

investment philosophy

Reliance Life Insurance seeks consistent and superior long-term returns with a well-defined and disciplined investment approach symbolizing integrity and transparency to benefit all stakeholders.

Economy Indicators	31st Mar 10	31st Mar 09	% Change
Rs./₹	44.91	50.73	11.47
WPI Inflation	250.10*	227.30	9.89
Forex Reserves (\$ bn)	278.19	252.33	10.25
Oil Price (\$ per Barrel)	82.70	46.19	79.04
Gold (Rs. per 10gm)	16320	15200	7.37

*As of February 2010

Investments	31st Mar 10	31st Mar 09	Absolute Change
FII's (Rs Crs)	110221	-47706	157927
Mf's (Rs Crs)	-11415	6984	-18400

Indices	31st Mar 10	31st Mar 09	% Change
BSE Sensex	17528	9709	81
S&P CNX Nifty	5249	3021	74
CNX Mid Cap	7705	3407	126
BSE Small Cap	8498	3247	162

Global Indices	31st Mar 10	31st Mar 09	% Change
Dow Jones	10857	7609	43
FTSE 100	5726	3926	46
Hang Seng	21239	13576	56
Nikkei	11090	8110	37

Sectoral Indices	31st Mar 10	31st Mar 09	% Change
CNX Infrastructure	3423	2369	44
CNX Energy	9021	6500	39
BSE Capital Goods	14082	6466	118
BSE Bankex	10652	4491	137
BSE Oil & Gas	10159	7053	44
BSE IT	5238	2286	129

Fixed Income Indicators (%)	31st Mar 10	31st Mar 09	% Change
NSE Mibor	5.47	5.00	0.47
91 Day T-Bill	4.38	4.80	-0.42
182 Day T-Bill	4.62	5.10	-0.48
1 year GOI Benchmark	5.10	4.83	0.27
5 Year GOI Benchmark	7.29	6.75	0.54
5 Year Corp Bond Benchmark	8.50	8.54	-0.04
10 Year GOI Benchmark	7.84	7.01	0.83
10 Year US Benchmark	3.83	2.67	1.16

asset allocation	funds	gross return (CAGR*) (%) As on March 31, 2010				date of inception
		last 1 year	last 2 years	last 3 years	since inception	
100% equity	Equity Fund	71.56%	8.29%	11.00%	21.00%	August, 2004
100% pure equity	Pure Equity Fund	72.02%	N.A.	N.A.	16.18%	June, 2008
100% equity	Infrastructure Fund	44.18%	-4.80%	N.A.	-4.80%	March, 2008
100% equity	Energy Fund	39.22%	2.41%	N.A.	2.41%	March, 2008
100% equity	Midcap Fund	96.61%	4.84%	N.A.	4.84%	March, 2008
80% equity, 20% debt	Super Growth Fund	53.07%	7.00%	N.A.	5.82%	May, 2007
60% equity, 40% debt	High Growth Fund	40.85%	8.36%	10.75%	10.24%	March, 2007
50% equity, 50% debt	Growth Plus Fund	35.38%	9.13%	10.61%	10.10%	March, 2007
40% equity, 60% debt	Growth Fund	29.34%	9.19%	10.56%	12.95%	August, 2004
20% equity, 80% debt	Balanced Fund	18.41%	9.78%	10.50%	11.11%	February, 2003
100% bond instruments	Corporate Bond Fund	9.83%	10.39%	N.A.	10.36%	May, 2007
100% debt Instruments	Pure Debt Fund	9.64%	10.29%	9.73%	9.73%	April, 2007
100% govt. securities	Gilt Fund	4.71%	5.92%	N.A.	6.10%	May, 2007
100% debt Instruments	Guaranteed Bond Fund I	9.97%	N.A.	N.A.	14.64%	December, 2008
100% money market instruments	Money Market Fund	8.22%	9.42%	N.A.	9.32%	May, 2007
100% money market instruments	Capital Secure Fund	7.60%	8.86%	8.98%	7.04%	February, 2003
100% equity	Equity Plus Fund	N.A.	N.A.	N.A.	N.A.	January, 2010
	Highest Nav Guarantee Fund	N.A.	N.A.	N.A.	N.A.	February, 2010

*CAGR: Compounded Annual Growth Rate

Indian Economy : Update

India's GDP is estimated to have posted a growth rate of 7.2% y-o-y in FY10. The growth rate in FY09 was 6.7% when growth slowed sharply after clocking +9% growth for three years in a row. Q3 GDP growth was affected by poor rainfall last season, resulting in a growth rate of 6% y-o-y. In Q2, growth rate was 7.9% and in Q1 it was 5.8%.

India's industrial production (IIP) rate in January and December was 16.68% y-o-y and 17.61% y-o-y, respectively. The growth came on the back of a low base. In the same months the previous year, the growth rates were 1.03% and -0.25%.

WPI inflation rate climbed to a 16-month high of 9.89% y-o-y in February from 8.56% in January. The inflation for the same period last year was 3.5% and later fell into negative in the June-August period. Lately, food price inflation (released weekly) snapped a 4-week easing trend, rising to 16.35% y-o-y in week ended March 20.

India's fiscal deficit during April-February was Rs.3.81 trillion or 92% of the full-year target. Tax receipts were Rs.3.59 trillion and total expenditure was Rs.8.58 trillion. In July 2009, the government had forecast a fiscal deficit of Rs 4 trillion, or 6.8% of gross domestic product, for the current financial year.

As per RBI data, India's current account deficit rose to \$12 bln during October-December as against \$11.7 bln during the same months of FY09. Exports rose 13.8% y-o-y but imports growth was even slower at 2.6%, thus reducing the trade gap to \$30.7 bln from \$34 billion. Net invisibles earnings fell sharply to \$18.7 bln from \$22.4 bln. Capital account surplus was \$13.8 bln thanks to FDI, FII inflows, NRI deposits, etc. India's Q3 BoP surplus was \$1.77 bln as against a deficit of \$17.88 bln in Q3 FY09.

Outlook:

Indian economy is expected to return to high growth orbit after two years of subdued performance due to global equity crises, prolonged recession and below par monsoon. Infrastructure speeding by the government and inherent domestic demand is expected to give the necessary impetus. Manufacturing sector and agriculture sector both have given signal of rebounds. CPI inflation continues to remain high while pressure on WPI inflation has increased sharply, led by the food prices.

Debt Market : Update

GOI bond yield curve shifted higher with a slight steepening. Ten-year benchmark yield finished at 7.85% from 7.01%. Worsening fiscal scenario and rising inflationary conditions were the main factors that weakened bonds.

Inflationary pressures built up mainly due to the poor monsoon season that pushed up food prices. Later, a gradual global economic recovery started pushing up energy and commodity prices. This threatened to trickle down into manufacturing price inflation - non-food manufacturing products inflation rate was negative (-0.4% y-o-y) in November 2009 but +4.3% in February 2010.

The RBI initiated an exit strategy from easy monetary policy in the last quarter of 2009 and in Q4 raised CRR by 75 bps and Repo and Reverse Repo rates by 0.25%. Money market liquidity remained ample throughout the year and call rates were steady.

The government announced a borrowing projection of Rs.4,57,000 crore for FY11 with 63% of the total gross borrowing or Rs.2,87,000 crore to be borrowed between April-September. The prospect of continuous bond supplies weighed on bond market sentiment. Barring a week in July and two in September, each week in the first half of the fiscal will see dated bond sales worth Rs.11,000 crore - 15,000 crore as per the calendar. The bulk of the borrowing will be through 10-year & longer maturity. The RBI will also sell treasury bills every week in Q1 worth a total Rs.1,09,000 crore.

AAA 5-year yield ended at 8.5%, up from 8.36% at the end of December 2009 but flat compared with March 2009. However, in March 2009, the spread over 5-year GOI yield was 175 bps. The spread fell to 90 bps as underlying GOI bond yield rose. While rate futures segment with contracts based on a notional 10-year government security was kicked off, repos using corporate bonds also were flagged off in the fiscal.

Outlook:

Bond market is expected to remain under pressure in the coming months due to monetary tightening measures likely in response to rising inflation. The strength of FII inflows would be an important factor from the liquidity point of view as will be commodity and food prices. As per the borrowing programme, government will be raising INR 4.57 trillion during the FY 10-11. Managing the borrowing will be challenging this year with near double-digit inflation and expected monetary policy tightening.

Equity Market : Update

Fiscal year 2009-10 was a stupendous year for the Indian equity markets. Booming growth in India's economy, robust quarterly results from companies and consistent investments from FIIs fuelled the rise over the past year. From the point of extreme pessimism in March 2009, investors' money almost doubled. Sensex gained 80.54% and Nifty rose 73.76%. Broader market indices outpaced the key benchmarks by a huge margin. BSE Midcap rose 130.23% while BSE Smallcap gained 161.73%. FIIs parked in a whopping Rs 1.10 lakh crore in the Indian stock markets for the FY 09-10.

Spirits were lifted by the stability and continuity at the Centre with the Congress-led UPA government taking charge last year. The momentum continued, supported by the earnings upgrade on the back of better growth guidance from companies and the strong performance in the past few quarters. Signs of recovery in global markets also helped the return of the risk appetite.

Optimism continued to build up as the government tabled the framework for India's growth at the Union Budget. FM Pranab Mukherjee announced plans to bring down fiscal deficit from 6.5% of GDP in FY10 to 4.8% in FY12 and 4.1% in the following year. Allocations to infrastructure development and direct tax concessions were cheered by the market. Meanwhile, the gradual withdrawal of stimulus packages was inevitable, given the need for fiscal consolidation. On the other hand, RBI raising LAF lending rates by 25 bps was on expected lines, though the timing surprised the market.

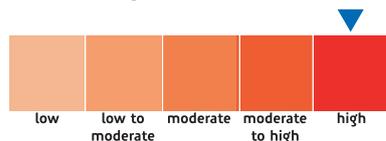
Outlook

Equity markets are expected to react positively to earnings upgrades and robust liquidity flows. High inflation, interest rates tightening and high fiscal deficit numbers can act as dampener for the markets. Other key triggers for the markets would be how the global markets pans out. Overall we expect to liquidity market to trade higher than FY (2010-2011).

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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fund manager's report

The month of March saw the markets ending positive. The markets took support from foreign inflows and increase in liquidity globally. Looking at the positive data from specific sectors, the holding in equities was kept at 92.96%.

target asset allocation

Equity: 100%

benchmark construction

S&P CNX Nifty: 100%

Equity Fund

fund performance As on March 31, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio	
last 1 year	71.56%	73.76%	27.15%	33.88%	2.45	2.03	
last 2 years (CAGR)	8.29%	5.30%	33.57%	38.11%	0.10	0.01	
last 3 years (CAGR)	11.00%	11.16%	33.01%	35.64%	0.18	0.17	
last 4 years (CAGR)	10.26%	11.45%	30.11%	32.31%	0.17	0.20	
last 5 years (CAGR)	19.67%	20.86%	28.94%	30.75%	0.51	0.52	
since inception (CAGR)	21.00%	22.89%	27.61%	29.29%	0.58	0.61	
date of inception	august, 2004						

*CAGR: Compounded Annual Growth Rate

portfolio As on March 31, 2010

security % to net assets 1-yr beta

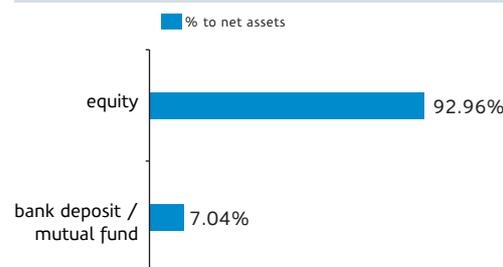
equity

BANKING & FINANCE	21.87	
ICICI BANK	4.93	1.40
HDFC BANK	4.18	0.78
STATE BANK OF INDIA	3.83	1.15
AXIS BANK	2.69	1.18
HDFC	2.31	1.16
SHRIRAM TRANSPORT FINANCE COMPANY LTD	1.57	0.25
BANK OF BARODA	0.91	0.80
PUNJAB NATIONAL BANK	0.78	0.85
POWER FINANCE CORPORATION	0.43	0.81
MAX INDIA LIMITED	0.24	0.91
CAP GOODS / ENGINEERING	10.48	
LARSEN & TOUBRO	3.94	1.26
BHARAT HEAVY ELECTRICALS	2.40	0.93
CUMMINS INDIA	2.00	0.69
ALSTOM PROJECTS INDIA	0.99	0.91
PUNJ LLOYD	0.82	1.55
TRIVENI ENGINEERING AND INDUSTRIES	0.33	1.03
OIL REFINERIES	9.92	
RELIANCE INDUSTRIES	9.34	1.11
BHARAT PETROLEUM	0.58	0.45
IT	9.25	
INFOSYS TECHNOLOGIES	5.00	0.68
TATA CONSULTANCY SERVICES	3.80	0.83
MPHASIS	0.45	0.66
METALS	7.14	
TATA STEEL	3.14	1.39
STERLITE INDUSTRIES	1.75	1.37
JINDAL STEEL AND POWER LTD	1.64	1.12
JINDAL SAW	0.61	1.15
FMCG	6.04	
ITC LTD	4.16	0.60
HINDUSTAN UNILEVER	1.87	0.38
PHARMACEUTICALS	5.43	
DIVIS LABORATORIES	2.21	0.70
LUPIN	1.29	0.23
CIPLA LTD	1.06	0.51
SUN PHARMACEUTICALS	0.86	0.65
AUTOMOBILES	4.80	
BAJAJ AUTO LTD	2.24	0.56
MAHINDRA & MAHINDRA LTD	1.69	1.26
MARUTI SUZUKI INDIA	0.87	0.71
OIL EXPLORATION	3.22	
OIL & NATURAL GAS CORPORATION	2.41	0.82
CAIRN INDIA	0.53	0.93
OIL INDIA LTD	0.27	0.42
CEMENT & CEMENT PRODUCTS	2.80	
ULTRATECH CEMENT LTD	1.54	0.65
ACC	0.88	0.80
INDIA CEMENTS	0.37	0.98
TELECOM	2.70	
BHARTI AIRTEL	2.70	0.95
POWER	2.53	
NTPC	0.95	0.61
TATA POWER	0.94	0.76
AREVA T & D INDIA LTD	0.63	1.19
CONSTRUCTION	2.02	
JAIPRAKASH ASSOCIATES	1.28	1.56
NAGARJUNA CONSTRUCTION	0.74	1.33
GAS	1.03	
GAIL INDIA	1.03	0.66
MEDIA	0.82	
HT MEDIA LTD	0.82	0.70
SOFTWARE	0.81	
FINANCIAL TECHNOLOGIES INDIA	0.81	0.91
FERTILIZERS AND CHEMICALS	0.78	
UNITED PHOSPHORUS LTD	0.54	0.88
GUJARAT STATE FERTILIZERS & CHEMICALS	0.25	0.81
PLASTIC AND PLASTIC PRODUCT	0.76	
SINTEX INDUSTRIES LTD	0.76	1.06
AUTO ANCILLARY	0.57	
EXIDE INDUSTRIES	0.32	0.67
MOTHERSON SUMI SYSTEMS	0.24	0.60
total equity	92.96	

total bank deposits/mutual funds 7.04

total net assets 100.00

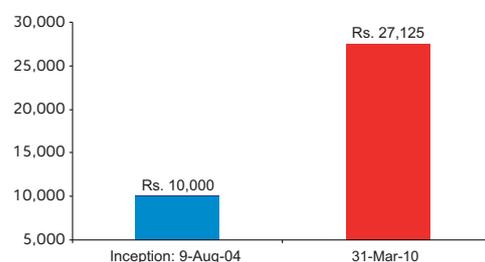
asset allocation as on Mar 31, 2010



fund characteristics as on Mar 31, 2010

Fund Beta 0.93

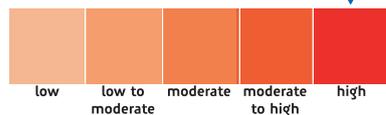
growth of initial investment of Rs. 10,000 in MRP



