

## 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 Nov 09	30th Oct 09	Change
Rs./\$	46.51	46.97	0.46
WPI Inflation	242.20*	242.20	1.34%y-o-y*
Forex Reserves (\$ bn)	285.34	285.52	-0.18 bn\$
Oil Price (\$ per Barrel)	78.03	75.22	2.81
Gold (Rs. per 10gm)	17750	16060	1690

\* As of October 2009

Investments	30th Nov 09	30th Oct 09	Absolute Change
FII's (Rs Crs)	5497	9077	-3580
MFs (Rs Crs)	-695	-5194	4498

Indices	30th Nov 09	30th Oct 09	% Change
BSE Sensex	16926	15896	6
S&P CNX Nifty	5033	4712	7
CNX Mid Cap	7149	6580	9
BSE Small Cap	7523	7059	7

Global Indices	30th Nov 09	30th Oct 09	% Change
Dow Jones	10472	9713	8
FTSE 100	5191	5045	3
Hang Seng	22113	21620	2
Nikkei	9573	10035	-5

Sectoral Indices	30th Nov 09	30th Oct 09	% Change
CNX Infrastructure	3373	3326	1
CNX Energy	9121	8677	5
BSE Capital Goods	13321	12873	3
BSE Bankex	10042	9336	8
BSE Oil & Gas	10283	9434	9
BSE IT	4757	4426	7

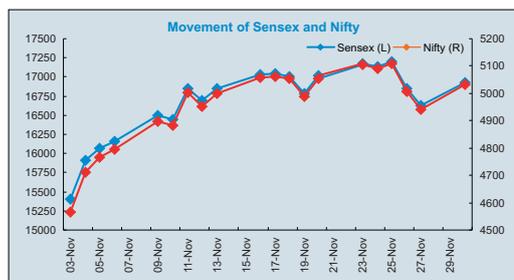
Fixed Income Indicators	30th Nov 09	30th Oct 09	Absolute Change
NSE Mibor	3.30	3.30	0.00
91 Day T-Bill	3.28	3.23	0.05
182 Day T-Bill	3.74	3.97	-0.23
1 year GOI Benchmark	5.06	4.22	0.84
5 Year GOI Benchmark	7.04	7.40	-0.36
5 Year Corp Bond Benchmark	8.08	8.48	-0.40
10 Year GOI Benchmark	7.26	7.30	-0.04
10 Year US Benchmark	3.20	3.39	-0.19

### fund snapshot

asset allocation	funds	gross return (CAGR*) (%) as on November 30, 2009				date of inception
		last 1 year	last 2 years	last 3 years	since inception	
100% equity	ULIP Equity	78.46%	-7.55	N.A.	-7.64%	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	36.58%	2.82%	7.86%	12.51%	August, 2004
20% equity, 80% debt	ULIP Balanced	24.77%	6.91%	9.16%	11.13%	February, 2003
100% bond instruments	ULIP Corporate Bond	15.40%	10.46	N.A.	10.26%	October, 2007
100% debt instrument	ULIP Pure Debt	14.72%	N.A.	N.A.	14.42%	October, 2008
100% govt. securities	ULIP Gilt	3.86%	5.88	N.A.	5.91%	October, 2007
100% money market instruments	ULIP Money Market	9.99%	9.64	N.A.	9.89%	November, 2007
100% money market instruments	ULIP Capital Secure	9.22%	9.65%	9.12%	7.08%	February, 2003

\*CAGR: Compounded Annual Growth Rate

### equity market update - Nov 2009



### Equity Market Update

Sensex closed the highly volatile month just below the key psychological level of 17000. Sensex was up 6.48% for the month at 16926.22 and Nifty ended 6.81% higher at 5032.70. The strength of the gains reflected the existence of risk appetite, which did face periodic dents like the one sparked by Dubai crisis. Ample liquidity drove the indices to fresh multi-month highs and that in turn brought in valuation concerns at each higher level leading to profit booking.

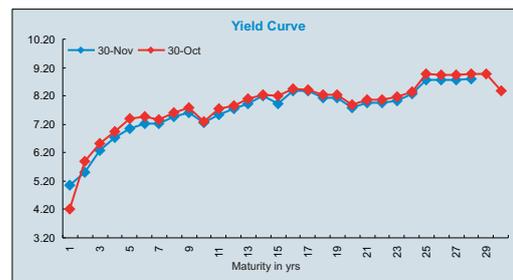
On the sector front, metals gained 16.87% followed by auto (+11.25%) and oil & gas (+ 8.99%). Improved demand, higher capacity utilisation, cost cutting and relatively higher steel prices supported metal stocks, while slew of tax cuts by the government and lower loan rates by banks supported auto stocks. In the telecom sector, regulatory risk and a competitive scenario acted as a spoiler and restricted gains. Barring realty (-4.36%), all the sectors ended with decent gains. Realty especially faced a battering immediately after Dubai announced that its debt servicing problems.

On the economic front, the big sentiment booster came in the form of good September industrial production data. This was followed by good Q2 GDP data, which suggested that India is back on the growth track. However, renewed concerns also emerged that RBI may soon initiate measures to mop up surplus liquidity. Also, while the market hoped for a possible upward revision of the full-year GDP forecast, it is still premature to forecast without knowing the impact of the weak monsoon. Some concerns also remain over high fiscal deficit, spiraling inflation, low credit off-take, shrinking exports and subdued tax collections. Valuations too are not cheap.

The recent up move was also supported by FII flows. Given the resilience to the recent economic depression, India seems to be a preferred investment destination for FIIs. FIIs have pumped in over \$15 billion in the current year compared to net outflow of around \$13 billion in 2008.

Market future course would now depend on government policies to achieve the desired growth target. The worry is high food prices. Phasing out of the stimulus package by the government would be important from earnings point of view. Market is also keenly waiting the developments in disinvestment of PSUs, new GST bill, insurance and banking reforms and the revised direct tax code.

### debt market update - Nov 2009



### Debt Market Update

Government bonds were boosted by optimism that RBI would hold its benign policy stance for a longer period to support a still fragile economic growth. Additionally, comfortable liquidity and lesser GOI bond supplies also supported the bond market rally. Sentiment turned bearish, by concerns over inflation along with robust industrial output growth and GDP data although bonds managed to close with modest gains compared with the previous month. The 10-year benchmark yield fell to a 2-month low of 7.14% before finally finishing at 7.26%, 4 bps below the last close of 7.30%.

The system was awash with surplus cash that kept the underlying support for bonds throughout the month. Call rates stayed in the usual band of 3.20%-3.30% and at the LAF, reverse repo bids average Rs950 billion in the later part of the month. Meanwhile, out of the full-year borrowing plan, only Rs. 640 billion of borrowing is left.

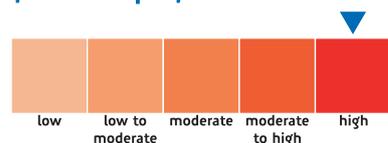
Apart from the domestic triggers, the bond market was also influenced by cues from overseas markets. While a rise in US bond prices added to the positive undertone in local markets, rising global commodity prices resulted in some volatility.

From the macro perspective, inflation remained a matter of concern. CPI rate rose 11.48% y-o-y in October while food wholesale price inflation rose 15.58% y-o-y in week ended November 14. Meanwhile, the economy grew an annual 7.9% in Q2, much faster-than-expected, bolstered by government stimulus spending and a surge in manufacturing, sending jitters of interest rates hike by RBI. Industry production growth of 9.1% y-o-y added to the debate over when the government should pull back from its aggressive policies.

