RELIANCE Life Insurance

Anil Dhirubhai Ambani Group

A Reliance Capital Company

October 2009

the analyst

monthly fund factsheet

group products

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 Sep 09	30th Jun 09	Change
Rs./$	48.11	47.91	-0.20
WPI Inflation	243.00*	234.60	0.70%y-o-y*
Forex Reserves ($ bn)	280.77	264.73	16.04 bn$
Oil Price ($ per Barrel)	65.88	68.37	-2.49
Gold (Rs. per 10gm)	15645	14675	970.00

* As of 26th September 2009

Investments	Jul - Sep 09	Apr- Jun 09	Absolute Change
FIIs (Rs Crs)	34313	30455	3858
MFs (Rs Crs)	64	3149	-3085

Indices	30th Sep 09	30th Jun 09	% Change
BSE Sensex	17127	14494	18
S&P CNX Nifty	5084	4291	18
CNX Mid Cap	6713	5427	24
BSE Small Cap	7590	5740	32

Global Indices	30th Sep 09	30th Jun 09	% Change
Dow Jones	9712	8447	15
FISE 100	5134	4249	21
Hang Seng	20955	18379	14
Nikkei	10133	9958	2

Sectoral Indices	30th Sep 09	30th Jun 09	% Change
CNX Infrastructure	3861	3534	9
CNX Energy	9287	8368	11
BSE Capital Goods	13757	12797	8
BSE Bankex	9856	8211	20
BSE Oil & Gas	10476	9390	12
BSE IT	4571	3287	39

Fixed Income Indicators	30th Sep 09	30th Jun 09	Absolute Change
NSE Mibor	3.33	3.30	0.03
91 Day T-Bill	3.15	3.30	-0.15
182 Day T-Bill	3.80	3.35	0.45
1 year GOI Benchmark	4.40	4.17	0.23
5 Year GOI Benchmark	7.10	6.70	0.40
5 Year Corp Bond Benchmark	8.50	7.84	0.66
10 Year GOI Benchmark	7.19	7.01	0.18
10 Year US Benchmark	3.31	3.54	-0.23

fund snapshot

asset allocation	funds	gross return (CAGR*) (%) as on September 30, 2009 last 1 year	last 2 years	last 3 years	since inception	date of inception
100% equity	ULIP Equity	31.22%	N.A.	N.A.	-8.83%	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	20.94%	4.78%	8.19%	12.63%	August, 2004
20% equity, 80% debt	ULIP Balanced	17.74%	7.99%	9.25%	11.16%	February, 2003
100% bond instruments	ULIP Corporate Bond	14.44%	N.A.	N.A.	9.91%	October, 2007
100% debt instrument	ULIP Pure Debt	14.05%	N.A.	N.A.	14.05%	October, 2008
100% govt. securities	ULIP Gilt	6.44%	N.A.	N.A.	5.86%	October, 2007
100% money market instruments	ULIP Money Market	10.68%	N.A.	N.A.	10.11%	November, 2007
100% money market instruments	ULIP Capital Secure	10.11%	9.86%	9.15%	7.09%	February, 2003

*CAGR: Compounded Annual Growth Rate

Indian Economy Update

India's economy grew a faster-than-expected 6.1% y-o-y in April-June, as government stimulus measures helped spur demand. Growth was slightly above a median forecast of 6%, but lower than 7.8% a year ago. Manufacturing sector expanded 3.4% y-o-y in April-June, while farm output grew 2.4%.

India's fiscal deficit for April-August was at Rs.1823 billion ($37.9 billion), or 45.5% of the full-year target. In July, the government projected a fiscal deficit of Rs.4.01 trillion or 6.8% of GDP for 2009/10.

The current account swung into a deficit of $5.81 billion April-June, from a surplus of $4.75 billion in January-March, as the effects of global slowdown triggered a sharp decline in exports. The current account deficit was $9.02 billion in the same quarter last year. The capital inflows through FDI and portfolio investments however helped cover the deficit with a marginal surplus in the balance of payments (BoP). The capital account surplus was $5.92 billion, resulting in an overall BoP surplus of $115 million in April-June, compared with a surplus of $300 billion in Jan-March. Meanwhile, India's total external debt rose to $227.7 billion at the end of June from $224 billion as at the end of March.

India's industrial production (IP) rose by 6.8% y-o-y in July, riding on higher demand for goods such as cars and higher mining activity. Manufacturing production rose by 6.8% y-o-y in July with the main boost coming from consumer durables (+19.8%). IP for the month of June was revised up to 8.2% from 7.8% while that for the month of May, was revised down to 2.2% from 2.7%. India's infrastructure sector output grew 7.1% y-o-y in August, higher than 2.5% in July. The infrastructure sector accounts for 26.7% of the industrial index.

Exports fell 19.4% y-o-y in August to $14.29 billion as global slump hit demand for Indian goods while imports dropped by 32.4% to $22.66 billion in August. Trade deficit almost halved to $8.37 billion in August from $15.79 billion a year earlier. In July, exports fell 28.4% y-o-y to $13.62 billion compared to June's fall of 27.7% to $12.8 billion. July imports dropped by 37.1% to $19.62 billion compared to June's drop of 29.3% to $18.98 billion. Meanwhile, for the April-June, trade deficit widened sharply to $26 billion from $14.6 billion in January-March, but narrowed from $31.4 billion in the same quarter a year ago.

WPI annual rate entered positive territory after staying in negative for 13 consecutive weeks. It fell to -1.74% in early August before rising to 0.83% in September, as poor monsoons and supply shortage drove up food costs while demand also improved. An uptick in prices of base metals and manufactured goods hinted at resurgent demand-driven pressures that may compel the central bank to accelerate efforts to begin taming inflation. WPI annual rate was -1.55% in June. The rate same time last year was 12.42%. India's consumer price inflation rate (urban non-manual employees) rose to 13% y-o-y in July from 9.6% in June.

Equity Market Update

Markets made a smart comeback and scaled the highest levels in 16 months, leaving behind the disappointment caused by the Union Budget 2009-10 in early July. Better-than-expected Q1 corporate earnings and advance tax collections, encouraging global cues, ample FII inflows and some positive economic data boosted the stock market. Further, optimism over Q2 corporate results lingered on investor sentiment and long-term factors like the draft tax code guidelines soothed sentiment. Poor monsoon and rising inflationary concerns impacted indices sporadically.

Sensex gained over 2400 points in the quarter to end 18.17% higher at 17126.84. Nifty breached the 5000 mark and ended 18.48% higher at 5083.95. Among BRIC nations, Sensex outperformed the Chinese benchmark index, but lagged Brazil (44.70%) and Russian (35.99%) indices.

BSE mid-cap and small-cap indices rose 24.58% and 32.23%, respectively, outperforming the Sensex. On the sectoral front, all indices made significant gains with seven sectors outperforming Sensex. Realty gained the maximum (+46.61%), followed by Auto (+46.20%), IT (+39.05%), Metal (+30.89%), HC (+24%) and Bankex (+20.02%).

FIIs were net buyers in Indian equities to the tune of Rs.343.13 billion taking the total to over Rs.600 billion for FY09-10.

Initially, the Budget failed to enthuse the market, as it did not contain any major reforms such as on FDI in insurance sector, decontrol of fuel prices and PSU disinvestment. However, senior ministers - led by the Prime Minister and the finance minister - assured the market that the government policy was pro-growth and would address the needs of the economy. NHPC Ltd and Oil India Ltd debuted on the bourses after IPOs that reduced government stakes in the two companies. Ample liquidity and gradually improving sentiment prompted several companies to plan raising money through share sales, QIPs and/or IPOs.

Debt Market Update

The 10-year benchmark GOI bond yield rose 18 bps during the quarter to 7.19%, along with the upward shift of the entire yield curve. The heavy government borrowing programme sustained persistent pressure on the long term bonds. RBI's overall disappointing buy back programme, rising inflation, mixed global cues and comments from Indian policy makers made the market volatile. The RBI kept interest rates unchanged but acknowledged the pressure on prices by raising WPI inflation forecast for the fiscal year-end to 5% y-o-y.

Amid ample liquidity but rising inflationary pressures, trader preference shifted in favour of short-term papers but only for a brief period. The 5-year benchmark yield rose more than 45 bps to 7.15%. The spread between 5-year and 10-year yield narrowed to 4 bps from around 30 bps. One-year treasury bill yield rose to 4.33% from 4%.

