

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	30th Jun 09	31st Mar 09	Change
Rs./₹	47.91	50.73	2.82
WPI Inflation	234.60*	228.60	-1.30%y-o-y*
Forex Reserves (\$ bn)	264.73	252.33	12.40 bn\$
Oil Price (\$ per Barrel)	66.37	46.16	22.21\$
Gold (Rs. per 10gm)	14675	15200	Rs. -525

* As of 13th June 2009

Investments	Jun 09	Mar 09	Absolute Change
FII's (Rs Crs)	30455	-6152	36607
MFs (Rs Crs)	3149	-883	4032

Indices	30th Jun 09	31st Mar 09	% Change
BSE Sensex	14494	9709	49
S&P CNX Nifty	4291	3021	42
CNX Mid Cap	5427	3407	59
BSE Small Cap	5740	3247	77

Global Indices	30th Jun 09	31st Mar 09	% Change
Dow Jones	8447	7609	11
FISE 100	4249	3926	8
Hang Seng	18379	13576	35
Nikkei	9958	8110	23

Sectoral Indices	30th Jun 09	31st Mar 09	% Change
CNX Infrastructure	3534	2639	34
CNX Energy	8368	6500	29
BSE Capital Goods	12797	6466	98
BSE Bankex	8211	4491	83
BSE Oil & Gas	9390	7053	33
BSE IT	3287	2286	44

Fixed Income Indicators	30th Jun 09	31st Mar 09	Absolute Change
NSE Mibor	3.30	5.00	-1.70
91 Day T-Bill	3.30	4.80	-1.50
182 Day T-Bill	3.35	5.10	-1.75
1 year GOI Benchmark	4.17	4.83	-0.66
5 Year GOI Benchmark	6.70	6.75	-0.05
5 Year Corp Bond Benchmark	7.84	8.54	-0.70
10 Year GOI Benchmark	7.01	7.01	0.00
10 Year US Benchmark	3.54	2.67	0.87

fund snapshot

asset allocation	funds	gross return (CAGR*) (%) as on June 30, 2009				date of inception
		last 1 year	last 2 years	last 3 years	since inception	
100% equity	ULIP Equity	10.90%	N.A.	N.A.	-18.65%	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	13.75%	5.36%	8.55%	11.77%	August, 2004
20% equity, 80% debt	ULIP Balanced	14.93%	8.97%	9.69%	10.94%	February, 2003
100% bond instruments	ULIP Corporate Bond	15.02%	N.A.	N.A.	10.75%	October, 2007
100% debt instrument	ULIP Pure Debt	N.A.	N.A.	N.A.	N.A.	October, 2008
100% govt. securities	ULIP Gilt	9.65%	N.A.	N.A.	6.87%	October, 2007
100% money market instruments	ULIP Money Market	10.93%	N.A.	N.A.	10.27%	November, 2007
100% money market instruments	ULIP Capital Secure	10.70%	9.93%	9.01%	7.05%	February, 2003

*CAGR: Compounded Annual Growth Rate

Indian Economy : Update

India's economy grew a faster-than-expected 5.8% y-o-y in the fourth quarter, as a still strong services sector offset a decline in manufacturing. The annual growth for India's fiscal fourth quarter was above a median forecast of 5.2%, but sharply lower than the year-ago quarter's 8.6%. Manufacturing sector contracted 1.4% in the January-March quarter from a year earlier, while farm output grew an annual 2.7%. For the full year, India's economy grew 6.7% in 2008/09, sharply slower than the 9% or more in the previous three years.

India's fiscal deficit in just the first two months (April-May) was at Rs.907.58 billion (\$18.9 billion), or 27.3% of the full-year target. In February, the interim budget projected a fiscal deficit of Rs.3.32 trillion or 5.5% of GDP for 2009/10.

The current account swung into a surplus in the fourth quarter, but it was not enough to prevent a wider deficit for the full 2008/09 fiscal year during which cost of oil imports rose and exports fell sharply due to the global slump. The country's capital account balance that had turned negative showing outflows of \$3.7 billion during the third quarter of 2008-09 for the first time since Q1 of 1998-99, continued to remain negative at \$4.4 billion in the fourth quarter of 2008-09, indicating that it received less capital from abroad, since sentiments for both FDI and FIIs were dampened. The RBI data showed current account deficit for 2008/09 widened to \$29.82 billion, or 2.6% of GDP. It was \$17.03 billion or 1.5% of GDP in 2007/08. For Jan-Mar quarter, current account showed a surplus for the first time in two years. RBI reported surplus of \$4.7 billion, a drastic change from \$13.03 billion deficit in Oct-Dec. The net surplus under invisibles not only fully financed the lower trade deficit, but also led to a surplus in the current account as a whole. The exodus of FDI and FII kept the capital account in a deficit of \$4.4 billion, resulting in an overall balance of payments surplus of \$300 million in Jan-March.

Exports fell 29.2% y-o-y in May to \$11 billion as recession at developed nations slashed demand for Indian goods while imports dropped by 39.2% to \$16.2 billion in May. Trade deficit halved to \$5.2 billion in May from \$11.2 billion a year earlier. In April, Exports fell 33.2% y-o-y to \$10.74 billion while imports dropped by 36.6% to \$15.8 billion.

India's industrial production (IP) rose by 1.4% y-o-y in April, rebounding after three declines in four months. Manufacturing production rose just 0.7% y-o-y in April; the main boost coming from consumer durables (+16.9%). While IP for May was yet to be released, infrastructure sector output grew 2.8% y-o-y in May, slower than 5% in April. The infrastructure sector accounts for 26.7% of the industrial index.

WPI annual rate fell as low as -1.61% in June, putting the economy into deflation territory. The rate has tumbled over the last quarter because of the high base effect from last year when energy prices were elevated. The rate same time last year was 11.66%. India's consumer price inflation rate for Industrial Workers (CPI-IW) for the month of May 2009 was at 8.63% and consumer price inflation for Agricultural and Rural Labourers (CPI-AL) and (CPI-RL) stood at 10.21% during May 2009.

Equity Market : Update

The recovery witnessed in the month of March proved to be a sustained rally that extended till June with benchmark indices regaining their psychological levels. The rally pushed the Sensex to trade at 19.02 times earnings from 11.62 times in March 2009. Gradual improvement in global risk appetite boosted inflows and India received a further boost from the comfortable victory of the Congress-led UPA in the general elections. The market factored in great expectations from the non-Left government.

Sensex reported a rise of 49.29% for the April-June quarter, making it the best quarter in 17 years for the market. It only lagged Vietnam in Asia that rose around 60% in the quarter. Sectorwise, Realty gained 105.48% while Capital Goods, Metals and Bankex also showed gains among others. Interestingly, the biggest quarterly rise for the Sensex was 124.5% in Jan-March 1992 when Mr. Manmohan Singh, then finance minister, flagged off reforms for the economy.

Monetary and fiscal policy actions taken since October 2008 appeared to be gaining traction in the real economy as indicated by the industrial output and overall GDP growth. FII's poured in Rs.30455.40 crore, making a comeback after drawing out a net Rs.6351.60 crore from Indian equities. Ample liquidity and gradually improving sentiment prompted several companies to plan raising money through QIPs &/or public offerings. Activity turned range bound towards the end of June as players awaited the Union Budget. Meanwhile, a patchy start of the monsoon shaved off the upside of growth estimates.

Debt Market : Update

The April-June quarter for the government bond market proved to be highly volatile with investor sentiments mainly driven by concerns over increase in government borrowing on one side and burgeoning fiscal deficit on the other, while political instability also kept sentiments jittery. Amidst volatility, the 10-year benchmark bond (6.05% 2019) yield ended the quarter at 7%, up 30 bps in a month and 70 bps in less than two months, but had touched a low of 6.01% in late April, after the RBI in its monetary policy cut the LAF repo and reverse repo rates by 25 bps each to 4.75% and 3.25%, respectively, leading to a healthy rally in the bond market. However, buoyancy did not sustain long after the rate cuts as huge government bond supplies played havoc with investor sentiment. As a result, traders started unwinding their positions to meet the bond supplies and this unwinding continued throughout the quarter. The decisive election results expected to accelerate the pace of economic reforms failed to boost to investor sentiments. Domestic bonds also tracked overseas movement of US Treasury yields and oil prices, both rising to their record high levels.