## 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 November 30, 2009

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	78.46%	82.67%	27.23%	34.11%	2.70	2.28
last 2 year	-7.55%	-6.54%	37.54%	40.30%	-0.33	-0.29
since inception (CAGR)	-7.64%	-7.35%	36.75%	39.49%	-0.34	-0.31
date of inception	october, 2007					

\*CAGR: Compounded Annual Growth Rate

## portfolio as on November 30, 2009

security % to net assets 1-yr beta

### equity

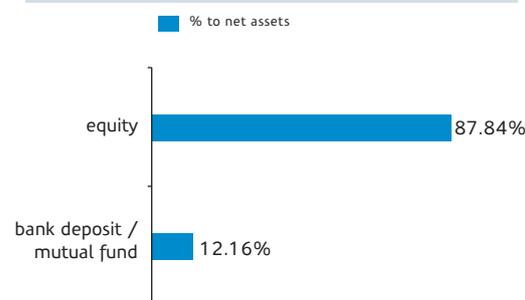
<b>BANKING &amp; FINANCE</b>	<b>21.34</b>	
STATE BANK OF INDIA	5.29	1.14
HDFC BANK	4.29	0.83
ICICI BANK	3.76	1.49
HOUSING DEVELOPMENT FINANCE CORPORATION	2.70	1.14
AXIS BANK	2.23	1.24
SHRIRAM TRANSPORT FINANCE COMPANY LTD.	1.20	0.16
PUNJAB NATIONAL BANK	0.80	0.89
BANK OF BARODA	0.73	0.81
INDIAN BANK	0.34	0.92
<b>OIL REFINERIES</b>	<b>12.19</b>	
RELIANCE INDUSTRIES	7.14	1.21
OIL & NATURAL GAS CORPORATION	2.85	0.88
BHARAT PETROLEUM	1.63	0.41
OIL INDIA LTD.	0.57	0.38
<b>IT</b>	<b>9.52</b>	
INFOSYS TECHNOLOGIES	5.15	0.70
TATA CONSULTANCY SERVICES	4.38	0.87
<b>CAP GOODS / ENGINEERING</b>	<b>8.96</b>	
LARSEN & TOUBRO	3.29	1.23
BHARAT HEAVY ELECTRICALS	2.70	0.98
CUMMINS INDIA	1.28	0.60
PUNJ LLOYD	0.97	1.46
ALSTOM PROJECTS INDIA	0.72	0.98
<b>FMCG</b>	<b>6.94</b>	
ITC LTD.	4.69	0.54
HINDUSTAN UNILEVER	2.26	0.34
<b>METALS</b>	<b>6.47</b>	
JINDAL STEEL AND POWER LTD.	2.62	1.13
STERLITE INDUSTRIES	1.93	1.43
TATA STEEL	1.33	1.42
JINDAL SAW	0.59	1.00
<b>PHARMACEUTICALS</b>	<b>4.83</b>	
RANBAXY LAB	1.16	0.80
DIVIS LABORATORIES	1.13	0.64
CIPLA LTD.	1.02	0.46
LUPIN	0.86	0.34
SUN PHARMACEUTICALS	0.66	0.52
<b>AUTOMOBILES</b>	<b>4.33</b>	
BAJAJ AUTO LTD.	1.79	0.59
MAHINDRA & MAHINDRA LTD.	1.65	1.09
MARUTI SUZUKI INDIA	0.89	0.64
<b>POWER</b>	<b>3.05</b>	
NTPC	1.11	0.66
TATA POWER	1.05	0.85
AREVA T & D INDIA LTD.	0.58	0.94
POWER GRID CORPORATION OF INDIA LTD	0.24	0.72
INDIABULLS POWER	0.07	1.56
<b>TELECOM</b>	<b>2.99</b>	
BHARTI AIRTEL	2.99	0.95
<b>CEMENT &amp; CEMENT PRODUCTS</b>	<b>1.86</b>	
ULTRATECH CEMENT LTD.	0.93	0.55
ACC	0.93	0.81
<b>CONSTRUCTION</b>	<b>1.49</b>	
JAI PRAKASH ASSOCIATES	1.49	0.69
<b>GAS</b>	<b>1.17</b>	
GAIL INDIA	1.17	0.63
<b>MEDIA</b>	<b>0.81</b>	
HT MEDIA LTD	0.81	0.64
<b>FERTILIZERS</b>	<b>0.66</b>	
UNITED PHOSPHORUS LTD	0.48	0.73
GUJARAT STATE FERTILIZERS & CHEMICALS	0.18	0.69
<b>PLASTIC AND PLASTIC PRODUCT</b>	<b>0.43</b>	
SINTEX INDUSTRIES LTD	0.43	0.93
<b>SOFTWARE</b>	<b>0.35</b>	
FINANCIAL TECHNOLOGIES INDIA INR	0.35	0.79
<b>SUGAR</b>	<b>0.33</b>	
BAJAJ HINDUSTAN	0.33	1.11
<b>OIL EXPLORATION</b>	<b>0.11</b>	
CAIRN INDIA	0.11	0.98

total equity 87.84

total bank deposits/mutual funds 12.16

total net assets 100.00

## asset allocation as on Nov 30, 2009



## fund characteristics as on Nov 30, 2009

Fund Beta 0.91

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## fund manager's report

The month of November saw the markets ending positive. The markets took support from better than expected macro economic data globally. Looking at the positive data from specific sectors, the holding in equities was kept at 87.84%.

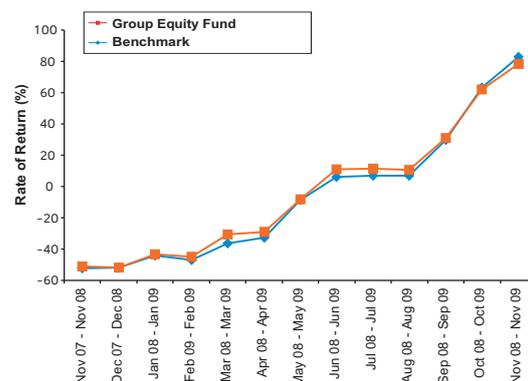
## target asset allocation

Equity: 100%

## benchmark construction

S&P CNX Nifty: 100%

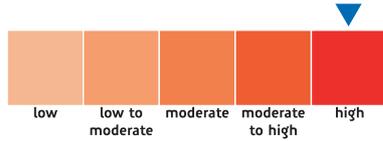
## rolling yearly performance



## 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 November 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 November 30, 2009

security % to net assets 1-yr beta

### equity

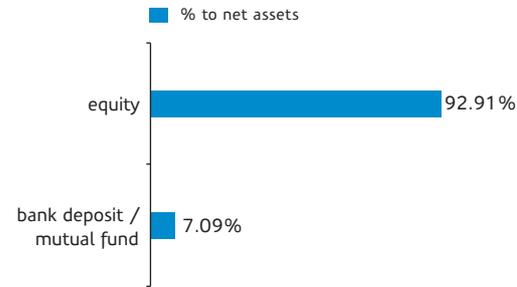
CAP GOODS / ENGINEERING	14.75	
LARSEN & TOUBRO	6.07	1.23
BHARAT HEAVY ELECTRICALS	4.03	0.98
PUNJ LLOYD	2.26	1.46
VOLTAS LTD.	1.29	1.08
CUMMINS INDIA	1.09	0.60
OIL REFINERIES	13.89	
RELIANCE INDUSTRIES	8.57	1.21
OIL & NATURAL GAS CORPORATION	5.32	0.88
POWER	9.80	
TATA POWER	5.28	0.85
NTPC	4.52	0.66
PHARMACEUTICALS	9.49	
RANBAXY LAB	4.32	0.80
CIPLA LTD	2.37	0.46
LUPIN	1.72	0.34
SUN PHARMACEUTICALS	1.09	0.52
IT	9.35	
INFOSYS TECHNOLOGIES	5.47	0.70
TATA CONSULTANCY SERVICES	3.88	0.87
AUTOMOBILES	8.82	
MAHINDRA & MAHINDRA LTD	4.69	1.09
BAJAJ AUTO LTD.	4.14	0.59
FMCG	7.02	
HINDUSTAN UNILEVER	3.85	0.34
MARICO LTD.	3.17	0.26
METALS	6.76	
JINDAL STEEL AND POWER LTD	6.76	1.13
TELECOM	6.24	
BHARTI AIRTEL	6.24	0.95
GAS	5.14	
GAIL INDIA	5.14	0.63
CEMENT & CEMENT PRODUCTS	1.64	
GRASIM INDUSTRIES	1.64	0.75

total equity 92.91

total bank deposits/mutual funds 7.09

total net assets 100.00

## asset allocation as on Nov 30, 2009



## fund characteristics as on Nov 30, 2009

Beta of equity portfolio: 0.86

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## fund manager's report

The month of November saw the markets ending positive. The markets took support from better than expected macro economic data. Looking at the positive data from specific sectors, the holding in equities was kept at 92.91%.