Speculation over the end of easy monetary policy rose gradually during the quarter and picked up steam last month. RBI governor talked about the eventuality of a reversal of the current policy stance while his deputy said that the bank was comfortable with current level of yields. The comments were viewed as signals from the bank to prepare the market for higher rates prompted a sell-off.

However, the key catalyst that set off a rally later was another prominent RBI official's comments about a possible hike in the banks' HTM (held-to-maturity) limit. Traders continued to wait for definite signals from the RBI over this issue. Meanwhile, the market also appeared to have been prepared for the gross Rs.1.23 trillion government borrowing amount for October-March.

Liquidity remained comfortable around the LAF reverse repo levels. Rise in overnight indexed swap rates by 25 bps-50 bps revealed the outlook of traders over short-term rates in the coming months. Meanwhile, in the interest rate futures (IRF), yield for the December contracts ended at 7.95% while March contract yield was 8.15%. IRF trading was launched on the NSE on August 30.

The 5-year AAA-corporate bond yield rose 48 bps to end at 8.46% while the spread between the 5-year AAA yield and underlying GOI bond rose marginally to 131 bps.

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Reliance Life Insurance

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ULIP Equity Fund

fund performance as on September 30, 2009

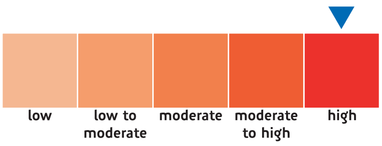
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	31.22%	29.66%	38.78%	46.07%	0.68	0.54
since inception (CAGR)	-8.83%	-7.47%	37.94%	40.58%	-0.36	-0.31
date of inception			october, 2007			

*CAGR: Compounded Annual Growth Rate

fund objective

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

fund risk profile



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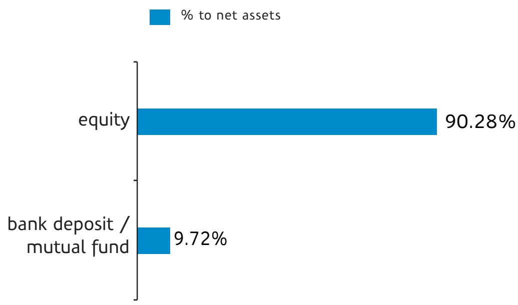
portfolio as on September 30, 2009

security	% to net assets	1-yr beta
equity		
BANKING & FINANCE	22.49	
ICICI BANK	5.65	1.53
STATE BANK OF INDIA	5.38	1.06
HDFC BANK	3.70	0.87
HOUSING DEVELOPMENT FINANCE CORPORATION	2.91	1.15
AXIS BANK	2.12	1.24
SHRIRAM TRANSPORT FINANCE COMPANY LTD	1.15	0.27
PUNJAB NATIONAL BANK	0.76	0.86
BANK OF BARODA	0.53	0.79
INDIAN BANK	0.28	0.82
OIL REFINERIES	12.77	
RELIANCE INDUSTRIES	8.09	1.22
OIL & NATURAL GAS CORPORATION	2.92	0.88
BHARAT PETROLEUM	1.69	0.41
OIL INDIA LTD	0.07	1.00
CAP GOODS / ENGINEERING	10.79	
LARSEN & TOUBRO	4.82	1.18
BHARAT HEAVY ELECTRICALS	3.00	0.98
CUMMINS INDIA	1.22	0.59
PUNJ LLOYD	0.93	1.34
ALSTOM PROJECTS INDIA	0.81	0.96
IT	9.33	
INFOSYS TECHNOLOGIES	5.10	0.68
TATA CONSULTANCY SERVICES	4.23	0.89
METALS	6.17	
TATA STEEL	2.09	1.47
STERLITE INDUSTRIES	1.87	1.45
JINDAL STEEL AND POWER LTD	1.58	1.14
STEEL AUTHORITY OF INDIA	0.63	1.31
FMCG	4.61	
ITC LTD	3.61	0.52
HINDUSTAN UNILEVER	1.00	0.42
TELECOM	4.21	
BHARTI AIRTEL	4.21	0.98
PHARMACEUTICALS	4.20	
DIVIS LABORATORIES	1.13	0.74
RANBAXY LAB	1.10	0.78
CIPLA LTD	0.96	0.51
SUN PHARMACEUTICALS	0.69	0.40
LUPIN	0.32	0.42
POWER	4.05	
TATA POWER	1.76	0.92
NTPC	1.21	0.72
AREVA T & D INDIA LTD	0.80	0.98
POWER GRID CORPORATION OF INDIA LTD	0.28	0.78
AUTOMOBILES	3.46	
BAJAJ AUTO LTD	1.23	0.63
MARUTI SUZUKI INDIA	1.18	0.68
MAHINDRA & MAHINDRA LTD	1.04	1.11
CEMENT & CEMENT PRODUCTS	2.44	
ACC	1.15	0.73
GRASIM INDUSTRIES	0.70	0.79
ULTRATECH CEMENT LTD	0.60	0.60
CONSTRUCTION	1.47	
JAIPRAKASH ASSOCIATES	1.47	1.72
GAS	1.08	
GAIL INDIA	1.08	0.73
OIL EXPLORATION	0.85	
CAIRN INDIA	0.85	1.11
MEDIA	0.83	
HT MEDIA LTD	0.83	0.60
FERTILIZERS	0.70	
UNITED PHOSPHORUS LTD	0.68	0.85
GUJARAT STATE FERTILIZERS & CHEMICALS	0.02	0.77
PLASTIC AND PLASTIC PRODUCT	0.44	
SINTEX INDUSTRIES LTD	0.44	1.03
SUGAR	0.41	
BAJAJ HINDUSTAN	0.41	1.22
total equity	**90.28**	
total bank deposits/mutual funds	**9.72**	
total net assets	**100.00**	

asset allocation as on Sept 30, 2009



fund characteristics as on Sept 30, 2009

Fund Beta	0.98

fund manager's report

The month of September saw the markets ending positive. The markets took support from better than expected macro economic data and improved expectation from second quarter results. Looking at the positive data from specific sectors, the holding in equities was kept at 90.28%.

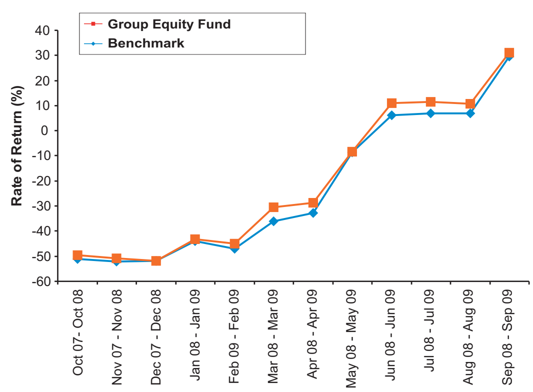
target asset allocation

Equity: 100%

benchmark construction

S&P CNX Nifty: 100%

rolling yearly performance



Reliance Life Insurance

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ULIP Pure Equity Fund

fund performance as on September 30, 2009

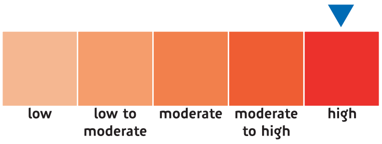
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	Data not available as the fund has the not completed a period of one year since inception					
date of inception	december, 2008					

*CAGR: Compounded Annual Growth Rate

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'

