAGR)	2.57%	4.39%	13.00%	12.79%	-0.19	-0.05
since inception (CAGR)	8.92%	10.08%	11.53%	11.33%	0.34	0.45
date of inception		august, 2004				

*CAGR: Compounded Annual Growth Rate

portfolio as on March 31, 2009

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

corporate bonds

9.68% IRFC 03-07-10	3.59	AAA
8.25% IDBI OMNI BOND SER III 26-05-11	3.17	AA+
11.15% POWER FINANCE CORP 15-09-11	2.83	AAA
9.50% NABARD SER IX I 15-10-12	2.70	AAA
9.58% EXIM BANK 04-09-09	2.67	AAA
10.35% HDFC LTD 16-05-17	2.66	AAA
11.45% RELIANCE INDU LTD 25-11-2013	2.64	AAA
8.95% HDFC LTD 29-10-10	2.43	AAA
11% POWER FINANCE CORP LTD 15-09-2018	2.36	AAA
7.15% IND OIL BOND 10-06-12	2.07	AAA
11.40% POWER FINANCE CORP 28-11-13	1.76	AAA
7.39% POWER GRID CORP 22-09-11	1.67	AA
9.80% TATA STEEL 07-05-11	1.62	AA
9.50% INDIAN HOTEL 28-02-12	1.62	AA+
9.35% HDFC LTD 09-11-09	1.61	AAA
8.45% IRFC 26-12-2018	1.54	AAA
10.90% RECL LTD 14-04-13	1.44	AAA
11.10% POWER FINANCE CORP 15-09-13	1.16	AAA
9.90% TATA SONS 20-05-11	1.10	AAA
9.05% EXIM BANK 06-11-10	1.08	AAA
11.45% RELIANCE INDU LTD 25-11-2013	0.88	AAA
10.60% IRFC	0.29	AAA

total corporate bonds 42.89

gilts

security	% to net assets	SOVEREIGN
7.44% GOI SPL OIL BOND 2012 23-03-2012	2.31	
5.48% GOI 12-06-2009	1.06	
5.87% GOI 02-01-2010	0.70	
8.35% GOI 2022 14-05-2022	0.02	

total gilts 4.08

equity

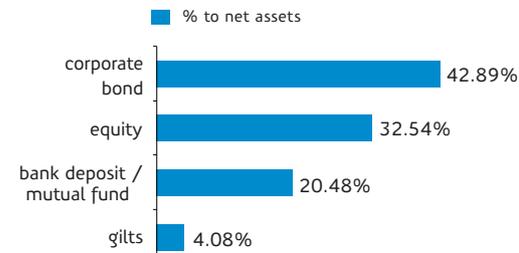
OIL REFINERIES	6.72	
RELIANCE INDUSTRIES	3.90	1.21
OIL & NATURAL GAS CORPORATION	1.56	0.84
BHARAT PETROLEUM CORP LTD	0.45	0.56
RELIANCE PETROLEUM	0.40	1.03
HINDUSTAN PETROLEUM CORPORATION LTD FV10	0.27	0.44
INDIAN OIL CORPORATION	0.14	0.40
BANKING & FINANCE	5.26	
STATE BANK OF INDIA	1.59	1.13
ICICI BANK	0.88	1.64
HDFC BANK	0.86	1.04
HOUSING DEVELOPMENT FINANCE CORPORATION	0.78	1.23
BANK OF BARODA	0.51	0.91
FEDERAL BANK	0.34	0.75
PUNJAB NATIONAL BANK	0.16	0.99
AXIS BANK	0.14	1.42
CAP GOODS / ENGINEERING	3.02	
BHARAT HEAVY ELECTRICALS	1.36	1.00
LARSEN & TOUBRO	0.85	1.12
ALSTOM PROJECTS INDIA	0.24	0.99
CUMMINS INDIA	0.23	0.51
CROMPTON GREAVES	0.17	1.09
SIEMENS	0.16	1.04
IT	2.99	
INFOSYS TECHNOLOGIES	1.48	0.64
TATA CONSULTANCY SERVICES	1.24	0.87
WIPRO LTD	0.26	0.99
POWER	2.69	
NTPC	1.17	0.77
TATA POWER	0.93	1.03
AREVA T & D INDIA LTD	0.38	0.90
SUZLON ENERGY	0.11	1.53
POWER GRID CORPORATION OF INDIA LTD	0.10	0.81
TELECOM	2.08	
BHARTI AIRTEL	1.86	0.99
RELIANCE COMMUNICATIONS	0.22	1.49
PHARMACEUTICALS	2.07	
DIVIS LABORATORIES	0.80	0.83
CIPLA LTD	0.48	0.52
SUN PHARMACEUTICALS	0.46	0.28
RANBAXY LAB	0.20	0.73
JUBILANT ORGANOSYS	0.13	0.21
FMCG	1.77	
HINDUSTAN UNILEVER	1.12	0.46
ITC LTD	0.58	0.53
MARICO LTD.	0.08	0.35
AUTOMOBILES	1.47	
MARUTI SUZUKI INDIA	0.80	0.72
BAJAJ AUTO LTD	0.42	0.64
MAHINDRA & MAHINDRA LTD	0.25	0.91
METALS	1.30	
STEEL AUTHORITY OF INDIA	0.40	1.25
TATA STEEL	0.32	1.44
STERILITE INDUSTRIES	0.26	1.31
JINDAL STEEL AND POWER LTD	0.19	1.22
HINDALCO INDUSTRIES	0.07	1.19
NATIONAL ALUMINIUM COMPANY LTD	0.06	0.98
CEMENT & CEMENT PRODUCTS	0.84	
GRASIM INDUSTRIES	0.39	0.77
ACC LTD	0.29	0.68
ULTRATECH CEMENT LTD	0.15	0.58
GAS	0.77	
GAIL (INDIA)	0.77	0.80
OIL EXPLORATION	0.74	
CAIRN INDIA	0.74	1.00
CONSTRUCTION	0.32	
JAIPRAKASH ASSOCIATES	0.23	1.79
IVRCL INFRASTRUCTURES	0.07	1.72
GAMMON INDIA	0.03	0.68
LOGISTICS	0.29	
CONTAINER CORPORATION OF INDIA	0.29	0.23
RETAIL	0.21	
PANTALOON RETAIL	0.20	0.85
PANTALOON RETAIL INDIA LTD	0.01	0.85