## 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.)

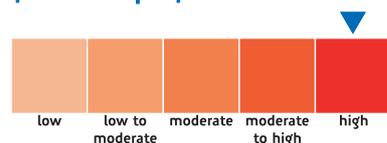
## benchmark construction

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 November 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

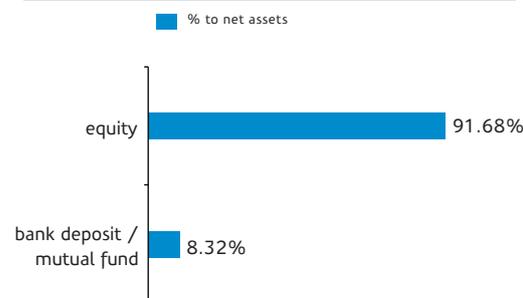
## portfolio as on November 30, 2009

security	% to net assets	1-yr beta
<b>equity</b>		
CAP GOODS / ENGINEERING	26.66	
BHARAT HEAVY ELECTRICALS	10.63	0.98
LARSEN & TOUBRO	9.27	1.23
PUNJ LLOYD	4.20	1.46
IRB INFRASTRUCTURE DEVELOPERS LTD	1.33	0.74
VOLTAS LTD	1.23	1.08
<b>POWER</b>		
NTPC	15.83	0.66
TATA POWER	2.83	0.85
NEYVELI LIGNITE CORPORATION	2.47	1.02
INDIABULLS POWER	0.59	1.56
NHPC LTD	0.22	0.29
<b>TELECOM</b>		
BHARTI AIRTEL	11.00	0.95
<b>METALS</b>		
STERLITE INDUSTRIES	5.14	1.43
TATA STEEL	2.44	1.42
JINDAL STEEL AND POWER LTD	2.42	1.13
<b>OIL REFINERIES</b>		
OIL INDIA LTD	4.40	0.38
OIL & NATURAL GAS CORPORATION	2.71	0.88
RELIANCE INDUSTRIES	0.13	1.21
<b>CONSTRUCTION</b>		
JAIPRAKASH ASSOCIATES	6.21	0.69
<b>SOFTWARE</b>		
FINANCIAL TECHNOLOGIES INDIA INR	2.57	0.79
<b>PLASTIC AND PLASTIC PRODUCT</b>		
SINTEX INDUSTRIES LTD	1.83	0.93
<b>CEMENT &amp; CEMENT PRODUCTS</b>		
GRASIM INDUSTRIES	1.68	0.75
<b>BANKING &amp; FINANCE</b>		
HOUSING DEVELOPMENT FINANCE CORPORATION	1.40	1.14
HOTELS	1.15	
INDIAN HOTELS	1.15	0.70
<b>total equity</b>	<b>91.68</b>	

**total bank deposits/mutual funds 8.32**

**total net assets 100.00**

## asset allocation as on Nov 30, 2009



## fund characteristics as on Nov 30, 2009

Fund Beta 0.95

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## fund manager's report

The month of November saw the markets ending positive. The markets took support from better than expected macro economic data. Looking at the positive data from specific sectors, the holding in equities was kept at 91.68%.

## target asset allocation

Equity: 100%

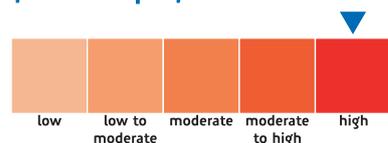
## benchmark construction

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 November 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 November 30, 2009

security % to net assets 1-yr beta

### equity

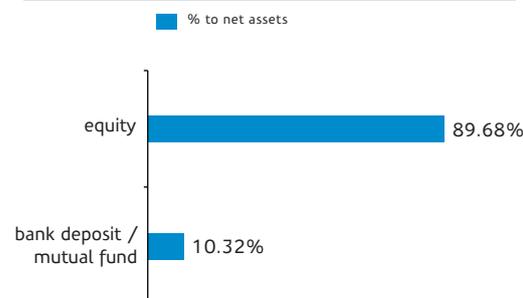
OIL REFINERIES	56.38	
BHARAT PETROLEUM	2.15	0.41
OIL INDIA LTD	4.20	0.38
OIL & NATURAL GAS CORPORATION	22.83	0.88
RELIANCE INDUSTRIES	27.20	1.21
POWER	21.75	
NHPC LTD	1.06	0.29
NTPC	14.55	0.66
POWER GRID CORPORATION OF INDIA LTD	3.60	0.72
TATA POWER	2.54	0.85
METALS	4.02	
JINDAL STEEL AND POWER LTD	2.03	1.13
STERLITE INDUSTRIES	1.99	1.43
GAS	3.58	
GAIL INDIA	3.58	0.63
CAP GOODS / ENGINEERING	2.64	
BHARAT HEAVY ELECTRICALS	2.64	0.98
CONSTRUCTION	1.31	
JAIPRAKASH ASSOCIATES	1.31	0.69

**total equity 89.68**

**total bank deposits/mutual funds 10.32**

**total net assets 100.00**

## asset allocation as on Nov 30, 2009



## fund characteristics as on Nov 30, 2009

Fund Beta 0.91

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## fund manager's report

The month of November saw the markets ending positive. The markets took support from better than expected macro economic data. Looking at the positive data from specific sectors, the holding in equities was kept at 89.68%.

## target asset allocation

Equity: 100%

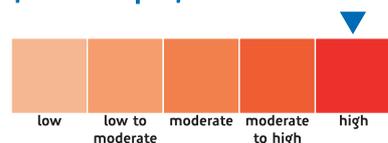
## benchmark construction

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 November 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 November 30, 2009

security % to net assets 1-yr beta

### equity

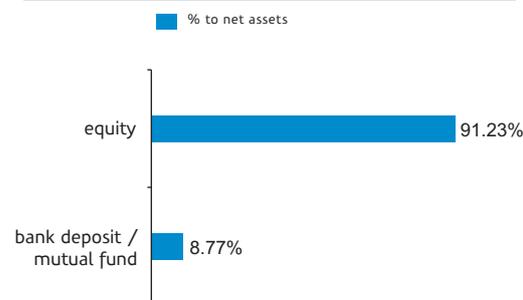
CAP GOODS / ENGINEERING	14.57	
VOLTAS LTD	6.11	1.08
PUNJ LLOYD	4.22	1.46
IRB INFRASTRUCTURE DEVELOPERS LTD	3.35	0.74
CUMMINS INDIA	0.89	0.60
BANKING & FINANCE	12.19	
SHRIRAM TRANSPORT FINANCE COMPANY LTD	4.82	0.16
ANDHRA BANK	3.85	0.68
INDIAN BANK	2.50	0.92
BANK OF BARODA	1.02	0.81
PHARMACEUTICALS	11.31	
DIVIS LABORATORIES	5.87	0.64
LUPIN	5.43	0.34
IT	6.93	
MPHASIS	6.93	0.59
SOFTWARE	6.37	
FINANCIAL TECHNOLOGIES INDIA INR	6.37	0.79
SUGAR	6.11	
BAJAJ HINDUSTAN	6.11	1.11
PLASTIC AND PLASTIC PRODUCT	4.93	
SINTEX INDUSTRIES LTD	4.93	0.93
AUTO ANCILLARY	4.12	
EXIDE INDUSTRIES	4.12	0.58
HOTELS	3.65	
INDIAN HOTELS	3.65	0.70
SHIPPING	3.58	
GREAT EASTERN SHIPPING	3.58	1.23
FMCG	3.23	
TATA TEA	3.23	0.35
CEMENT & CEMENT PRODUCTS	3.18	
ULTRATECH CEMENT LTD	3.18	0.55
FERTILIZERS	3.02	
UNITED PHOSPHORUS LTD	2.11	0.73
GUJARAT STATE FERTILIZERS & CHEMICALS	0.90	0.69
AUTOMOBILES	2.44	
MAHINDRA & MAHINDRA LTD	2.44	1.09
CONSTRUCTION	2.30	
JAIPRAKASH ASSOCIATES	2.30	0.69
METALS	1.96	
JINDAL STEEL AND POWER LTD	1.96	1.13
OIL REFINERIES	1.35	
OIL & NATURAL GAS CORPORATION	1.35	0.88