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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fund manager's report

The month of March saw the markets ending positive. The markets took support from foreign inflows and increase in liquidity globally. Looking at the positive data from specific sectors, the holding in equities was kept at 93.61%.

target asset allocation

Pure 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%

Pure Equity Fund

fund performance As on March 31, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	72.02%	73.76%	29.06%	33.88%	2.31	2.03
since inception (CAGR)	16.18%	16.14%	32.95%	37.41%	0.34	0.30
date of inception	june, 2008					

portfolio As on March 31, 2010

security % to net assets 1-yr beta

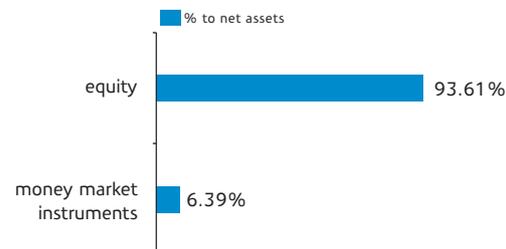
equity

CAP GOODS / ENGINEERING	13.05	
LARSEN & TOUBRO	4.80	1.26
BHARAT HEAVY ELECTRICALS	3.91	0.93
PUNJ LLOYD	2.20	1.55
CUMMINS INDIA	1.12	0.69
VOLTAS	1.02	1.14
POWER	10.93	
TATA POWER	6.48	0.76
NTPC	3.49	0.61
PTC INDIA	0.97	0.69
IT	10.69	
INFOSYS TECHNOLOGIES	6.07	0.68
TATA CONSULTANCY SERVICES	3.44	0.83
MPHASIS	1.18	0.66
AUTOMOBILES	9.70	
BAJAJ AUTO LTD	4.57	0.56
MAHINDRA & MAHINDRA LTD	3.82	1.26
MARUTI SUZUKI INDIA	1.30	0.71
OIL REFINERIES	9.08	
RELIANCE INDUSTRIES	9.08	1.11
PHARMACEUTICALS	8.08	
CIPLA LTD	3.50	0.51
SUN PHARMACEUTICALS	2.99	0.65
LUPIN	1.59	0.23
METALS	6.55	
JINDAL STEEL AND POWER LTD	5.39	1.12
STERLITE INDUSTRIES	1.15	1.37
OIL EXPLORATION	6.30	
OIL & NATURAL GAS CORPORATION	3.81	0.82
CAIRN INDIA	2.50	0.93
FMCG	5.17	
HINDUSTAN UNILEVER	5.17	0.38
TELECOM	5.09	
BHARTI AIRTEL	5.09	0.95
GAS	3.94	
GAIL INDIA	3.94	0.66
SOFTWARE	2.82	
FINANCIAL TECHNOLOGIES INDIA	2.82	0.91
CEMENT & CEMENT PRODUCTS	1.51	
GRASIM INDUSTRIES	1.51	0.80
AUTO ANCILLARY	0.69	
MOTHERSON SUMI SYSTEMS	0.69	0.60
total equity	93.61	

total money market instruments 6.39

total net assets 100.00

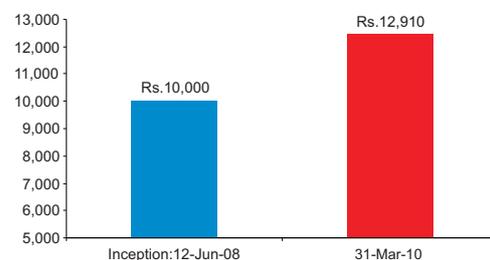
asset allocation as on Mar 31, 2010



fund characteristics as on Mar 31, 2010

Fund Beta 0.85

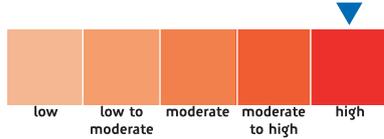
growth of initial investment of Rs. 10,000 in SIP



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



Infrastructure Fund

fund performance As on March 31, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	44.18%	44.46%	28.32%	41.47%	1.38	0.95
Last 2 years (CAGR)	-4.80%	-10.39%	35.08%	43.84%	-0.28	-0.35
since inception (CAGR)	-4.80%	-10.39%	35.08%	43.84%	-0.28	-0.35
date of inception	march, 2008					

portfolio As on March 31, 2010

security % to net assets 1-yr beta

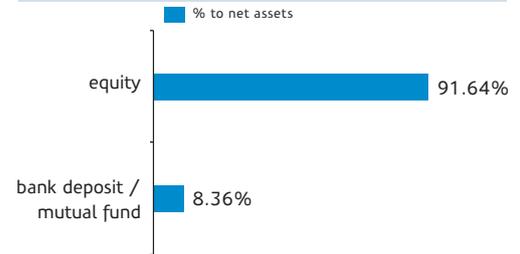
equity

CAP GOODS / ENGINEERING	33.14	
BHARAT HEAVY ELECTRICALS	11.53	0.93
LARSEN & TOUBRO	9.09	1.26
CUMMINS INDIA	4.30	0.69
PUNJ LLOYD	4.15	1.55
ALSTOM PROJECTS INDIA	1.62	0.91
IRB INFRASTRUCTURE DEVELOPERS LTD	1.28	1.00
VOLTAS	1.17	1.14
POWER	16.19	
NTPC	8.94	0.61
TATA POWER	2.72	0.76
NEVELI LIGNITE CORPORATION	2.23	0.99
PTC INDIA	1.24	0.69
NHPC LTD	1.07	0.52
TELECOM	12.18	
BHARTI AIRTEL	12.18	0.95
METALS	11.60	
STERLITE INDUSTRIES	4.80	1.37
TATA STEEL	4.56	1.39
JINDAL STEEL AND POWER LTD	2.24	1.12
CONSTRUCTION	8.04	
JAIPRAKASH ASSOCIATES	5.60	1.56
NAGARJUNA CONSTRUCTION	2.43	1.33
SOFTWARE	3.46	
FINANCIAL TECHNOLOGIES INDIA	3.46	0.91
PLASTIC AND PLASTIC PRODUCT	2.56	
SINTEX INDUSTRIES LTD	2.56	1.06
CEMENT & CEMENT PRODUCTS	1.88	
GRASIM INDUSTRIES	1.88	0.80
BANKING & FINANCE	1.30	
HDFC	1.30	1.16
HOTELS	1.27	
INDIAN HOTELS	1.27	0.99
total equity	91.64	

total bank deposits/mutual funds 8.36

total net assets 100.00

asset allocation as on Mar 31, 2010



fund characteristics as on Mar 31, 2010

Fund Beta 1.05

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fund manager's report

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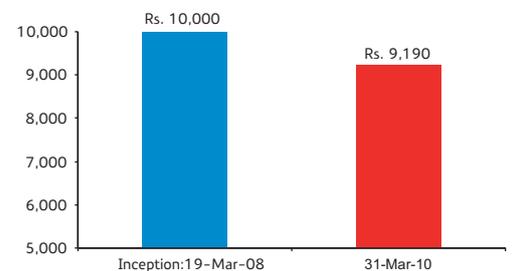
target asset allocation

Equity: 100%

benchmark construction

CNX Infrastructure Index: 100%

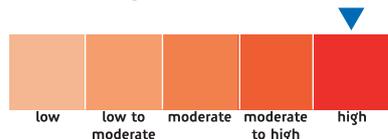
growth of initial investment of Rs. 10,000 in TIPS-I



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



Energy Fund

fund performance As on March 31, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	39.22%	38.78%	27.33%	32.80%	1.25	1.03
last 2 years (CAGR)	2.41%	2.54%	32.62%	36.56%	-0.08	-0.07
since inception (CAGR)	2.41%	2.54%	32.62%	36.56%	-0.08	-0.07
date of inception	march, 2008					

portfolio As on March 31, 2010

security % to net assets 1-yr beta

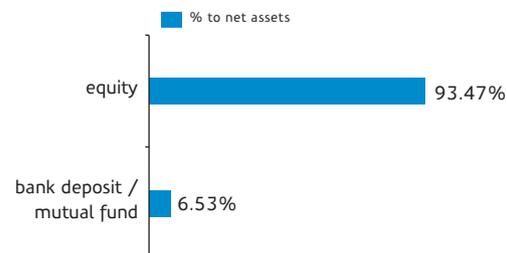
equity

OIL REFINERIES	33.72	
RELIANCE INDUSTRIES	32.32	1.11
BHARAT PETROLEUM	1.41	0.45
OIL EXPLORATION	23.50	
OIL & NATURAL GAS CORPORATION	18.54	0.82
OIL INDIA LTD	3.39	0.42
CAIRN INDIA	1.57	0.93
POWER	16.59	
NTPC	12.53	0.61
TATA POWER	2.85	0.76
NHPC LTD	0.92	0.52
PTC INDIA	0.29	0.69
CAP GOODS / ENGINEERING	8.32	
CUMMINS INDIA	4.77	0.69
BHARAT HEAVY ELECTRICALS	2.50	0.93
ALSTOM PROJECTS INDIA	1.05	0.91
GAS	4.98	
GAIL INDIA	4.98	0.66
METALS	3.59	
JINDAL STEEL AND POWER LTD	1.84	1.12
STERLITE INDUSTRIES	1.75	1.37
BANKING & FINANCE	1.62	
POWER FINANCE CORPORATION	1.62	0.81
CONSTRUCTION	1.15	
JAIPRAKASH ASSOCIATES	1.15	1.56
total equity	93.47	

total bank deposits/mutual funds 6.53

total net assets 100.00

asset allocation as on Mar 31, 2010



fund characteristics as on Mar 31, 2010

Fund Beta 0.88

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fund manager's report

The month of March saw the markets ending positive. The markets took support from foreign inflows and increase in liquidity globally. Looking at the positive data from the energy sector, the holding in equities was kept at 93.47%.

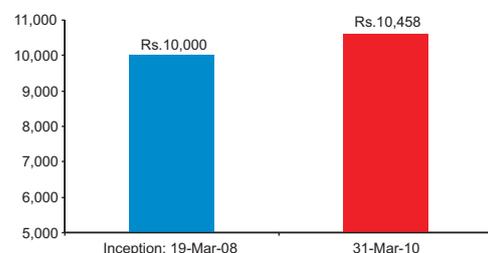
target asset allocation

Equity: 100%

benchmark construction

CNX Energy Index: 100%

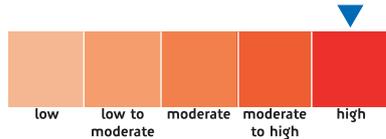
growth of initial investment of Rs. 10,000 in TIPS-I



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



Mid Cap Fund

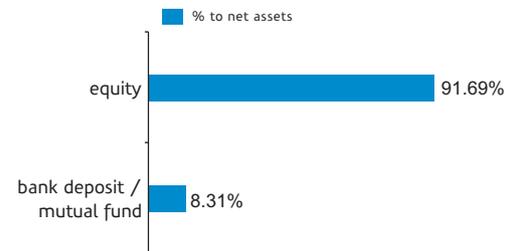
fund performance As on March 31, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	96.61%	131.15%	34.72%	49.81%	2.64	2.53
last 2 years (CAGR)	4.84%	6.56%	41.22%	53.76%	0.00	0.03
since inception (CAGR)	4.84%	6.56%	41.22%	53.76%	0.00	0.03
date of inception			march, 2008			

portfolio As on March 31, 2010

security	% to net assets	1-yr beta
equity		
CAP GOODS / ENGINEERING	16.67	
VOLTAS	5.10	1.14
PUNJ LLOYD	4.56	1.55
BHARAT FORGE	3.22	1.08
IRB INFRASTRUCTURE DEVELOPERS LTD	2.84	1.00
CUMMINS INDIA	0.94	0.69
PHARMACEUTICALS	14.43	
DIVIS LABORATORIES	6.40	0.70
LUPIN	5.14	0.23
JUBILANT ORGANOSYS	2.89	0.69
BANKING & FINANCE	9.81	
SHRIRAM TRANSPORT FINANCE COMPANY LTD	4.89	0.25
ANDHRA BANK	3.01	0.84
BANK OF BARODA	0.95	0.80
POWER FINANCE CORPORATION	0.95	0.81
IT	6.44	
MPHASIS	6.06	0.66
3I INFOTECH	0.38	1.11
PLASTIC AND PLASTIC PRODUCT	6.41	
SINTEX INDUSTRIES LTD	6.41	1.06
SOFTWARE	6.34	
FINANCIAL TECHNOLOGIES INDIA	6.34	0.91
CONSTRUCTION	5.32	
NAGARJUNA CONSTRUCTION	3.45	1.33
JAIPRAKASH ASSOCIATES	1.88	1.56
AUTO ANCILLARY	3.84	
EXIDE INDUSTRIES	3.84	0.67
HOTELS	3.55	
INDIAN HOTELS	3.55	0.99
CEMENT & CEMENT PRODUCTS	3.51	
ULTRATECH CEMENT LTD	3.51	0.65
SHIPPING	3.19	
GREAT EASTERN SHIPPING	3.19	0.93
AUTOMOBILES	3.08	
MAHINDRA & MAHINDRA LTD	2.10	1.26
BAJAJ AUTO LTD	0.98	0.56
FMCG	2.88	
TATA TEA	2.88	0.47
FERTILIZERS AND CHEMICALS	2.71	
UNITED PHOSPHORUS LTD	1.73	0.88
GUJARAT STATE FERTILIZERS & CHEMICALS	0.98	0.81
METALS	1.65	
JINDAL STEEL AND POWER LTD	1.65	1.12
OIL EXPLORATION	0.98	
OIL & NATURAL GAS CORPORATION	0.98	0.82
TELECOM	0.89	
BHARTI AIRTEL	0.89	0.95
total equity	91.69	
total bank deposits/mutual funds	8.31	
total net assets	100.00	

asset allocation as on Mar 31, 2010



fund characteristics as on Mar 31, 2010

Fund Beta 0.86

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fund manager's report

The month of March saw the markets ending positive. The markets took support from foreign inflows and increase in liquidity globally. Looking at the positive data from specific sectors, the holding in equities was kept at 91.69%.