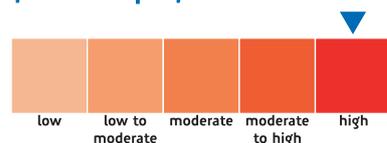
Liquidity remained the backbone throughout and prevented the yields (especially short term) from a sharper northward journey. Easy money policy, increased government spending ahead of national elections, interest/redemption payments, slower loan growth, FII inflows and RBI bond buybacks ensured surplus cash conditions. Meanwhile, call rates steadied near the RBI's key borrowing rate of 3.25%.

Towards the quarter end, demand for longer dated bonds remained subdued among traders as increase in the issue size of GOI bond auctions for six consecutive times to Rs15000 crore each from the original planned amounts of Rs12000 crore each cemented fears that the government would raise its market borrowing plan from the record gross Rs.3.62 trillion announced in the interim budget in February. Corporate bond yields witnessed volatility and continued taking cues from the government bond market with the yield on the 5-year AAA bond ending the quarter at 7.97% from 8.54% on March 31 while the spread offered narrowed to 124 bps as on June 30 from 173 bps as on March 31.

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 Equity Fund

fund performance as on June 30, 2009

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	10.90%	6.21%	39.72%	47.17%	0.15	0.03
since inception (CAGR)	-18.65%	-17.39%	39.61%	42.48%	-0.60	-0.53
date of inception	october, 2007					

*CAGR: Compounded Annual Growth Rate

portfolio as on June 30, 2009

security % to net assets 1-yr beta

equity

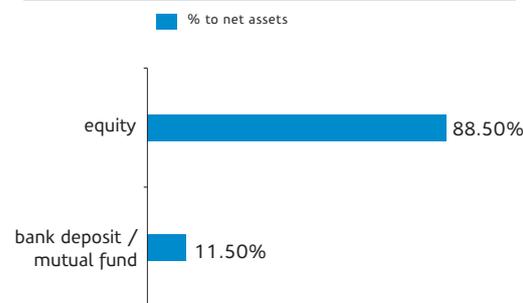
BANKING & FINANCE	20.71	
STATE BANK OF INDIA	6.17	1.09
ICICI BANK	4.16	1.58
HDFC BANK	3.44	0.96
HOUSING DEVELOPMENT FINANCE CORPORATION	3.08	1.23
AXIS BANK	1.51	1.29
PUNJAB NATIONAL BANK	1.03	0.92
BANK OF BARODA	0.92	0.82
SHRIRAM TRANSPORT FINANCE COMPANY LTD	0.40	0.26
OIL REFINERIES	15.11	
RELIANCE INDUSTRIES	7.90	1.22
OIL & NATURAL GAS CORPORATION	3.83	0.87
BHARAT PETROLEUM	1.78	0.51
HINDUSTAN PETROLEUM CORPORATION LTD	0.98	0.48
RELIANCE PETROLEUM	0.61	1.02
CAP GOODS / ENGINEERING	10.15	
LARSEN & TOUBRO	5.07	1.19
BHARAT HEAVY ELECTRICALS	1.52	1.01
CUMMINS INDIA	1.37	0.57
ABB	1.10	0.87
ALSTOM PROJECTS INDIA	0.94	0.99
PUNJ LLOYD	0.15	1.40
IT	9.20	
INFOSYS TECHNOLOGIES	5.46	0.68
TATA CONSULTANCY SERVICES	3.74	0.87
METALS	5.73	
TATA STEEL	2.72	1.42
STERLITE INDUSTRIES	1.06	1.36
JINDAL STEEL AND POWER LTD	1.04	1.17
STEEL AUTHORITY OF INDIA	0.91	1.28
PHARMACEUTICALS	5.22	
DIVIS LABORATORIES	1.51	0.73
RANBAXY LAB	1.43	0.77
CIPLA LTD	1.28	0.49
SUN PHARMACEUTICALS	0.74	0.41
LUPIN	0.25	0.42
POWER	5.00	
TATA POWER	2.12	0.95
NTPC	1.49	0.74
AREVA T & D INDIA LTD	1.16	0.98
POWER GRID CORPORATION OF INDIA LTD	0.23	0.83
FMCG	3.55	
ITC LTD	1.93	0.53
HINDUSTAN UNILEVER	1.43	0.40
MARICO LTD.	0.19	0.31
TELECOM	3.24	
BHARTI AIRTEL	3.24	1.00
CEMENT & CEMENT PRODUCTS	3.10	
ACC LTD	1.61	0.72
GRASIM INDUSTRIES	0.82	0.78
ULTRATECH CEMENT LTD	0.68	0.61
AUTOMOBILES	3.09	
MARUTI SUZUKI INDIA	1.43	0.70
BAJAJ AUTO LTD	0.97	0.65
MAHINDRA & MAHINDRA LTD	0.69	1.08
GAS	1.32	
GAIL (INDIA)	1.32	0.76
OIL EXPLORATION	0.94	
CAIRN INDIA	0.94	1.01
MEDIA	0.71	
HT MEDIA LTD	0.71	0.58
CONSTRUCTION	0.68	
JAIPRAKASH ASSOCIATES	0.68	1.71
HOTELS	0.46	
INDIAN HOTELS	0.46	0.63
AUTO ANCILLARY	0.18	
AUTOMOTIVE AXLES	0.18	0.60
PLASTIC AND PLASTIC PRODUCT	0.06	
SINTEX INDUSTRIES LTD.	0.06	1.03
FERTILIZERS	0.03	
UNITED PHOSPHORUS LTD	0.03	0.79

total equity 88.50

total bank deposits/mutual funds 11.50

total net assets 100.00

asset allocation as on Jun 30, 2009



fund characteristics as on Jun 30, 2009

Fund Beta 0.97

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fund manager's report

The month of June saw the markets ending negative with high volatility. The markets saw selling from the FIIs for the month. Looking at the volatile trend and taking a cautious outlook for the markets and the risk profile of the scheme, the holding in equities was kept at 88.50%.

target asset allocation

Equity: 100%

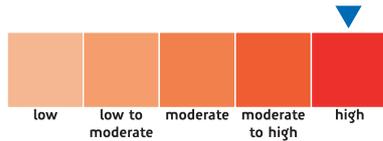
benchmark construction

S&P CNX Nifty: 100%

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 Jun 30, 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 Jun 30, 2009

security % to net assets 1-yr beta

equity

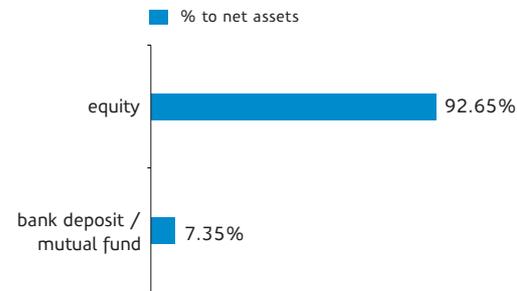
OIL REFINERIES	17.91	
RELIANCE INDUSTRIES	12.85	1.22
OIL & NATURAL GAS CORPORATION	2.83	0.87
RELIANCE PETROLEUM	2.24	1.02
CAP GOODS / ENGINEERING	12.02	
LARSEN & TOUBRO	6.99	1.19
BHARAT HEAVY ELECTRICALS	3.59	1.01
ABB	1.44	0.87
POWER	10.06	
TATA POWER	5.56	0.95
NTPC	2.70	0.74
AREVA T & D INDIA LTD	1.80	0.98
METALS	9.76	
STERLITE INDUSTRIES	3.62	1.36
JINDAL STEEL AND POWER LTD	3.48	1.17
STEEL AUTHORITY OF INDIA	2.65	1.28
IT	8.78	
INFOSYS TECHNOLOGIES	7.03	0.68
WIPRO LTD	1.75	0.93
AUTOMOBILES	7.94	
MAHINDRA & MAHINDRA LTD	3.58	1.08
BAJAJ AUTO LTD	2.61	0.65
MARUTI SUZUKI INDIA	1.75	0.70
PHARMACEUTICALS	4.73	
DIVIS LABORATORIES	1.62	0.73
SUN PHARMACEUTICALS	1.29	0.41
CIPLA LTD	0.96	0.49
RANBAXY LAB	0.86	0.77
SOFTWARE	4.60	
FINANCIAL TECHNOLOGIES INDIA INR	4.60	0.90
TELECOM	4.04	
BHARTI AIRTEL	4.04	1.00
FMCG	3.58	
HINDUSTAN UNILEVER	2.66	0.40
MARICO LTD.	0.92	0.31
CEMENT & CEMENT PRODUCTS	2.61	
GRASIM INDUSTRIES	1.53	0.78
ACC LTD	1.08	0.72
OIL EXPLORATION	2.52	
CAIRN INDIA	2.52	1.01
AUTO ANCILLARY	1.81	
EXIDE INDUSTRIES	1.81	0.51
LOGISTICS	1.24	
CONTAINER CORPORATION OF INDIA	1.24	0.24
GAS	1.06	
GAIL (INDIA)	1.06	0.76