**total equity 91.23**

**total bank deposits/mutual funds 8.77**

**total net assets 100.00**

## asset allocation as on Nov 30, 2009



## fund characteristics as on Nov 30, 2009

Fund Beta 0.77

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## fund manager's report

The month of November saw the markets ending positive. The markets took support from better than expected macro economic data globally. Looking at the positive data from specific sectors, the holding in equities was kept at 91.23%

## target asset allocation

Equity: 100%

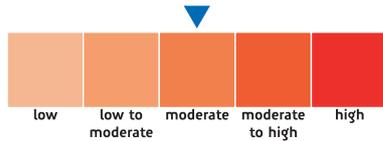
## benchmark construction

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 November 30, 2009

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	36.58%	36.53%	11.05%	13.87%	2.86	2.27
last 2 years (CAGR)	2.82%	4.09%	15.77%	16.41%	-0.14	-0.06
last 3 years (CAGR)	7.86%	9.79%	13.98%	14.62%	0.20	0.33
since inception (CAGR)	12.51%	13.81%	11.73%	12.10%	0.64	0.73
date of inception	august, 2004					

\*CAGR: Compounded Annual Growth Rate

## portfolio as on November 30, 2009

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

### corporate bonds

11.45% RELIANCE INDUSTRIES LTD 25-11-2013	4.14
8.25% IDBI OMNI BOND SER III 26-05-2011	2.08
11.95% HDFC LTD 26-11-2018	2.05
9.40% POWER FINANCE CORP LTD 25-03-2013	1.79
9.25% HDFC LTD 24-11-2016	1.75
10.35% HDFC LTD 16-05-2017	1.75
9.50% NABARD SER IX I 15-10-2012	1.75
8.20% IRFC 27-04-2016	1.70
8.95% HDFC LTD 29-10-2010	1.57
7.15% IND OIL BOND 10-06-2012	1.35
11.40% POWER FINANCE CORP 28-11-2013	1.13
7.39% POWER GRID CORP 22-09-2011	1.10
9.50% INDIAN HOTEL 28-02-2012	1.08
9.80% TATA STEEL 07-05-2011	1.05
9.90% TATA SONS 20-05-2011	0.71
9.05% EXIM BANK 06-11-2010	0.70
9.68% IRFC 03-07-2010	0.56
8.95% HDFC LTD 16-01-2011	0.35

### total corporate bonds 26.59

### gilts

		SOVEREIGN
7.56% GOI 03-11-2014	1.72	
6.90% GOI 13-07-2019	1.65	
6.35% GOI 2020 02-01-2020	1.56	
7.44% GOI SPL OIL BOND 23-03-2012	1.48	
8.40% GUJARAT GOI 18-03-2019	1.06	
8.47% ARUNACHAL PRADESH GOI 25-03-2019	0.71	
7.46% GOI 28-08-2017	0.68	
8.35% GOI 14-05-2022	0.01	

### total gilts 8.87

### equity

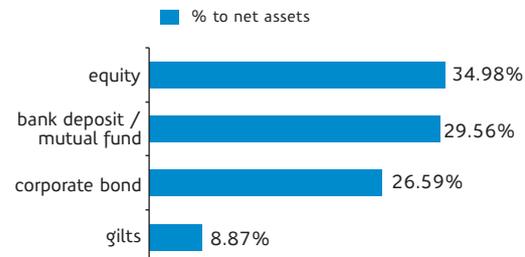
<b>BANKING &amp; FINANCE</b>	<b>8.38</b>	
STATE BANK OF INDIA	2.07	1.14
HDFC BANK	1.63	0.83
ICICI BANK	1.51	1.49
HOUSING DEVELOPMENT FINANCE CORPORATION	0.86	1.14
AXIS BANK	0.71	1.24
SHRIRAM TRANSPORT FINANCE COMPANY LTD	0.59	0.16
BANK OF BARODA	0.52	0.81
PUNJAB NATIONAL BANK	0.34	0.89
INDIAN BANK	0.14	0.92
<b>OIL REFINERIES</b>	<b>4.77</b>	
RELIANCE INDUSTRIES	3.12	1.21
OIL & NATURAL GAS CORPORATION	0.85	0.88
OIL INDIA LTD	0.46	0.38
BHARAT PETROLEUM	0.34	0.41
<b>CAP GOODS / ENGINEERING</b>	<b>3.92</b>	
LARSEN & TOUBRO	1.47	1.23
BHARAT HEAVY ELECTRICALS	1.29	0.98
VOLTAS LTD	0.46	1.08
PUNJ LLOYD	0.43	1.46
CUMMINS INDIA	0.27	0.60
<b>IT</b>	<b>3.23</b>	
INFOSYS TECHNOLOGIES	2.38	0.70
TATA CONSULTANCY SERVICES	0.85	0.87
<b>FMCG</b>	<b>2.62</b>	
ITC LTD	1.84	0.54
HINDUSTAN UNILEVER	0.78	0.34
<b>METALS</b>	<b>2.60</b>	
JINDAL STEEL AND POWER LTD	1.04	1.13
STERLITE INDUSTRIES	0.94	1.43
TATA STEEL	0.63	1.42
<b>AUTOMOBILES</b>	<b>1.97</b>	
BAJAJ AUTO LTD	0.83	0.59
MAHINDRA & MAHINDRA LTD	0.61	1.09
MARUTI SUZUKI INDIA	0.53	0.64
<b>POWER</b>	<b>1.52</b>	
NTPC	0.56	0.66
TATA POWER	0.49	0.85
AREVA T & D INDIA LTD	0.30	0.94
POWER GRID CORPORATION OF INDIA LTD	0.17	0.72
<b>PHARMACEUTICALS</b>	<b>1.32</b>	
CIPLA LTD	0.40	0.46
SUN PHARMACEUTICALS	0.36	0.52
RANBAXY LAB	0.26	0.80
DIVIS LABORATORIES	0.19	0.64
LUPIN	0.12	0.34
<b>TELECOM</b>	<b>1.14</b>	
BHARTI AIRTEL	1.14	0.95
<b>CEMENT &amp; CEMENT PRODUCTS</b>	<b>0.85</b>	
GRASIM INDUSTRIES	0.39	0.75
ULTRATECH CEMENT LTD	0.32	0.55
ACC	0.14	0.81
<b>CONSTRUCTION</b>	<b>0.84</b>	
JAIPRAKASH ASSOCIATES	0.84	0.69
SUGAR	0.44	0.44
BAJAJ HINDUSTAN	0.44	1.11
<b>GAS</b>	<b>0.43</b>	
GAIL INDIA	0.43	0.63
<b>PLASTIC AND PLASTIC PRODUCT</b>	<b>0.38</b>	
SINTEX INDUSTRIES LTD	0.38	0.93
<b>OIL EXPLORATION</b>	<b>0.31</b>	
CAIRN INDIA	0.31	0.98
<b>SOFTWARE</b>	<b>0.26</b>	
FINANCIAL TECHNOLOGIES INDIA INR FV 2	0.26	0.79

### total equity 34.98

### total bank deposits/mutual funds 29.56

### total net assets 100.00

## asset allocation as on Nov 30, 2009



## fund characteristics as on Nov 30, 2009

M.Duration of debt portfolio:	1.88 years
YTM of debt portfolio:	8.00%
Beta of equity portfolio:	0.92

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## fund manager's report

The month of November saw the markets ending positive. The markets took support from better than expected macro economic data globally. Looking at the positive data from specific sectors, the holding in equities was kept at 34.98%.