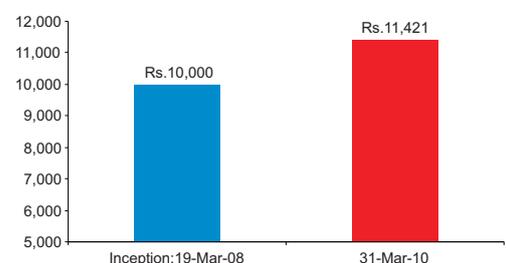
target asset allocation

Equity: 100%

benchmark construction

Nifty Midcap 50: 100%

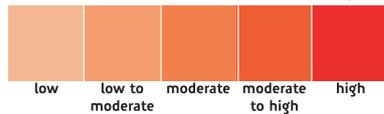
growth of initial investment of Rs. 10,000 in TIPS-I



fund objective

Provide high 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, which will be moderated through some exposure to debt. The risk appetite is 'high'

fund risk profile



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fund manager's report

The month of March saw the markets ending positive. The markets took support from foreign inflows and increase in liquidity globally. Looking at the positive data from specific sectors, the holding in equities was kept at 71.98%.

The exposure in gilts was reduced to 1.76% from 1.89% on expectations of hardening of yield curve. The exposure to corporate bonds was increased to 13.56% from 12.06% to take the advantage of higher spread. Accordingly the exposure to short term assets like CDs and MFs has been decreased to 12.70% from 13.86% from as exposure in bonds has been increased.

target asset allocation

Debt.:	20%
Equity:	80%

benchmark construction

CRISIL ST Bond Index:	20%
S&P CNX Nifty:	80%

Super Growth Fund

fund performance As on March 31, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	53.07%	58.69%	20.71%	27.17%	2.32	1.98
last 2 years (CAGR)	7.00%	7.02%	26.49%	30.47%	0.08	0.07
since inception (CAGR)	5.82%	8.60%	26.55%	29.26%	0.03	0.12
date of inception	may, 2007					

*CAGR: Compounded Annual Growth Rate

portfolio As on March 31, 2010

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

non convertible debentures

11.95% HDFC LTD 26-11-2018	2.01	AAA
8.40% ADITYA BIRLA NUVO LTD 23-11-2012	1.71	AAA
8.90% POWER GRID CORPORATION 25-02-2016	1.71	AAA
7.6% RECL 22-01-2013	1.69	AAA
11.45% RELIANCE INDUSTRIES LTD 25-11-2013	1.13	AAA
9.05% SBI 27-01-2020	0.86	AAA
8.90% POWER GRID CORPORATION 25-02-2017	0.85	AAA
8.95% IRFC 10-03-2025	0.69	AAA
11.35% RECL LTD 24-10-2013	0.36	AAA
9.50% NABARD SER IX I 15-10-2012	0.35	AAA
8.75% IRFC 07-01-2013	0.35	AAA
9.25% IDBI BANK 29-01-2020	0.32	AAA
9.25% EXIM BANK 13-12-2012	0.28	AAA
10% NABARD 18-06-2010	0.27	AAA
9.20% HDFC LTD 09-02-2012	0.18	AAA
9.90% TATA SONS 20-05-2011	0.18	AAA
8.65% HDFC LTD 12-09-2011	0.17	AAA
6.10% IRFC 13-05-2010	0.17	AAA
10% NABARD SER IX 14-05-2012	0.11	AAA
9.25% POWER GRID CORP 09-02-2013	0.09	AAA
9.76% IRFC 03-07-1012	0.07	AAA

total non convertible debentures 13.56

gilts

security	% to net assets	SOVEREIGN
7.44% GOI SPL OIL BOND 23-03-2012	0.03	
8.24% GOI 22-04-2018	0.70	
7.56% GOI 03-11-2014	0.34	
8.47% NAGALAND GOI 25-03-2019	0.68	

total gilts 1.76

equity

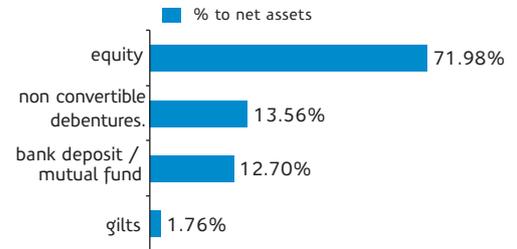
BANKING & FINANCE	16.72	
ICICI BANK	4.21	1.40
HDFC BANK	3.26	0.78
STATE BANK OF INDIA	2.94	1.15
AXIS BANK	1.68	1.18
HDFC	1.48	1.16
SHRIRAM TRANSPORT FINANCE COMPANY LTD	1.26	0.25
BANK OF BARODA	1.16	0.80
PUNJAB NATIONAL BANK	0.73	0.85
CAP GOODS / ENGINEERING	8.73	
LARSEN & TOUBRO	4.41	1.26
BHARAT HEAVY ELECTRICALS	2.08	0.93
VOLTAS	0.82	1.14
CUMMINS INDIA	0.70	0.69
PUNJ LLOYD	0.69	1.55
BHARAT FORGE	0.03	1.08
OIL REFINERIES	7.73	
RELIANCE INDUSTRIES	7.19	1.11
BHARAT PETROLEUM	0.55	0.45
IT	6.73	
INFOSYS TECHNOLOGIES	4.92	0.68
TATA CONSULTANCY SERVICES	1.48	0.83
MPHASIS	0.33	0.66
METALS	5.77	
TATA STEEL	2.13	1.39
JINDAL STEEL AND POWER LTD	1.85	1.12
STERLITE INDUSTRIES	1.79	1.37
PHARMACEUTICALS	5.22	
JUBILANT ORGANOSYS	1.94	0.69
DIVIS LABORATORIES	1.30	0.70
SUN PHARMACEUTICALS	0.97	0.65
CIPLA LTD	0.77	0.51
LUPIN	0.24	0.23
FMCG	5.06	
ITC LTD	3.64	0.60
HINDUSTAN UNILEVER	1.42	0.38
AUTOMOBILES	4.33	
BAJAJ AUTO LTD	1.82	0.56
MAHINDRA & MAHINDRA LTD	1.42	1.26
MARUTI SUZUKI INDIA	1.08	0.71
OIL EXPLORATION	2.30	
OIL & NATURAL GAS CORPORATION	1.56	0.82
OIL INDIA LTD	0.75	0.42
POWER	2.23	
NTPC	0.98	0.61
TATA POWER	0.89	0.76
AREVA T & D INDIA LTD	0.35	1.19
TELECOM	2.17	
BHARTI AIRTEL	2.17	0.95
CEMENT & CEMENT PRODUCTS	1.58	
ULTRATECH CEMENT LTD	1.25	0.65
ACC	0.30	0.80
INDIA CEMENTS	0.03	0.98
CONSTRUCTION	1.42	
JAIPRAKASH ASSOCIATES	1.42	1.56
PLASTIC AND PLASTIC PRODUCT	0.83	
SINTEX INDUSTRIES LTD	0.83	1.06
GAS	0.59	
GAIL INDIA	0.59	0.66
SOFTWARE	0.56	
FINANCIAL TECHNOLOGIES INDIA	0.56	0.91

total equity 71.98

total bank deposits/mutual funds 12.70

total net assets 100.00

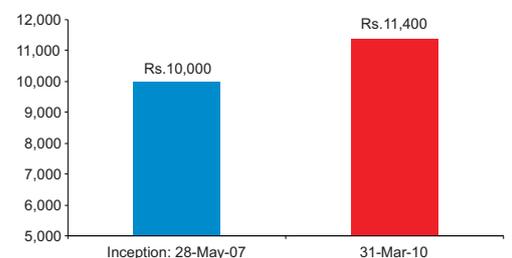
asset allocation as on Mar 31, 2010



fund characteristics as on Mar 31, 2010

M.Duration of debt portfolio:	2.22 years
YTM of debt portfolio:	8.03%
Beta of equity portfolio:	0.94

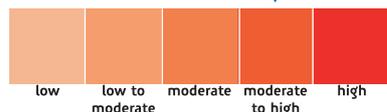
growth of initial investment of Rs. 10,000 in AIP



fund objective

Provide, in the long-term, returns which are significantly higher than the inflation rate, through high exposure to equity investments, while recognizing that there is some probability of negative returns in the short-term. The risk appetite is 'moderate to high'

fund risk profile



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fund manager's report

The month of March saw the markets ending positive. The markets took support from foreign inflows and increase in liquidity globally. Looking at the positive data from specific sectors, the holding in equities was kept at 56.14%.

The allocation to gilts was reduced marginally to 0.30% from 0.31% compared in previous month on expectations of hardening of yield curve. Allocation to corporate bonds was increased to 23.62% from 22.14% to take the advantage of higher spread. Accordingly the exposure in short term assets was decreased to 19.94% from 22.34% in the previous month.

target asset allocation

Debt.: 40%
Equity: 60%

benchmark construction

CRISIL ST Bond Index: 40%
S&P CNX Nifty: 60%

High Growth Fund

fund performance As on March 31, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio	
last 1 year	40.85%	44.36%	15.55%	20.47%	2.31	1.92	
last 2 years (CAGR)	8.36%	8.12%	20.21%	23.05%	0.17	0.14	
last 3 years (CAGR)	10.75%	10.35%	20.00%	21.53%	0.29	0.25	
since inception (CAGR)	10.24%	10.57%	19.74%	21.23%	0.27	0.26	
date of inception	march, 2007						

*CAGR: Compounded Annual Growth Rate

portfolio As on March 31, 2010

security	% to net assets	rating/1-yr beta
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non convertible debentures

10.70% POWER FINANCE CORP 15-07-2013	1.62	AAA
8.40% HDFC LTD 08-12-2014	1.49	AAA
8% RECL LTD 05-08-2014	1.46	AAA
11.45% RELIANCE INDUSTRIES LTD 25-11-2013	0.83	AAA
10.75% RECL LTD 14-04-2011	0.80	AAA
10.10% POWER GRID CORP 12-06-2012	0.79	AAA
9.80% POWER FINANCE CORP 22-03-2012	0.78	AAA
9.45% RECL LTD 04-04-2011	0.78	AAA
9.40% POWER FINANCE CORPORATION LTD 25-03-2013	0.78	AAA
9.50% NABARD SER IX I 15-10-2012	0.78	AAA
9.25% EXIM BANK 13-12-2012	0.77	AAA
9.90% TATA SONS 20-05-2011	0.77	AAA
9.50% TATA COMMUNICATION LTD 08-06-2014	0.77	AAA
11.65% HDFC LTD 09-09-2010	0.76	AAA
9.05% SBI 27-01-2020	0.76	AAA
8.90% POWER GRID CORPORATION 25-02-2016	0.76	AAA
9% TATA SONS 27-07-2010	0.75	AAA
8.90% STEEL AUTHORITY OF INDIA 01-05-2019	0.75	AAA
8.68% NAT CAP REGIONAL PLANNING 18-08-2019	0.75	AAA
8.60% POWER FINANCE CORP LTD 07-08-2014	0.75	AAA
7.6% RECL 22-01-2013	0.75	AAA
6.00% INDIAN HOTEL 13-05-2011	0.74	AA+
9.68% IRFC 03-07-2010	0.60	AAA
11.35% RECL LTD 24-10-2013	0.48	AAA
9.15% NAT CAP REGIONAL PLANNING 18-02-2019	0.46	AAA
8.90% POWER GRID CORPORATION 25-02-2014	0.38	AAA
8.90% POWER GRID CORPORATION 25-02-2020	0.37	AAA
7.60% ICICI BANK 30-12-2015	0.37	AAA
8.25% IDBI OMNI BOND SER III 26-05-2011	0.36	AA+
10% NABARD 18-06-2010	0.33	AAA
9.50% INDIAN HOTEL 28-02-2012	0.31	AA+
8.95% IRFC 10-03-2025	0.30	AAA
9.25% IDBI BANK 29-01-2020	0.29	AAA
9.76% IRFC 03-07-1012	0.16	AAA

