

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	26th Feb 10	29th Jan 10	Change
Rs./₹	46.09	46.17	0.08
WPI Inflation	248.50*	246.50	8.56%y-o-y*
Forex Reserves (\$ bn)	278.67	282.94	-4.27bn\$
Oil Price (\$ per Barrel)	77.65	71.18	6.47
Gold (Rs. per 10gm)	16870	16200	670

* As of January 2010

Investments	26th Feb 10	29th Jan 10	Absolute Change
FII (Rs Crs)	1217	-500	1717
MfI (Rs Crs)	-697	-1311	614

Indices	26th Feb 10	29th Jan 10	% Change
BSE Sensex	16430	16358	0
S&P CNX Nifty	4922	4882	1
CNX Mid Cap	7167	7202	0
BSE Small Cap	8067	8233	-2

Global Indices	26th Feb 10	29th Jan 10	% Change
Dow Jones	10325	10067	3
FTSE 100	5321	5189	3
Hang Seng	20609	20122	2
Nikkei	10126	10198	-1

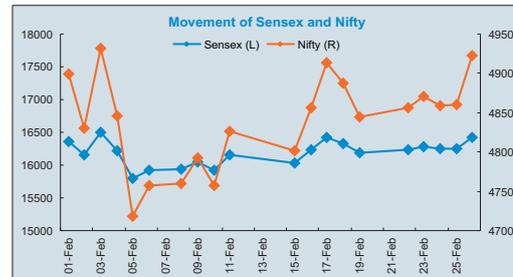
Sectoral Indices	26th Feb 10	29th Jan 10	% Change
CNX Infrastructure	3251	3375	-4
CNX Energy	8691	8924	-3
BSE Capital Goods	13475	13125	3
BSE Bankex	9829	9654	2
BSE Oil & Gas	9596	9939	-3
BSE IT	5174	4978	4

Fixed Income Indicators (%)	26th Feb 10	29th Jan 10	% Change
NSE Mibor	3.31	3.30	0.01
91 Day T-Bill	4.13	4.01	0.12
182 Day T-Bill	4.55	4.20	0.36
1 year GOI Benchmark	5.01	4.71	0.30
5 Year GOI Benchmark	7.33	7.15	0.18
5 Year Corp Bond Benchmark	7.86	8.30	-0.44
10 Year GOI Benchmark	8.59	7.59	1.00
10 Year US Benchmark	3.62	3.60	0.02

asset allocation	funds	gross return (CAGR*) (%) As on February 26, 2010				date of inception
		last 1 year	last 2 years	last 3 years	since inception	
100% equity	Ulip Equity	73.47%	-3.14%	8.54%	19.96%	August, 2004
100% pure equity	Ulip Pure Equity	76.51%	N.A.	N.A.	13.27%	June, 2008
100% equity	Ulip Infrastructure	40.95%	N.A.	N.A.	-7.84%	March, 2008
100% equity	Ulip Energy	44.73%	N.A.	N.A.	0.15%	March, 2008
100% equity	Ulip Midcap	93.78%	N.A.	N.A.	1.74%	March, 2008
80% equity, 20% debt	Ulip Super Growth	54.34%	-2.00%	N.A.	4.02%	May, 2007
60% equity, 40% debt	Ulip High Growth	41.39%	1.49%	9.02%	9.02%	March, 2007
50% equity, 50% debt	Ulip Growth Plus	35.70%	3.17%	9.03%	9.03%	March, 2007
40% equity, 60% debt	Ulip Growth	29.40%	4.32%	9.51%	12.52%	August, 2004
20% equity, 80% debt	Ulip Balanced	18.19%	7.09%	9.88%	10.92%	February, 2003
100% bond instruments	Ulip Corporate Bond	9.00%	10.11%	N.A.	10.26%	May, 2007
100% debt Instruments	Ulip Pure Debt	9.21%	9.75%	N.A.	9.58%	April, 2007
100% govt. securities	Ulip Gilt	4.11%	5.37%	N.A.	5.97%	May, 2007
100% debt Instruments	Ulip Guaranteed Bond I	10.38%	N.A.	N.A.	14.89%	December, 2008
100% money market instruments	Ulip Money Market Fund	8.51%	9.49%	N.A.	9.37%	May, 2007
100% money market instruments	Ulip Capital Secure	7.85%	8.83%	9.04%	7.04%	February, 2003
100% equity	Ulip Equity Plus	N.A.	N.A.	N.A.	N.A.	January, 2010
	Ulip Highest Nav Guarantee	N.A.	N.A.	N.A.	N.A.	February, 2010

* CAGR: Compounded Annual Growth Rate

equity market update - Feb 2010



Equity Market Update

The anxiety and the uncertainty that surrounded the market for the last couple of months finally ended with the presentation of the Union Budget 2010-11. The market gave a positive response to the budget's attempt to bolster growth while outlining a roadmap for fiscal prudence.