The allocation to the G-sec was increased to 8.87% from 6.08%. The allocation to corporate bonds was decreased to 26.59% from 33.94%. Accordingly the allocation to short term bank deposits and CDs/CPs was increased to 29.56% from 26.69%.

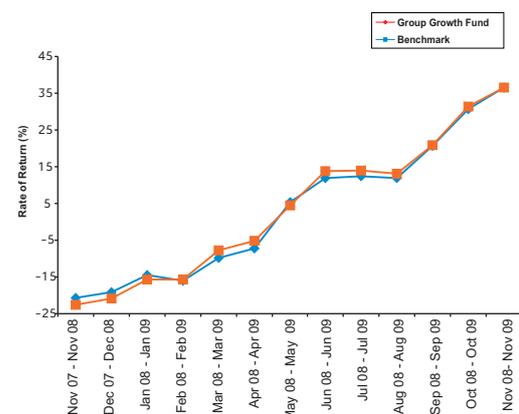
## target asset allocation

Debt.:	60%
Equity:	40%

## benchmark construction

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

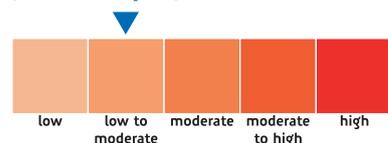
## rolling yearly performance



## fund objective

Provide investment returns that exceed the rate of inflation in the long-term while maintaining a low probability of negative returns in the short-term. The risk appetite is defined as 'low to moderate'.

## fund risk profile



# ULIP Balanced Fund

## fund performance as on November 30, 2009

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	24.77%	22.81%	6.87%	7.42%	2.88	2.40
last 2 years (CAGR)	6.91%	6.52%	8.72%	8.58%	0.22	0.18
last 3 years (CAGR)	9.16%	9.17%	7.83%	7.71%	0.53	0.54
since inception (CAGR)	11.13%	10.09%	5.96%	5.98%	1.03	0.85
date of inception	february, 2003					

\*CAGR: Compounded Annual Growth Rate

## portfolio as on November 30, 2009

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

### corporate bonds

11.45% RELIANCE INDUSTRIES LTD 25-11-2013	7.03	AAA
11.40% POWER FINANCE CORP 28-11-2013	2.97	AAA
10.95% RECL LTD 14-04-2011	1.91	AAA
9.90% TATA SONS 20-05-2011	1.87	AAA
8.50% EXPORT & IMPORT BANK LTD 12-09-2011	1.84	AAA
8.94% LIC HOUSING FIN LTD 16-01-2011	1.84	AAA
8.95% HDFC LTD 16-01-2011	1.66	AAA
9.50% NABARD SER IX 15-10-2012	1.48	AAA
9.80% ICICI BANK LTD 10-02-2013	1.44	AAA
9.50% INDIAN HOTEL 28-02-2012	1.42	AAA
9.35% LIC HOUSING FIN LTD 23-11-2012	1.12	AAA
10% NABARD SER IX 14-05-2012	1.12	AAA
8.75% IRFC 07-01-2013	1.11	AAA
9.80% TATA STEEL 07-05-2011	1.11	AA
11.25% POWER FINANCE CORP LTD 28-11-2018	1.04	AAA
10.75% RECL LTD 14-04-2011	0.98	AAA
9.80% POWER FINANCE CORP 22-03-2012	0.95	AAA
9.20% POWER GRID CORP 12032013	0.94	AAA
11.65% HDFC LTD 09-09-2010	0.93	AAA
8.83% IRFC 29-10-2012	0.92	AA
9.40% TATA TEA LTD 08-1-2010	0.92	AA
9.24% L&T FINANCE LTD 30-07-2010	0.91	AA+
8.90% STEEL AUTHORITY OF INDIA 01-05-2019	0.91	AAA
8.40% ADITYA BIRLA NUVO LTD 23112012	0.91	AAA
8.68% NAT CAP REGIONAL PLANNING 18-08-2019	0.91	AAA
7.20% HDFC 03-06-2010	0.90	AAA
8% RECL LTD 05-08-2014	0.89	AAA
9.35% IL & FS LTD 22-10-2010	0.88	AAA
9.30% POWER FINANCE CORP LTD 12-03-2013	0.85	AAA
10.10% POWER GRID CORP 12-06-2011	0.68	AAA
9.76% IRFC 03-07-1012	0.66	AAA
8.65% HDFC LTD 12-09-2011	0.65	AAA
9% TATA SONS 27-07-2010	0.64	AAA
11.15% HDFC LTD 06-08-2018	0.62	AAA
11.15% POWER FINANCE CORP 15-09-2011	0.58	AAA
9.45% RECL LTD 04-04-2013	0.57	AAA
9.20% HDFC LTD 09-02-2012	0.56	AAA
9.68% IRFC 03-07-2010	0.53	AAA
6.00% INDIAN HOTEL 13-05-2011	0.51	AA+
9.25% EXIM BANK 13-12-2012	0.47	AAA
12% TATA CAPITAL LTD 05-03-2014	0.40	AAA
10% NABARD 18-06-2010	0.37	AAA
7% POWER FINANCE CORP LTD 24-12-2011	0.27	AAA
10.60% IRFC 11-09-2018	0.20	AAA
10.35% HDFC LTD SR E006 06-06-2017	0.18	AAA
11.35% RECL LTD 24-10-2013	0.08	AAA

**total corporate bonds 49.71**

### gilts

		SOVEREIGN
8.30% MAHARASHTRA GOI 25-03-2019	3.14	
7.44% GOI SPL OIL BOND 23-03-2012	1.46	
8.28% RAJASTHAN GOI 25-03-2019	1.02	
8.24% TAMIL NADU GOI 25-03-2019	0.92	
7.46% GOI 28-08-2017	0.89	
6.90% GOI 13-07-2019	0.87	
6.35% GOI 2020 02-01-2020	0.82	
7.50% GOI 10-08-2034	0.49	
6.72% GOI 24-02-2014	0.35	
8.24% GOI 22-04-2018	0.31	
9.35% ANDHRA PRADESH GOI 18-03-2019	0.19	
7.37% GOI 16-04-2014	0.00	