total equity 32.54

total bank deposits/mutual funds 20.48

total net assets 100.00

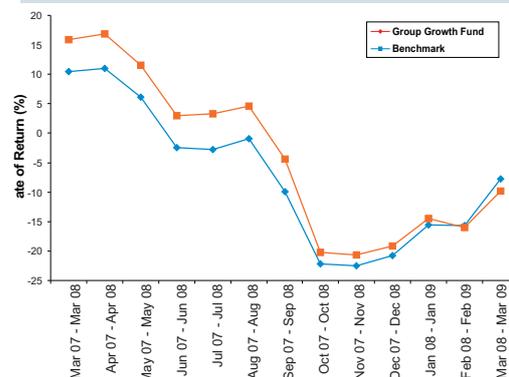
asset allocation as on Mar 31, 2009



fund characteristics as on Mar 31, 2009

M.Duration of debt portfolio:	1.79 years
YTM of debt portfolio:	8.56%
Beta of equity portfolio:	0.94

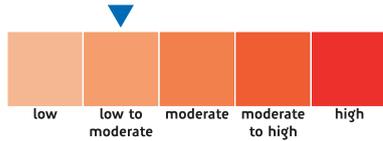
rolling yearly performance



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



fund manager's report

The Month of March saw markets ending positive led by financials and metals. The markets witnessed buying from the FIIs and domestic institutions due to expectations from the G-20 summit and the optimism of the real impact of the fiscal stimulus on the economy. Keeping all this into consideration and the risk profile of the scheme, the holding in equities was kept at 15.94%.

The allocation to gilts was slightly decreased to 14.39% from 14.89%. The exposure in corporate bonds was slightly increased to 59.46% from 58.24%. Accordingly, exposure in short-term bank deposits and CDs/CPs has been decreased to 10.21% from 10.74%.

target asset allocation

Debt.:	80%
Equity:	20%

benchmark construction

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

ULIP Balanced Fund

fund performance as on March 31, 2009

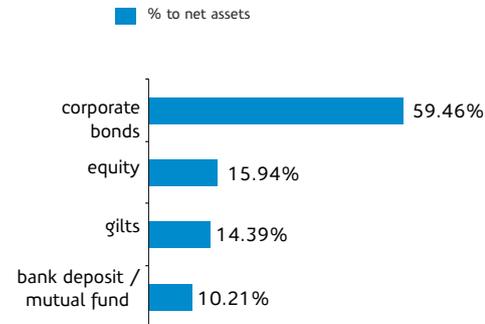
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	1.79%	-0.18%	9.31%	8.72%	-0.34	-0.59
last 2 years (CAGR)	6.31%	5.98%	8.38%	7.82%	0.16	0.12
last 3 years (CAGR)	6.20%	6.43%	7.34%	6.82%	0.16	0.21
since inception (CAGR)	9.76%	8.66%	5.82%	5.64%	0.82	0.65
date of inception	february, 2003					