Sensex gained 0.44% over the month to end at 16429.55 and Nifty closed higher by 0.82% at 4922.30.

Sector-wise, durables rose 5.33% followed by IT, up 3.94%. High-beta realty index shed 7.53% followed by oil & gas, down 3.45% and power, down 3.27%.

After selling equities worth Rs. 500 crore in January, FIIs turned net buyers in February. FIIs bought equities worth Rs. 1217 crore.

The budget expectedly roll back the fiscal stimulus partially - by raising excise duty to 10% from 8% and raising the minimum alternate tax to 18% from 15%. This was expected in the backdrop of continuous progress in industrial production. The move is likely to impact margins especially for FMCG, power, consumer durables, capital goods and auto.

Corporates, however, got some relief from the cut in surcharge on tax. The budget confirmed government plans to implement the goods and services tax (GST) system and the Direct Tax Code from April 1, 2011.

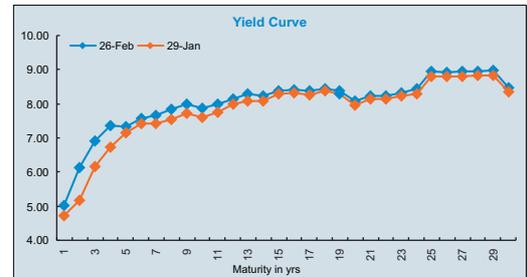
The change in income tax slabs shall leave more money in the hands of individuals that will boost consumption and in turn factory output. Additionally, thrust on infrastructure outlays (allocated Rs. 1.73 lakh crore), rural development (allocated Rs. 66100 crore) and other social spending will also head up in maintaining the growth momentum. Towards strengthening the banking system, FM tried to address the issue of capital constraint for inadequately capitalised banks and also of broadening the banking spectrum by increasing private participation. The restoration of a 5% import duty on crude oil and 7.5% customs duty on petrol & diesel and proposal to increase in excise duty of Re. 1/litre on petrol and diesel was negative from inflationary expectations perspective.

Clearly, the budget spells a confident road map towards fiscal consolidation, which will help sustain confidence in the Indian growth story. However, the execution of the plan remains the key. Global hindrances may impact markets in the short term but the long-term view remains optimistic for the market.

Outlook

Markets have reacted positively to the Union Budget and recovered most of the losses. Some after effect of the budget will be felt in the initial part of the month but most of the action would shift to global cues in the later half. Europe continues to remain a concern even though; Greece has successfully managed to avoid default and agreed to reduce its fiscal deficit. Global cues and FII inflows would be the key drivers of markets in the month of March.

debt market update - Feb 2010



Debt Market Update

The 10-year benchmark yield rose to 7.86%, from 7.58%. The bond market was bogged down by worries over inflation, monetary policy and a potentially high government borrowing in FY11.

Robust December industrial production growth rate (IIP) of 16.8% y-o-y and January headline WPI inflation rate of 8.56% y-o-y weighed on bonds. The inflation rate crossed the RBI projection for the year-end two months in advance. Pressure from the inflationary front increased after petrol and diesel prices were lifted by the oil ministry after the budget.

The Union Budget deficit and borrowing projections were well within expectations but bond prices still receded after the budget. The key aspect of the budget was keeping the gross borrowing estimate at Rs 4,57,000 crore, 1.33% more than this fiscal and a net borrowing of Rs 3,45,010 crore, lower by more than 13% than this fiscal.

Fiscal deficit in FY11 will be reduced to 5.5% of GDP from 6.8% in FY10. Further, it will be reduced to 4.8% in FY12 and to 4.1% in FY13. The budget indicates that consolidated public debt would be reduced to 68% of GDP from 76% over four years.