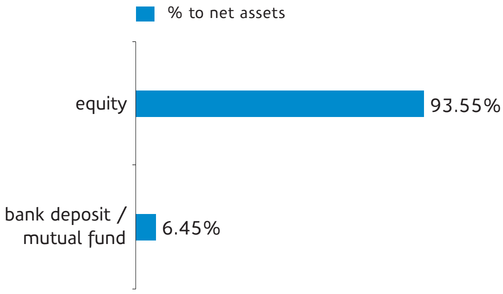
fund risk profile



portfolio as on September 30, 2009

security	% to net assets	1-yr beta
equity		
CAP GOODS / ENGINEERING	15.24	
LARSEN & TOUBRO	7.40	1.18
BHARAT HEAVY ELECTRICALS	4.88	0.98
PUNJ LLOYD	1.70	1.34
VOLTAS LTD	1.25	1.07
OIL REFINERIES	11.87	
RELIANCE INDUSTRIES	9.12	1.22
OIL & NATURAL GAS CORPORATION	2.75	0.88
IT	10.23	
INFOSYS TECHNOLOGIES	7.18	0.68
TATA CONSULTANCY SERVICES	2.04	0.89
MPHASIS	1.01	0.67
METALS	9.48	
JINDAL STEEL AND POWER LTD	6.64	1.14
STEEL AUTHORITY OF INDIA	2.84	1.31
AUTOMOBILES	9.25	
BAJAJ AUTO LTD	4.59	0.63
MAHINDRA & MAHINDRA LTD	2.61	1.11
MARUTI SUZUKI INDIA	2.06	0.68
POWER	8.40	
TATA POWER	5.99	0.92
NTPC	2.41	0.72
TELECOM	8.14	
BHARTI AIRTEL	8.14	0.98
PHARMACEUTICALS	8.10	
RANBAXY LAB	4.45	0.78
CIPLA LTD	2.42	0.51
SUN PHARMACEUTICALS	1.23	0.40
FMCG	5.12	
MARICO LTD	3.19	0.29
HINDUSTAN UNILEVER	1.93	0.42
CEMENT & CEMENT PRODUCTS	3.14	
GRASIM INDUSTRIES	2.29	0.79
ACC	0.85	0.73
GAS	2.50	
GAIL INDIA	2.50	0.73
OIL EXPLORATION	2.08	
CAIRN INDIA	2.08	1.11
total equity	**93.55**	
total bank deposits/mutual funds	**6.45**	
total net assets	**100.00**	

asset allocation as on Sept 30, 2009



fund characteristics as on Sept 30, 2009

Beta of equity portfolio: 0.91

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fund manager's report

The month of September saw the markets ending positive. The markets took support from better than expected macro economic data and improved expectation from second quarter results. Looking at the positive data from specific sectors, the holding in equities was kept at 93.55%.

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%

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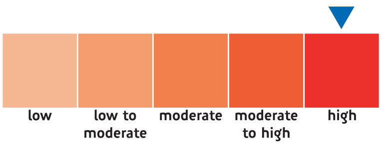
ULIP Infrastructure Fund

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



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fund manager's report

The month of September saw the markets ending positive. The markets took support from better than expected macro economic data and improved expectation from second quarter results. Looking at the positive data from specific sectors, the holding in equities was kept at 90.05%.

target asset allocation

Equity: 100%

benchmark construction

CNX Infrastructure Index: 100%

fund performance as on September 30, 2009

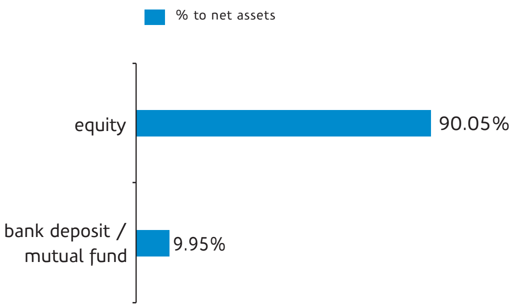
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	Data not available as the fund has the not completed a period of one year since inception					
date of inception	december, 2008					

*CAGR: Compounded Annual Growth Rate

portfolio as on September 30, 2009

security	% to net assets	1-yr beta
equity		
CAP GOODS / ENGINEERING	27.42	
BHARAT HEAVY ELECTRICALS	10.21	0.98
LARSEN & TOUBRO	10.05	1.18
PUNJ LLOYD	4.91	1.34
IRB INFRASTRUCTURE DEVELOPERS LTD	1.18	0.63
VOLTAS LTD	1.07	1.07
POWER	21.91	
NTPC	16.53	0.72
TATA POWER	2.86	0.92
NEYVELI LIGNITE CORPORATION	2.28	1.08
NHPC LTD	0.25	1.00
TELECOM	14.76	
BHARTI AIRTEL	14.76	0.98
METALS	8.54	
STERLITE INDUSTRIES	4.82	1.45
TATA STEEL	2.43	1.47
JINDAL STEEL AND POWER LTD	1.28	1.14
OIL REFINERIES	5.56	
OIL & NATURAL GAS CORPORATION	2.74	0.88
RELIANCE INDUSTRIES	2.74	1.22
OIL INDIA LTD	0.08	1.00
CONSTRUCTION	4.53	
JAIPRAKASH ASSOCIATES	4.53	1.72
CEMENT & CEMENT PRODUCTS	2.02	
GRASIM INDUSTRIES	2.02	0.79
PLASTIC AND PLASTIC PRODUCT	1.95	
SINTEX INDUSTRIES LTD	1.95	1.03
BANKING & FINANCE	1.46	
HOUSING DEVELOPMENT FINANCE CORPORATION	1.46	1.15
HOTELS	1.08	
INDIAN HOTELS	1.08	0.67
SOFTWARE	0.81	
FINANCIAL TECHNOLOGIES INDIA INR	0.81	0.91
total equity	**90.05**	
total bank deposits/mutual funds	**9.95**	
total net assets	**100.00**	

asset allocation as on Sept 30, 2009



fund characteristics as on Sept 30, 2009

Fund Beta	1.05

Reliance Life Insurance

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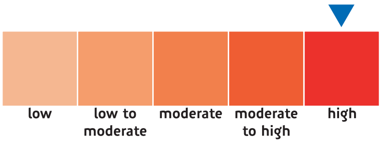
ULIP Energy Fund

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



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fund manager's report

The month of September saw the markets ending positive. The markets took support from better than expected macro economic data and improved expectation from second quarter results. Looking at the positive data from specific sectors, the holding in equities was kept at 95.10%.

target asset allocation

Equity: 100%

benchmark construction

CNX Energy Index: 100%

fund performance as on September 30, 2009

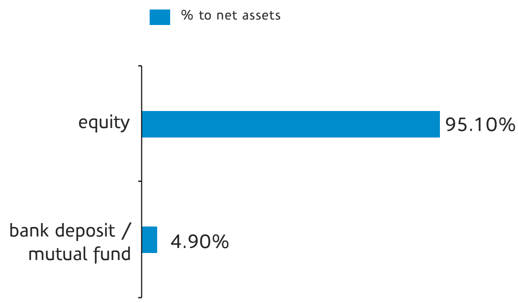
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	Data not available as the fund has the not completed a period of one year since inception					
date of inception	december, 2008					

*CAGR: Compounded Annual Growth Rate

portfolio as on September 30, 2009

security	% to net assets	1-yr beta
equity		
OIL REFINERIES	56.26	
RELIANCE INDUSTRIES	31.37	1.22
OIL & NATURAL GAS CORPORATION	22.55	0.88
BHARAT PETROLEUM	2.25	0.41
OIL INDIA LTD	0.08	1.00
POWER	24.18	
NTPC	15.97	0.72
POWER GRID CORPORATION OF INDIA LTD	4.28	0.78
TATA POWER	2.67	0.92
NHPC LTD	1.26	1.00
METALS	6.38	
STERLITE INDUSTRIES	4.52	1.45
JINDAL STEEL AND POWER LTD	1.86	1.14
OIL EXPLORATION	4.26	
CAIRN INDIA	4.26	1.11
CAP GOODS / ENGINEERING	2.96	
BHARAT HEAVY ELECTRICALS	2.96	0.98
GAS	1.06	
GAIL INDIA	1.06	0.73
total equity	**95.10**	
total bank deposits/mutual funds	**4.90**	
total net assets	**100.00**	

asset allocation as on Sept 30, 2009



fund characteristics as on Sept 30, 2009

Fund Beta 1.00

Reliance Life Insurance

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ULIP Midcap Fund

fund performance as on September 30, 2009

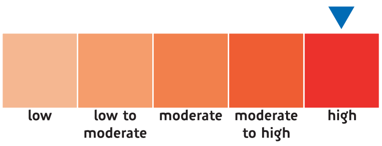
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	Data not available as the fund has the not completed a period of one year since inception					
date of inception	december, 2008					

*CAGR: Compounded Annual Growth Rate

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'