total equity 92.65

total money market instruments 7.35

total net assets 100.00

asset allocation as on Jun 30, 2009



fund characteristics as on Jun 30, 2009

Beta of equity portfolio: 0.94

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fund manager's report

The month of June saw the markets ending negative with high volatility. The markets saw selling from the FIIs for the month. Looking at the volatile trend and taking a cautious outlook for the markets and the risk profile of the scheme, the holding in equities was kept at 92.65%.

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.)

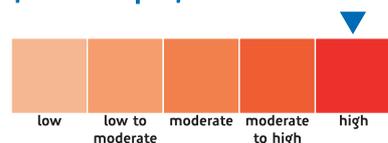
benchmark construction

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



ULIP Infrastructure Fund

fund performance as on Jun 30, 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 Jun 30, 2009

security % to net assets 1-yr beta

equity

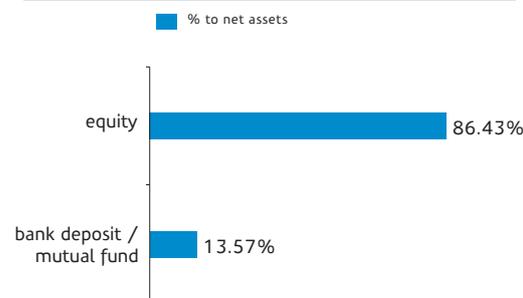
CAP GOODS / ENGINEERING	25.38	
LARSEN & TOUBRO	11.05	1.19
BHARAT HEAVY ELECTRICALS	9.72	1.01
PUNJ LLOYD	1.66	1.40
ABB	1.48	0.87
SIEMENS	1.48	1.02
POWER	21.34	
NTPC	15.77	0.74
TATA POWER	3.04	0.95
NEYVELI LIGNITE CORPORATION	2.52	1.09
TELECOM	16.25	
BHARTI AIRTEL	16.25	1.00
CONSTRUCTION	6.28	
JAIPRAKASH ASSOCIATES	3.25	1.71
GMR INFRASTRUCTURE	3.03	1.10
METALS	5.57	
TATA STEEL	2.25	1.42
STERLITE INDUSTRIES	2.21	1.36
JINDAL STEEL AND POWER LTD	1.11	1.17
OIL REFINERIES	4.91	
RELIANCE INDUSTRIES	4.91	1.22
CEMENT & CEMENT PRODUCTS	3.35	
GRASIM INDUSTRIES	2.06	0.78
ULTRATECH CEMENT LTD	1.29	0.61
BANKING & FINANCE	1.50	
HOUSING DEVELOPMENT FINANCE CORPORATION	1.50	1.23
LOGISTICS	1.01	
CONTAINER CORPORATION OF INDIA	1.01	0.24
HOTELS	0.85	
INDIAN HOTELS	0.85	0.63

total equity 86.43

total bank deposits/mutual funds 13.57

total net assets 100.00

asset allocation as on Jun 30, 2009



fund characteristics as on Jun 30, 2009

Fund Beta 1.03

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fund manager's report

The month of June saw the markets ending negative with high volatility. The markets saw selling from the FIIs for the month. Looking at the volatile trend and taking a cautious outlook for the markets and the risk profile of the scheme, the holding in equities was kept at 86.43%.

target asset allocation

Equity: 100%

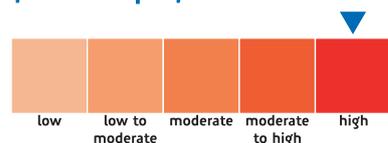
benchmark construction

CNX Infrastructure Index: 100%

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



ULIP Energy Fund

fund performance as on Jun 30, 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 Jun 30, 2009

security % to net assets 1-yr beta

equity

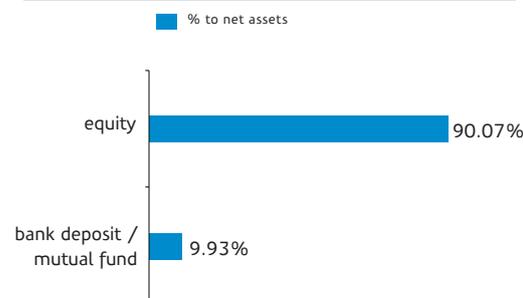
OIL REFINERIES	53.32	
RELIANCE INDUSTRIES	27.79	1.22
OIL & NATURAL GAS CORPORATION	20.44	0.87
RELIANCE PETROLEUM	3.06	1.02
BHARAT PETROLEUM	2.04	0.51
POWER	22.26	
NTPC	11.52	0.74
AREVA T & D INDIA LTD	4.57	0.98
POWER GRID CORPORATION OF INDIA LTD	3.36	0.83
TATA POWER	2.82	0.95
OIL EXPLORATION	4.93	
CAIRN INDIA	4.93	1.01
METALS	3.80	
STERLITE INDUSTRIES	2.21	1.36
JINDAL STEEL AND POWER LTD	1.59	1.17
CAP GOODS / ENGINEERING	3.01	
BHARAT HEAVY ELECTRICALS	1.75	1.01
LARSEN & TOUBRO	1.26	1.19
GAS	2.26	
GAIL (INDIA)	2.26	0.76
FMCG	0.48	
EVEREST KANTO CYLINDER LTD	0.48	0.65

total equity 90.07

total bank deposits/mutual funds 9.93

total net assets 100.00

asset allocation as on Jun 30, 2009



fund characteristics as on Jun 30, 2009

Fund Beta 0.99

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fund manager's report

The month of June saw the markets ending negative with high volatility. The markets saw selling from the FIIs for the month. Looking at the volatile trend and taking a cautious outlook for the markets and the risk profile of the scheme, the holding in equities was kept at 90.07%.

target asset allocation

Equity: 100%

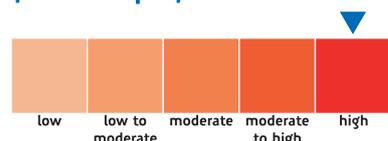
benchmark construction

CNX Energy Index: 100%

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



ULIP Midcap Fund

fund performance as on Jun 30, 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 Jun 30, 2009