*CAGR: Compounded Annual Growth Rate

portfolio as on March 31, 2009

security	% to net assets	rating/1-yr beta
corporate bonds		
11.45% RELIANCE INDUSTRIES LTD 25-11-2013	5.11	AAA
11.45% RELIANCE INDUSTRIES LTD 25-11-2013	4.72	AAA
11.40% POWER FINANCE CORP 28-11-13	2.62	AAA
10.95% RECL LTD 14-04-11	2.52	AAA
9.90% TATA SONS 20-05-11	2.46	AAA
8.50% EXIM BANK LTD 12-09-11	2.39	AAA
8.95% HDFC LTD 16-01-11	2.17	AAA
9.50% NABARD SER IX 1 15-10-12	1.94	AAA
9.65% NABARD SER IX 10-09-10	1.93	AAA
9.80% ICICI BANK LTD 10-02-13	1.86	AAA
9.50% INDIAN HOTEL 28-02-12	1.80	AA+
8.40% EXIM BANK 28-09-10	1.79	AAA
10.60% IRFC	1.70	AAA
10% NABARD SER IX 14-05-12	1.46	AAA
10.75% RECL LTD 14-04-11	1.28	AAA
11.65% HDFC LTD 09-09-10	1.24	AAA
9.80% POWER FINANCE CORP 22-03-12	1.23	AAA
8.83% IRFC 29-10-12	1.21	AAA
10.20% HDFC LTD 13-04-10	1.21	AAA
8.94% LIC HOUSING FIN LTD 16-01-11	1.20	AAA
9.80% TATA STEEL 07-05-11	1.20	AA
9.24% L & T FINANCE 30-07-10	1.20	AA+
9.40% TATA TEA LTD 08-11-10	1.20	AA
7.20% HDFC 03-06-10	1.13	AAA
9.35% LIC HOUSING FINANCE LTD 23-11-12	0.98	AAA
9.35% IL & FS LTD 22-10-10	0.92	AAA
10.10% POWER GRID CORP 12-06-11	0.90	AAA
9.30% POWER FINANCE CORP LTD 12-03-2013	0.85	AAA
9% TATA SONS 27-07-10	0.84	AAA
6.25% ULTRATECH CEMENT 25-06-09	0.82	AAA
9.75% LIC HOUSING FIN LTD 24-09-09	0.79	AAA
6.50% HINDALCO LTD 06-09-09	0.75	AA-
10.90% RECL LTD 14-04-13	0.74	AAA
9.76% IRFC 03-07-12	0.72	AAA
9.79% IDFC 11-09-2009	0.72	AAA
9.68% IRFC 03-07-10	0.70	AAA
6.00% INDIAN HOTEL 13-05-11	0.65	AA+
9.25% EXIM BANK 13-12-02	0.61	AAA
8.50% HDFC LTD 29-08-09	0.59	AAA
10% NABARD 18-06-10	0.48	AAA
8.45% IRFC 26-12-2018	0.46	AAA
11% POWER FINANCE CORP 15-09-2018	0.26	AAA
11.15% POWER FINANCE CORP 15-09-11	0.13	AAA
total corporate bonds 59.46		
gilts		
8.30% MAHARASHTRA GOI 25-03-2019	3.75	SOVEREIGN
7.37% GOI 2014 16-04-2014	3.32	
7.44% GOI SPL OIL BOND 2012 23-03-2012	1.92	
5.87% GOI 02-01-2010	1.25	
8.24% TAMIL NADU STATE GOVT GSEC 25-03-2019	1.24	
5.48% GOI 12-06-2009	1.18	
7.46% GOI 2017 28-8-2017	0.82	
6.72% GOI 2014 24-02-2014	0.47	
8.24% GOI 22-04-2018	0.44	
total gilts 14.39		
equity		
OIL REFINERIES	2.92	
RELIANCE INDUSTRIES	1.50	1.21
OIL & NATURAL GAS CORPORATION	0.78	0.84
BHARAT PETROLEUM	0.24	0.50
RELIANCE PETROLEUM	0.20	1.03
HINDUSTAN PETROLEUM CORP LTD FV10	0.14	0.44
INDIAN OIL CORPORATION	0.07	0.40
BANKING & FINANCE	2.66	
STATE BANK OF INDIA	0.82	1.13
ICICI BANK	0.44	1.64
HDFC BANK	0.43	1.04
HDFC	0.39	1.23
BANK OF BARODA	0.25	0.91
FEDERAL BANK	0.18	0.75
PUNJAB NATIONAL BANK	0.08	0.99
AXIS BANK	0.07	1.42
CAP GOODS / ENGINEERING	1.54	
BHARAT HEAVY ELECTRICALS	0.69	1.00
LARSEN & TOUBRO	0.43	1.12
ALSTOM PROJECTS INDIA	0.13	0.99
CUMMINS INDIA	0.13	0.51
CROMPTON GREAVES	1.09	1.09
SIEMENS	0.07	1.04
IT	1.52	
INFOSYS TECHNOLOGIES	0.76	0.64
TATA CONSULTANCY SERVICES	0.62	0.87
WIPRO LTD	0.13	0.99
POWER	1.36	
NTPC	0.59	0.77
TATA POWER	0.46	1.03
ARVIND & B INDIA LTD	0.21	0.90
SUZLON ENERGY	0.06	1.53
POWER GRID CORPORATION OF INDIA LTD	0.05	0.81
TELECOM	1.07	
BHARTI AIRTEL	0.14	0.99
RELIANCE COMMUNICATIONS	0.14	1.49
PHARMACEUTICALS	1.04	
DIVIS LABORATORIES	0.40	0.83
CIPLA LTD	0.24	0.52
SUN PHARMACEUTICALS	0.23	0.28
RANBAXY LAB	0.10	0.73
JUBILANT ORGANOSYS	0.08	0.21
FMCG	0.88	
HINDUSTAN UNILEVER	0.55	0.46
ITC LTD	0.29	0.53
MARICO LTD.	0.04	0.35
AUTOMOBILES	0.72	
MARUTI SUZUKI INDIA	0.40	0.72
BAJAJ AUTO LTD	0.20	0.64
MAHINDRA & MAHINDRA LTD	0.12	0.91
METALS	0.63	
STEEL AUTHORITY OF INDIA	0.20	1.25
TATA STEEL	0.20	1.44
STERLITE INDUSTRIES	0.13	1.31
JINDAL STEEL AND POWER LTD	0.10	1.22
HINDALCO INDUSTRIES	0.04	1.19
NATIONAL ALUMINIUM COMPANY LTD	0.03	0.98
CEMENT & CEMENT PRODUCTS	0.42	
GRASIM INDUSTRIES	0.20	0.77
ACC LTD	0.14	0.68
ULTRATECH CEMENT LTD	0.08	0.58
GAS	0.38	
GAIL (INDIA)	0.38	0.80
OIL EXPLORATION	0.37	
CARN INDIA	0.37	1.00
CONSTRUCTION	0.18	
JAIPRAKASH ASSOCIATES	0.13	1.79
IVRCL INFRASTRUCTURES	0.04	1.72
GAMMON INDIA	0.01	0.68
LOGISTICS	0.14	
CONTAINER CORPORATION OF INDIA	0.14	0.23
RETAIL	0.11	
PANTALON RETAIL	0.11	0.85
PANTALON RETAIL INDIA LTD	0.01	0.85
total equity 15.94		
total bank deposits/mutual funds 10.21		
total net assets 100.00		