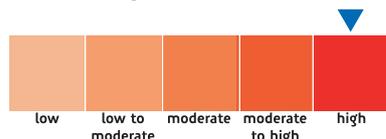
Outlook

During the month, yields will remain under pressure with upward bias. Size of Government Borrowing in next Fiscal coupled with hike in Fuel prices has made market nervous. During the month market will be eyeing the February inflation data which is expected to remain in higher trajectory. The spread between G-sec and corporate bonds is expected to increase.

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 February 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 92.36%.

target asset allocation

Equity: 100%

benchmark construction

S&P CNX Nifty: 100%

ULIP Equity Fund

fund performance As on February 26, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	73.47%	78.11%	27.26%	34.12%	2.51	2.14
last 2 years (CAGR)	-3.14%	-2.92%	35.15%	38.55%	-0.23	-0.21
last 3 years (CAGR)	8.54%	9.54%	32.86%	35.50%	0.11	0.13
since inception (CAGR)	19.96%	21.86%	27.75%	29.44%	0.54	0.57
date of inception			august, 2004			

*CAGR: Compounded Annual Growth Rate

portfolio As on February 28, 2010

security % to net assets 1-yr beta

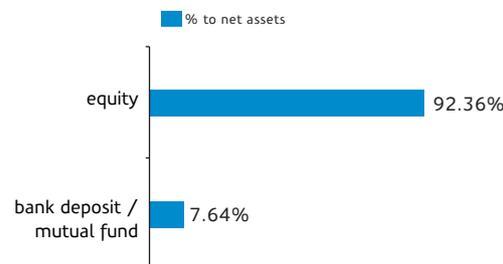
equity

BANKING & FINANCE	21.39	
ICICI BANK	4.93	1.50
STATE BANK OF INDIA	4.39	1.17
HDFC BANK	4.02	0.83
AXIS BANK	2.83	1.31
HDFC	2.32	1.11
SHRIRAM TRANSPORT FINANCE COMPANY	1.20	0.17
BANK OF BARODA	0.82	0.86
PUNJAB NATIONAL BANK	0.75	0.94
POWER FINANCE CORPORATION	0.11	0.72
OIL REFINERIES	14.00	
RELIANCE INDUSTRIES	9.25	1.21
OIL & NATURAL GAS CORPORATION	2.97	0.87
BHARAT PETROLEUM	1.41	0.40
OIL INDIA	0.38	0.47
IT	10.98	
INFOSYS TECHNOLOGIES	6.00	0.68
TATA CONSULTANCY SERVICES	4.58	0.86
MPHASIS	0.40	0.67
CAP GOODS / ENGINEERING	10.11	
LARSEN & TOUBRO	4.09	1.24
BHARAT HEAVY ELECTRICALS	2.58	0.93
CUMMINS INDIA	1.58	0.64
PUNJ LLOYD	0.81	1.51
ALSTOM PROJECTS INDIA	0.75	0.97
TRIVENI ENGINEERING AND INDUSTRIES	0.27	1.06
BHARAT FORGE	0.03	0.94
METALS	7.11	
TATA STEEL	3.12	1.42
STERLITE INDUSTRIES	1.76	1.37
JINDAL STEEL AND POWER	1.69	1.15
JINDAL SAW	0.55	1.06
FMCG	5.78	
ITC	4.02	0.59
HINDUSTAN UNILEVER	1.77	0.34
PHARMACEUTICALS	4.80	
DIVIS LABORATORIES	1.79	0.67
CIPLA	0.97	0.44
LUPIN	0.96	0.29
SUN PHARMACEUTICALS	0.67	0.54
RANBAXY LAB	0.42	0.85
AUTOMOBILES	4.74	
BAJAJ AUTO	2.04	0.58
MAHINDRA & MAHINDRA	1.72	1.11
MARUTI SUZUKI INDIA	0.98	0.64
TELECOM	2.83	
BHARTI AIRTEL	2.83	0.91
POWER	2.64	
NTPC	1.02	0.59
TATA POWER	0.89	0.81
AREVA T & D INDIA	0.49	1.07
POWER GRID CORPORATION OF INDIA	0.24	0.73
CEMENT & CEMENT PRODUCTS	2.28	
ULTRATECH CEMENT	1.24	0.61
ACC	0.95	0.81
INDIA CEMENTS	0.09	0.96
CONSTRUCTION	1.52	
JAIPRAKASH ASSOCIATES	1.23	1.75
NAGARJUNA CONSTRUCTION	0.29	1.42
GAS	1.10	
GAIL INDIA	1.10	0.64
MEDIA	0.89	
HT MEDIA	0.89	0.68
FERTILIZERS	0.76	
UNITED PHOSPHORUS	0.54	0.80
GUJARAT STATE FERTILIZERS & CHEMICALS	0.21	0.69
SOFTWARE	0.62	
FINANCIAL TECHNOLOGIES INDIA	0.62	0.86
PLASTIC AND PLASTIC PRODUCT	0.48	
SINTEX INDUSTRIES	0.48	0.99
SUGAR	0.22	
BAJAJ HINDUSTAN	0.22	1.23
OIL EXPLORATION	0.08	
CAIRN INDIA	0.08	0.94
AUTO ANCILLARY	0.02	
EXIDE INDUSTRIES	0.02	0.63
RETAIL	0.01	
PANTALOON RETAIL	0.01	1.03
total equity	92.36	