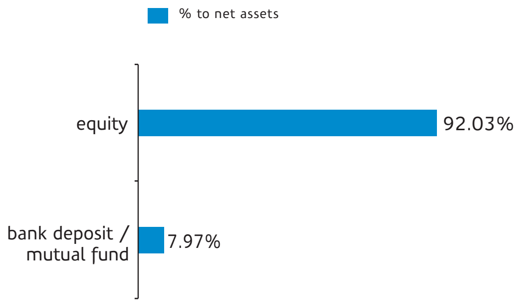
fund risk profile



portfolio as on September 30, 2009

security	% to net assets	1-yr beta
equity		
CAP GOODS / ENGINEERING	16.82	
PUNJ LLOYD	6.63	1.34
VOLTAS LTD	5.96	1.07
IRB INFRASTRUCTURE DEVELOPERS LTD	3.33	0.63
CUMMINS INDIA	0.90	0.59
BANKING & FINANCE	12.06	
SHRIRAM TRANSPORT FINANCE COMPANY LTD	5.01	0.27
ANDHRA BANK	4.16	0.72
INDIAN BANK	2.90	0.82
PHARMACEUTICALS	9.37	
LUPIN	4.97	0.42
DIVIS LABORATORIES	4.41	0.74
IT	7.90	
MPHASIS	7.90	0.67
SUGAR	6.05	
BAJAJ HINDUSTAN	6.05	1.22
PLASTIC AND PLASTIC PRODUCT	5.36	
SINTEX INDUSTRIES LTD	5.36	1.03
FERTILIZERS	5.07	
UNITED PHOSPHORUS LTD	5.07	0.85
AUTO ANCILLARY	4.08	
EXIDE INDUSTRIES	4.08	0.53
SOFTWARE	4.07	
FINANCIAL TECHNOLOGIES INDIA INR	4.07	0.91
HOTELS	3.84	
INDIAN HOTELS	3.84	0.67
FMCG	3.62	
TATA TEA	3.62	0.38
SHIPPING	3.04	
GREAT EASTERN SHIPPING	3.04	0.88
CONSTRUCTION	2.81	
JAIPRAKASH ASSOCIATES	2.81	1.72
CEMENT & CEMENT PRODUCTS	2.06	
ULTRATECH CEMENT LTD	2.06	0.60
METALS	1.89	
JINDAL STEEL AND POWER LTD	1.89	1.14
TELECOM	1.72	
BHARTI AIRTEL	1.72	0.98
OIL REFINERIES	1.30	
OIL & NATURAL GAS CORPORATION	1.30	0.88
AUTOMOBILES	0.99	
MAHINDRA & MAHINDRA LTD	0.99	1.11
total equity	**92.03**	
total bank deposits/mutual funds	**7.97**	
total net assets	**100.00**	

asset allocation as on Sept 30, 2009



fund characteristics as on Sept 30, 2009

Fund Beta	0.84

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fund manager's report

The month of September saw the markets ending positive. The markets took support from better than expected macro economic data and improved expectation from second quarter results. Looking at the positive data from specific sectors, the holding in equities was kept at 92.03%.

target asset allocation

Equity: 100%

benchmark construction

Nifty Midcap 50: 100%

Reliance Life Insurance

Anil Dhirubhai Ambani Group

A Reliance Capital Company

ULIP Growth Fund

fund performance as on September 30, 2009

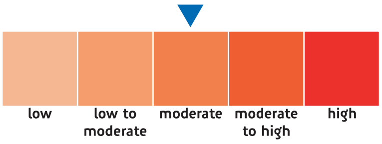
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	20.94%	20.65%	16.28%	18.61%	0.98	0.84
last 2 years (CAGR)	4.78%	7.37%	16.07%	16.92%	-0.01	0.14
last 3 years (CAGR)	8.19%	11.30%	13.85%	14.45%	0.23	0.44
since inception (CAGR)	12.63%	14.20%	11.83%	12.15%	0.64	0.76
date of inception			august, 2004			

*CAGR: Compounded Annual Growth Rate

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'.

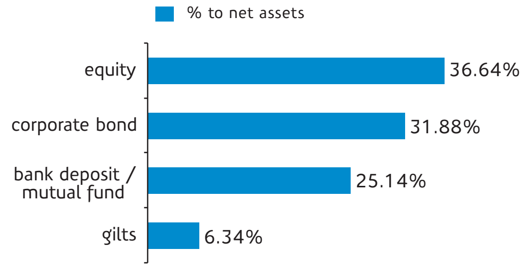
fund risk profile



portfolio as on September 30, 2009

security	% to net assets	rating/ 1-yr beta
corporate bonds		
11.45% RELIANCE INDUSTRIES LTD 25-11-2013	2.52	AAA
8.25% IDBI OMNI BOND SER III 26-05-2011	2.32	AA+
11.95% HDFC LTD 26-11-2018	2.26	AAA
11.10% POWER FINANCE CORP 15-09-2013	2.06	AAA
9.25% HDFC LTD 24-11-2016	1.95	AAA
9.50% NABARD SER IX I 15-10-2012	1.94	AAA
10.35% HDFC LTD 16-05-2017	1.93	AAA
2% TATA MOTORS LTD 31-03-2014	1.92	AAA(SO)
8.20% IRFC 27-04-2016	1.87	AAA
8.95% HDFC LTD 29-10-2010	1.76	AAA
7.15% IND OIL BOND 10-06-2012	1.51	AA+
11.40% POWER FINANCE CORP 28-11-2013	1.26	AAA
7.39% POWER GRID CORP 22-09-2011	1.23	AAA
9.50% INDIAN HOTEL 28-02-2012	1.18	AA+
9.80% TATA STEEL 07-05-2011	1.18	AA
9.35% HDFC LTD 09-11-2009	1.14	AAA
10.90% RECL LTD 14-04-2013	1.02	AAA
9.90% TATA SONS 20-05-2011	0.80	AAA
9.05% EXIM BANK 06-11-2010	0.78	AAA
9.68% IRFC 03-07-2010	0.62	AAA
8.95% HDFC LTD 16-01-2011	0.39	AAA
10.60% IRFC 11-09-2018	0.21	AAA
total corporate bonds	**31.88**	
gilts		SOVEREIGN
7.56% GOI 03-11-2014	1.93	
7.44% GOI SPL OIL BOND 23-03-2012	1.65	
8.40% GUJARAT GOI 18-03-2019	1.19	
8.47% ARUNACHAL PRADESH GOI 25-03-2019	0.80	
7.46% GOI 28-08-2017	0.76	
8.35% GOI 14-05-2022	0.01	
total gilts	**6.34**	
equity		
BANKING & FINANCE	8.95	
STATE BANK OF INDIA	2.17	1.06
ICICI BANK	2.14	1.53
HDFC BANK	1.45	0.87
HOUSING DEVELOPMENT FINANCE CORPORATION	0.93	1.15
AXIS BANK	0.75	1.24
SHRIRAM TRANSPORT FINANCE COMPANY LTD	0.57	0.27
BANK OF BARODA	0.51	0.79
PUNJAB NATIONAL BANK	0.32	0.86
INDIAN BANK	0.12	0.82
OIL REFINERIES	5.11	
RELIANCE INDUSTRIES	3.84	1.22
OIL & NATURAL GAS CORPORATION	0.89	0.88
BHARAT PETROLEUM	0.36	0.41
OIL INDIA LTD	0.03	1.00
CAP GOODS / ENGINEERING	4.50	
LARSEN & TOUBRO	1.80	1.18
BHARAT HEAVY ELECTRICALS	1.43	0.98
PUNJ LLOYD	0.60	1.34
VOLTAS LTD	0.41	1.07
CUMMINS INDIA	0.26	0.59
IT	3.29	
INFOSYS TECHNOLOGIES	2.47	0.68
TATA CONSULTANCY SERVICES	0.82	0.89
METALS	2.77	
STERLITE INDUSTRIES	0.91	1.45
JINDAL STEEL AND POWER LTD	0.79	1.14
TATA STEEL	0.79	1.47
STEEL AUTHORITY OF INDIA	0.28	1.31
FMCG	2.19	
ITC LTD	1.42	0.52
HINDUSTAN UNILEVER	0.77	0.42
POWER	1.86	
TATA POWER	0.69	0.92
NTPC	0.61	0.72
AREVA T & D INDIA LTD	0.36	0.98
POWER GRID CORPORATION OF INDIA LTD	0.20	0.78
TELECOM	1.70	
BHARTI AIRTEL	1.70	0.98
AUTOMOBILES	1.67	
MARUTI SUZUKI INDIA	0.62	0.68
MAHINDRA & MAHINDRA LTD	0.56	1.11
BAJAJ AUTO LTD	0.49	0.63
PHARMACEUTICALS	1.19	
CIPLA LTD	0.37	0.51
SUN PHARMACEUTICALS	0.37	0.40
RANBAXY LAB	0.24	0.78
DIVIS LABORATORIES	0.20	0.74
CEMENT & CEMENT PRODUCTS	1.06	
GRASIM INDUSTRIES	0.49	0.79
ULTRATECH CEMENT LTD	0.32	0.60
ACC	0.25	0.73
CONSTRUCTION	0.83	
JAIPRAKASH ASSOCIATES	0.83	1.72
OIL EXPLORATION	0.48	
CAIRN INDIA	0.48	1.11
PLASTIC AND PLASTIC PRODUCT	0.42	
SINTEX INDUSTRIES LTD	0.42	1.03
GAS	0.39	
GAIL INDIA	0.39	0.73
SUGAR	0.21	
BAJAJ HINDUSTAN	0.21	1.22
total equity	**36.64**	
total bank deposits/mutual funds	**25.14**	
total net assets	**100.00**	