security % to net assets 1-yr beta

equity

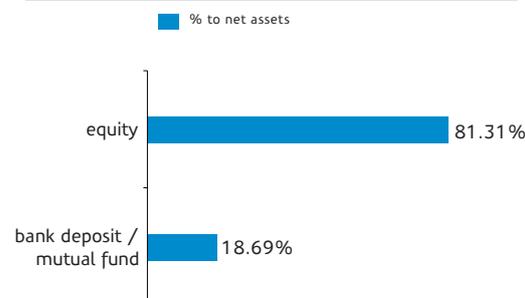
CAP GOODS / ENGINEERING	11.78	
VOLTAS LTD	4.62	1.06
PUNJ LLOYD	4.50	1.40
IRB INFRASTRUCTURE DEVELOPERS LTD	2.15	0.60
BHARAT FORGE LTD	0.51	0.80
BANKING & FINANCE	8.18	
CORPORATION BANK	3.70	0.61
ANDHRA BANK	3.09	0.76
LIC HOUSING FINANCE LTD	0.73	1.10
SHRIRAM TRANSPORT FINANCE COMPANY LTD	0.66	0.26
PHARMACEUTICALS	7.31	
DIVIS LABORATORIES	3.72	0.73
LUPIN	3.59	0.42
IT	5.83	
MPHASIS	5.83	0.64
PLASTIC AND PLASTIC PRODUCT	5.77	
SINTEX INDUSTRIES LTD.	5.77	1.03
FMCG	5.51	
TITAN INDUSTRIES	2.31	0.66
TATA TEA	2.03	0.36
MARICO LTD.	0.82	0.31
EVEREST KANTO CYLINDER LTD	0.36	0.65
CEMENT & CEMENT PRODUCTS	4.64	
SHREE CEMENT	2.03	0.52
INDIA CEMENTS	1.71	0.93
ULTRATECH CEMENT LTD	0.89	0.61
SOFTWARE	3.66	
FINANCIAL TECHNOLOGIES INDIA INR	3.66	0.90
SHIPPING	3.49	
GREAT EASTERN SHIPPING	3.49	0.87
SUGAR	3.37	
BAJAJ HINDUSTAN	3.37	1.16
FERTILIZERS	3.32	
UNITED PHOSPHORUS LTD	3.32	0.79
HOTELS	2.70	
INDIAN HOTELS	2.70	0.63
AUTO ANCILLARY	2.52	
EXIDE INDUSTRIES	2.52	0.51
FERTILISERS	2.26	
TATA CHEMICALS	2.26	0.95
CONSTRUCTION	2.16	
JAIPRAKASH ASSOCIATES	2.16	1.71
OIL REFINERIES	1.70	
RELIANCE INDUSTRIES	1.70	1.22
METALS	1.68	
JINDAL STEEL AND POWER LTD	1.68	1.17
MEDIA	1.62	
HT MEDIA LTD	1.62	0.58
GAS	1.40	
PETRONET LNG	1.40	0.84
LOGISTICS	1.22	
CONTAINER CORPORATION OF INDIA	1.22	0.24
AUTOMOBILES	0.99	
TATA MOTORS	0.99	1.16
POWER	0.18	
JYOTI STRUCTURES LTD	0.18	0.96

total equity 81.31

total bank deposits/mutual funds 18.69

total net assets 100.00

asset allocation as on Jun 30, 2009



fund characteristics as on Jun 30, 2009

Fund Beta 0.83

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fund manager's report

The month of June saw the markets ending negative with high volatility. The markets saw selling from the FIIs for the month. Looking at the volatile trend and taking a cautious outlook for the markets and the risk profile of the scheme, the holding in equities was kept at 81.31%.

target asset allocation

Equity: 100%

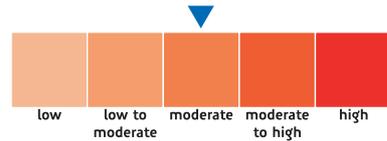
benchmark construction

Nifty Midcap 50: 100%

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



ULIP Growth Fund

fund performance as on Jun 30, 2009

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	13.75%	11.95%	16.80%	19.08%	0.52	0.36
last 2 years (CAGR)	5.36%	7.40%	16.39%	17.09%	0.02	0.14
last 3 years (CAGR)	8.55%	11.01%	13.87%	14.37%	0.26	0.42
since inception (CAGR)	11.77%	13.25%	12.04%	12.34%	0.56	0.67
date of inception	august, 2004					

*CAGR: Compounded Annual Growth Rate

portfolio as on Jun 30, 2009

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

11% POWER FINANCE CORP LTD 15-09-2018	4.47	AAA
8.25% IDBI OMNI BOND SER III 26-05-11	2.64	AA+
11.95% HDFC LTD 26-11-2018	2.62	AAA
9.50% NABARD SER IX I 15-10-12	2.26	AAA
9.25% HDFC LTD 24-11-2016	2.24	AAA
10.35% HDFC LTD 16-05-17	2.23	AAA
2% TATA MOTORS LTD 31-03-2014	2.20	AAA(SO)
11.45% RELIANCE INDUSTRIES LTD 25-11-2013	2.19	AAA
8.20% IRFC 27-04-2016	2.14	AAA
8.95% HDFC LTD 29-10-10	2.00	AAA
7.15% IND OIL BOND 10-06-12	1.72	AA+
11.40% POWER FINANCE CORP 28-11-13	1.46	AAA
7.39% POWER GRID CORP 22-09-11	1.40	AAA
9.50% INDIAN HOTEL 28-02-12	1.34	AA+
9.80% TATA STEEL 07-05-11	1.34	AA
9.35% HDFC LTD 09-11-09	1.31	AAA
8.45% IRFC 26-12-2018	1.30	AAA
10.90% RECL LTD 14-04-13	1.20	AAA
11.10% POWER FINANCE CORP 15-09-13	0.96	AAA
9.90% TATA SONS 20-05-11	0.91	AAA
9.05% EXIM BANK 06-11-10	0.89	AAA
11.45% RELIANCE INDU LTD TRANCHE 2 25-11-2013	0.73	AAA
9.68% IRFC 03-07-10	0.72	AAA
8.95% HDFC LTD 16-01-11	0.45	AAA
10.60% IRFC 11-09-2018	0.25	AAA

total corporate bonds 40.96

gilts

		SOVEREIGN
7.56% GOI 03-11-2014	2.26	
7.44% GOI SPL OIL BOND 23-03-12	1.92	
8.40% GUJARAT GOI 18-03-2019	1.38	
8.35% GOI 14-05-22	0.01	

total gilts 5.57

equity

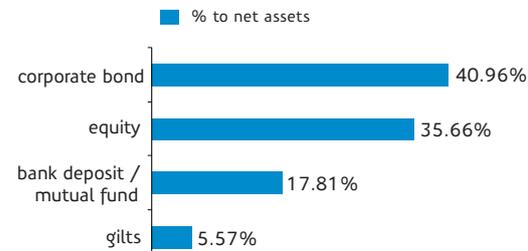
BANKING & FINANCE	7.44	
STATE BANK OF INDIA	2.18	1.09
ICICI BANK	1.59	1.58
HDFC BANK	1.24	0.96
HOUSING DEVELOPMENT FINANCE CORPORATION	0.90	1.23
AXIS BANK	0.60	1.29
BANK OF BARODA	0.50	0.82
PUNJAB NATIONAL BANK	0.44	0.92
OIL REFINERIES	6.62	
RELIANCE INDUSTRIES	4.34	1.22
OIL & NATURAL GAS CORPORATION	1.32	0.87
BHARAT PETROLEUM	0.54	0.51
RELIANCE PETROLEUM	0.42	1.02
CAP GOODS / ENGINEERING	3.52	
LARSEN & TOUBRO	1.70	1.19
BHARAT HEAVY ELECTRICALS	1.40	1.01
CUMMINS INDIA	0.27	0.57
VOLTAS LTD	0.12	1.06
PUNJ LLOYD	0.03	1.40
IT	3.29	
INFOSYS TECHNOLOGIES	2.14	0.68
TATA CONSULTANCY SERVICES	0.83	0.87
WIPRO LTD	0.32	0.93
POWER	2.49	
TATA POWER	0.96	0.95
NTPC	0.81	0.74
AREVA T & D INDIA LTD	0.48	0.98
POWER GRID CORPORATION OF INDIA LTD	0.25	0.83
METALS	1.86	
STERLITE INDUSTRIES	0.75	1.36
JINDAL STEEL AND POWER LTD	0.47	1.17
TATA STEEL	0.40	1.42
STEEL AUTHORITY OF INDIA	0.24	1.28
TELECOM	1.85	
BHARTI AIRTEL	1.85	1.00
PHARMACEUTICALS	1.76	
DIVIS LABORATORIES	0.57	0.73
SUN PHARMACEUTICALS	0.47	0.41
CIPLA LTD	0.44	0.49
RANBAXY LAB	0.29	0.77
FMCG	1.64	
HINDUSTAN UNILEVER	1.05	0.40
ITC LTD	0.53	0.53
MARICO LTD.	0.05	0.31
AUTOMOBILES	1.61	
MAHINDRA & MAHINDRA LTD	0.56	1.08
MARUTI SUZUKI INDIA	0.50	0.70
BAJAJ AUTO LTD	0.41	0.65
TATA MOTORS	0.13	1.16
CEMENT & CEMENT PRODUCTS	1.15	
GRASIM INDUSTRIES	0.52	0.78
ULTRATECH CEMENT LTD	0.34	0.61
ACC LTD	0.28	0.72
OIL EXPLORATION	0.68	
CAIRN INDIA	0.68	1.01
GAS	0.65	
GAIL (INDIA)	0.65	0.76
CONSTRUCTION	0.65	
JAIPRAKASH ASSOCIATES	0.65	1.71
LOGISTICS	0.30	
CONTAINER CORPORATION OF INDIA	0.30	0.24
SUGAR	0.14	
BAJAJ HINDUSTAN	0.14	1.16