total non convertible debentures 23.62

gilts

8.47% JHARKHAND GOI 25-03-2019	0.15	SOVEREIGN
6.72% GOI 24-02-2014	0.15	

total gilts 0.30

equity

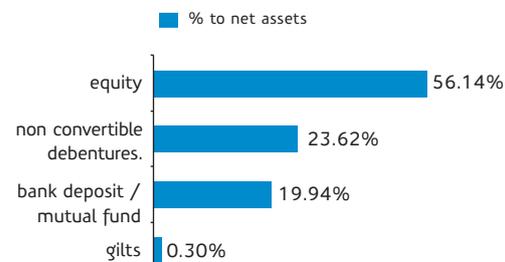
BANKING & FINANCE	12.99	
ICICI BANK	3.26	1.40
HDFC BANK	2.43	0.78
STATE BANK OF INDIA	2.34	1.15
AXIS BANK	1.30	1.18
HOUSING DEVELOPMENT FINANCE CORPORATION	1.16	1.16
SHRIRAM TRANSPORT FINANCE COMPANY LTD	1.00	0.25
BANK OF BARODA	0.96	0.80
PUNJAB NATIONAL BANK	0.53	0.85
CAP GOODS / ENGINEERING	6.82	
LARSEN & TOUBRO	3.40	1.26
BHARAT HEAVY ELECTRICALS	1.61	0.93
VOLTAS	0.66	1.14
CUMMINS INDIA	0.59	0.69
PUNJ LLOYD	0.54	1.55
BHARAT FORGE	0.02	1.08
OIL REFINERIES	5.94	
RELIANCE INDUSTRIES	5.52	1.11
BHARAT PETROLEUM	0.42	0.45
IT	5.39	
INFOSYS TECHNOLOGIES	3.78	0.68
TATA CONSULTANCY SERVICES	1.35	0.83
MPHASIS	0.26	0.66
METALS	4.37	
TATA STEEL	1.55	1.39
JINDAL STEEL AND POWER LTD	1.48	1.12
STERLITE INDUSTRIES	1.34	1.37
PHARMACEUTICALS	4.01	
JUBILANT ORGANOSYS	1.47	0.69
DIVIS LABORATORIES	1.02	0.70
SUN PHARMACEUTICALS	0.74	0.65
CIPLA LTD	0.59	0.51
LUPIN	0.19	0.23
FMCG	3.94	
ITC LTD	2.84	0.60
HINDUSTAN UNILEVER	1.11	0.38
AUTOMOBILES	3.47	
BAJAJ AUTO LTD	1.45	0.56
MAHINDRA & MAHINDRA LTD	1.20	1.26
MARUTI SUZUKI INDIA	0.82	0.71
OIL EXPLORATION	1.77	
OIL & NATURAL GAS CORPORATION	1.18	0.82
OIL INDIA LTD	0.58	0.42
POWER	1.75	
NTPC	0.73	0.61
TATA POWER	0.67	0.76
AREVA T & D INDIA LTD	0.34	1.19
TELECOM	1.63	
BHARTI AIRTEL	1.63	0.95
CEMENT & CEMENT PRODUCTS	1.26	
ULTRATECH CEMENT LTD	1.01	0.65
ACC	0.22	0.80
INDIA CEMENTS	0.03	0.98
CONSTRUCTION	1.15	
JAIPRAKASH ASSOCIATES	1.15	1.56
PLASTIC AND PLASTIC PRODUCT	0.65	
SINTEX INDUSTRIES LTD	0.65	1.06
GAS	0.58	
GAIL INDIA	0.58	0.66
SOFTWARE	0.43	
FINANCIAL TECHNOLOGIES INDIA	0.43	0.91

total equity 56.14

total bank deposits/mutual funds 19.94

total net assets 100.00

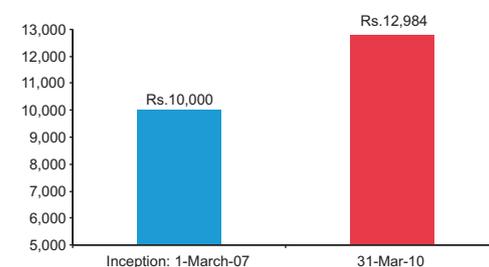
asset allocation as on Mar 31, 2010



fund characteristics as on Mar 31, 2010

M.Duration of debt portfolio: 1.58 years
YTM of debt portfolio: 7.92%
Beta of equity portfolio: 0.94

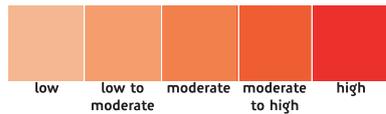
growth of initial investment of Rs. 10,000 in MGP



fund objective

Provide, in the long-term, returns which are significantly higher than the inflation rate, through high exposure to equity investments, while recognizing that there is some probability of negative returns in the short-term. The risk appetite is 'moderate to high'.

fund risk profile



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fund manager's report

The month of March saw the markets ending positive. The markets took support from foreign inflows and increase in liquidity globally. Looking at the positive data from specific sectors, the holding in equities was kept at 46.34%.

The allocation to gilts was decreased to 2.71% from 2.91%. Allocation to corporate bonds was increased to 28.09% from 27.15% to take the advantage of higher spread. Allocation to short term assets was decreased to 22.87% from 23.28%.

target asset allocation

Debt.: 50%
Equity: 50%

benchmark construction

CRISIL ST Bond Index: 50%
S&P CNX Nifty: 50%

Growth Plus Fund

fund performance As on March 31, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	35.38%	37.48%	13.12%	17.13%	2.32	1.90
last 2 years (CAGR)	9.13%	8.45%	17.15%	19.30%	0.24	0.18
last 3 years (CAGR)	10.61%	10.25%	16.79%	18.03%	0.33	0.29
since inception (CAGR)	10.10%	10.42%	16.57%	17.78%	0.31	0.30
date of inception			march, 2007			

*CAGR: Compounded Annual Growth Rate

portfolio As on March 31, 2010

security	% to net assets	rating/ 1-yr beta
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non convertible debentures

10.90% RECL LTD 14-04-2013	4.79	AAA
11.45% RELIANCE INDUSTRIES LTD 25-11-2013	3.36	AAA
10.60% IRFC 11-09-2018	3.07	AAA
8.75% IRFC 07-01-2013	2.82	AAA
9.05% SBI 27-01-2020	2.78	AAA
7.6% RECL 22-01-2013	2.73	AAA
9.90% TATA SONS 20-05-2011	1.42	AAA
8.90% POWER GRID CORPORATION 25-02-2019	1.38	AAA
11.15% POWER FINANCE CORP 15-09-2011	1.15	AAA
9.07% RECL LTD 28-02-2018	1.11	AAA
9.50% NABARD SER IX I 15-10-2012	0.68	AAA
8.65% HDFC LTD 12-09-2011	0.56	AAA
9.25% IDBI BANK 29-01-2020	0.52	AAA
9.20% HDFC LTD 09-02-2012	0.28	AAA
8.95% HDFC LTD 29-10-2010	0.28	AAA
6.10% IRFC 13-05-2010	0.27	AAA
9.25% EXIM BANK 13-12-2012	0.23	AAA
7.60% ICICI BANK 30-12-2015	0.21	AAA
6.10% POWER GRID CORP 17-07-2010	0.14	AAA
10% NABARD SER IX 14-05-2012	0.12	AAA
9.35% IL & FS LTD 22-10-2010	0.11	AAA
10.10% POWER GRID CORP 12-06-2011	0.07	AAA

total non convertible debentures 28.09

gilts

6.72% GOI 24-02-2014	1.09	SOVEREIGN
7.50% GOI 10-08-2034	1.01	
7.56% GOI 03-11-2014	0.56	
7.44% GOI SPL OIL BOND 23-03-2012	0.06	

total gilts 2.71

equity

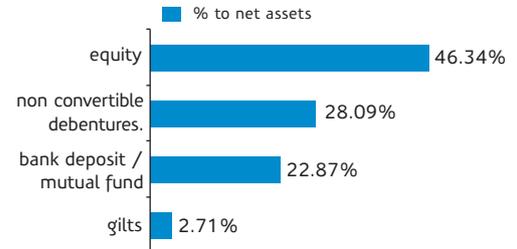
BANKING & FINANCE	10.37	
ICICI BANK	2.65	1.40
HDFC BANK	1.96	0.78
STATE BANK OF INDIA	1.85	1.15
AXIS BANK	1.05	1.18
HDFC	0.92	1.16
SHRIRAM TRANSPORT FINANCE COMPANY LTD	0.81	0.25
BANK OF BARODA	0.73	0.80
PUNJAB NATIONAL BANK	0.42	0.85
OIL REFINERIES	5.80	
RELIANCE INDUSTRIES	5.50	1.11
BHARAT PETROLEUM	0.30	0.45
CAP GOODS / ENGINEERING	5.50	
LARSEN & TOUBRO	2.77	1.26
BHARAT HEAVY ELECTRICALS	1.30	0.93
VOLTAS	0.56	1.14
PUNJ LLOYD	0.43	1.55
CUMMINS INDIA	0.42	0.69
BHARAT FORGE	0.02	1.08
IT	4.51	
INFOSYS TECHNOLOGIES	3.09	0.68
TATA CONSULTANCY SERVICES	1.21	0.83
MPHASIS	0.21	0.66
METALS	3.72	
TATA STEEL	1.35	1.39
STERLITE INDUSTRIES	1.21	1.37
JINDAL STEEL AND POWER LTD	1.15	1.12
PHARMACEUTICALS	3.23	
JUBILANT ORGANOSYS	1.20	0.69
DIVIS LABORATORIES	0.79	0.70
SUN PHARMACEUTICALS	0.60	0.65
CIPLA LTD	0.48	0.51
LUPIN	0.15	0.23
FMCG	3.19	
ITC LTD	2.30	0.60
HINDUSTAN UNILEVER	0.89	0.38
AUTOMOBILES	2.72	
BAJAJ AUTO LTD	1.10	0.56
MAHINDRA & MAHINDRA LTD	0.94	1.26
MARUTI SUZUKI INDIA	0.68	0.71
OIL EXPLORATION	1.45	
OIL & NATURAL GAS CORPORATION	0.98	0.82
OIL INDIA LTD	0.47	0.42
TELECOM	1.31	
BHARTI AIRTEL	1.31	0.95
POWER	1.31	
TATA POWER	0.56	0.76
NTPC	0.55	0.61
AREVA T & D INDIA LTD	0.20	1.19
CEMENT & CEMENT PRODUCTS	0.98	
ULTRATECH CEMENT LTD	0.78	0.65
ACC	0.19	0.80
INDIA CEMENTS	0.02	0.98
CONSTRUCTION	0.89	
JAIPRAKASH ASSOCIATES	0.89	1.56
PLASTIC AND PLASTIC PRODUCT	0.55	
SINTEX INDUSTRIES LTD	0.55	1.06
GAS	0.46	
GAIL INDIA	0.46	0.66
SOFTWARE	0.35	
FINANCIAL TECHNOLOGIES INDIA	0.35	0.91

total equity 46.34

total bank deposits/mutual funds 22.87

total net assets 100.00

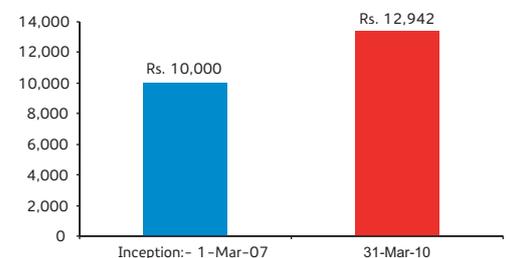
asset allocation as on Mar 31, 2010



fund characteristics as on Mar 31, 2010

M.Duration of debt portfolio: 2.18 years
YTM of debt portfolio: 8.05%
Beta of equity portfolio: 0.95

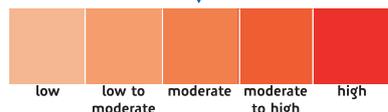
growth of initial investment of Rs. 10,000 in MGP



fund objective

The investment objective of the fund is to 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



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fund manager's report

The month of March saw the markets ending positive. The markets took support from foreign inflows and increase in liquidity globally. Looking at the positive data from specific sectors, the holding in equities was kept at 37.81%.

The allocation to the G-sec was decreased to 3.55% from 5.20%. The allocation to corporate bonds was decreased to 33.25% from 34.03%. Accordingly the allocation to short term bank deposits and CDs/CPs was increased to 25.39% from 22.18%.

target asset allocation

Debt.: 60%
Equity: 40%

benchmark construction

CRISIL ST Bond Index: 60%
S&P CNX Nifty: 40%

Growth Fund

fund performance As on March 31, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	29.34%	30.78%	10.60%	13.79%	2.30	1.87
last 2 years (CAGR)	9.19%	8.62%	14.14%	15.56%	0.30	0.23
last 3 years (CAGR)	10.56%	10.99%	14.00%	14.56%	0.40	0.41
last 4 years (CAGR)	9.56%	10.44%	12.77%	13.22%	0.36	0.41
last 5 years (CAGR)	12.78%	13.49%	12.13%	12.51%	0.64	0.68
since inception (CAGR)	12.95%	13.47%	11.54%	11.85%	0.69	0.72
date of inception	august, 2004					

*CAGR: Compounded Annual Growth Rate

portfolio As on March 31, 2010

security	% to net assets	rating/ 1-yr beta
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non convertible debentures.