total bank deposits/mutual funds 7.64

total net assets 100.00

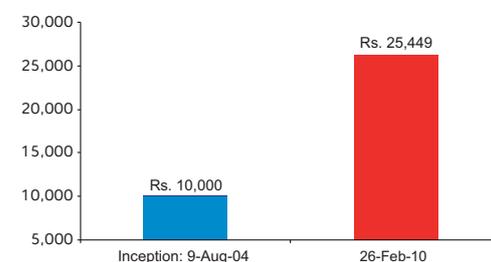
asset allocation as on Feb 28, 2010



fund characteristics as on Feb 28, 2010

Fund Beta 0.95

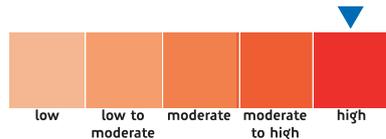
growth of initial investment of Rs. 10,000 in MRP



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 February 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 91.07%.

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%

ULIP Pure Equity Fund

fund performance As on February 26, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	76.51%	78.11%	29.27%	34.12%	2.44	2.14
since inception (CAGR)	13.27%	12.58%	33.65%	38.12%	0.25	0.20
date of inception			June, 2008			

portfolio As on February 28, 2010

security % to net assets 1-yr beta

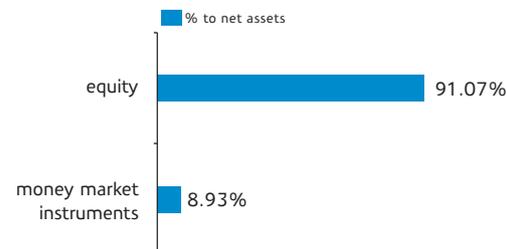
equity

CAP GOODS / ENGINEERING	13.63	
LARSEN & TOUBRO	5.01	1.24
BHARAT HEAVY ELECTRICALS	4.19	0.93
PUNJ LLOYD	2.37	1.51
CUMMINS INDIA	1.09	0.64
VOLTAS	0.98	1.17
OIL REFINERIES	11.17	
RELIANCE INDUSTRIES	6.95	1.21
OIL & NATURAL GAS CORPORATION	4.22	0.87
IT	10.24	
INFOSYS TECHNOLOGIES	6.58	0.68
TATA CONSULTANCY SERVICES	3.66	0.86
POWER	9.96	
TATA POWER	6.23	0.81
NTPC	3.72	0.59
AUTOMOBILES	9.86	
BAJAJ AUTO	4.50	0.58
MAHINDRA & MAHINDRA	3.91	1.11
MARUTI SUZUKI INDIA	1.46	0.64
PHARMACEUTICALS	8.37	
RANBAXY LAB	3.79	0.85
CIPLA	2.00	0.44
LUPIN	1.60	0.29
SUN PHARMACEUTICALS	0.98	0.54
METALS	6.44	
JINDAL STEEL AND POWER	5.29	1.15
STERLITE INDUSTRIES	1.16	1.37
FMCG	5.41	
HINDUSTAN UNILEVER	2.72	0.34
MARICO LTD	2.69	0.26
TELECOM	4.96	
BHARTI AIRTEL	4.96	0.91
GAS	4.17	
GAIL INDIA	4.17	0.64
SOFTWARE	2.91	
FINANCIAL TECHNOLOGIES INDIA	2.91	0.86
OIL EXPLORATION	2.37	
CAIRN INDIA	2.37	0.94
CEMENT & CEMENT PRODUCTS	1.58	
GRASIM INDUSTRIES	1.58	0.73
total equity	91.07	