asset allocation as on Sept 30, 2009



fund characteristics as on Sept 30, 2009

M.Duration of debt portfolio:	1.99 years
YTM of debt portfolio:	8.03%
Beta of equity portfolio:	1.00

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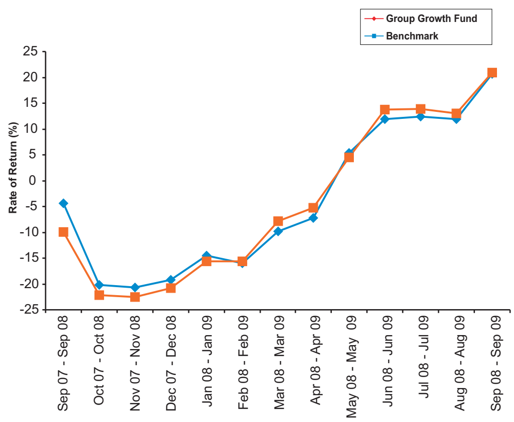
fund manager's report

The month of September saw the markets ending positive. The markets took support from better than expected macro economic data and improved expectation from second quarter results. Looking at the positive data from specific sectors, the holding in equities was kept at 36.64%.

The allocation to corporate bonds was decreased to 31.88% from 40.77%. The allocation to the G-sec was increased to 6.34% from 6.22%. Accordingly the allocation to short term bank deposits and CDs/CPs was increased to 25.14% from 17.77%.

rolling yearly performance



target asset allocation

Debt.:	60%
Equity:	40%

benchmark construction

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

RELIANCE Life Insurance

Anil Dhirubhai Ambani Group

A Reliance Capital Company

ULIP Balanced Fund

fund performance as on September 30, 2009

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	17.74%	15.89%	9.11%	9.68%	1.40	1.13
last 2 years (CAGR)	7.99%	8.25%	8.87%	8.83%	0.34	0.37
last 3 years (CAGR)	9.25%	9.89%	7.77%	7.61%	0.55	0.64
since inception (CAGR)	11.16%	10.23%	6.00%	5.99%	1.03	0.87
date of inception			february, 2003			

*CAGR: Compounded Annual Growth Rate

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'.

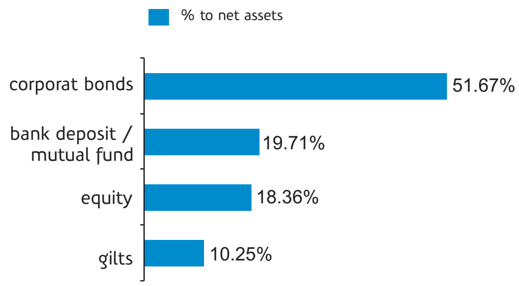
fund risk profile

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

portfolio as on September 30, 2009

security	% to net assets	rating/ 1-yr beta
corporate bonds		
11.45% RELIANCE INDUSTRIES LTD 25-11-2013	7.51	AAA
11.40% POWER FINANCE CORP 28-11-2013	2.32	AAA
10.95% RECL LTD 14-04-2011	2.05	AAA
9.90% TATA SONS 20-05-2011	2.00	AAA
8.50% EXPORT & IMPORT BANK LTD 12-09-2011	1.97	AAA
8.94% LIC HOUSING FIN LTD 16-01-2011	1.96	AAA
8.95% HDFC LTD 16-01-2011	1.76	AAA
9.50% NABARD SER IX I 15-10-2012	1.58	AAA
9.80% ICICI BANK LTD 10-02-2013	1.53	AAA
9.50% INDIAN HOTEL 28-02-2012	1.49	AA+
9.35% LIC HOUSING FIN LTD 23-11-2012	1.19	AAA
9.80% TATA STEEL 07-05-2011	1.18	AA
10% NABARD SER IX 14-05-2012	1.18	AAA
10.75% RECL LTD 14-04-2011	1.05	AAA
10.90% RECL LTD 14-04-2013	1.01	AAA
11.65% HDFC LTD 09-09-2010	1.00	AAA
9.80% POWER FINANCE CORP 22-03-2012	1.00	AAA
8.83% IRFC 29-10-2012	0.99	AAA
9.40% TATA TEA LTD 08-11-2010	0.98	AA
9.24% L&T FINANCE LTD 30-07-2010	0.98	AA+
2% TATA MOTORS LTD 31-03-2014	0.97	AAA(SO)
7.20% HDFC 03-06-2010	0.96	AAA
8.90% STEEL AUTHORITY OF INDIA 01-05-2019	0.96	AAA
8.68% NAT CAP REGIONAL PLANNING 18-08-2019	0.95	AAA
9.35% IL & FS LTD 22-10-2010	0.95	AAA
8% RECL LTD 05-08-2014	0.94	AAA
7% RECL LTD 02-06-2012	0.94	AAA
9.30% POWER FINANCE CORP LTD 12-03-2013	0.90	AAA
10.60% IRFC 11-09-2018	0.75	AAA
10.10% POWER GRID CORP 12-06-2011	0.73	AAA
9.76% IRFC 03-07-1012	0.70	AAA
8.65% HDFC LTD 12-09-2011	0.69	AAA
9% TATA SONS 27-07-2010	0.68	AAA
11.15% HDFC LTD 06-08-2018	0.65	AAA
11.15% POWER FINANCE CORP 15-09-2011	0.62	AAA
9.45% RECL LTD 04-04-2013	0.60	AAA
9.20% HDFC LTD 09-02-2012	0.60	AAA
9.68% IRFC 03-07-2010	0.57	AAA
8.20% IRFC 27-04-2020	0.56	AAA
6.00% INDIAN HOTEL 13-05-2011	0.54	AA+
9.25% EXIM BANK 13-12-2012	0.50	AAA
12%TATA CAPITAL LTD 05-03-2014	0.42	AAA
10% NABARD 18-06-2010	0.39	AAA
7% POWER FINANCE CORP LTD 24-12-2011	0.29	AAA
11.35% RECL LTD 24-10-2013	0.08	AAA
total corporate bonds	**51.67**	
gilts		SOVEREIGN
8.30% MAHARASHTRA GOI 25-03-2019	3.38	
7.44% GOI SPL OIL BOND 23-03-2012	1.55	
8.28% RAJASTHAN GOI 25-03-2019	0.99	
8.24% TAMIL NADU GOI 25-03-2019	0.99	
7.46% GOI 28-08-2017	0.95	
7.35% GOI 22-06-2024	0.92	
7.50% GOI 10-08-2034	0.54	
6.72% GOI 24-02-2014	0.38	
8.24% GOI 22-04-2018	0.34	
8.59% ANDHRA PRADESH GOI 18-03-2019	0.20	
7.37% GOI 16-04-2014	0.00	
total gilts	**10.25**	
equity		
BANKING & FINANCE	4.58	
STATE BANK OF INDIA	1.13	1.06
ICICI BANK	1.10	1.53
HDFC BANK	0.73	0.87
HOUSING DEVELOPMENT FINANCE CORPORATION	0.48	1.15
AXIS BANK	0.37	1.24
SHRIRAM TRANSPORT FINANCE COMPANY LTD	0.29	0.27
BANK OF BARODA	0.26	0.79
PUNJAB NATIONAL BANK	0.17	0.86
INDIAN BANK	0.06	0.82
CAP GOODS / ENGINEERING	2.33	
LARSEN & TOUBRO	0.92	1.18
BHARAT HEAVY ELECTRICALS	0.75	0.98
PUNJ LLOYD	0.31	1.34
VOLTAS LTD	0.20	1.07
CUMMINS INDIA	0.15	0.59
OIL REFINERIES	2.22	
RELIANCE INDUSTRIES	1.55	1.22
OIL & NATURAL GAS CORPORATION	0.46	0.88
BHARAT PETROLEUM	0.20	0.41
OIL INDIA LTD	0.02	1.00
IT	1.71	
INFOSYS TECHNOLOGIES	1.29	0.68
TATA CONSULTANCY SERVICES	0.42	0.89
METALS	1.36	
STERLITE INDUSTRIES	0.44	1.45
JINDAL STEEL AND POWER LTD	0.40	1.14
TATA STEEL	0.37	1.47
STEEL AUTHORITY OF INDIA	0.14	1.31
FMCG	1.11	
ITC LTD	0.72	0.52
HINDUSTAN UNILEVER	0.39	0.42
POWER	0.99	
TATA POWER	0.35	0.92
NTPC	0.33	0.72
AREVA T & D INDIA LTD	0.21	0.98
POWER GRID CORPORATION OF INDIA LTD	0.10	0.78
TELECOM	0.86	
BHARTI AIRTEL	0.86	0.98
AUTOMOBILES	0.84	
MARUTI SUZUKI INDIA	0.33	0.68
MAHINDRA & MAHINDRA LTD	0.28	1.11
BAJAJ AUTO LTD	0.23	0.63
PHARMACEUTICALS	0.62	
SUN PHARMACEUTICALS	0.19	0.40
CIPLA LTD	0.19	0.51
RANBAXY LAB	0.12	0.78
DIVIS LABORATORIES	0.11	0.74
CEMENT & CEMENT PRODUCTS	0.54	
GRASIM INDUSTRIES	0.25	0.79
ULTRATECH CEMENT LTD	0.16	0.60
ACC	0.13	0.73
CONSTRUCTION	0.45	
JAIPRAKASH ASSOCIATES	0.45	1.72
OIL EXPLORATION	0.25	
CAIRN INDIA	0.25	1.11
PLASTIC AND PLASTIC PRODUCT	0.21	
SINTEX INDUSTRIES LTD	0.21	1.03
GAS	0.20	
GAIL INDIA	0.20	0.73
SUGAR	0.11	
BAJAJ HINDUSTAN	0.11	1.22
total equity	**18.36**	
total bank deposits/mutual funds	**19.71**	
total net assets	**100.00**	