11.45% RELIANCE INDUSTRIES LTD 25-11-2013	3.79	AAA
8.25% IDBI OMNI BOND SER III 26-05-2011	1.88	AA+
11.95% HDFC LTD 26-11-2018	1.83	AAA
9.70% LIC HOUSING FINANCE LTD 07-04-2013	1.63	AAA
9.40% POWER FINANCE CORPORATION LTD 25-03-2013	31.61	AAA
9.25% HDFC LTD 24-11-2016	1.59	AAA
10.35% HDFC LTD 16-05-2017	1.58	AAA
9.50% NABARD SER IX I 15-10-2012	1.58	AAA
9.05% SBI 27-01-2020	1.57	AAA
8.4% TATA CAPITAL 26-11-2012	1.56	AAA
7.6% RECL 22-01-2013	1.54	AAA
8.20% IRFC 27-04-2016	1.53	AAA
8% RECL LTD 05-08-2014	1.51	AAA
8.95% HDFC LTD 29-10-2010	1.41	AAA
7.15% IND OIL BOND 10-06-2012	1.23	AA+
11.40% POWER FINANCE CORP 28-11-2013	1.03	AAA
7.39% POWER GRID CORP 22-09-2011	0.99	AAA
9.50% INDIAN HOTEL 28-02-2012	0.96	AA+
9.80% TATA STEEL 07-05-2011	0.95	AA
8.90% POWER GRID CORPORATION 25-02-2018	0.78	AAA
9.90% TATA SONS 20-05-2011	0.64	AAA
9.05% EXIM BANK 06-11-2010	0.63	AAA
9.68% IRFC 03-07-2010	0.50	AAA
8.95% IRFC 10-03-2025	0.32	AAA
8.95% HDFC LTD 16-01-2011	0.31	AAA
9.25% IDBI BANK 29-01-2020	0.30	AAA

total non convertible debentures 33.25

gilts

		SOVEREIGN
7.56% GOI 03-11-2014	1.57	
7.44% GOI SPL OIL BOND 23-03-2012	1.35	
7.46% GOI 28-08-2017	0.62	
8.35% GOI 14-05-2022	0.01	

total gilts 3.55

equity

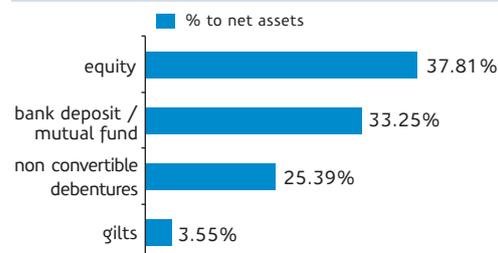
BANKING & FINANCE	7.94	
ICICI BANK	3.09	1.40
STATE BANK OF INDIA	1.52	1.15
AXIS BANK	0.84	1.18
HDFC	0.76	1.16
SHRIRAM TRANSPORT FINANCE COMPANY LTD	0.68	0.25
BANK OF BARODA	0.60	0.80
POWER FINANCE CORPORATION	0.46	0.81
CAP GOODS / ENGINEERING	4.87	
LARSEN & TOUBRO	2.26	1.26
BHARAT HEAVY ELECTRICALS	1.05	0.93
VOLTAS	0.43	1.14
CROMPTON GREAVES	0.41	0.92
CUMMINS INDIA	0.36	0.69
PUNJ LLOYD	0.35	1.55
OIL REFINERIES	4.20	
RELIANCE INDUSTRIES	3.93	1.11
BHARAT PETROLEUM	0.27	0.45
IT	3.71	
INFOSYS TECHNOLOGIES	2.45	0.68
TATA CONSULTANCY SERVICES	0.97	0.83
MPHASIS	0.29	0.66
METALS	3.29	
TATA STEEL	1.51	1.39
JINDAL STEEL AND POWER LTD	0.95	1.12
STERLITE INDUSTRIES	0.83	1.37
PHARMACEUTICALS	3.08	
DIVIS LABORATORIES	1.20	0.70
JUBILANT ORGANOSYS	0.98	0.69
SUN PHARMACEUTICALS	0.40	0.65
CIPLA LTD	0.38	0.51
LUPIN	0.13	0.23
FMCG	2.15	
ITC LTD	1.44	0.60
HINDUSTAN UNILEVER	0.71	0.38
AUTOMOBILES	1.76	
MAHINDRA & MAHINDRA LTD	0.76	1.26
MARUTI SUZUKI INDIA	0.54	0.71
BAJAJ AUTO LTD	0.47	0.56
OIL EXPLORATION	1.15	
OIL & NATURAL GAS CORPORATION	0.77	0.82
OIL INDIA LTD	0.38	0.42
CONSTRUCTION	1.14	
JAIPRAKASH ASSOCIATES	0.74	1.56
NAGARJUNA CONSTRUCTION	0.39	1.33
TELECOM	1.07	
BHARTI AIRTEL	1.07	0.95
CEMENT & CEMENT PRODUCTS	0.82	
ULTRATECH CEMENT LTD	0.47	0.65
INDIA CEMENTS	0.20	0.98
ACC	0.15	0.80
GAS	0.70	
GAIL INDIA	0.70	0.66
POWER	0.65	
TATA POWER	0.45	0.76
AREVA T & D INDIA LTD	0.21	1.19
SOFTWARE	0.48	
FINANCIAL TECHNOLOGIES INDIA	0.48	0.91
PLASTIC AND PLASTIC PRODUCT	0.42	
SINTEX INDUSTRIES LTD	0.42	1.06
CONSUMER GOODS	0.38	
UNITED SPIRITS	0.38	0.85

total equity 37.81

total bank deposits/mutual funds 25.39

total net assets 100.00

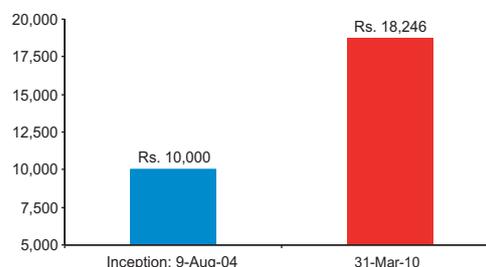
asset allocation as on Mar 31, 2010



fund characteristics as on Mar 31, 2010

M.Duration of debt portfolio: 1.82 years
YTM of debt portfolio: 7.76%
Beta of equity portfolio: 0.98

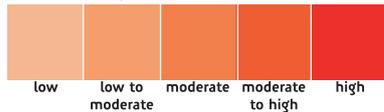
growth of initial investment of Rs. 10,000 in MRP



fund objective

The investment objective of the fund is to 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



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fund manager's report

The month of March saw the markets ending positive. The markets took support from foreign inflows and increase in liquidity globally. Looking at the positive data from specific sectors, the holding in equities was kept at 18.65%.

The allocation to gilts was decreased to 2.83% from 3.22% on expectations of hardening of yield curve. The exposure in corporate bonds was decreased to 49.68% from 54.82%. Accordingly, exposure in short-term bank deposits and CDs/CPs has been increased to 28.83% from 22.24%.

target asset allocation

Debt.: 80%
Equity: 20%

benchmark construction

CRISIL ST Bond Index: 80%
S&P CNX Nifty: 20%

Balanced Fund

fund performance As on March 31, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	18.41%	17.96%	5.87%	7.17%	2.29	1.81
last 2 years (CAGR)	9.78%	8.51%	7.93%	8.19%	0.60	0.43
last 3 years (CAGR)	10.50%	9.83%	7.71%	7.65%	0.71	0.63
last 4 years (CAGR)	9.48%	9.20%	7.05%	6.95%	0.64	0.60
last 5 years (CAGR)	10.63%	10.29%	6.63%	6.53%	0.85	0.81
since inception (CAGR)	11.11%	9.91%	5.83%	5.89%	1.05	0.83
date of inception			February, 2003			

*CAGR: Compounded Annual Growth Rate

portfolio As on March 31, 2010

security	% to net assets	rating/ 1-yr beta
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non convertible debentures.

11.45% RELIANCE INDUSTRIES LTD 25-11-2013	5.70	AAA
11.40% POWER FINANCE CORP 28-11-2013	2.41	AAA
10.20% SUNDARAM FINANCE 29-05-2013	1.54	AAA
10.95% RECL LTD 14-04-2011	1.51	AAA
9.90% TATA SONS 20-05-2011	1.49	AAA
8.94% LIC HOUSING FIN LTD 16-01-2011	1.47	AAA
8.50% EXPORT & IMPORT BANK LTD 12-09-2011	1.47	AAA
8.80% STEEL AUTHORITY OF INDIA LTD 22-06-2019	1.44	AAA
8% RECL LTD 05-08-2014	1.41	AAA
8.95% HDFC LTD 16-01-2011	1.32	AAA
11.10% POWER FINANCE CORP 15-09-2013	1.20	AAA
9.50% NABARD SER IX I 15-10-2012	1.18	AAA
9.80% ICICI BANK LTD 10-02-2013	1.14	AAA
9.35% LIC HOUSING FIN LTD 23-11-2012	0.90	AAA
10% NABARD SER IX 14-05-2012	0.90	AAA
8.75% IRFC 07-01-2013	0.89	AAA
11.25% POWER FINANCE CORP LTD 28-11-2018	0.82	AAA
10.90% RECL LTD 14-04-2013	0.79	AAA
10.75% RECL LTD 14-04-2011	0.77	AAA
9.80% POWER FINANCE CORP 22-03-2012	0.75	AAA
9.20% POWER GRID CORP 12-03-2013	0.75	AAA
9.50% TATA COMMUNICATION LTD 08-06-2014	0.74	AAA
8.83% IRFC 29-10-2012	0.74	AAA
11.65% HDFC LTD 09-09-2010	0.73	AAA
9.05% SBI 27-01-2020	0.73	AAA
8.4% TATA CAPITAL 26-11-2012	0.73	AAA
8.40% ADITYA BIRLA NUVO LTD 23-11-2012	0.73	AAA
10.10% POWER GRID CORP 12-06-2011	0.73	AAA
8.90% STEEL AUTHORITY OF INDIA 01-05-2019	0.72	AAA
7.20% HDFC 03-06-2010	0.72	AAA
8.68% NAT CAP REGIONAL PLANNING 18-08-2019	0.72	AAA
7.6% RECL 22-01-2013	0.72	AAA
8.40% HDFC LTD 08-12-2014	0.72	AAA
9.35% IL & FS LTD 12-10-2010	0.70	AAA
9.25% IDBI BANK 29-01-2020	0.69	AAA
9.30% POWER FINANCE CORP LTD 12-03-2013	0.67	AAA
9.76% IRFC 03-07-1012	0.53	AAA
8.65% HDFC LTD 12-09-2011	0.51	AAA
9% TATA SONS 27-07-2010	0.51	AAA
11.15% HDFC LTD 06-08-2018	0.49	AAA
11.15% POWER FINANCE CORP 15-09-2011	0.46	AAA
9.45% RECL LTD 04-04-2013	0.45	AAA
9.20% HDFC LTD 09-02-2012	0.45	AAA
9.68% IRFC 03-07-2010	0.42	AAA
8.40% L & T FINANCE 08-03-2013	0.38	AAA
9.25% EXIM BANK 13-12-2012	0.37	AAA
8.90% POWER GRID CORPORATION 25-02-2012	0.36	AAA
12% TATA CAPITAL LTD 05-03-2014	0.31	AAA
10% NABARD 18-06-2010	0.29	AAA
10.60% IRFC 11-09-2018	0.16	AAA
10.35% HDFC LTD SR E006 06-06-2017	0.14	AAA
11.35% RECL LTD 24-10-2013	0.06	AAA
9.50% INDIAN HOTEL 28-02-2012	1.12	AA+
9.24% L&T FINANCE LTD 30-07-2010	0.73	AA+
6.00% INDIAN HOTEL 13-05-2011	0.41	AA+
9.80% TATA STEEL 07-05-2011	0.89	AA

total non convertible debentures 49.68

gilts SOVEREIGN

7.44% GOI SPL OIL BOND 23-03-2012	1.18
7.46% GOI 28-08-2017	0.72
7.50% GOI 10-08-2034	0.40
6.72% GOI 24-02-2014	0.29
8.24% GOI 22-04-2018	0.25
7.37% GOI 16-04-2014	0.00

total gilts 2.83

equity

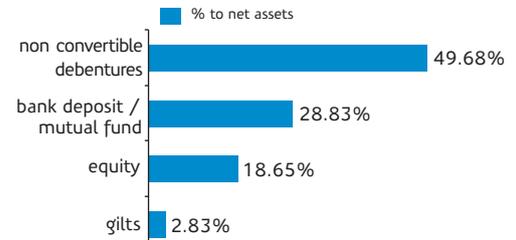
BANKING & FINANCE	3.83	
ICICI BANK	1.48	1.40
STATE BANK OF INDIA	0.75	1.15
AXIS BANK	0.40	1.18
HOUSING DEVELOPMENT FINANCE CORPORATION	0.37	1.16
SHRIRAM TRANSPORT FINANCE COMPANY LTD	0.33	0.25
BANK OF BARODA	0.29	0.80
POWER FINANCE CORPORATION	0.21	0.81
CAP GOODS / ENGINEERING	2.51	
LARSEN & TOUBRO	1.09	1.26
BHARAT HEAVY ELECTRICALS	0.53	0.93
PUNJ LLOYD	0.30	1.55
VOLTAS	0.20	1.14
CUMMINS INDIA	0.20	0.69
CROMPTON GREAVES	0.19	0.92
OIL REFINERIES	2.02	
RELIANCE INDUSTRIES	1.88	1.11
BHARAT PETROLEUM	0.14	0.45
IT	1.86	
INFOSYS TECHNOLOGIES	1.21	0.68
TATA CONSULTANCY SERVICES	0.46	0.83
MPHASIS	0.18	0.66
METALS	1.54	
TATA STEEL	0.69	1.39
JINDAL STEEL AND POWER LTD	0.46	1.12
STERLITE INDUSTRIES	0.39	1.37
PHARMACEUTICALS	1.46	
DIVIS LABORATORIES	0.58	0.70
JUBILANT ORGANOSYS	0.44	0.69
SUN PHARMACEUTICALS	0.20	0.65
CIPLA LTD	0.18	0.51
LUPIN	0.06	0.23
FMCG	1.04	
ITC LTD	0.70	0.60
HINDUSTAN UNILEVER	0.34	0.38
AUTOMOBILES	0.90	
MAHINDRA & MAHINDRA LTD	0.36	1.26
BAJAJ AUTO LTD	0.27	0.56
MARUTI SUZUKI INDIA	0.26	0.71
OIL EXPLORATION	0.56	
OIL & NATURAL GAS CORPORATION	0.38	0.82
OIL INDIA LTD	0.18	0.42
CONSTRUCTION	0.56	
JAIPRAKASH ASSOCIATES	0.38	1.56
NAGARJUNA CONSTRUCTION	0.18	1.33
TELECOM	0.51	
BHARTI AIRTEL	0.51	0.95
CEMENT & CEMENT PRODUCTS	0.40	
ULTRATECH CEMENT LTD	0.23	0.65
INDIA CEMENTS	0.09	0.98
ACC	0.07	0.80
SOFTWARE	0.40	
FINANCIAL TECHNOLOGIES INDIA	0.40	0.91
POWER	0.35	
TATA POWER	0.22	0.76
AREVA T & D INDIA LTD	0.13	1.19
GAS	0.33	
GAIL INDIA	0.33	0.66
PLASTIC AND PLASTIC PRODUCT	0.20	
SINTEX INDUSTRIES LTD	0.20	1.06
CONSUMER GOODS	0.18	
UNITED SPIRITS	0.18	0.85

total equity 18.65

total bank deposits/mutual funds 28.83

total net assets 100.00

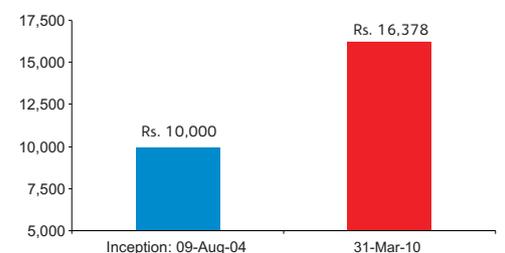
asset allocation as on Mar 31, 2010



fund characteristics as on Mar 31, 2010

M.Duration of debt portfolio: 1.65 years
YTM of debt portfolio: 7.16%
Beta of equity portfolio: 0.98