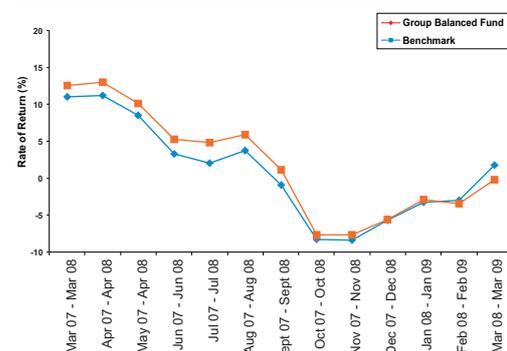
asset allocation as on Mar 31, 2009



fund characteristics as on Mar 31, 2009

M.Duration of debt portfolio:	2.52 years
YTM of debt portfolio:	8.16%
Beta of equity portfolio:	0.93

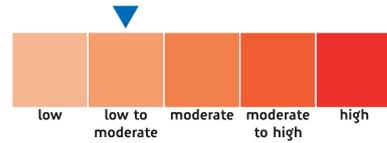
rolling yearly performance



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



fund manager's report

The exposure to corporate bonds was decreased to 69.64% from 77.67%. We also reduced exposure in gilts to 4.80% from 8.37% due to hardening of interest rate. Balance was invested in short term bank FDs, CDs and CPs. We intend to increase duration and exposure to corporate bonds to 80-90% as and when attractive investments are available.

target asset allocation

Bond Instruments: 100%

benchmark construction

CRISIL Composite Bond Index: 100%

ULIP Corporate Bond Fund

fund performance as on March 31, 2009

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	12.26%	7.36%	5.01%	6.50%	1.45	0.36
since inception (CAGR)	10.88%	6.98%	4.25%	5.46%	1.38	0.36
date of inception			october, 2007			

portfolio as on March 31, 2009

security % to net assets rating

corporate bonds

11.45% RELIANCE INDU LTD 25-11-2013	7.38	AAA
8.75% IRFC 07-01-13	6.24	AAA
10.90% RECL LTD 14-04-13	5.88	AAA
11.45% RELIANCE INDU LTD 25-11-2013	4.54	AAA
11% POWER FINANCE CORP LTD 15-09-2018	4.28	AAA
10.60% IRFC	3.40	AAA
9.50% HDFC LTD 27-02-2013	2.64	AAA
9.33% POWER GRID CORP LTD 15-12-2013	2.64	AAA
9.05% EXIM BANK 06-11-10	2.61	AAA
8.88% IDFC 07-01-11	2.60	AAA
9.40% TATA TEA LTD 08-11-10	2.59	AA
10.05% NABARD 11-06-14	2.39	AAA
8.38% POWER FINANCE CORP 11-12-09	2.05	AAA
10.90% RECL LTD 30-09-2013	1.67	AAA
8.94% LIC HOUSING FIN LTD 16-01-11	1.56	AAA
11.15% POWER FINANCE CORP 15-09-11	1.37	AAA
8.50% HDFC LTD 29-08-09	1.28	AAA
9.45% RECL LTD 04-04-13	1.21	AAA
9.65% NABARD SER IX 10-09-10	1.13	AAA
9.32% HDFC LTD 17-12-12	1.05	AAA
6.00% INDIAN HOTEL 13-05-11	1.04	AA+
7.39% POWER GRID CORP 22-09-11	0.91	AAA
11.50% RECL LTD 26-11-2013	0.85	AAA
9.30% POWER FINANCE CORP LTD 12-03-2013	0.79	AAA
11.10% POWER FINANCE CORP 15-09-13	0.78	AAA
7% POWER FINANCE 24-12-11	0.76	AAA
11.40% POWER FINANCE CORP 28-11-13	0.57	AAA
11.35% RECL LTD 24-10-13	0.55	AAA
9.35% LIC HOUSING FINANCE LTD 23-11-12	0.53	AAA
9.47% POWER GRID CORP 31-03-13	0.53	AAA
9.20% HDFC LTD 09-02-12	0.52	AAA
10.00% HDFC LTD 19-03-2010	0.52	AAA
8.95% HDFC LTD 16-01-11	0.52	AAA
9.80% TATA STEEL 07-05-11	0.52	AA
9.75% LIC HOUSING FIN LTD 24-09-09	0.52	AAA
6.25% ULTRATECH CEMENT 25-06-09	0.46	AAA
11.30% ACC LTD 10-12-2013	0.28	AAA
10.48% GRASIM INDUSTRIES LTD 16-12-2013	0.16	AAA
9.76% IRFC 03-07-12	0.16	AAA
9.25% EXIM BANK 13-12-02	0.16	AAA

total corporate bonds 69.64

gilts

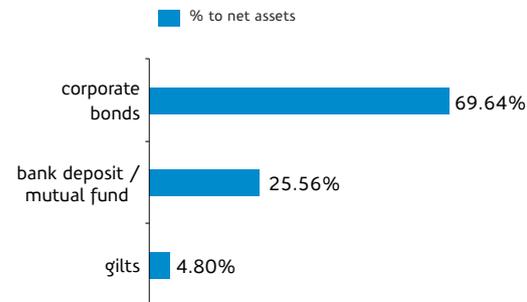
6.05% GOI 02-02-2019	2.39
7.46% GOI 2017 28-8-2017	1.88
7.56% GOI 03-11-2014	0.53

total gilts 4.80

total bank deposits/mutual funds 25.56

total net assets 100.00

asset allocation as on Mar 31, 2009



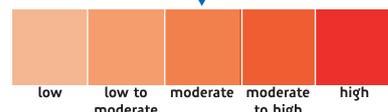
fund characteristics as on Mar 31, 2009

M.Duration of debt portfolio: 2.46 years
YTM of debt portfolio: 8.73%

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



ULIP Pure Debt Fund

fund performance as on March 31, 2009

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 the not completed a period of one year since inception					
date of inception	october, 2008					