**total gilts 10.37**

### equity

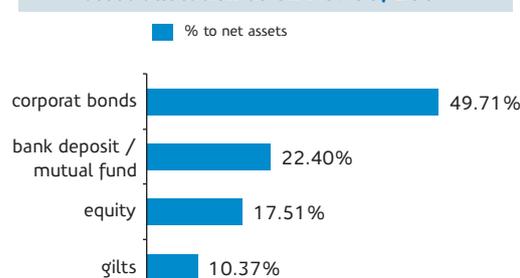
<b>BANKING &amp; FINANCE</b>	<b>4.27</b>	
STATE BANK OF INDIA	1.07	1.14
HDFC BANK	0.82	0.83
ICICI BANK	0.78	1.49
HOUSING DEVELOPMENT FINANCE CORPORATION	1.44	1.14
AXIS BANK	0.35	1.24
SHRIRAM TRANSPORT FINANCE COMPANY LTD	0.30	0.16
BANK OF BARODA	0.26	0.81
PUNJAB NATIONAL BANK	0.17	0.89
INDIAN BANK	0.07	0.92
<b>OIL REFINERIES</b>	<b>2.08</b>	
RELIANCE INDUSTRIES	1.22	1.21
OIL & NATURAL GAS CORPORATION	0.44	0.88
OIL INDIA LTD	0.23	0.38
BHARAT PETROLEUM	0.19	0.41
<b>CAP GOODS / ENGINEERING</b>	<b>2.03</b>	
LARSEN & TOUBRO	0.75	1.23
BHARAT HEAVY ELECTRICALS	0.67	0.96
VOLTAS LTD	0.23	1.08
PUNJ LLOYD	0.22	1.46
CUMMINS INDIA	0.16	0.60
IT	1.67	
INFOSYS TECHNOLOGIES	1.24	0.70
TATA CONSULTANCY SERVICES	0.43	0.87
<b>FMCG</b>	<b>1.32</b>	
ITC LTD	0.93	0.54
HINDUSTAN UNILEVER	0.40	0.34
<b>METALS</b>	<b>1.27</b>	
JINDAL STEEL AND POWER LTD	0.53	1.13
STERLITE INDUSTRIES	0.46	1.43
TATA STEEL	0.29	1.42
<b>AUTOMOBILES</b>	<b>0.98</b>	
BAJAJ AUTO LTD	0.40	0.59
MAHINDRA & MAHINDRA LTD	0.31	1.09
MARUTI SUZUKI INDIA	0.28	0.64
<b>POWER</b>	<b>0.82</b>	
NTPC	0.30	0.66
TATA POWER	0.25	0.85
AREVA T & D INDIA LTD	0.18	0.94
POWER GRID CORPORATION OF INDIA LTD	0.09	0.72
<b>PHARMACEUTICALS</b>	<b>0.69</b>	
CIPLA LTD	0.20	0.46
SUN PHARMACEUTICALS	0.18	0.52
RANBAXY LAB	0.13	0.80
DIVS LABORATORIES	0.1	0.64
LUPIN	0.06	0.34
<b>TELECOM</b>	<b>0.58</b>	
BHARTI AIRTEL	0.58	0.95
<b>CONSTRUCTION</b>	<b>0.43</b>	
JAIPRAKASH ASSOCIATES	0.45	0.69
<b>CEMENT &amp; CEMENT PRODUCTS</b>	<b>0.43</b>	
GRASIM INDUSTRIES	0.20	0.75
ULTRATECH CEMENT LTD	0.16	0.55
ACC	0.07	0.81
<b>GAS</b>	<b>0.22</b>	
GAIL INDIA	0.22	0.63
<b>SUGAR</b>	<b>0.23</b>	
BAJAJ HINDUSTAN	0.22	1.11
<b>PLASTIC AND PLASTIC PRODUCT</b>	<b>0.19</b>	
SINTEX INDUSTRIES LTD	0.19	0.93
<b>OIL EXPLORATION</b>	<b>0.17</b>	
CAIRN INDIA	0.17	0.98
<b>SOFTWARE</b>	<b>0.13</b>	
FINANCIAL TECHNOLOGIES INDIA INR FV 2	0.13	0.79

**total equity 17.51**

**total bank deposits/mutual funds 22.40**

**total net assets 100.00**

## asset allocation as on Nov 30, 2009



## fund characteristics as on Nov 30, 2009

M.Duration of debt portfolio:	2.17 years
YTM of debt portfolio:	7.43%
Beta of equity portfolio:	0.92

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## fund manager's report

The month of November saw the markets ending positive. The markets took support from better than expected macro economic data globally. Looking at the positive data from specific sectors, the holding in equities was kept at 17.51%.

The allocation to gilts was increased to 10.37% from 9.15%. The exposure in corporate bonds was decreased to 49.71% from 51.70%. Accordingly, exposure in short-term bank deposits and CDs/CPs has been increased to 22.40% from 22.06%.

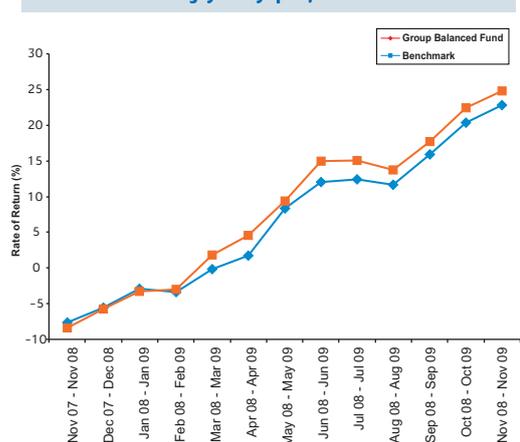
## target asset allocation

Debt.:	80%
Equity:	20%

## benchmark construction

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

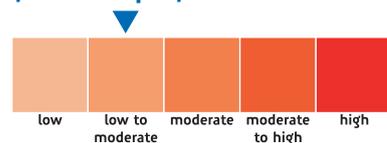
## rolling yearly performance



## 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 November 30, 2009

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	15.40%	9.82%	5.39%	6.77%	1.93	0.71
last 2 year	10.46%	6.77%	4.14%	5.13%	1.32	0.34
since inception (CAGR)	10.26%	6.75%	4.06%	5.02%	1.29	0.35

date of inception: october, 2007

## portfolio as on November 30, 2009

security	% to net assets	rating
----------	-----------------	--------

### corporate bonds

8.80% STEEL AUTHORITY OF INDIA LTD 22-06-2019	7.46	AAA
11.45% RELIANCE INDUSTRIES LTD 25-11-2013	6.86	AAA
11.10% POWER FINANCE CORP 15-09-2013	5.64	AAA
12% TATA CAPITAL LTD 05-03-2014	4.89	AAA
11.50% RECL LTD 26-11-2013	3.27	AAA
9.70% LIC HOUSING FINANCE LTD 07042013	3.13	AAA
2% TATA MOTORS LTD 31-03-2014	3.06	AAA(SO)
8.40% ADITYA BIRLA NUVO LTD 23112012	2.99	AAA
8.46% IRFC 15-01-2014	2.99	AAA
7.24% LIC HOUSING FIN LTD 23-06-2011	2.97	AAA
10.90% RECL LTD 14-04-2013	2.79	AAA
10.60% IRFC 11-09-2018	1.67	AAA
10.05% NABARD 11-06-2014	1.57	AAA
9.50% HDFC LTD 27-02-2013	1.56	AAA
9.33% POWER GRID CORP LTD 15-12-2013	1.54	AAA
8.75% IRFC 07-01-2013	1.53	AAA
8.88% IDFC 07-01-2011	1.51	AAA
9.40% TATA TEA LTD 08-11-2010	1.51	AA
8.90% STEEL AUTHORITY OF INDIA 01-05-2019	1.50	AAA
8.68% NAT CAP REGIONAL PLANNING 18-08-2019	1.50	AAA
8.60% POWER FINANCE CORP LTD 07-08-2014	1.50	AAA
8% RECL LTD 05-08-2014	1.46	AAA
6.00% INDIAN HOTEL 13-05-2011	0.62	AA+
9.32% HDFC LTD 17-12-2012	0.62	AAA
9.35% LIC HOUSING FIN LTD 23-11-2012	0.62	AAA
7.39% POWER GRID CORP 22-09-2011	0.54	AAA
9.47% POWER GRID CORP 31-03-2013	0.31	AAA
9.20% HDFC LTD 09-02-2012	0.31	AAA
9.80% TATA STEEL 07-05-2011	0.30	AA
11.30% ACC LTD 10-12-2013	0.17	AAA
9.30% POWER FINANCE CORP LTD 12-03-2013	0.15	AAA
10.48% GRASIM INDUSTRIES LTD 16-12-2013	0.10	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 66.89**

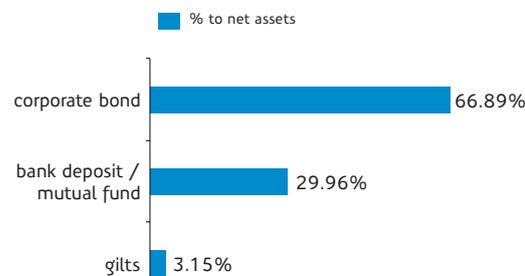
gilts	SOVEREIGN
7.46% GOI 28-08-2017	1.46
7.35% GOI 22-06-2024	1.39
7.56% GOI 03-11-2014	0.30

**total gilts 3.15**

**total bank deposits/mutual funds 29.96**

**total net assets 100.00**

## asset allocation as on Nov 30, 2009



## fund characteristics as on Nov 30, 2009

M.Duration of debt portfolio: 2.53 years  
YTM of debt portfolio: 7.97%

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## fund manager's report

The exposure to corporate bonds was increased to 66.89% from 59.28%. Exposure in gilts was increased to 3.15% from 3.02%. 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.