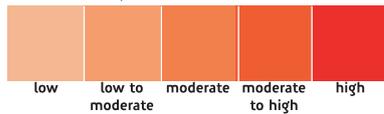
growth of initial investment of Rs. 10,000



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



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fund manager's report

The exposure to corporate bonds was increased to 64.83% from 62.77% to take the advantage of higher spread. Exposure in gilts was decreased to 2.95% from 3.09% on expectations of hardening of yield curve. 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%

Corporate Bond Fund

fund performance As on March 31, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	9.83%	5.41%	3.27%	3.52%	1.48	0.12
last 2 years (CAGR)	10.39%	6.38%	4.14%	5.12%	1.30	0.27
since inception (CAGR)	10.36%	7.01%	3.68%	4.52%	1.46	0.44
date of inception			may, 2007			

*CAGR: Compounded Annual Growth Rate

portfolio As on March 31, 2010

security % to net assets rating

non convertible debentures.

11.10% POWER FINANCE CORP 15-09-2013	6.77	AAA
11.45% RELIANCE INDUSTRIES LTD 25-11-2013	6.45	AAA
12% TATA CAPITAL LTD 05-03-2014	4.47	AAA
8.80% STEEL AUTHORITY OF INDIA LTD 22-06-2019	4.13	AAA
11.50% RECL LTD 26-11-2013	3.07	AAA
2% TATA MOTORS LTD 31-03-2014	2.89	AAA(SO)
2% INDIAN HOTELS COMPANY LTD 09-12-2014	2.86	AAA
8.40% L & T FINANCE 08-03-2013	2.80	AAA
8.40% ADITYA BIRLA NUVO LTD 23-11-2012	2.78	AAA
8.46% IRFC 15-01-2014	2.77	AAA
7.24% LIC HOUSING FIN LTD 23-06-2011	2.76	AAA
10.90% RECL LTD 14-04-2013	2.58	AAA
8.75% IRFC 07-01-2013	1.70	AAA
9.70% LIC HOUSING FINANCE LTD 07-04-2013	1.45	AAA
10.05% NABARD 11-06-2014	1.44	AAA
9.50% HDFC LTD 27-02-2013	1.44	AAA
9.33% POWER GRID CORP LTD 15-12-2013	1.43	AAA
8.88% IDFC 07-01-2011	1.40	AAA
9.05% SBI 27-01-2020	1.39	AAA
8.90% STEEL AUTHORITY OF INDIA 01-05-2019	1.38	AAA
8.68% NAT CAP REGIONAL PLANNING 18-08-2019	1.38	AAA
8.60% POWER FINANCE CORP LTD 07-08-2014	1.38	AAA
8% RECL LTD 05-08-2014	1.35	AAA
8.90% POWER GRID CORPORATION 25-02-2016	0.69	AAA
6.00% INDIAN HOTEL 13-05-2011	0.58	AA+
9.32% HDFC LTD 17-12-2012	0.57	AAA
9.35% LIC HOUSING FIN LTD 23-11-2012	0.57	AAA
7.39% POWER GRID CORP 22-09-2011	0.50	AAA
9% TATA SONS 27-07-2010	0.42	AAA
9.47% POWER GRID CORP 31-03-2013	0.29	AAA
9.20% HDFC LTD 09-02-2012	0.28	AAA
9.80% TATA STEEL 07-05-2011	0.28	AA
11.30% ACC LTD 10-12-2013	0.15	AAA
9.30% POWER FINANCE CORP LTD 12-03-2013	0.14	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	0.04	AAA

total non convertible debentures 64.83

gilts SOVEREIGN

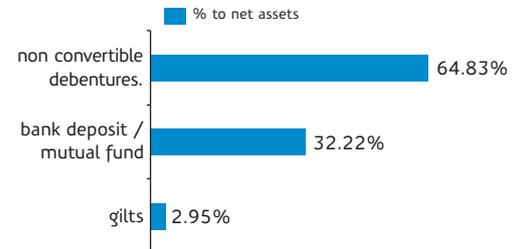
7.46% GOI 28-08-2017	1.37
7.35% GOI 22-06-2024	1.30
7.56% GOI 03-11-2014	0.28

total gilts 2.95

total bank deposits/mutual funds 32.22

total net assets 100.00

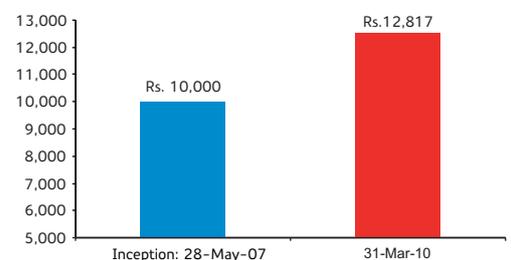
asset allocation as on Mar 31, 2010



fund characteristics as on Mar 31, 2010

M.Duration of debt portfolio: 2.25 years
YTM of debt portfolio: 7.72%

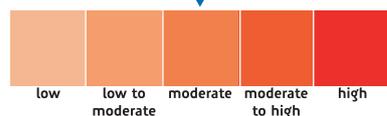
growth of initial investment of Rs. 10,000 in AIP



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



Pure Debt Fund

fund performance As on March 31, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	9.64%	5.41%	3.72%	3.52%	1.25	0.12
last 2 years (CAGR)	10.29%	6.38%	3.89%	5.12%	1.36	0.27
last 3 years (CAGR)	9.73%	6.88%	3.25%	4.39%	1.46	0.43
since inception (CAGR)	9.73%	6.88%	3.25%	4.39%	1.46	0.43
date of inception						april, 2007

*CAGR: Compounded Annual Growth Rate

portfolio As on March 31, 2010

security % to net assets rating

non convertible debentures.

11.45% RELIANCE INDUSTRIES LTD 25-11-2013	6.90	AAA
10.90% RECL LTD 14-04-2013	5.52	AAA
10.90% RECL LTD 30-09-2013	4.13	AAA
9.70% LIC HOUSING FINANCE LTD 07-04-2013	3.97	AAA
2% TATA MOTORS LTD 31-03-2014	3.96	AAA(SO)
2% INDIAN HOTELS COMPANY LTD 09-12-2014	3.92	AAA
8.40% L & T FINANCE 08-03-2013	3.84	AAA
8.40% HDFC LTD 08-12-2014	3.75	AAA
12% TATA CAPITAL LTD 05-03-2014	3.27	AAA
10.60% IRFC 11-09-2018	2.53	AAA
11.25% POWER FINANCE CORP LTD 28-11-2018	2.16	AAA
11.30% ACC LTD 10-12-2013	2.09	AAA
8.98% NAT CAP REGIONAL PLANNING 14-02-2018	1.93	AAA
8.4% TATA CAPITAL 26-11-2012	1.91	AAA
8.40% ADITYA BIRLA NUVO LTD 23-11-2012	1.91	AAA
8.90% STEEL AUTHORITY OF INDIA 01-05-2019	1.90	AAA
9.25% IDBI BANK 29-01-2020	1.80	AAA
9.05% SBI 27-01-2020	0.96	AAA
8.90% POWER GRID CORPORATION 25-02-2015	0.95	AAA
10% NABARD SER IX 14-05-2012	0.40	AAA

total non convertible debentures 57.78

gilts

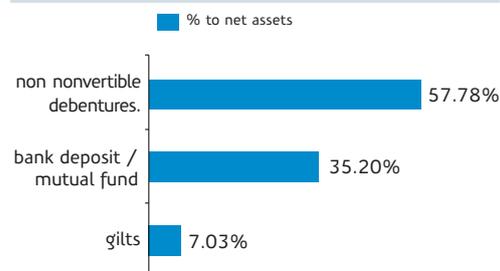
		SOVEREIGN
7.46% GOI 28-08-2017	3.76	
7.50% GOI 10-08-2034	1.73	
7.56% GOI 03-11-2014	1.53	

total gilts 7.03

total bank deposits/mutual funds 35.20

total net assets 100.00

asset allocation as on Mar 31, 2010



fund characteristics as on Mar 31, 2010

M.Duration of debt portfolio: 2.46 years
YTM of debt portfolio: 8.05%

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fund manager's report

The exposure to gilts was decreased to 7.03% from 7.06% on expectations of hardening of yield curve. Exposure to corporate bonds was decreased to 57.78% from 58.57%. Accordingly the exposure to short term assets was increased to 35.20% from 34.37%. We will increase exposure to gilts and corporate bonds as and when attractive investments are available.

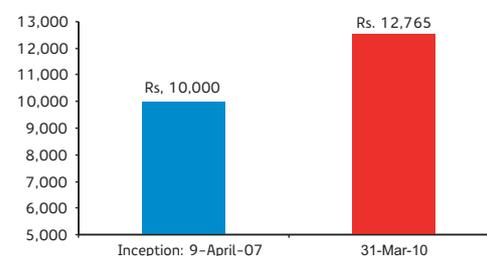
target asset allocation

Debt Instruments: 100%

benchmark construction

CRISIL Composite Bond Index: 100%

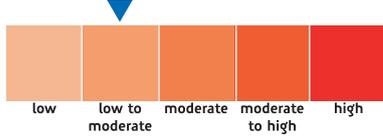
growth of initial investment of Rs. 10,000 in MGP



fund objective

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

fund risk profile



Gilt Fund

fund performance As on March 31, 2010

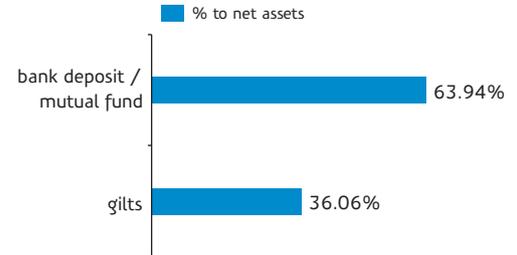
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	4.71%	4.53%	3.61%	5.69%	-0.08	-0.08
last 2 years (CAGR)	5.92%	9.48%	3.93%	12.85%	0.23	0.35
since inception (CAGR)	6.10%	9.55%	3.36%	10.95%	0.33	0.42
date of inception	may, 2007					

*CAGR: Compounded Annual Growth Rate

portfolio As on March 31, 2010

security	% to net assets	rating
gilts		
6.49% GOI 08-06-2015	13.17	SOVEREIGN
7.56% GOI 03-11-2014	9.31	
8.24% GOI 15-02-2027	4.58	
7.49% GOI 16-04-2017	4.56	
6.07% GOI 15-05-2014	4.40	
9.85% GOI 16-10-2015	0.03	
total gilts	36.06	
total bank deposits/mutual funds	63.94	
total net assets	100.00	

asset allocation as on Mar 31, 2010



fund characteristics as on Mar 31, 2010

M.Duration of debt portfolio: 2.22 years
YTM of debt portfolio: 8.03%

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fund manager's report

The allocation to gilts was increased to 36.06% from 30.88%. Accordingly we decreased the exposure in short term bank FDs, CDs and CPs to 63.94% from 69.12%.