total equity 35.66

total bank deposits/mutual funds 17.81

total net assets 100.00

asset allocation as on Jun 30, 2009



fund characteristics as on Jun 30, 2009

M.Duration of debt portfolio:	2.90 years
YTM of debt portfolio:	7.95%
Beta of equity portfolio:	0.98

fund manager's report

The month of June saw the markets ending negative with high volatility. The markets saw selling from the FIIs for the month. Looking at the volatile trend and taking a cautious outlook for the markets and the risk profile of the scheme, the holding in equities was kept at 35.66%.

The allocation to corporate bonds was slightly decreased to 40.96% from 41.00% due to profit booking. The allocation to the G-sec was also slightly decreased to 5.57% from 5.76%. Accordingly the allocation to short term bank deposits and CDs/CPs was increased to 17.81% from 17.23%.

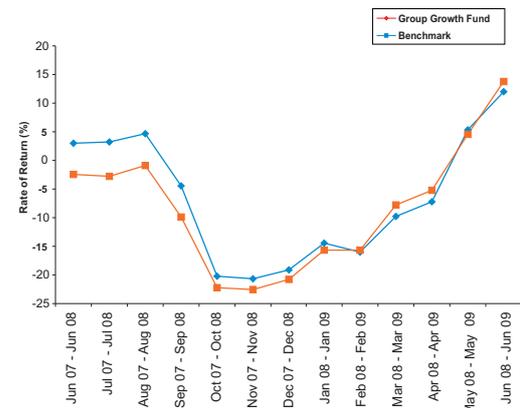
target asset allocation

Debt.:	60%
Equity:	40%

benchmark construction

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

rolling yearly performance

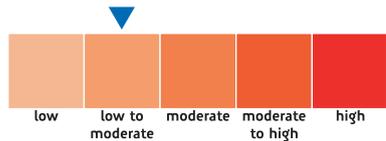


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fund objective

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



ULIP Balanced Fund

fund performance as on Jun 30, 2009

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	14.93%	12.05%	9.31%	9.91%	1.07	0.71
last 2 years (CAGR)	8.97%	8.62%	9.16%	8.98%	0.43	0.40
last 3 years (CAGR)	9.69%	9.91%	7.77%	7.57%	0.60	0.65
since inception (CAGR)	10.94%	9.93%	6.06%	6.06%	0.98	0.81
date of inception			february, 2003			

*CAGR: Compounded Annual Growth Rate

portfolio as on Jun 30, 2009

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

corporate bonds

11.45% RELIANCE IND LTD TRANCHE 2 25-11-2013	4.60	AAA
11.45% RELIANCE IND LTD 25-11-2013	4.25	AAA
11.40% POWER FINANCE CORP 28-11-13	2.59	AAA
10.95% RECL LTD 14-04-11	2.27	AAA
9.90% TATA SONS 20-05-11	2.21	AAA
8.50% EXIM BANK LTD 12-09-11	2.17	AAA
8.94% LIC HOUSING FIN LTD 16-01-11	2.16	AAA
8.95% HDFC LTD 16-01-11	1.95	AAA
9.50% NABARD SER IX 15-10-12	1.76	AAA
9.80% ICICI BANK LTD 10-02-13	1.71	AAA
9.50% INDIAN HOTEL 28-02-12	1.63	AA+
9.35% LIC HOUSING FINANCE LTD 23-11-12	1.33	AAA
10% NABARD SER IX 14-05-12	1.32	AAA
9.80% TATA STEEL 07-05-11	1.30	AA
10.75% RECL LTD 14-04-11	1.16	AAA
9.80% POWER FINANCE CORP 22-03-12	1.11	AAA
11.65% HDFC LTD 09-09-10	1.11	AAA
8.83% IRFC 29-10-12	1.10	AAA
9.24% L & T FINANCE 30-07-10	1.07	AA+
9.40% TATA TEA LTD 08-11-10	1.07	AA
2% TATA MOTORS LTD 31-03-2014	1.07	AAA(SO)
8.80% STEEL AUTHORITY OF INDIA LTD 22-06-2019	1.06	AAA
7.20% HDFC 03-06-10	1.06	AAA
9.35% IL & FS LTD 22-10-10	1.04	AAA
9.30% POWER FINANCE CORPORATION LTD 12-03-2013	0.99	AAA
10.10% POWER GRID CORP 12-06-11	0.81	AAA
9.76% IRFC 03-07-12	0.79	AAA
8.65% HDFC LTD 12-09-11	0.76	AAA
9% TATA SONS 27-07-10	0.75	AAA
11.15% POWER FINANCE CORP 15-09-11	0.68	AAA
10.90% RECL LTD 14-04-13	0.67	AAA
9.45% RECL LTD 04-04-13	0.67	AAA
6.50% HINDALCO LTD 06-09-09	0.67	AA-
9.20% HDFC LTD 09-02-12	0.66	AAA
9.79% IRFC 11-09-2009	0.63	AAA
9.68% IRFC 03-07-10	0.63	AAA
8.20% IRFC 27-04-2020	0.62	AAA
6.00% INDIAN HOTEL 13-05-11	0.59	AA+
9.25% EXIM BANK 13-12-02	0.55	AAA
10% NABARD 18-06-10	0.43	AAA
8.45% IRFC 26-12-2018	0.42	AA+
10.60% IRFC 11-09-2018	0.36	AA+
7% POWER FINANCE 24-12-11	0.32	AA-
11% POWER FINANCE CORPATION LTD 15-09-2018	0.24	AA
11.35% RECL LTD 24-10-13	0.09	AA

total corporate bonds 54.43

gilts

		SOVEREIGN
8.30% MAHARASHTRA GOI 25-03-2019	3.76	
7.44% GOI SPL OIL BOND 23-03-12	1.74	
6.49% GOI 08-06-2015	1.25	
7.94% GOI BOND 24-05-2021	1.11	
8.28% RAJASHTHAN SDL GOI 25-03-2019	1.10	
8.24% TAMIL NADU STATE GOVT GOI 25-03-2019	1.10	
7.35% GOI 22-06-2024	1.04	
6.05% GOI 02-02-2019	0.98	
7.46% GOI 28-08-2017	0.73	
6.72% GOI 24-04-2014	0.42	
8.24% GOI 22-04-18	0.38	
8.59% ANDHRA PRADESH GOI 18-03-2019	0.23	
7.37% GOI 16-04-14	0.00	