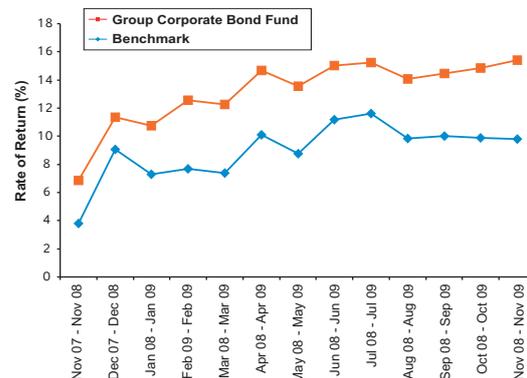
## target asset allocation

Bond Instruments: 100%

## benchmark construction

CRISIL Composite Bond Index: 100%

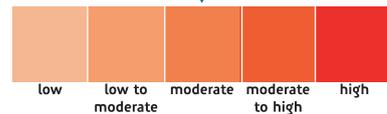
## rolling yearly performance



## 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 November 30, 2009

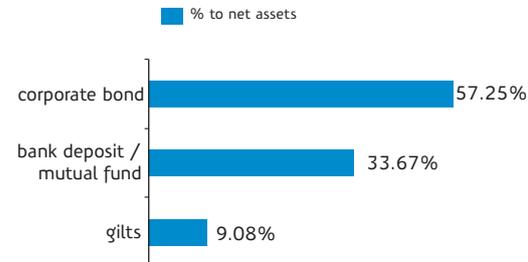
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	14.72%	9.82%	5.03%	6.77%	1.93	0.71
since inception (CAGR)	14.42%	9.96%	4.64%	6.26%	2.03	0.79
date of inception	october, 2008					

\*CAGR: Compounded Annual Growth Rate

## portfolio as on November 30, 2009

security	% to net assets	rating
<b>corporate bonds</b>		
11.45% RELIANCE INDUSTRIES LTD 25-11-2013	7.60	AAA
11.10% POWER FINANCE CORP 15-09-2013	5.80	AAA
10.90% RECL LTD 30-09-2013	4.56	AAA
9.70% LIC HOUSING FINANCE LTD 07042013	4.45	AAA
2% TATA MOTORS LTD 31-03-2014	4.34	AAA(SO)
8.40% ADITYA BIRLA NUVO LTD 23112012	4.25	AAA
10.90% RECL LTD 14-04-2013	3.87	AAA
12% TATA CAPITAL LTD 05-03-2014	3.70	AAA
10.60% IRFC 11-09-2018	2.85	AAA
11.95% HDFC LTD 26-11-2018	2.52	AAA
11.25% POWER FINANCE CORP LTD 28-11-2018	2.43	AAA
11.30% ACC LTD 10-12-2013	2.35	AAA
9.50% TATA COMMUNICATION LTD 08-06-2014	2.19	AAA
8.98% NAT CAP REGIONAL PLANNING 14-02-2018	2.16	AAA
8.90% STEEL AUTHORITY OF INDIA 01-05-2019	2.13	AAA
9% TATA SONS 27-07-2010	0.64	AAA
10.10% POWER GRID CORP 12-06-2011	0.55	AAA
10% NABARD SER IX 14-05-2012	0.44	AAA
8.75% IRFC 07-01-2013	0.43	AAA
<b>total corporate bonds</b>	<b>57.25</b>	
<b>gilts</b>		
		SOVEREIGN
7.46% GOI 28-08-2017	4.16	
7.50% GOI 10-08-2034	1.92	
7.56% GOI 03-11-2014	1.70	
8.40% GUJARAT GOI 18-03-2019	1.30	
<b>total gilts</b>	<b>9.08</b>	
<b>total bank deposits/mutual funds</b>	<b>33.67</b>	
<b>total net assets</b>	<b>100.00</b>	

## asset allocation as on Nov 30, 2009



## fund characteristics as on Nov 30, 2009

M.Duration of debt portfolio: 2.60 years  
YTM of debt portfolio: 8.23%

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## fund manager's report

The exposure to gilts was decreased to 9.08% from 9.36%. Exposure to corporate bonds was increased to 57.25% from 48.95%. Accordingly the exposure to short term assets was decreased to 33.67% from 41.70%. We will increase exposure to gilts and corporate bonds as and when attractive investments are available.

## target asset allocation

Debt Instruments: 100%

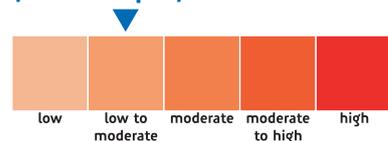
## benchmark construction

CRISIL Composite Bond Index: 100%

## fund objective

Provide returns that exceed the inflation rate, without taking any credit risk (sovereign risk only) and maintaining a low probability of a negative return in the short-term. The risk appetite is 'low to moderate'.

## fund risk profile



## fund manager's report

The allocation to gilts was increased to 56.92% from 36.05%. Accordingly we decreased the exposure in short term bank FDs, CDs and CPs to 43.08% from 63.95%.

## target asset allocation

Government Securities: 100%

## benchmark construction

I-Sec Composite Sovereign Bond Index: 100%

# ULIP Gilt Fund

## fund performance as on November 30, 2009

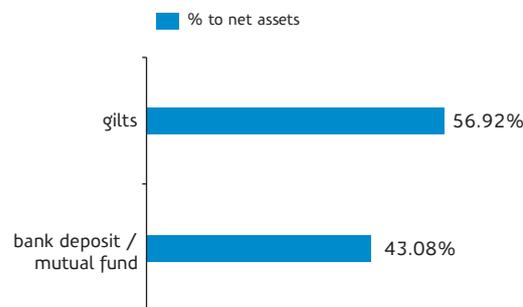
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	3.86%	6.38%	4.76%	15.57%	-0.24	0.09
last 2 year	5.88%	10.35%	3.96%	12.92%	0.22	0.41
since inception (CAGR)	5.91%	10.13%	3.87%	12.65%	0.23	0.41
date of inception			october, 2007			

\*CAGR: Compounded Annual Growth Rate

## portfolio as on November 30, 2009

security	% to net assets	rating
<b>gilts</b>		
<b>SOVEREIGN</b>		
7.56% GOI 03-11-2014	11.80	
6.49% GOI 08-06-2015	11.23	
6.35% GOI 02-01-2020	10.66	
9.39% GOI 02-07-2011	6.14	
7.49% GOI 16-04-2017	5.79	
6.90% GOI 13-07-2019	5.66	
6.07% GOI 15-05-2014	5.59	
9.85% GOI 16-10-2015	0.04	
<b>total gilts</b>	<b>56.92</b>	
<b>total bank deposits/mutual funds</b>	<b>43.08</b>	
<b>total net assets</b>	<b>100.00</b>	

## asset allocation as on Nov 30, 2009

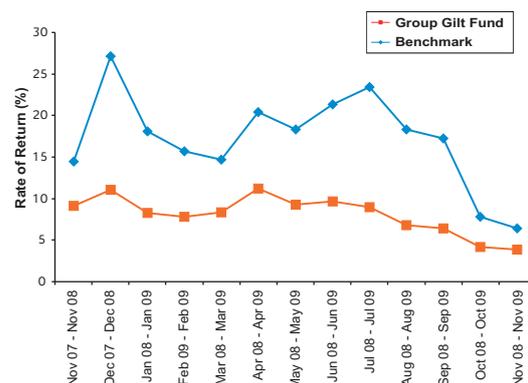


## fund characteristics as on Nov 30, 2009

M.Duration of debt portfolio: 2.81 years  
YTM of debt portfolio: 7.85%

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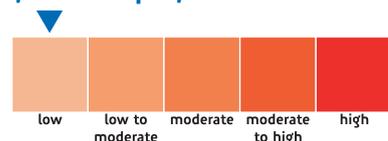
## rolling yearly performance