*CAGR: Compounded Annual Growth Rate

portfolio as on March 31, 2009

security % to net assets rating

corporate bonds

11.45%	RELIANCE INDUSTRIES LTD 25-11-2013	7.53	AAA
11.10%	POWER FINANCE CORP 15-09-13	5.68	AAA
11.45%	RELIANCE INDUSTRIES LTD 25-11-2013	4.25	AAA
9%	TATA SONS 27-07-10	3.61	AAA
8.75%	IRFC 07-01-13	3.34	AAA
10.90%	RECL LTD 30-09-2013	2.97	AAA
9.33%	POWER GRID CORP LTD 15-12-2013	2.82	AAA
9.68%	IRFC 03-07-10	2.81	AAA
8.50%	EXIM BANK 26-09-11	2.65	AAA
8.65%	HDFC LTD 12-09-11	1.94	AAA
7%	POWER FINANCE 24-12-11	1.91	AAA
11.40%	POWER FINANCE CORP 28-11-13	1.82	AAA
10.90%	RECL LTD 14-04-13	1.78	AAA
11.35%	RECL LTD 24-10-13	1.76	AAA
9.20%	HDFC LTD 09-02-12	1.68	AAA
9.75%	LIC HOUSING FIN LTD 24-09-09	1.49	AAA
8.40%	EXIM BANK 28-09-10	1.38	AAA
9.90%	TATA SONS 20-05-11	1.14	AAA
9.35%	LIC HOUSING FINANCE LTD 23-11-12	1.13	AAA
8.94%	LIC HOUSING FIN LTD 16-01-11	1.12	AAA
10.10%	POWER GRID CORP 12-06-11	0.72	AAA
11.50%	RECL LTD 26-11-2013	0.61	AAA
10%	NABARD SER IX 14-05-12	0.57	AAA
9.35%	IL & FS LTD 22-10-10	0.56	AAA
9.80%	TATA STEEL 07-05-11	0.56	AA
9.35%	HDFC LTD 09-11-09	0.55	AAA
8.38%	POWER FINANCE CORP 11-12-09	0.55	AAA
9.76%	IRFC 03-07-12	0.34	AAA
7.60%	ICICI BANK 30-12-15	0.26	AAA
7.20%	HDFC 03-06-10	0.11	AAA

total corporate bonds 57.63

gilts

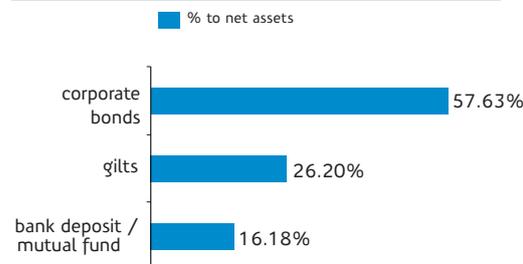
	SOVEREIGN	
7.46%	GOI 2017 28-8-2017	8.36
8.59%	ANDHRA PRADESH SDL GOI 18-03-2019	5.90
7.59%	GOI 12-04-2016	4.99
7.56%	GOI 03-11-2014	2.28
8.40%	GUJARAT SDL GOI 18-03-2019	1.75
8.47%	ARUNACHAL PRADESH SDL GOI 25-03-2019	1.17
8.47%	NAGALAND SDL GOI 25-03-2019	1.17
8.47%	JHARKHAND SDL GOI 25-03-2019	0.59

total gilts 26.20

total bank deposits/mutual funds 16.18

total net assets 100.00

asset allocation as on Mar 31, 2009



fund characteristics as on Mar 31, 2009

M.Duration of debt portfolio: 3.20 years
YTM of debt portfolio: 8.23%

fund manager's report

The exposure to gilts was increased to 26.20% from 22.55% as we have decided to increase the duration in anticipation of softening of interest rates. Exposure to corporate bonds was decreased to 57.63% from 58.28%. Accordingly the exposure to short term assets was decreased to 16.18% from 19.17%. We will increase exposure to gilts and corporate bonds as and when attractive investments are available.

target asset allocation

Debt Instruments: 100%

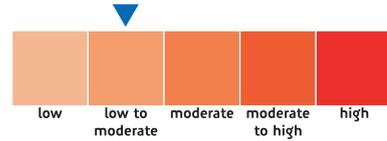
benchmark construction

CRISIL Composite Bond Index: 100%

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



fund manager's report

The allocation to gilts was increased to 75.61% from 70.17% on expectations of softening of interest rate. Accordingly we decreased the exposure in short term bank FDs, CDs and CPs to 24.39% from 29.83%.