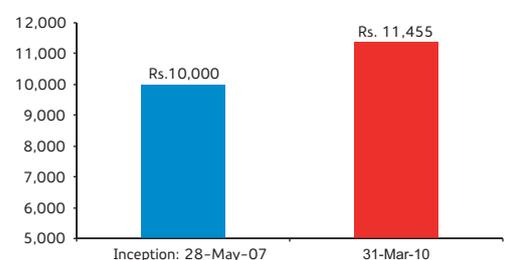
target asset allocation

Government Securities: 100%

benchmark construction

I-Sec Composite Sovereign Bond Index:100%

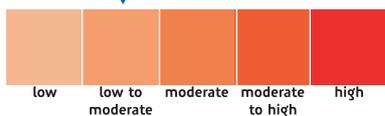
growth of initial investment of Rs. 10,000 in AIP



fund objective

To achieve predictable investment return. This will be achieved through 100% investments in debt securities where returns are locked in through portfolio immunization techniques and use of rigorous Asset Liability Management (ALM). The risk appetite is 'low to moderate'.

fund risk profile



Guaranteed Bond Fund I

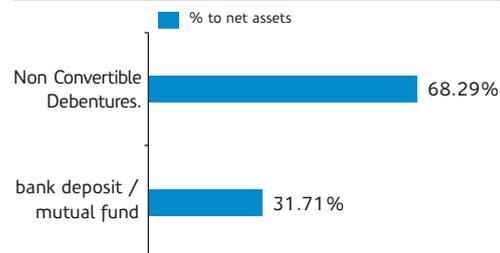
fund performance As on March 31, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	9.97%	N.A.	3.89%	N.A.	1.28	N.A.
since inception (CAGR)	14.64%	N.A.	4.10%	N.A.	2.35	N.A.
date of inception			december, 2008			

portfolio As on March 31, 2010

security	% to net assets	rating/ 1-yr beta
non convertible debentures		
11.30% ACC LTD 10-12-2013	6.19	AAA
10.48% GRASIM INDUSTRIES LTD 16-12-2013	6.25	AAA
10.35% HDFC LTD Sr E006 06-06-2017	5.52	AAA
11.15% HDFC LTD 06-08-2018	2.81	AAA
10.60% IRFC 11-09-2018	4.16	AAA
9.15% NAT CAP REGIONAL PLANNING 18-02-2019	8.85	AAA
11% POWER FINANCE CORP LTD 15-09-2018	6.98	AAA
9.07% RECL LTD 28-02-2018	3.77	AAA
11.35% RECL LTD 24-10-2013	4.53	AAA
11.45% RELIANCE INDUSTRIES LTD 25-11-2013	6.34	AAA
2% TATA MOTORS LTD 31-03-2014	6.49	AAA(SO)
9.50% TATA COMMUNICATION LTD 08-06-2014	6.39	AAA
total non convertible debentures	68.29	
total bank deposits/mutual funds	31.71	
total net assets	100.00	

asset allocation as on Mar 31, 2010



fund characteristics as on Mar 31, 2010

M.Duration of debt portfolio:	2.93 years
YTM of debt portfolio:	8.64%

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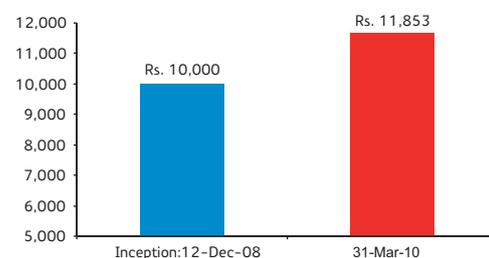
fund manager's report

The portfolio is maintained to deliver guaranteed returns.

target asset allocation

Debt Instruments: 100%

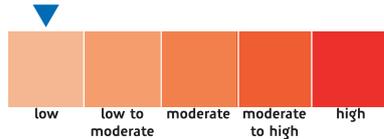
growth of initial investment of Rs. 10,000 in GRP I



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



Money Market Fund

fund performance As on March 31, 2010

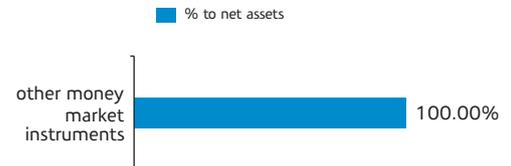
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	8.22%	3.69%	0.35%	0.57%	9.28	-2.30
last 2 years (CAGR)	9.42%	6.22%	0.47%	0.87%	9.34	1.40
since inception (CAGR)	9.32%	6.32%	0.40%	0.76%	10.75	1.74
date of inception	may, 2007					

*CAGR: Compounded Annual Growth Rate

portfolio As on March 31, 2010

security	% to net assets	rating
other money market Instrument	100.00	
total net assets	100.00	

asset allocation as on Mar 31, 2010



fund characteristics as on Mar 31, 2010

M.Duration of debt portfolio: 0.01 years
YTM of debt portfolio: 7.33%

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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.

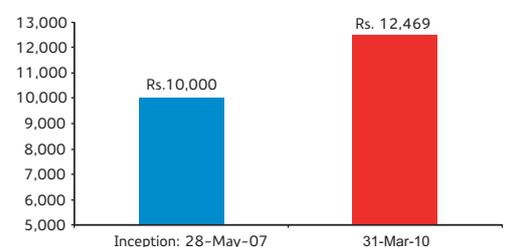
target asset allocation

Money Market Instruments : 100%

benchmark construction

CRISIL Liquid Bond Index: 100%

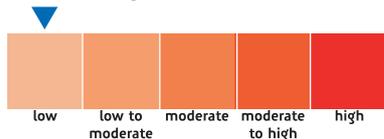
growth of initial investment of Rs. 10,000 in AIP



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



Capital Secure Fund

fund performance As on March 31, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	7.60%	4.08%	0.39%	0.13%	6.64	-6.87
last 2 years (CAGR)	8.86%	5.84%	0.57%	0.60%	6.76	1.39
last 3 years (CAGR)	8.98%	6.45%	0.49%	0.55%	8.12	2.63
last 4 years (CAGR)	8.52%	6.61%	0.49%	0.48%	7.15	3.33
last 5 years (CAGR)	7.93%	6.44%	0.55%	0.45%	5.34	3.21
since inception (CAGR)	7.04%	5.78%	0.60%	0.49%	3.40	1.61

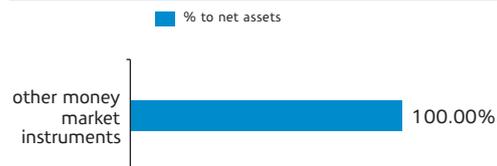
date of inception february, 2003

*CAGR: Compounded Annual Growth Rate

portfolio As on March 31, 2010

security	% to net assets	rating
other money market instruments	100.00	
total net assets	100.00	

asset allocation as on Mar 31, 2010



fund characteristics as on Mar 31, 2010

M.Duration of debt portfolio: 0.01 years
YTM of debt portfolio: 6.83%

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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.

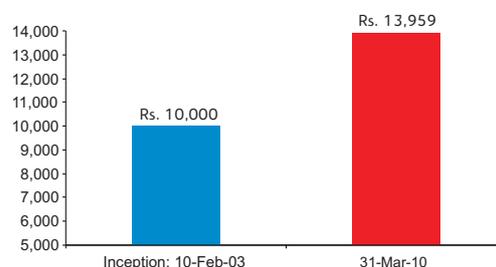
target asset allocation

Money Market Instruments :100%

benchmark construction

Yield on 182-day T.Bills : 100%

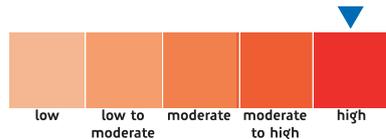
growth of initial investment of Rs 10,000



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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fund manager's report

The month of March saw the markets ending positive. The markets took support from foreign inflows and increase in liquidity globally. Looking at the positive data from specific sectors, the holding in equities was kept at 90.94%.

target asset allocation

Equity Plus: 100%

benchmark construction

S&P CNX Nifty: 100%

Equity Plus Fund

fund performance As on March 31, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year						
fund has not completed a period of one year since inception						
date of inception			january, 2010			

portfolio As on March 31, 2010

security % to net assets 1-yr beta

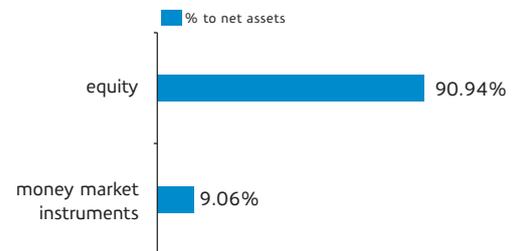
equity

BANKING & FINANCE	20.04	
ICICI BANK	6.16	1.40
STATE BANK OF INDIA	3.90	1.15
HDFC BANK	2.63	0.78
AXIS BANK	2.51	1.18
POWER FINANCE CORPORATION	2.07	0.81
HOUSING DEVELOPMENT FINANCE CORPORATION	1.49	1.16
MAX INDIA LIMITED	1.28	0.91
CAP GOODS / ENGINEERING	9.58	
LARSEN & TOUBRO	3.60	1.26
BHARAT HEAVY ELECTRICALS	2.02	0.93
CROMPTON GREAVES	1.84	0.92
BHARAT FORGE	1.56	1.08
CUMMINS INDIA	0.57	0.69
IT	9.51	
INFOSYS TECHNOLOGIES	5.81	0.68
TATA CONSULTANCY SERVICES	1.95	0.83
MPHASIS	0.95	0.66
3I INFOTECH	0.80	1.11
OIL REFINERIES	9.44	
RELIANCE INDUSTRIES	9.44	1.11
METALS	7.58	
TATA STEEL	3.57	1.39
STERLITE INDUSTRIES	2.81	1.37
JINDAL STEEL AND POWER LTD	1.20	1.12
PHARMACEUTICALS	6.22	
JUBILANT ORGANOSYS	2.84	0.69
LUPIN	1.63	0.23
DIVIS LABORATORIES	0.84	0.70
CIPLA LTD	0.48	0.51
SUN PHARMACEUTICALS	0.43	0.65
AUTOMOBILES	3.50	
MAHINDRA & MAHINDRA LTD	1.00	1.26
TATA MOTORS	0.88	1.22
MARUTI SUZUKI INDIA	0.82	0.71
BAJAJ AUTO LTD	0.80	0.56
CEMENT & CEMENT PRODUCTS	3.31	
ULTRATECH CEMENT LTD	1.69	0.65
INDIA CEMENTS	1.62	0.98
FMCG	3.27	
ITC LTD	1.80	0.60
HINDUSTAN UNILEVER	1.47	0.38
AUTO ANCILLARY	3.23	
EXIDE INDUSTRIES	2.25	0.67
MOTHERSON SUMI SYSTEMS	0.98	0.60
TELECOM	3.17	
BHARTI AIRTEL	3.17	0.95
POWER	2.55	
TATA POWER	1.76	0.76
PTC INDIA	0.79	0.69
CONSUMER GOODS	2.39	
ASIAN PAINTS	1.44	0.26
UNITED SPIRITS	0.95	0.85
CONSTRUCTION	2.01	
NAGARJUNA CONSTRUCTION	1.26	1.33
JAIPRAKASH ASSOCIATES	0.74	1.56
OIL EXPLORATION	1.69	
CAIRN INDIA	1.28	0.93
OIL & NATURAL GAS CORPORATION	0.41	0.82
FERTILIZERS AND CHEMICALS	1.09	
TATA CHEMICALS	1.09	0.75
RETAIL	1.07	
PANTALOON RETAIL	1.07	1.03
PLASTIC AND PLASTIC PRODUCT	0.67	
SINTEX INDUSTRIES LTD	0.67	1.06
GAS	0.64	
GAIL INDIA	0.64	0.66
total equity	90.94	

total money market instruments 9.06

total net assets 100.00

asset allocation as on Mar 31, 2010



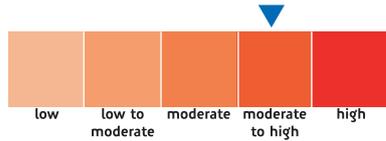
fund characteristics as on Mar 31, 2010

Fund Beta 0.96

fund objective

Offer guarantee of maturity value, in an equity oriented fund, at the highest NAV achieved during the period of the guarantee. The risk appetite is 'moderate to high'

fund risk profile



Highest Nav Guarantee Fund

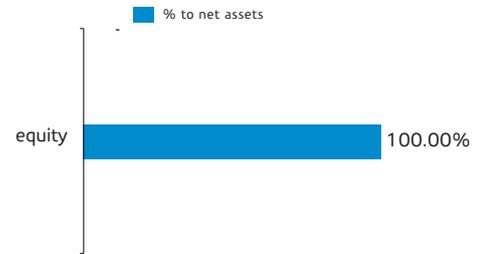
fund performance As on March 31, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year						
fund has not completed a period of one year since inception						
date of inception			february, 2010			

portfolio As on March 31, 2010

security	% to net assets	1-yr beta
equity		
BANKING & FINANCE	23.90	
ICICI BANK	8.29	1.40
HDFC BANK	5.51	0.78
HDFC	5.46	1.16
STATE BANK OF INDIA	4.64	1.15
IT	15.17	
INFOSYS TECHNOLOGIES	9.96	0.68
TATA CONSULTANCY SERVICES	3.58	0.83
WIPRO LTD	1.63	0.76
OIL REFINERIES	13.72	
RELIANCE INDUSTRIES	13.72	1.11
CAP GOODS / ENGINEERING	10.09	
LARSEN & TOUBRO	6.89	1.26
BHARAT HEAVY ELECTRICALS	3.20	0.93
FMCG	7.50	
ITC LTD	5.47	0.60
HINDUSTAN UNILEVER	2.03	0.38
METALS	7.42	
TATA STEEL	3.06	1.39
STERLITE INDUSTRIES	2.45	1.37
HINDALCO INDUSTRIES	1.90	1.29
AUTOMOBILES	6.47	
TATA MOTORS	1.70	1.22
MAHINDRA & MAHINDRA LTD	1.65	1.26
MARUTI SUZUKI INDIA	1.60	0.71
HERO HONDA MOTORS	1.52	0.63
POWER	4.01	
NTPC	2.23	0.61
TATA POWER	1.78	0.76
OIL EXPLORATION	3.67	
OIL & NATURAL GAS CORPORATION	3.67	0.82
TELECOM	3.25	
BHARTI AIRTEL	3.25	0.95
CEMENT & CEMENT PRODUCTS	2.28	
GRASIM INDUSTRIES	1.51	0.80
ACC	0.77	0.80
CONSTRUCTION	1.36	
JAIPRAKASH ASSOCIATES	1.36	1.56
PHARMACEUTICALS	1.17	
SUN PHARMACEUTICALS	0.89	0.65
CIPLA LTD	0.28	0.51
total equity	100.00	
total net assets	100.00	

asset allocation as on Mar 31, 2010

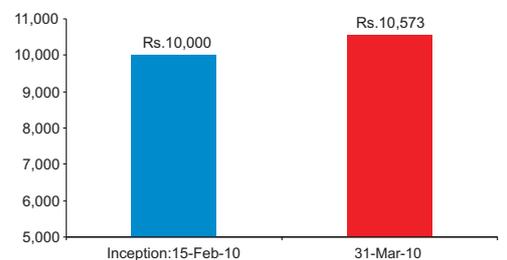


fund characteristics as on Mar 31, 2010

Fund Beta 0.99

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growth of initial investment of Rs. 10,000 in TIPS-I