## 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



## fund manager's report

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

## target asset allocation

Money Market Instruments: 100%

## benchmark construction

CRISIL Liquid Bond Index: 100%

# ULIP Money Market Fund

## fund performance as on November 30, 2009

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	9.99%	5.57%	0.49%	0.96%	10.22	0.60
last 2 year	9.64%	6.85%	0.39%	0.81%	11.96	2.28
since inception (CAGR)	9.89%	6.85%	0.39%	0.81%	12.60	2.28
date of inception			November, 2007			

\*CAGR: Compounded Annual Growth Rate

## portfolio as on November 30, 2009

security % to net assets rating

### certificate of deposits

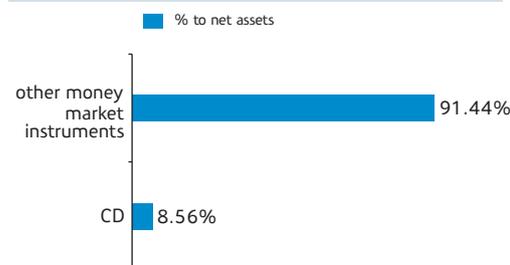
CANARA BANK 18-03-2010 8.56 P1+

**total certificate of deposits 8.56**

**other money market instruments 91.44**

**total net assets 100.00**

## asset allocation as on Nov 30, 2009

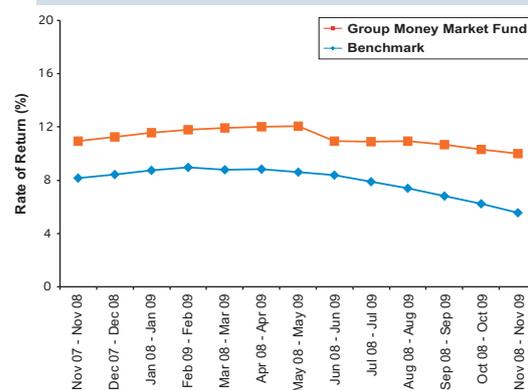


## fund characteristics as on Nov 30, 2009

M.Duration of debt portfolio: 0.02 years  
YTM of debt portfolio: 7.57%

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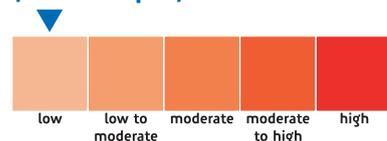
## rolling yearly performance



## 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 November 30, 2009

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	9.22%	4.53%	0.50%	0.33%	8.37	-1.43
last 2 years (CAGR)	9.65%	6.41%	0.42%	0.59%	11.05	2.37
last 3 years (CAGR)	9.12%	6.81%	0.44%	0.52%	9.36	3.51
since inception (CAGR)	7.08%	5.85%	0.68%	0.49%	3.05	1.73
date of inception	february, 2003					

\*CAGR: Compounded Annual Growth Rate

## portfolio as on November 30, 2009

security % to net assets rating

### certificate of deposits

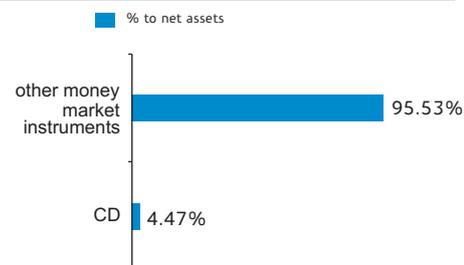
CANARA BANK 18-03-2010 4.47 P1+

**total certificate of deposits 4.47**

**other money market instruments 95.53**

**total net assets 100.00**

## asset allocation as on Nov 30, 2009



## fund characteristics as on Nov 30, 2009

M.Duration of debt portfolio: 0.01 years  
YTM of debt portfolio: 6.30%

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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.

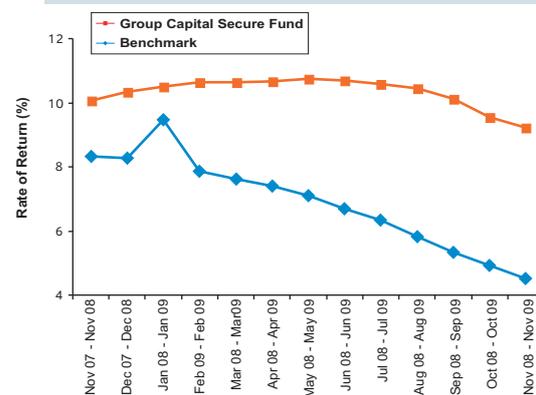
## target asset allocation

Money Market Instruments: 100%

## benchmark construction

Yield on 182-day T.Bills

## rolling yearly performance



## Product Details

Nav's as of 30<sup>th</sup> November, 2009

### Reliance Equity Fund

Product Name	NAV
Reliance Group Leave Encashment (GLE) - Equity Fund Option	Rs. 8.4260
Reliance Group Savings Linked Insurance (GSLI)	Rs. 17.3342
Reliance Group Gratuity (GG)	Rs. 11.8893

### Reliance Pure Equity Fund

Product Name	NAV
Reliance Group Savings Linked Insurance(GSLI)	Rs. 17.3870

### Reliance Infrastructure Fund

Product Name	NAV
Reliance Group Savings Linked Insurance- (GSLI)	Rs. 13.6364
Reliance Group Gratuity (GG)	Rs.10.2156

### Reliance Energy Fund

Product Name	NAV
Reliance Group Savings Linked Insurance (GSLI)	Rs. 15.5723

### Reliance Midcap Fund

Product Name	NAV
Reliance Group Savings Linked Insurance (GSLI)	Rs. 18.0854
Reliance Group Gratuity (GG)	Rs. 12.4268

### Reliance Growth Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 12.1857
Reliance Group Superannuation (GSA)	Rs. 10.1846

## Product Details

Nav's as of 30<sup>th</sup> November, 2009

### Reliance Balanced Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 12.6474
Reliance Group Superannuation (GSA)	Rs. 15.8578
Reliance Group Savings Linked Insurance (GSLI)	Rs. 11.9907
Reliance Group Leave Encashment (GLE)	Rs. 10.5920

### Reliance Corporate Bond Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 11.5925
Reliance Group Leave Encashment (GLE)	Rs. 12.1985
Reliance Group Savings Linked Insurance (GSLI)	Rs. 11.1825
Reliance Group Superannuation (GSA)	Rs. 10.6998

### Reliance Pure Debt Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 11.5532
Reliance Group Superannuation (GSA)	Rs. 11.4380
Reliance Group Leave Encashment (GLE)	Rs. 11.6380
Reliance Group Savings Linked Insurance (GSLI)	Rs. 11.0350

### Reliance Gilt Fund

Product Name	NAV
Reliance Group Leave Encashment (GLE)	Rs. 11.2151
Reliance Group Gratuity(GG)	Rs. 10.2170
Reliance Group Savings Linked Insurance (GSLI)	Rs. 10.1949

### Reliance Money Market Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 11.2070
Reliance Group Superannuation (GSA)	Rs. 10.9606
Reliance Group Leave Encashment (GLE)	Rs. 12.0458
Reliance Group Savings Linked Insurance (GSLI)	Rs. 10.8525

### Reliance Capital Secure Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 12.6014
Reliance Group Superannuation (GSA)	Rs. 11.3897
Reliance Group Leave Encashment (GLE)	Rs. 10.3311

- ✓ 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%.

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.

✓ Benchmark Sharpe Ratio

✓ Modified Duration of Debt Portfolio

✓ Fund Beta

## 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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