asset allocation as on Sept 30, 2009



fund characteristics as on Sept 30, 2009

M.Duration of debt portfolio:	2.34 years
YTM of debt portfolio:	7.81%
Beta of equity portfolio:	0.99

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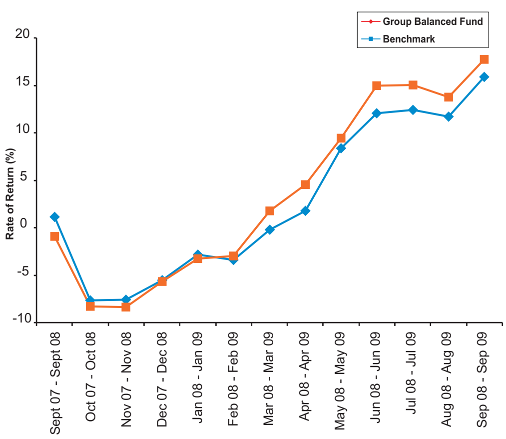
fund manager's report

The month of September saw the markets ending positive. The markets took support from better than expected macro economic data and improved expectation from second quarter results. Looking at the positive data from specific sectors, the holding in equities was kept at 18.36%.

The allocation to gilts was decreased to 10.25% from 11.15%. The exposure in corporate bonds was decreased to 51.67% from 54.97%. Accordingly, exposure in short-term bank deposits and CDs/CPs has been increased to 19.71% from 16.45%.

rolling yearly performance



target asset allocation

Debt.:	80%
Equity:	20%

benchmark construction

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

Reliance Life Insurance

Anil Dhirubhai Ambani Group

A Reliance Capital Company

ULIP Corporate Bond Fund

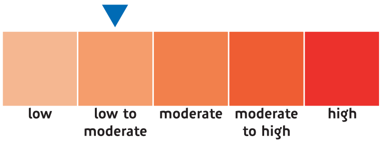
fund performance as on September 30, 2009

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	14.44%	10.01%	5.42%	6.76%	1.74	0.74
since inception (CAGR)	9.91%	6.50%	4.21%	5.22%	1.17	0.29
date of inception			october, 2007			

fund objective

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

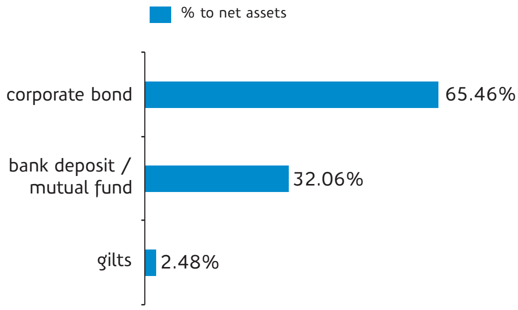
fund risk profile



portfolio as on September 30, 2009

security	% to net assets	rating
corporate bonds		
11.45% RELIANCE INDUSTRIES LTD 25-11-2013	8.01	AAA
8.80% STEEL AUTHORITY OF INDIA LTD 22-06-2019	6.96	AAA
11.25% POWER FINANCE CORP LTD 28-11-2018	6.72	AAA
12%TATA CAPITAL LTD 05-03-2014	4.58	AAA
8.75% IRFC 07-01-2013	3.16	AAA
11.50% RECL LTD 26-11-2013	3.08	AAA
2% TATA MOTORS LTD 31-03-2014	2.82	AAA(SO)
7.24% LIC HOUSING FIN LTD 23-06-2011	2.80	AAA
8.46% IRFC 15-01-2014	2.80	AAA
10.90% RECL LTD 14-04-2013	2.58	AAA
7% RECL LTD 02-06-2012	2.46	AAA
10.60% IRFC 11-09-2018	1.87	AAA
10.05% NABARD 11-06-2014	1.47	AAA
9.50% HDFC LTD 27-02-2013	1.46	AAA
9.33% POWER GRID CORP LTD 15-12-2013	1.43	AAA
9.40% TATA TEA LTD 08-11-2010	1.43	AA
8.88% IDFC 07-01-2011	1.42	AAA
8.90% STEEL AUTHORITY OF INDIA 01-05-2019	1.40	AAA
8.60% POWER FINANCE CORP LTD 07-08-2014	1.40	AAA
8.68% NAT CAP REGIONAL PLANNING 18-08-2019	1.39	AAA
8% RECL LTD 05-08-2014	1.37	AAA
6.00% INDIAN HOTEL 13-05-2011	0.58	AA+
9.35% LIC HOUSING FIN LTD 23-11-2012	0.58	AAA
9.32% HDFC LTD 17-12-2012	0.58	AAA
11.10% POWER FINANCE CORP 15-09-2013	0.54	AAA
7.39% POWER GRID CORP 22-09-2011	0.51	AAA
11.40% POWER FINANCE CORP 28-11-2013	0.31	AAA
9.47% POWER GRID CORP 31-03-2013	0.29	AAA
9.20% HDFC LTD 09-02-2012	0.29	AAA
9.80% TATA STEEL 07-05-2011	0.29	AA
10.35% HDFC LTD Sr E006 06-06-2017	0.27	AAA
11.30% ACC LTD 10-12-2013	0.15	AAA
9.30% POWER FINANCE CORP LTD 12-03-2013	0.15	AAA
10.48% GRASIM INDUSTRIES LTD 16-12-2013	0.09	AAA
9.76% IRFC 03-07-1012	0.09	AAA
9.25% EXIM BANK 13-12-2012	0.09	AAA
11.35% RECL LTD 24-10-2013	0.05	AAA
total corporate bonds	**65.46**	
gilts		
7.46% GOI 28-08-2017	1.39	
7.35% GOI 22-06-2024	0.81	
7.56% GOI 03-11-2014	0.28	
total gilts	**2.48**	
total bank deposits/mutual funds	**32.06**	
total net assets	**100.00**	

asset allocation as on Sept 30, 2009



fund characteristics as on Sept 30, 2009

M.Duration of debt portfolio:	2.67 years
YTM of debt portfolio:	8.26%

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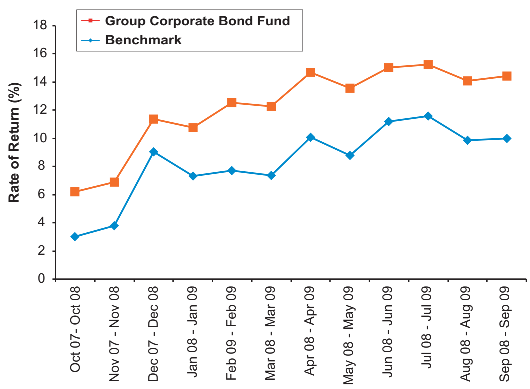
fund manager's report