Product Details

Nav's as of 31st March, 2010

Reliance Equity Fund

Product Name	Inception Date	Nav
Market Return Plan (MRP)	Aug 9, 2004	27.1245
Golden Year Plan (GYP)	Mar 12, 2007	13.3801
Automatic Investment Plan (AIP)	May 28, 2007	11.5038
Secure Child Plan (SCP)	Nov 29, 2007	8.7843
Wealth + Health Plan (WHP)	Feb 27, 2008	9.5500
Total Investment Plan Series I (TIPS I)	Mar 19, 2008	11.8676
Total Investment Plan Series II (TIPS II)	Mar 19, 2008	11.8630
SuperInvest Assure Plan (SIP)	Jun 12, 2008	11.8755
Super Golden Year Plan (SGYP)	Dec 4, 2008	11.5038
Super Market Return Plan (SMRP)	Dec 4, 2008	11.5038
Super Automatic Investment Plan (SAIP)	Dec 4, 2008	11.5038
SuperInvest Assure Plan Plus (SIP Plus)	Dec 10, 2008	11.8755
Savings Linked Insurance (SLI)	May 26, 2009	18.1256
Reliance Premier Life (RPL)	Aug 20, 2009	18.1256
New Equity Fund	Jan 11, 2010	10.2012

Reliance Pure Equity Fund

Product Name	Inception Date	Nav
SuperInvest Assure Plan (SIP)	Jun 12, 2008	12.9100
Automatic Investment Plan (AIP)	Aug 1, 2008	11.6654
Secure Child Plan (SCP)	Aug 1, 2008	11.6654
Golden Year Plan (GYP)	Aug 1, 2008	11.6654
Wealth + Health Plan (WHP)	Aug 1, 2008	11.6654
Total Investment Plan Series I (TIPS I)	Aug 1, 2008	11.6654
Total Investment Plan Series II (TIPS II)	Aug 1, 2008	11.6654
Market Return Plan (MRP)	Aug 1, 2008	11.6654
Super Golden Year Plan (SGYP)	Dec 4, 2008	11.6654
Super Market Return Plan (SMRP)	Dec 4, 2008	11.6654
Super Automatic Investment Plan (SAIP)	Dec 4, 2008	11.6654
SuperInvest Assure Plan Plus (SIP Plus)	Dec 10, 2008	12.9100
Imaan Plan- Indian Traditional Fund Option	Dec 17, 2008	12.9100
Savings Linked Insurance(SLI)	April 29, 2009	17.9848
Reliance Premier Life (RPL)	Aug 20, 2009	17.9848
New Pure Equity Fund	Jan 11, 2010	9.8492
New Indian Traditional Fund	Jan 11, 2010	9.8492

Reliance Infrastructure Fund

Product Name	Inception Date	Nav
Total Investment Plan Series I (TIPS I)	Mar 19, 2008	9.1903
Total Investment Plan Series II (TIPS II)	Mar 19, 2008	9.1801
SuperInvest Assure Plan (SIP)	Jun 12, 2008	9.6398
Automatic Investment Plan (AIP)	Aug 1, 2008	9.3457
Secure Child Plan (SCP)	Aug 1, 2008	9.3457
Golden Year Plan (GYP)	Aug 1, 2008	9.3457
Wealth + Health Plan (WHP)	Aug 1, 2008	9.3457
Market Return Plan (MRP)	Aug 1, 2008	9.3457
Super Golden Year Plan (SGYP)	Dec 4, 2008	9.3457
Super Market Return Plan (SMRP)	Dec 4, 2008	9.3457
Super Automatic Investment Plan (SAIP)	Dec 4, 2008	9.3457
SuperInvest Assure Plan Plus (SIP Plus)	Dec 10, 2008	9.6398
Savings Linked Insurance(SLI)	May 26, 2009	13.9147
Reliance Premier Life (RPL)	Aug 20, 2009	13.9147
New Infrastructure fund	Jan 11, 2010	9.5255

Reliance Energy Fund

Product Name	Inception Date	Nav
Total Investment Plan Series I (TIPS I)	Mar 19, 2008	10.4584
Total Investment Plan Series II (TIPS II)	Mar 19, 2008	10.4592
SuperInvest Assure Plan (SIP)	Jun 12, 2008	11.0220
Automatic Investment Plan (AIP)	Aug 1, 2008	10.3262
Golden Year Plan (GYP)	Aug 1, 2008	10.3262
Wealth + Health Plan (WHP)	Aug 1, 2008	10.3262
Market Return Plan (MRP)	Aug 1, 2008	10.3262
Secure Child Plan (SCP)	Aug 1, 2008	10.3262
Super Golden Year Plan (SGYP)	Dec 4, 2008	10.3262
Super Market Return Plan (SMRP)	Dec 4, 2008	10.3262
Super Automatic Investment Plan (SAIP)	Dec 4, 2008	10.3262
SuperInvest Assure Plan Plus (SIP Plus)	Dec 10, 2008	11.0220
Savings Linked Insurance (SLI)	May 26, 2009	15.4012
Reliance Premier Life (RPL)	Aug 20, 2009	15.4012
New Energy Fund	Jan 11, 2010	9.4906

Product Details

Nav's as of 31st March, 2010

Reliance Midcap Fund

Product Name	Inception Date	Nav
Total Investment Plan Series I (TIPS I)	Mar 19, 2008	11.4213
Total Investment Plan Series II (TIPS II)	Mar 19, 2008	11.4527
SuperInvest Assure Plan (SIP)	Jun 12, 2008	10.9597
Automatic Investment Plan (AIP)	Aug 1, 2008	11.3430
Secure Child Plan (SCP)	Aug 1, 2008	11.3430
Golden Year Plan (GYP)	Aug 1, 2008	11.3430
Wealth + Health Plan (WHP)	Aug 1, 2008	11.3430
Market Return Plan (MRP)	Aug 1, 2008	11.3430
Super Golden Year Plan (SGYP)	Dec 4, 2008	11.3430
Super Market Return Plan (SMRP)	Dec 4, 2008	11.3430
Super Automatic Investment Plan (SAIP)	Dec 4, 2008	11.3430
SuperInvest Assure Plan Plus (SIP Plus)	Dec 10, 2008	10.9597
Reliance Premier Life (RPL)	Aug 20, 2009	18.9009
New Midcap fund	Jan 11, 2010	9.6090

Reliance Super Growth Fund

Product Name	Inception Date	Nav
Automatic Investment Plan (AIP)-A Option	May 28, 2007	11.3996
Wealth + Health Plan (WHP)-A Option	Feb 27, 2008	9.6985
Super Automatic Investment Plan (SAIP)-A Option	Dec 4, 2008	11.3996
New Fund A	Jan 11, 2010	10.0480

Reliance High Growth Fund

Product Name	Inception Date	Nav
Reliance Money Guarantee Plan (MGP)-F Option	Mar 1, 2007	12.9842
New Fund F	Jan 11, 2010	10.2202

Reliance Growth Plus Fund

Product Name	Inception Date	Nav
Money Guarantee Plan (MGP)-E Option	Mar 1, 2007	12.9422
Automatic Investment Plan (AIP)-B Option	May 28, 2007	12.1925
Wealth + Health Plan (WHP)-B Option	Feb 27, 2008	10.7160
Super Automatic Investment Plan (SAIP)-B Option	Aug 4, 2008	12.1925
New Fund B	Jan 11, 2010	10.1021
New Fund E	Jan 11, 2010	10.1021

Reliance Growth Fund

Product Name	Inception Date	Nav
Market Return Plan (MRP)	Aug 9, 2004	18.2463
Money Guarantee Plan (MGP)-D Option	Mar 1, 2007	12.9765
Golden Year Plan (GYP)	Mar 12, 2007	14.5355
Secure Child Plan (SCP)-H Option	Nov 29, 2007	10.6838
Super Golden Year Plan (SGYP)	Dec 4, 2008	14.5355
Super Market Return Plan (SMRP)	Dec 4, 2008	18.2463
New Growth Fund	Jan 11, 2010	10.0999
New Fund D	Jan 11, 2010	10.0999
New Fund H	Jan 11, 2010	10.0999

Reliance Balanced Fund

Product Name	Inception Date	Nav
Golden Year Plan (GYP)	Feb 10, 2003	16.3820
Market Return Plan (MRP)	Aug 9, 2004	16.3782
Automatic Investment Plan (AIP)-C Option	May 28, 2007	12.5906
Secure Child Plan (SCP)-G Option	Nov 29, 2007	11.4389
Super Golden Year Plan (SGYP)	Dec 4, 2008	16.3820
Super Market Return Plan (SMRP)	Dec 4, 2008	16.3782
Super Automatic Investment Plan (SAIP)-C Option	Dec 4, 2008	12.5906
New Balanced Fund	Jan 11, 2010	10.1216
New Fund C	Jan 11, 2010	10.1216
New Fund G	Jan 11, 2010	10.1216

Product Details

Nav's as of 31st March, 2010

Reliance Corporate Bond Fund

Product Name	Inception Date	Nav
Automatic Investment Plan (AIP)	May 28, 2007	12.8166
Total Investment Plan Series I (TIPS I)	Mar 19, 2008	11.9359
Total Investment Plan Series II (TIPS II)	Mar 19, 2008	11.9248
Wealth + Health Plan (WHP)	Feb 27, 2008	12.0142
SuperInvest Assure Plan (SIP)	Jun 12, 2008	11.8438
Super Automatic Investment Plan (SAIP)	Dec 4, 2008	12.8166
SuperInvest Assure Plan Plus (SIP Plus)	Dec 4, 2008	11.8438
Reliance Premier Life (RPL)	Aug 20, 2009	11.4069
New Corporate Bond Fund	Jan 11, 2010	10.1351

Reliance Pure Debt Fund

Product Name	Inception Date	Nav
Money Guarantee Plan (MGP) Return Shield Option	Apr 9, 2007	12.7654
Secure Child Plan (SCP) Return Shield Option	Dec 27, 2007	12.0430
New Return Shield	Jan 11, 2010	10.0904

Reliance Gilt Fund

Product Name	Inception Date	Nav
Automatic Investment Plan (AIP)	May 28, 2007	11.4551
Wealth + Health Plan (WHP)	Feb 27, 2008	10.9315
Total Investment Plan Series I (TIPS I)	Mar 19, 2008	10.8834
Total Investment Plan Series II (TIPS II)	Mar 19, 2008	10.8863
SuperInvest Assure Plan (SIP)	Jun 12, 2008	10.9340
Super Automatic Investment Plan (SAIP)	Dec 4, 2008	11.4551
SuperInvest Assure Plan Plus (SIP Plus)	Dec 10, 2008	10.9340
Savings Linked Insurance (SLI)	May 26, 2009	10.3815
Reliance Premier Life (RPL)	Aug 20, 2009	10.3815
New Gilt Fund	Jan 11, 2010	10.1042

Reliance Guaranteed Bond Fund I

Product Name	Inception Date	Nav
Insurance Bond Fund Option	Dec 12, 2008	11.8528
Pension Bond Fund Option	Dec 12, 2008	11.8627
Insurance Bond Fund Option (New)	Feb 25, 2009	11.1521
Pension Bond Fund Option (New)	Feb 25, 2009	11.1642

Reliance Money Market Fund

Product Name	Inception Date	Nav
Automatic Investment Plan (AIP)	May 28, 2007	12.4686
Wealth + Health Plan (WHP)	Feb 27, 2008	11.7992
Total Investment Plan Series I (TIPS I)	Mar 19, 2008	11.7316
Total Investment Plan Series II (TIPS II)	Mar 19, 2008	11.7226
SuperInvest Assure Plan (SIP)	Jun 12, 2008	11.5323
Super Golden Year Plan (SGYP)	Dec 4, 2008	11.1601
Super Market Return Plan (SMRP)	Dec 4, 2008	11.1601
Super Automatic Investment Plan (SAIP)	Dec 4, 2008	12.4686
SuperInvest Assure Plan Plus (SIP Plus)	Dec 10, 2008	11.5323
Savings Linked Insurance (SLI)	May 26, 2009	11.0694
Reliance Premier Life (RPL)	Aug 20, 2009	11.0694
New Money Market	Jan 11, 2010	10.1208

Reliance Capital Secure Fund

Product Name	Inception Date	Nav
Golden Year Plan (GYP)	Feb 10, 2003	14.0140
Market Return Plan (MRP)	Aug 9, 2004	13.9594

Reliance Highest Nav Guarantee Fund

Product Name	Inception Date	Nav
Highest Nav Guarantee Fund	Feb 15, 2010	10.5730

- ✓ 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 of 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 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 process and risk/compliance controls are well documented.

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

► Gross Fund Return

Gross return for a fund is defined as the return calculated on an NAV basis plus the fund management fees which are debited periodically to the fund. We calculate gross fund returns in order to give uniformity while evaluating fund management performance as the fund management fees vary from company to company. Fund management charges are a matter of policy decision by the top management of a life insurance company. Hence, even if two funds from two different fund management companies give the same returns, the returns may not reflect that if they are calculated on an NAV basis.

We shall highlight this with the help of an example.

Reliance Life Insurance

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

XYZ Insurance Company

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

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

► Benchmark Return

A benchmark is a standard against which the performance of an investment can be measured. Benchmarks are pre-determined primarily on the basis of the asset allocation structure of the fund.

Benchmarks can be readily available in the market or have to be constructed. The CNX Nifty is a readily available benchmark for our equity portfolio manager as the equity fund primarily invests in equities.

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

► Fund Standard Deviation

Risk of investing in a fund is identified by the volatility of the fund's periodic returns. Standard deviation measures the volatility of the fund's returns for a given time period.

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

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

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

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

► Fund Sharpe Ratio

Sharpe ratio of a fund tells us how much return the fund has been able to generate per unit of risk. The higher the Sharpe Ratio, the better the performance of a fund from a risk point of view.

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

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

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

- ✓ Benchmark Sharpe Ratio
- ✓ Modified Duration of Debt Portfolio
- ✓ Fund Beta

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

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

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

▶ Benchmark Sharpe Ratio

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

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

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

▶ Modified Duration of Debt Portfolio

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

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

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

▶ Fund Beta

Beta measures the risk of a security (say a particular stock) in relation to its broad market. The broad market is generally defined as the specified benchmark index. The Beta assigned to the benchmark index is 1. Beta of the stock describes the sensitivity of the price of the stock to the benchmark index. (For the more statistically inclined readers, Beta is the slope of the regression line). It is generally calculated for equity portfolio/funds.

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

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

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

the analyst

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