total gilts 13.84

equity

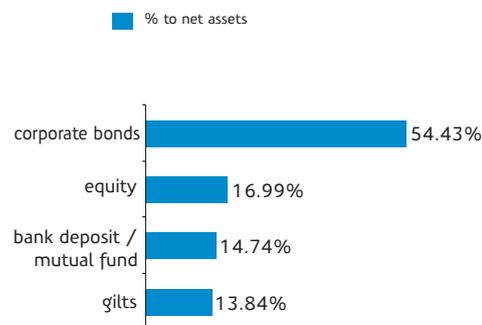
BANKING & FINANCE	3.65	
STATE BANK OF INDIA	1.09	1.09
ICICI BANK	0.78	1.58
HDFC BANK	0.60	0.96
HOUSING DEVELOPMENT FINANCE CORPORATION	0.44	1.23
AXIS BANK	0.28	1.29
BANK OF BARODA	0.24	0.82
PUNJAB NATIONAL BANK	0.21	0.92
OIL REFINERIES	2.78	
RELIANCE INDUSTRIES	1.65	1.22
OIL & NATURAL GAS CORPORATION	0.65	0.87
BHARAT PETROLEUM	0.27	0.51
RELIANCE PETROLEUM	0.21	1.02
CAP GOODS / ENGINEERING	1.75	
LARSEN & TOUBRO	0.83	1.19
BHARAT HEAVY ELECTRICALS	0.70	1.01
CUMMINS INDIA	0.15	0.57
VOLTAS LTD	0.06	1.06
PUNJ LLOYD	0.01	1.40
IT	1.63	
INFOSYS TECHNOLOGIES	1.06	0.68
TATA CONSULTANCY SERVICES	0.41	0.87
WIPRO LTD	0.16	0.93
POWER	1.24	
TATA POWER	0.46	0.95
NTPC	0.40	0.74
AREVA T & D INDIA LTD	0.26	0.98
POWER GRID CORPORATION OF INDIA LTD	0.12	0.83
TELECOM	0.90	
BHARTI AIRTEL	0.90	1.00
METALS	0.87	
STERILITE INDUSTRIES	0.36	1.36
JINDAL STEEL AND POWER LTD	0.23	1.17
TATA STEEL	0.17	1.42
STEEL AUTHORITY OF INDIA	0.11	1.28
PHARMACEUTICALS	0.86	
DIVIS LABORATORIES	0.28	0.73
SUN PHARMACEUTICALS	0.21	0.41
CIPLA LTD	0.21	0.49
RANBAXY LAB	0.14	0.77
FMCG	0.79	
HINDUSTAN UNILEVER	0.51	0.40
ITC LTD	0.26	0.53
MARICO LTD.	0.02	0.31
AUTOMOBILES	0.77	
MAHINDRA & MAHINDRA LTD	0.27	1.08
MARUTI SUZUKI INDIA	0.27	0.70
BAJAJ AUTO LTD	0.19	0.65
TATA MOTORS	0.06	1.16
CEMENT & CEMENT PRODUCTS	0.55	
GRASIM INDUSTRIES	0.25	0.78
ULTRATECH CEMENT LTD	0.16	0.61
ACC LTD	0.14	0.72
CONSTRUCTION	0.34	
JAIPRAKASH ASSOCIATES	0.34	1.71
OIL EXPLORATION	0.33	
CAIRN INDIA	0.33	1.01
GAS	0.32	
GAIL (INDIA)	0.32	0.76
LOGISTICS	0.14	
CONTAINER CORPORATION OF INDIA	0.14	0.24
SUGAR	0.06	
BAJAJ HINDUSTAN	0.06	1.16

total equity 16.99

total bank deposits/mutual funds 14.74

total net assets 100.00

asset allocation as on Jun 30, 2009



fund characteristics as on Jun 30, 2009

M.Duration of debt portfolio:	3.07 years
YTM of debt portfolio:	7.43%
Beta of equity portfolio:	0.98

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fund manager's report

The month of June saw the markets ending negative with high volatility. The markets saw selling from the FIIs for the month. Looking at the volatile trend and taking a cautious outlook for the markets and the risk profile of the scheme, the holding in equities was kept at 16.99%.

The allocation to gilts was increased to 13.84% from 12.10%. The exposure in corporate bonds was decreased to 54.43% from 54.99%. Accordingly, exposure in short-term bank deposits and CDs/CPs has been decreased to 14.74% from 15.71%.

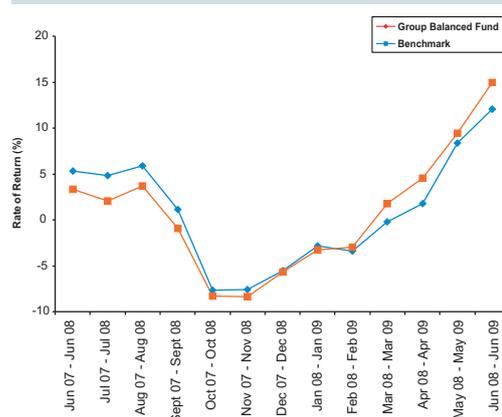
target asset allocation

Debt.:	80%
Equity:	20%

benchmark construction

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

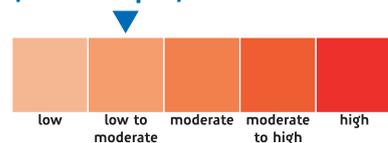
rolling yearly performance



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



ULIP Corporate Bond Fund

fund performance as on Jun 30, 2009

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	15.02%	11.20%	5.28%	6.60%	1.90	0.94
since inception (CAGR)	10.75%	7.42%	4.42%	5.49%	1.30	0.44
date of inception	october, 2007					

portfolio as on Jun 30, 2009

security % to net assets rating

corporate bonds

11.25% POWER FINANCE CORP LTD 28-11-2018	7.11	AAA
11.45% RELIANCE IND LTD 25-11-2013	5.95	AAA
8.75% IRFC 07-01-13	5.10	AAA
10.60% IRFC 11-09-2018	5.09	AAA
10.90% RECL LTD 14-04-13	4.77	AAA
2% TATA MOTORS LTD 31-03-2014	4.14	AAA(SO)
11.45% RELIANCE IND LTD TRANCHE 2 25-11-2013	3.66	AAA
11% POWER FINANCE CORP LTD 15-09-2018	3.50	AAA
10.05% NABARD 11-06-14	2.20	AAA
9.50% HDFC LTD 27-02-2013	2.16	AAA
9.50% TATA COMMUNICATION LTD 08-06-2014	2.16	AAA
9.33% POWER GRID CORP LTD 15-12-2013	2.13	AAA
8.88% IDFC 07-01-11	2.09	AAA
9.40% TATA TEA LTD 08-11-10	2.08	AA
8.90% STEEL AUTHORITY OF INDIA 01-05-2019	2.07	AAA
8.80% STEEL AUTHORITY OF INDIA LTD 22-06-2019	2.06	AAA
8.65% RECL LTD 15-01-2019	2.04	AAA
10.90% RECL LTD 30-09-2013	1.35	AAA
9.32% HDFC LTD 17-12-12	0.86	AAA
9.35% LIC HOUSING FINANCE LTD 23-11-12	0.86	AAA
6.00% INDIAN HOTEL 13-05-11	0.85	AA+
11.10% POWER FINANCE CORP 15-09-13	0.81	AAA
7.39% POWER GRID CORP 22-09-11	0.74	AAA
11.40% POWER FINANCE CORP 28-11-13	0.46	AAA
11.35% RECL LTD 24-10-13	0.45	AAA
9.47% POWER GRID CORP 31-03-13	0.43	AAA
9.20% HDFC LTD 09-02-12	0.42	AAA
9.80% TATA STEEL 07-05-11	0.42	AA
10.35% HDFC LTD SR E006 06-06-2017	0.40	AAA
11.30% ACC LTD 10-12-2013	0.23	AAA
9.30% POWER FINANCE CORP LTD 12-03-2013	0.21	AAA
10.48% GRASIM INDUSTRIES LTD 16-12-2013	0.13	AAA
9.76% IRFC 03-07-12	0.13	AAA
9.25% EXIM BANK 13-12-02	0.13	AAA

total corporate bonds 67.21

gilts

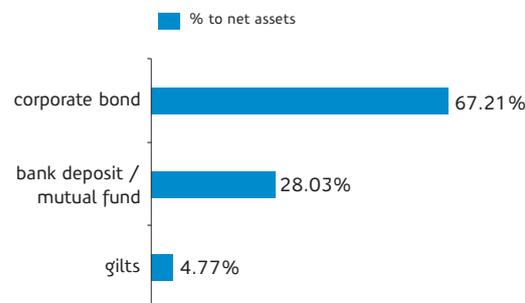
6.49% GOI 08-06-2015	1.62
7.46% GOI 28-08-2017	1.51
7.35% GOI 22-06-2024	1.21
7.56% GOI 03-11-2014	0.42

total gilts 4.77

total bank deposits/mutual funds 28.03

total net assets 100.00

asset allocation as on Jun 30, 2009



fund characteristics as on Jun 30, 2009

M.Duration of debt portfolio: 3.86 years
YTM of debt portfolio: 8.39%

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fund manager's report

The exposure to corporate bonds was decreased to 67.21% from 76.04%. Accordingly exposure in gilts was increased to 4.77% from 2.19%. 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.