target asset allocation

Government Securities: 100%

benchmark construction

I-Sec Composite Sovereign Bond Index: 100%

ULIP Gilt Fund

fund performance as on March 31, 2009

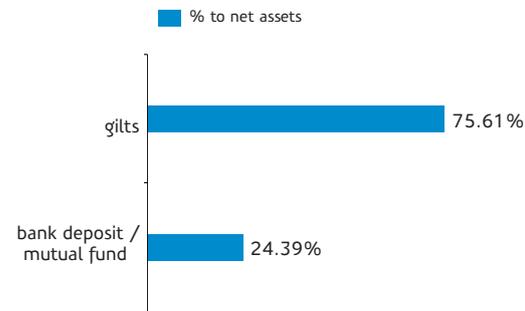
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	8.34%	14.67%	4.34%	17.54%	0.77	0.55
since inception (CAGR)	8.02%	12.81%	3.69%	14.73%	0.82	0.53
date of inception			october, 2007			

*CAGR: Compounded Annual Growth Rate

portfolio as on March 31, 2009

security	% to net assets	rating
gilts		
SOVEREIGN		
7.59% GOI 12-04-2016	14.49	
7.46% GOI 2017 28-8-2017	12.99	
8.40% GUJARAT SDL GOI 18-03-2019	6.79	
8.30% MAHARASHTRA GOI 25-03-2019	6.74	
8.28% RAJASHTHAN SDL GOI 25-03-2019	6.73	
7.56% GOI 03-11-2014	6.64	
7.49% GOI 2017 16-04-2017	6.50	
6.72% GOI 2014 24-02-2014	6.39	
5.87% GOI 02-01-2010	4.87	
5.48% GOI 12-06-2009	3.42	
9.85% GOI 2015 16-10-2015	0.04	
total gilts	75.61	
total bank deposits/mutual funds	24.39	
total net assets	100.00	

asset allocation as on Mar 31, 2009



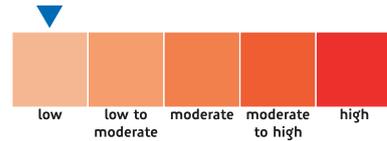
fund characteristics as on Mar 31, 2009

M.Duration of debt portfolio: 3.97 years
YTM of debt portfolio: 7.59%

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



fund manager's report

Presently the investments of this fund are entirely in Certificate of deposits, Commercial Paper and Fixed Deposits i.e. at 100% of the portfolio.

target asset allocation

Money Market Instruments: 100%

benchmark construction

CRISIL Liquid Bond Index: 100%

ULIP Money Market Fund

fund performance as on March 31, 2009

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	11.95%	8.80%	0.36%	0.45%	19.17	8.41
since inception (CAGR)	11.52%	8.42%	0.37%	0.47%	17.54	7.33
date of inception			November, 2007			

*CAGR: Compounded Annual Growth Rate

portfolio as on March 31, 2009

security % to net assets rating

certificate of deposits

STATE BANK OF BIKANER & JAIPUR	22-09-2009	13.82	P1+
AXIS BANK LTD	30-11-2009	13.77	P1+
CANARA BANK	18-03-2010	13.58	P1+
NABARD	05-06-2009	9.58	P1+
ICICI BANK LTD	15-07-2009	8.43	A1+
STATE BANK OF INDORE	28-04-2009	7.36	P1+
EXIM BANK OF INDIA	28-09-2009	7.33	P1+
EXIM BANK OF INDIA	17-07-2009	6.13	P1+
CORPORATION BANK	03-08-2009	5.40	P1+
NABARD	10-07-2009	0.49	P1+

total certificate of deposits 85.89

commercial paper

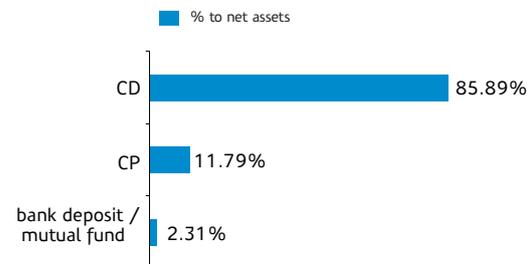
RELIANCE COMMUNICATION LTD	29-07-2009	9.60	A1+
RELIANCE COMMUNICATIONS LTD	28-07-2009	2.19	A1+

total commercial paper 11.79

other money market instruments 2.31

total net assets 100.00

asset allocation as on Mar 31, 2009



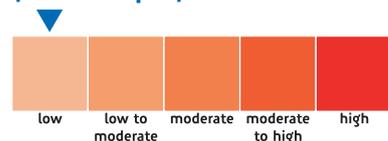
fund characteristics as on Mar 31, 2009

M.Duration of debt portfolio: 0.41 years
YTM of debt portfolio: 9.81%

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



fund manager's report

The allocation to CDs and CPs and bank fixed deposits was maintained at 100% to take advantage of high yields in these instruments.

target asset allocation

Money Market Instruments: 100%

benchmark construction

Yield on 182-day T.Bills

ULIP Capital Secure Fund

fund performance as on March 31, 2009

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	10.65%	7.62%	0.30%	0.47%	18.82	5.51
last 2 years (CAGR)	9.77%	7.65%	0.34%	0.35%	13.94	7.61
last 3 years (CAGR)	8.77%	7.46%	0.55%	0.30%	6.87	8.19
since inception (CAGR)	6.95%	6.06%	0.69%	0.48%	2.83	2.19
date of inception	february, 2003					