The exposure to corporate bonds was decreased to 65.46% from 70.42%. Exposure in gilts was decreased to 2.48% from 3.80%. Balance was invested in short term bank FDs, CDs and CPs. We intend to increase the exposure to corporate bonds to 80-90% as and when attractive investments are available.

rolling yearly performance



target asset allocation

Bond Instruments:	100%

benchmark construction

CRISIL Composite Bond Index:	100%

RELIANCE Life Insurance

Anil Dhirubhai Ambani Group

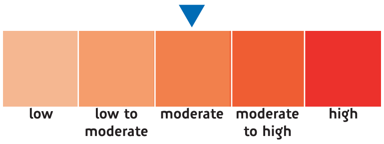
A Reliance Capital Company

ULIP Pure Debt Fund

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



fund performance as on September 30, 2009

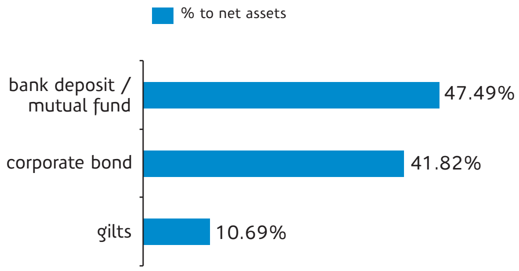
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	14.05%	10.02%	4.94%	6.77%	1.83	0.74
since inception (CAGR)	14.05%	10.02%	4.94%	6.77%	1.83	0.74
date of inception			october, 2008			

*CAGR: Compounded Annual Growth Rate

portfolio as on September 30, 2009

security	% to net assets	rating
corporate bonds		
11.45% RELIANCE INDUSTRIES LTD 25-11-2013	8.15	AAA
2% TATA MOTORS LTD 31-03-2014	6.82	AAA(SO)
12%TATA CAPITAL LTD 05-03-2014	3.94	AAA
11.95% HDFC LTD 26-11-2018	2.68	AAA
11.25% POWER FINANCE CORP LTD 28-11-2018	2.58	AAA
9.50% TATA COMMUNICATION LTD 08-06-2014	2.33	AAA
8.98% NAT CAP REGIONAL PLANNING 14-02-2018	2.29	AAA
8.90% STEEL AUTHORITY OF INDIA 01-05-2019	2.26	AAA
11.10% POWER FINANCE CORP 15-09-2013	2.24	AAA
11.40% POWER FINANCE CORP 28-11-2013	1.49	AAA
11.35% RECL LTD 24-10-2013	1.46	AAA
10.90% RECL LTD 30-09-2013	1.46	AAA
10.90% RECL LTD 14-04-2013	1.45	AAA
9% TATA SONS 27-07-2010	0.69	AAA
10.10% POWER GRID CORP 12-06-2011	0.59	AAA
10% NABARD SER IX 14-05-2012	0.47	AAA
8.75% IRFC 07-01-2013	0.46	AAA
7% RECL LTD 02-06-2012	0.44	AAA
total corporate bonds	**41.82**	
gilts		SOVEREIGN
7.46% GOI 28-08-2017	4.49	
7.50% GOI 10-08-2034	2.10	
7.56% GOI 03-11-2014	1.83	
8.40% GUJARAT GOI 18-03-2019	1.41	
7.35% GOI 22-06-2024	0.87	
total gilts	**10.69**	
total bank deposits/mutual funds	**47.49**	
total net assets	**100.00**	

asset allocation as on Sept 30, 2009



fund characteristics as on Sept 30, 2009

M.Duration of debt portfolio:	2.25 years
YTM of debt portfolio:	8.63%

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fund manager's report

The exposure to gilts was decreased to 10.69% from 16.72%. Exposure to corporate bonds was decreased to 41.82% from 49.05%. Accordingly the exposure to short term assets was increased to 41.82% from 34.23%. 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%

Reliance Life Insurance

Anil Dhirubhai Ambani Group

A Reliance Capital Company

ULIP Gilt Fund

fund performance as on September 30, 2009

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	6.44%	17.28%	5.22%	17.49%	0.28	0.70
since inception (CAGR)	5.86%	10.28%	4.03%	13.18%	0.21	0.40
date of inception			october, 2007			

*CAGR: Compounded Annual Growth Rate

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'.

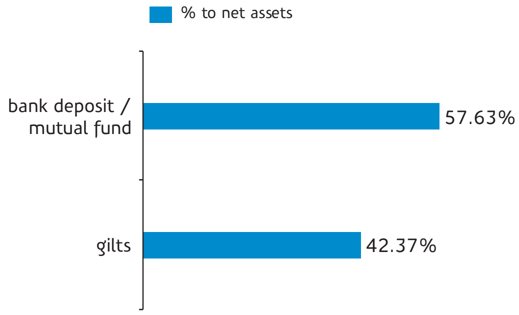
fund risk profile

low	low to moderate	moderate	moderate to high	high

portfolio as on September 30, 2009

security	% to net assets	rating
gilts		SOVEREIGN
7.56% GOI 03-11-2014	14.27	
9.39% GOI 02-07-2011	7.44	
7.49% GOI 16-04-2017	7.06	
6.49% GOI 08-06-2015	6.79	
6.07% GOI 15-05-2014	6.75	
9.85% GOI 16-10-2015	0.05	
total gilts	**42.37**	
total bank deposits/mutual funds	**57.63**	
total net assets	**100.00**	

asset allocation as on Sept 30, 2009



fund characteristics as on Sept 30, 2009

M.Duration of debt portfolio:	1.72 years
YTM of debt portfolio:	8.30%

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fund manager's report

The allocation to gilts was decreased to 42.37% from 58.70%. Accordingly we increased the exposure in short term bank FDs, CDs and CPs to 57.63% from 41.30%.

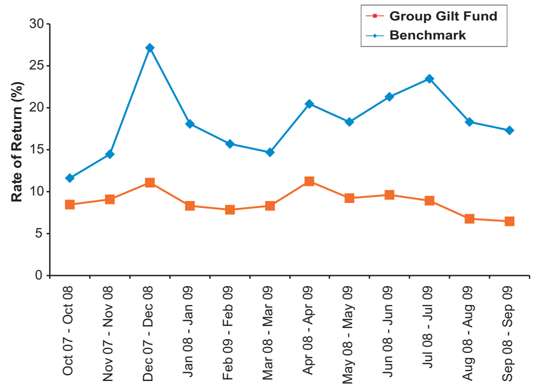
target asset allocation

Government Securities: 100%

benchmark construction

I-Sec Composite Sovereign Bond Index: 100%

rolling yearly performance



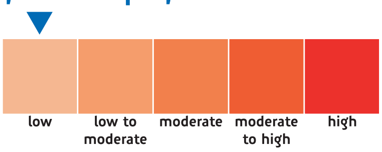
ULIP Money Market Fund

Reliance Life Insurance
Anil Dhirubhai Ambani Group
A Reliance Capital Company

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



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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%

fund performance as on September 30, 2009

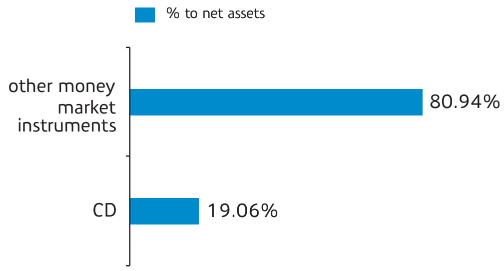
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	10.68%	6.81%	0.40%	0.97%	14.35	1.87
since inception (CAGR)	10.11%	7.24%	0.35%	0.76%	14.58	2.94
date of inception			November, 2007			