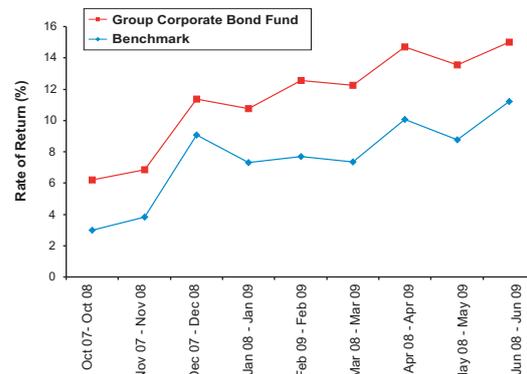
target asset allocation

Bond Instruments: 100%

benchmark construction

CRISIL Composite Bond Index: 100%

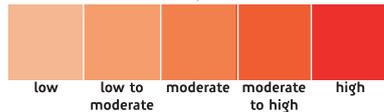
rolling yearly performance



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 Jun 30, 2009

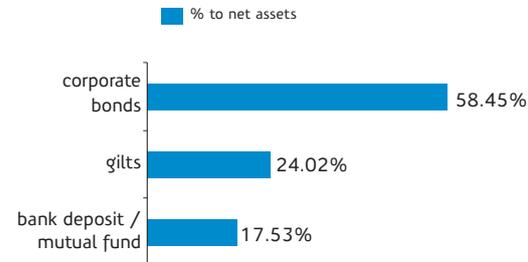
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	Data not available as the fund has the not completed a period of one year since inception					
date of inception	october, 2008					

*CAGR: Compounded Annual Growth Rate

portfolio as on Jun 30, 2009

security	% to net assets	rating
corporate bonds		
8.90% STEEL AUTHORITY OF INDIA 01-05-2019	5.33	AAA
2% TATA MOTORS LTD 31-03-2014	5.32	AAA(SO)
8.55% IRFC 15-01-2019	5.27	AAA
11% POWER FINANCE CORPO LTD 15-09-2018	5.16	AAA
11.45% RELIANCE INDUSTRIES LTD 25-11-2013	4.86	AAA
11.25% POWER FINANCE CORP LTD 28-11-2018	4.06	AAA
11.10% POWER FINANCE CORP 15-09-13	3.71	AAA
8.80% STEEL AUTHORITY OF INDIA LTD 22-06-2019	3.53	AAA
11.45% RELIANCE IND LTD TRANCHE 2 25-11-2013	2.74	AAA
8.75% IRFC 07-01-13	2.18	AAA
11.95% HDFC LTD 26-11-2018	2.11	AAA
10.60% IRFC 11-09-2018	1.98	AAA
10.90% RECL LTD 30-09-2013	1.92	AAA
9.50% TATA COMMUNICATION LTD 08-06-2014	1.85	AAA
8.98% NCR PLAN 14-02-2018	1.81	AAA
8.65% RECL LTD 15-01-2019	1.75	AAA
11.40% POWER FINANCE CORP 28-11-13	1.17	AAA
10.90% RECL LTD 14-04-13	1.16	AAA
11.35% RECL LTD 24-10-13	1.15	AAA
9% TATA SONS 27-07-10	0.54	AAA
10.10% POWER GRID CORP 12-06-11	0.46	AAA
10% NABARD SER IX 14-05-12	0.37	AAA
total corporate bonds	58.45	
gilts		
7.46% GOI 28-08-2017	5.39	SOVEREIGN
8.20% GOI 15-02-2022	3.72	
7.94% GOI BOND 24-05-2021	1.84	
8.24% GOI 15-02-2027	1.83	
6.49% GOI 08-06-2015	1.74	
7.35% GOI 22-06-2024	1.73	
7.50% GOI 10-08-2034	1.68	
6.35%GOI 2020 02-01-2020	1.67	
7.56% GOI 03-11-2014	1.45	
8.40% GUJARAT GOI 18-03-2019	1.11	
8.47% ARUNACHAL PRADESH GOI 25-03-2019	0.74	
8.47% NAGALAND GOI 25-03-2019	0.74	
8.47% JHARKHAND GOI 25-03-2019	0.37	
total gilts	24.02	
total bank deposits/mutual funds	17.53	
total net assets	100.00	

asset allocation as on Jun 30, 2009



fund characteristics as on Jun 30, 2009

M.Duration of debt portfolio:	4.88 years
YTM of debt portfolio:	8.16%

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fund manager's report

As per our view the exposure to gilts was increased to 24.02% from 19.71%. Exposure to corporate bonds was also increased to 58.45% from 56.14%. Accordingly the exposure to short term assets was decreased to 17.53% from 24.15%. We will increase exposure to gilts and corporate bonds as and when attractive investments are available.

target asset allocation

Debt Instruments: 100%

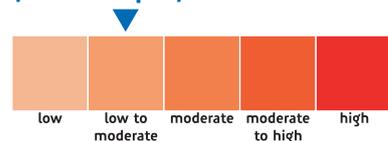
benchmark construction

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



ULIP Gilt Fund

fund performance as on Jun 30, 2009

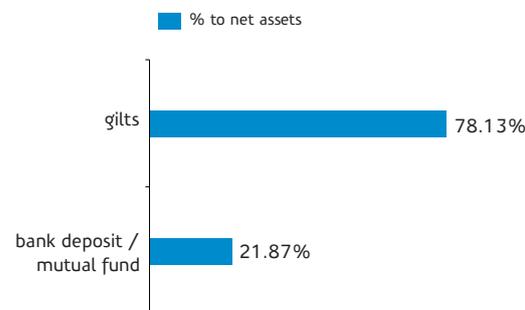
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	9.65%	21.34%	5.02%	17.41%	0.93	0.94
since inception (CAGR)	6.87%	12.18%	4.19%	13.98%	0.45	0.51
date of inception			october, 2007			

*CAGR: Compounded Annual Growth Rate

portfolio as on Jun 30, 2009

security	% to net assets	rating
gilts		
SOVEREIGN		
8.20% GOI 15-02-2022	16.93	
7.56% GOI 03-11-2014	16.54	
7.94% GOI BOND 24-05-2021	8.36	
7.49% GOI 16-04-17	8.15	
6.07% GOI 15-05-2014	7.79	
7.50% GOI 10-08-2034	7.66	
6.35% GOI 2020 02-01-2020	7.61	
8.30% MAHARASHTRA GOI 25-03-2019	5.01	
9.85% GOI 16-10-15	0.06	
total gilts	78.13	
total bank deposits/mutual funds	21.87	
total net assets	100.00	

asset allocation as on Jun 30, 2009



fund characteristics as on Jun 30, 2009

M.Duration of debt portfolio: 5.62 years
YTM of debt portfolio: 7.60%

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fund manager's report

The allocation to gilts was increased to 78.13% from 71.25% on the view of softening of interest rates. Accordingly we decreased the exposure in short term bank FDs, CDs and CPs to 21.87% from 28.75%.