*CAGR: Compounded Annual Growth Rate

portfolio as on March 31, 2009

security % to net assets rating

certificate of deposits

STATE BANK OF BIKANER & JAIPUR 22-09-2009	13.87	P1+
CORPORATION BANK 03-08-2009	13.01	P1+
EXPORT IMPORT BANK OF INDIA 17-07-2009	12.34	P1+
STATE BANK OF INDORE 28-04-2009	9.68	P1+
NABARD 10-07-2009	7.41	P1+
ICICI BANK LTD 15-07-2009	7.17	A1+
NABARD 05-06-2009	5.11	P1+

total certificate of deposits 68.60

commercial paper

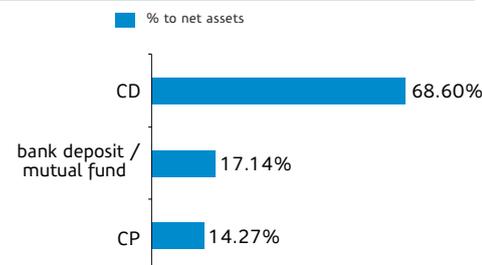
RELIANCE COMMUNICATIONS LTD 28-07-2009	14.27	A1+
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total commercial paper 14.27

other money market instruments 17.14

total net assets 100.00

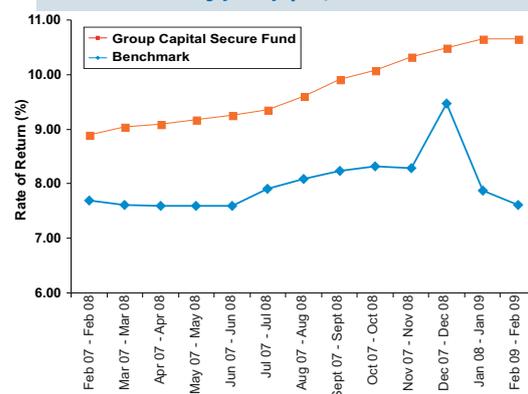
asset allocation as on Mar 31, 2009



fund characteristics as on Mar 31, 2009

M.Duration of debt portfolio: 0.23 years
YTM of debt portfolio: 8.44%

rolling yearly performance



Product Details

Reliance Equity Fund

Product Name	NAV
Reliance Group Leave Encashment (GLE) - Equity Fund Option	Rs. 5.1261
Reliance Group Savings Linked Insurance (GSLI)	Rs. 10.1636

Reliance Pure Equity Fund

Product Name	NAV
Reliance Group Savings Linked Insurance(GSLI)	Rs. 10.2740

Reliance Infrastructure Fund

Product Name	NAV
Reliance Group Savings Linked Insurance- (GSLI)	Rs. 9.5520

Reliance Energy Fund

Product Name	NAV
Reliance Group Savings Linked Insurance (GSLI)	Rs. 10.6484

Reliance Midcap Fund

Product Name	NAV
Reliance Group Savings Linked Insurance (GSLI)	Rs. 9.3673

Reliance Growth Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 9.7110
Reliance Group Superannuation (GSA)	Rs. 8.1755

Product Details

Reliance Balanced Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 10.9634
Reliance Group Superannuation (GSA)	Rs. 13.8404
Reliance Group Savings Linked Insurance (GSLI)	Rs. 10.3569

Reliance Corporate Bond Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 10.8626
Reliance Group Leave Encashment (GLE)	Rs. 11.3693
Reliance Group Savings Linked Insurance (GSLI)	Rs. 10.4392
Reliance Group Superannuation (GSA)	Rs. 10.0838

Reliance Pure Debt Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 10.8584
Reliance Group Superannuation (GSA)	Rs. 10.7970
Reliance Group Leave Encashment (GLE)	Rs. 10.8906
Reliance Group Savings Linked Insurance (GSLI)	Rs. 10.3608

Reliance Gilt Fund

Product Name	NAV
Reliance Group Leave Encashment (GLE)	Rs. 10.9509
Reliance Group Gratuity(GG)	Rs. 10.0133
Reliance Group Savings Linked Insurance (GSLI)	Rs. 9.9486

Reliance Money Market Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 10.6398
Reliance Group Superannuation (GSA)	Rs. 10.4579
Reliance Group Leave Encashment (GLE)	Rs. 11.3948
Reliance Group Savings Linked Insurance (GSLI)	Rs. 10.3177

Reliance Capital Secure Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 12.0090
Reliance Group Superannuation (GSA)	Rs. 10.9156

- ✓ 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 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 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.

- ✓ Gross Fund Return
- ✓ Benchmark Return
- ✓ Fund Standard Deviation
- ✓ Fund Sharpe Ratio

the analyst expressions

► Gross Fund Return

Gross return for a fund is defined as 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. Fund management charges are a matter of policy decision by the top management of a life insurance company. Hence, even if two funds from two different fund management companies give the same returns, the returns may not reflect that if they are calculated on an NAV basis.

We shall highlight this with the help of an example.

Reliance Life Insurance

Balanced Fund
NAV based Return=11.50 %
Fund Management Fee=2%
Gross Fund Return=13.50%

XYZ Insurance Company

Balanced Fund
NAV based Return=10.50%
Fund Management Fee=3%
Gross Fund Return=13.50%.

As seen above, though the gross return of both the companies were same, Reliance Life Insurance showed a higher NAV based return as the fund management fees were lower. Please note that the returns as given in The Analyst for all funds are computed on a gross basis.

► Benchmark Return

A benchmark is a standard against which the performance of an investment 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.

However, the benchmark for the Growth Fund of Reliance Life Insurance has been constructed as 60% of CRISIL Short Term Bond Index and 40% of CNX Nifty as the asset allocation of the growth fund is 60% of debt and 40% of equity. (Please refer to the Growth Fund page of The Analyst).

► 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 for a given time period.