*CAGR: Compounded Annual Growth Rate

portfolio as on September 30, 2009

security	% to net assets	rating
certificate of deposits		
AXIS BANK LTD 30-11-2009	9.63	P1+
CANARA BANK 18-03-2010	9.43	P1+
total certificate of deposits	**19.06**	
other money market instruments	**80.94**	
total net assets	**100.00**	

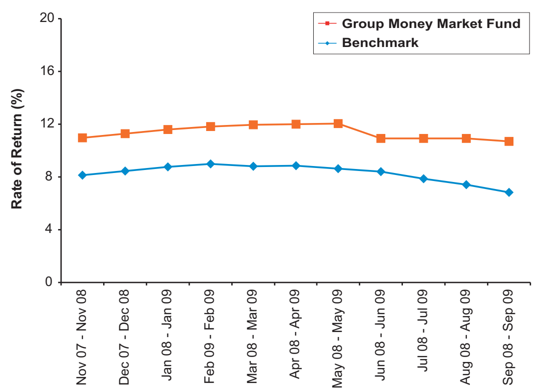
asset allocation as on Sept 30, 2009



fund characteristics as on Sept 30, 2009

M.Duration of debt portfolio: 0.77 years
YTM of debt portfolio: 7.71%

rolling yearly performance



Reliance Life Insurance
Anil Dhirubhai Ambani Group

A Reliance Capital Company

ULIP Capital Secure Fund

fund performance as on September 30, 2009

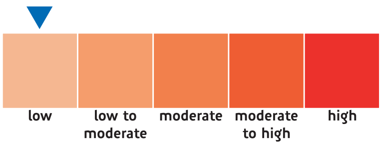
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	10.11%	5.34%	0.44%	0.57%	11.68	0.61
last 2 years (CAGR)	9.86%	6.71%	0.34%	0.57%	14.50	3.01
last 3 years (CAGR)	9.15%	6.97%	0.45%	0.48%	9.30	4.09
since inception (CAGR)	7.09%	5.90%	0.69%	0.49%	3.04	1.82
date of inception			february, 2003			

*CAGR: Compounded Annual Growth Rate

fund objective

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

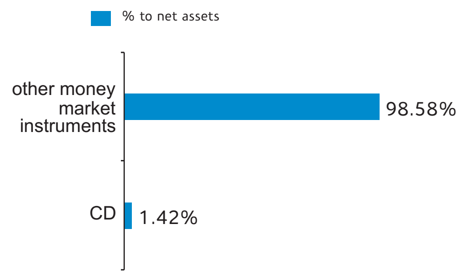
fund risk profile



portfolio as on September 30, 2009

security	% to net assets	rating
certificate of deposits		
CANARA BANK 18-03-2010	1.17	P1+
AXIS BANK LTD 30-11-2009	0.25	P1+
total certificate of deposits	**1.42**	
other money market instruments	**98.58**	
total net assets	**100.00**	

asset allocation as on Sept 30, 2009



fund characteristics as on Sept 30, 2009

M.Duration of debt portfolio:	0.45 years
YTM of debt portfolio:	7.01%

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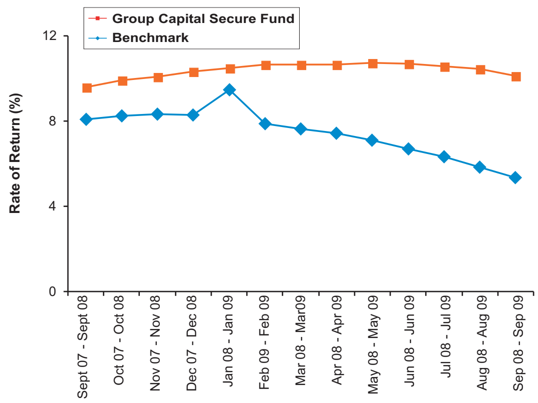
rolling yearly performance



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

Reliance Life Insurance
Anil Dhirubhai Ambani Group
A Reliance Capital Company

Product Details

Nav's as of 30th September, 2009

Reliance Equity Fund

Product Name	NAV
Reliance Group Leave Encashment (GLE) - Equity Fund Option	Rs. 8.3332
Reliance Group Savings Linked Insurance (GSLI)	Rs. 17.1824
Reliance Group Gratuity (GG)	Rs. 11.7691

Reliance Pure Equity Fund

Product Name	NAV
Reliance Group Savings Linked Insurance(GSLI)	Rs. 17.1495

Reliance Infrastructure Fund

Product Name	NAV
Reliance Group Savings Linked Insurance- (GSLI)	Rs. 14.4144
Reliance Group Gratuity (GG)	Rs. 10.7836

Reliance Energy Fund

Product Name	NAV
Reliance Group Savings Linked Insurance (GSLI)	Rs. 15.5485

Reliance Midcap Fund

Product Name	NAV
Reliance Group Savings Linked Insurance (GSLI)	Rs. 17.3761
Reliance Group Gratuity (GG)	Rs. 11.9230

Reliance Growth Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 12.0305
Reliance Group Superannuation (GSA)	Rs. 10.0734

Reliance Life Insurance
Anil Dhirubhai Ambani Group
A Reliance Capital Company

Product Details

Nav's as of 30th September, 2009

Reliance Balanced Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 12.4639
Reliance Group Superannuation (GSA)	Rs. 15.6498
Reliance Group Savings Linked Insurance (GSLI)	Rs. 11.8222
Reliance Group Leave Encashment (GLE)	Rs. 10.4295

Reliance Corporate Bond Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 11.3497
Reliance Group Leave Encashment (GLE)	Rs. 11.9323
Reliance Group Savings Linked Insurance (GSLI)	Rs. 10.9540
Reliance Group Superannuation (GSA)	Rs. 10.4906

Reliance Pure Debt Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 11.2797
Reliance Group Superannuation (GSA)	Rs. 11.1827
Reliance Group Leave Encashment (GLE)	Rs. 11.3520
Reliance Group Savings Linked Insurance (GSLI)	Rs. 10.7791

Reliance Gilt Fund

Product Name	NAV
Reliance Group Leave Encashment (GLE)	Rs. 11.1029
Reliance Group Gratuity(GG)	Rs. 10.1241
Reliance Group Savings Linked Insurance (GSLI)	Rs. 10.1072

Reliance Money Market Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 11.0873
Reliance Group Superannuation (GSA)	Rs. 10.8585
Reliance Group Leave Encashment (GLE)	Rs. 11.9057
Reliance Group Savings Linked Insurance (GSLI)	Rs. 10.7422

Reliance Capital Secure Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 12.4852
Reliance Group Superannuation (GSA)	Rs 11.3003
Reliance Group Leave Encashment (GLE)	Rs. 10.2264

Reliance Life Insurance

Anil Dhirubhai Ambani Group

A Reliance Capital Company

investment strategy and risk control

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

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

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

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

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

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

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

A statistical analysis is carried out to determine that the **risk levels** are in tune with the risk appetite of the particular fund. Statistical tools such as the standard deviation and risk-adjusted return measures such as the 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 ensued that the portfolio is always kept complaint with the relevant regulations. Our rigorous processes and risk/compliance controls are well documented.

Reliance Life Insurance
Anil Dhirubhai Ambani Group

A Reliance Capital Company

- 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	XYZ Insurance Company
Balanced Fund	Balanced Fund
NAV based Return=11.50 %	NAV based Return=10.50%
Fund Management Fee=2%	Fund Management Fee=3%
Gross Fund Return=13.50%	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%.

the analyst expressions Contd...

- ✓ 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 x 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 x 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*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*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.

Reliance Life Insurance
Anil Dhirubhai Ambani Group

A Reliance Capital Company

the analyst

products & UIN nos.

Reliance Group Gratuity: 121L011V02

Reliance Group Superannuation: 121L021V01

Reliance Group Leave Encashment Plan: 121L027V01

Reliance Group Savings Linked Insurance Plan : 121L033V01

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