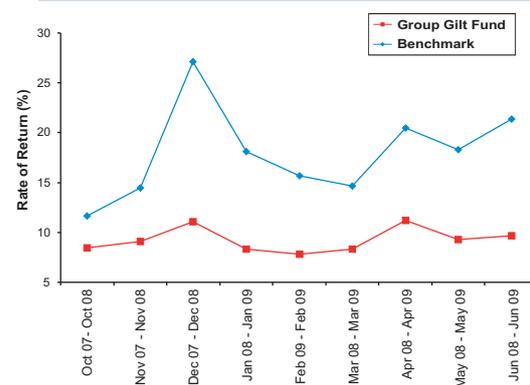
target asset allocation

Government Securities: 100%

benchmark construction

I-Sec Composite Sovereign Bond Index: 100%

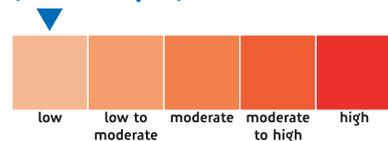
rolling yearly performance



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



ULIP Money Market Fund

fund performance as on Jun 30, 2009

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	10.93%	8.39%	0.33%	0.69%	18.20	4.88
since inception (CAGR)	10.27%	7.98%	0.35%	0.61%	15.12	4.89

date of inception: November, 2007

*CAGR: Compounded Annual Growth Rate

portfolio as on Jun 30, 2009

security % to net assets rating

certificate of deposits

CANARA BANK 18-03-2010	14.56	P1+
STATE BANK OF BIKANER & JAIPUR 22-09-2009	13.64	P1+
AXIS BANK LTD 30-11-2009	13.16	P1+
EXIM BANK OF INDIA 28-09-2009	7.92	P1+
EXIM BANK OF INDIA 17-07-2009	5.78	P1+
CORPORATION BANK 03-08-2009	3.97	P1+
NABARD 10-07-2009	2.69	P1+
ICICI BANK LTD 15-07-2009	0.19	A1+

total certificate of deposits 61.91

commercial paper

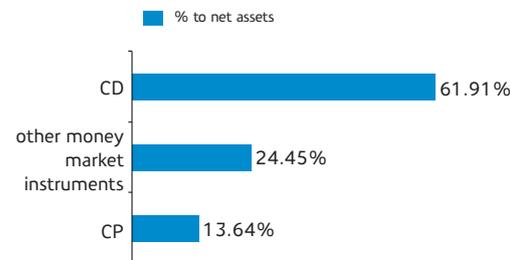
RELIANCE COMMUNICATION LTD 29-07-2009	9.92	A1+
RELIANCE COMMUNICATIONS LTD 28-07-2009	3.72	A1+

total commercial paper 13.64

other money market instruments 24.45

total net assets 100.00

asset allocation as on Jun 30, 2009



fund characteristics as on Jun 30, 2009

M.Duration of debt portfolio: 0.41 years
YTM of debt portfolio: 8.88%

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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.

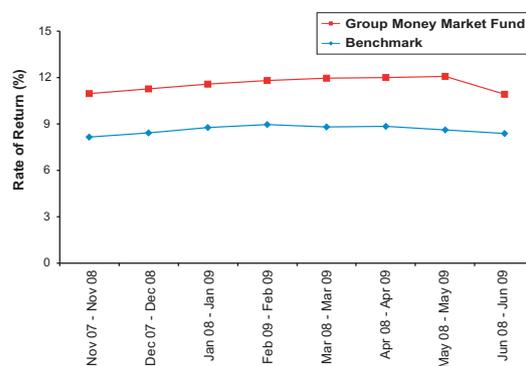
target asset allocation

Money Market Instruments: 100%

benchmark construction

CRISIL Liquid Bond Index: 100%

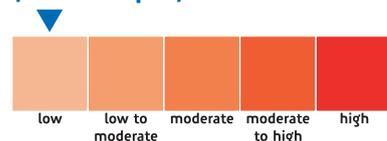
rolling yearly performance



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



ULIP Capital Secure Fund

fund performance as on Jun 30, 2009

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	10.70%	6.70%	0.29%	0.65%	19.54	2.61
last 2 years (CAGR)	9.93%	7.15%	0.30%	0.48%	16.23	4.49
last 3 years (CAGR)	9.01%	7.25%	0.51%	0.40%	7.89	5.64
since inception (CAGR)	7.05%	5.98%	0.70%	0.49%	2.95	2.02
date of inception			february, 2003			

*CAGR: Compounded Annual Growth Rate

portfolio as on Jun 30, 2009

security % to net assets rating

certificate of deposits

STATE BANK OF BIKANER & JAIPUR 22-09-2009	13.17	P1+
ICICI BANK LTD 15-07-2009	12.94	A1+
EXIM BANK OF INDIA 17-07-2009	11.17	P1+
CORPORATION BANK 03-08-2009	7.69	P1+
AXIS BANK LTD 30-11-2009	5.09	P1+
NABARD10-07-2009	4.23	P1+
EXIM BANK OF INDIA 28-09-2009	1.99	P1+

total certificate of deposits 56.29

commercial paper

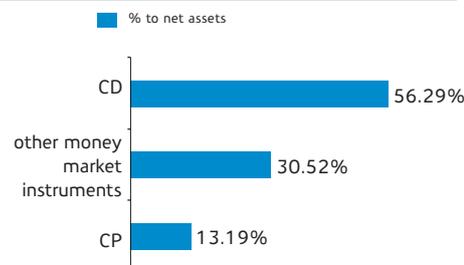
RELIANCE COMMUNICATIONS LTD 28-07-2009	13.19	A1+
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total commercial paper 13.19

other money market instruments 30.52

total net assets 100.00

asset allocation as on Jun 30, 2009



fund characteristics as on Jun 30, 2009

M.Duration of debt portfolio: 0.20 years
YTM of debt portfolio: 8.74%

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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.

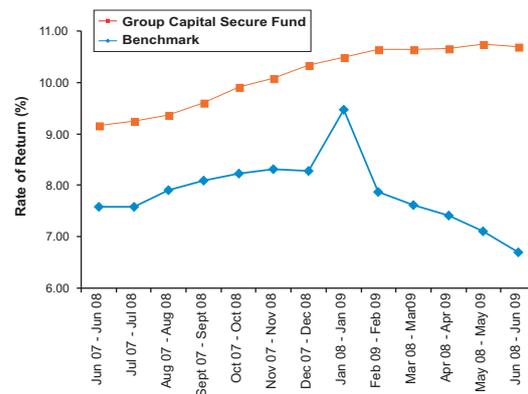
target asset allocation

Money Market Instruments: 100%

benchmark construction

Yield on 182-day T.Bills

rolling yearly performance



Product Details

Nav's as of 30th June, 2009

Reliance Equity Fund

Product Name	NAV
Reliance Group Leave Encashment (GLE) - Equity Fund Option	Rs. 7.0531
Reliance Group Savings Linked Insurance (GSLI)	Rs. 14.5927
Reliance Group Gratuity (GG)	Rs. 9.9753

Reliance Pure Equity Fund

Product Name	NAV
Reliance Group Savings Linked Insurance(GSLI)	Rs. 14.7862

Reliance Infrastructure Fund

Product Name	NAV
Reliance Group Savings Linked Insurance- (GSLI)	Rs. 13.1480
Reliance Group Gratuity (GG)	Rs. 9.8165

Reliance Energy Fund

Product Name	NAV
Reliance Group Savings Linked Insurance (GSLI)	Rs. 14.1383

Reliance Midcap Fund

Product Name	NAV
Reliance Group Savings Linked Insurance (GSLI)	Rs. 14.4288
Reliance Group Gratuity (GG)	Rs. 9.8810

Reliance Growth Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 11.2595
Reliance Group Superannuation (GSA)	Rs. 9.4541

Product Details

Nav's as of 30th June, 2009

Reliance Balanced Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 12.0075
Reliance Group Superannuation (GSA)	Rs. 15.1081
Reliance Group Savings Linked Insurance (GSLI)	Rs. 11.3981
Reliance Group Leave Encashment (GLE)	Rs. 10.0336

Reliance Corporate Bond Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 11.2494
Reliance Group Leave Encashment (GLE)	Rs. 11.8104
Reliance Group Savings Linked Insurance (GSLI)	Rs. 10.8661
Reliance Group Superannuation (GSA)	Rs. 10.4200

Reliance Pure Debt Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 11.2413
Reliance Group Superannuation (GSA)	Rs. 11.1680
Reliance Group Leave Encashment (GLE)	Rs. 11.3003
Reliance Group Savings Linked Insurance (GSLI)	Rs. 10.7511

Reliance Gilt Fund

Product Name	NAV
Reliance Group Leave Encashment (GLE)	Rs. 11.1269
Reliance Group Gratuity(GG)	Rs. 10.1601
Reliance Group Savings Linked Insurance (GSLI)	Rs. 10.1526

Reliance Money Market Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 10.8690
Reliance Group Superannuation (GSA)	Rs. 10.6674
Reliance Group Leave Encashment (GLE)	Rs. 11.6558
Reliance Group Savings Linked Insurance (GSLI)	Rs. 10.5406

Reliance Capital Secure Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 12.2636
Reliance Group Superannuation (GSA)	Rs. 11.1230
Reliance Group Leave Encashment (GLE)	Rs. 10.0311

- ✓ 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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