In other words, Fund Standard Deviation for a particular time period gives us the deviation from the mean returns, that has occurred for that fund during that time period. For e.g. let us assume that the Balanced Fund has generated an average (mean) return of 11.55% for the last 2 years and that the corresponding standard deviation was 4.44%. That means that during the last 2 year time period, the balanced fund return varied between 15.99% (i.e. $11.55 + 4.44$) and 7.11% (i.e. $11.55 - 4.44$) during 65% of the time.

Higher the standard deviation, the greater the volatility, and therefore, the greater the risk of investing in that fund.

Thus, an investor has more information available at his disposal to evaluate the quality of performance of the fund and how volatile its returns are.

To carry it a step further, it is highly unlikely that a fund's return in any one year will be exactly the average. Rather, it will always be either higher or lower than the average. Thus, standard deviation teaches us to look beyond the "average annual return" figures that are touted by investment advisors.

► 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 a risk point of view.

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

Sharpe Ratio = Excess return / Annualized standard deviation of fund return

The "risk-free return" is the annualized return currently available on "risk-free" investments. This is usually assumed to be the return on a short government security like Treasury bill. A government security is sovereign credit which is the nearest to a risk free asset that one can get. For our calculations of the Sharpe ratios for all funds as given in the Analyst, we have assumed this risk free rate of interest to be at 5%.

✓ Benchmark Sharpe Ratio

✓ Modified Duration of Debt Portfolio

✓ Fund Beta

We shall assume that 9.85% was the annualized gross return for a 3-year time period for the balanced fund, 5% p.a. was the assumed risk free rate of return as discussed above and 4.14% p.a. was the standard deviation of this 3-year return. The Sharpe ratio can be calculated as follows:

$$(9.85-5)\%/4.14\%=1.17.$$

The Sharpe ratio tells us whether the returns of a portfolio are due to smart investment decisions or a result of excess risk. This measurement is very useful because although one portfolio or fund can reap higher returns than its peers, it is only a good investment if those higher returns do not come with too much additional risk. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance has been.

▶ **Benchmark Sharpe Ratio**

Just as the 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. In our example above, let us assume that the benchmark Sharpe ratio of the balanced fund for the last 3 years is 0.98. This means that over a three-year time period, the Balanced Fund of Reliance Life Insurance has given a higher risk-adjusted return than the comparable risk-adjusted return provided by the constructed benchmark.

While calculating the benchmark Sharpe ratio of 0.98, let us assume that 9.10% was the annualized gross return provided by the constructed benchmark for the balanced fund for the last 3-year time period, 5% p.a. was the assumed risk free rate of return, and 4.21% p.a. was the standard deviation of the 3-year benchmark return.

The benchmark Sharpe ratio for the Balanced Fund for the last three years has been calculated as follows:
 $(9.10-5)\%/4.21\%=0.98.$

▶ **Modified Duration of Debt Portfolio**

The value of a fund's debt portfolio is sensitive to changes in interest rates. When interest rates rise, bond prices fall, and vice versa. Generally, a debt portfolio comprising of bonds with higher maturities will have a higher price fluctuation than a portfolio comprising of bonds with lower maturities. Modified duration, indicates the sensitivity of the value of the debt portfolio to any given change in interest rates. Modified Duration is derived from Duration, which represents a weighted average of the time periods to maturity.

Modified Duration gives one an immediate rule of thumb -- the percentage change in the price of a bond is the duration multiplied by the change in interest rates. So, if a bond has duration of 10 years and interest rates fall from 8% to 7.5% (a drop of 0.50 percentage points), the bond's price will rise by approximately 5% (i.e. $10 \times 0.50\%$).

Let us assume that the modified duration for the Balanced Fund is 2.03. If interest rates drop from 8% to 7.5%, the value of this debt portfolio will rise by 1.015% (i.e. $2.03 \times 0.50\%$). Similarly, when interest rates rise from 8% to 8.5%, say, the value of this debt portfolio will fall by 1.015%.

▶ **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. (For the more statistically inclined readers, Beta is the slope of the regression line). It is generally calculated for equity portfolio/funds.

If a stock has a beta of 1, that stock is likely to generate the same returns as the market. If the beta of a stock is more than 1, it means that the stock is likely to give higher returns compared to the market but also at a higher risk as compared to the market. For instance, a stock with beta of 1.2 means that when the market, say Nifty, gives a return of 10%, that stock is likely to generate returns of 12% (i.e. $1.2 \times 10\%$). Similarly, a low beta stock has given lower returns compared to what the market has delivered for a particular time period. For e.g. for a stock with beta of 0.80, if the Nifty gives returns of 10%, the stock is likely to give returns of only half of that, i.e. 8%. (i.e. $0.80 \times 10\%$)

Now we shall see the impact of these two stocks when the market falls. When the Nifty gives negative returns of 10%, i.e. the market falls by 10%, the price of the stock with beta of 1.2 will fall by 12%. However, though the price of the stock with the low beta of 0.8 will also fall when the market falls, it will not fall as much as the market. If the market falls by 10%, the price of this scrip will fall only by 8%.

The fund beta is nothing but the betas of individual stocks in the equity portfolio multiplied by the weight of that stock in the portfolio. If a fund has a high beta, the equity portfolio of that fund is aggressive and tilted towards high beta stocks and vice versa. Please note that the betas of individual stocks as given in the Equity Fund page of the Analyst have been calculated based on the available prices of the stocks on the NSE for the last 1-yr period.

products & UIN nos.

Reliance Group Gratuity: 121L011V02

Reliance Group Superannuation:
121L021V01

Reliance Group Leave Encashment Plan:
121L027V01

Reliance Group Savings Linked Insurance
Plan : 121L033V01

the analyst

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