total money market instruments 8.93

total net assets 100.00

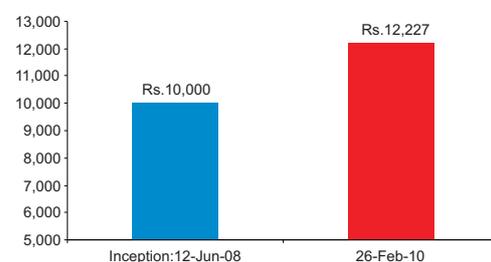
asset allocation as on Feb 28, 2010



fund characteristics as on Feb 28, 2010

Fund Beta 0.85

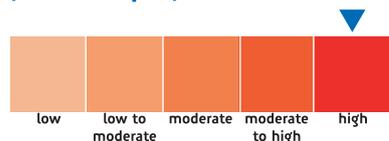
growth of initial investment of Rs. 10,000 in SIP



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



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fund manager's report

The month of February saw the markets ending positive. The markets took support from foreign inflows and increase in liquidity globally. Looking at the positive data from infrastructure space, the holding in equities was kept at 90.26%.

target asset allocation

Equity: 100%

benchmark construction

CNX Infrastructure Index: 100%

ULIP Infrastructure Fund

fund performance As on February 26, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	40.95%	43.58%	28.18%	41.45%	1.28	0.93
since inception (CAGR)	-7.84%	-13.18%	35.59%	44.64%	-0.36	-0.41
date of inception	march, 2008					

portfolio As on February 28, 2010

security % to net assets 1-yr beta

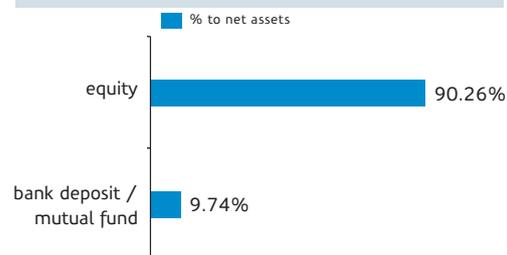
equity

CAP GOODS / ENGINEERING	26.23	
BHARAT HEAVY ELECTRICALS	11.34	0.93
LARSEN & TOUBRO	8.34	1.24
PUNJ LLOYD	4.27	1.51
IRB INFRASTRUCTURE DEVELOPERS LTD	1.26	0.87
VOLTAS	1.02	1.17
POWER	20.18	
NTPC	14.23	0.59
NEVELLI LIGNITE CORPORATION	2.39	1.03
TATA POWER	2.36	0.81
NHPC	1.21	0.21
METALS	10.72	
STERLITE INDUSTRIES	4.35	1.37
TATA STEEL	4.30	1.42
JINDAL STEEL AND POWER	2.07	1.15
TELECOM	10.70	
BHARTI AIRTEL	10.70	0.91
OIL REFINERIES	7.98	
OIL INDIA	3.72	0.47
OIL & NATURAL GAS CORPORATION	2.34	0.87
RELIANCE INDUSTRIES	1.92	1.21
CONSTRUCTION	5.58	
JAIPRAKASH ASSOCIATES	5.05	1.75
NAGARJUNA CONSTRUCTION	0.53	1.42
SOFTWARE	2.73	
FINANCIAL TECHNOLOGIES INDIA	2.73	0.86
PLASTIC AND PLASTIC PRODUCT	2.08	
SINTEX INDUSTRIES	2.08	0.99
CEMENT & CEMENT PRODUCTS	1.76	
GRASIM INDUSTRIES	1.76	0.73
BANKING & FINANCE	1.17	
HDFC	1.17	1.11
HOTELS	1.12	
INDIAN HOTELS	1.12	0.81
total equity	90.26	

total bank deposits/mutual funds 9.74

total net assets 100.00

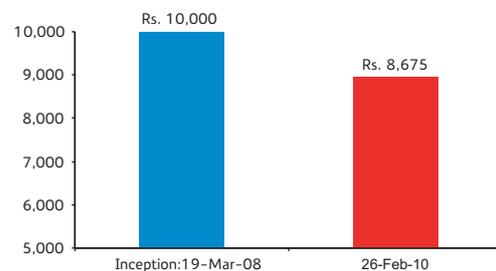
asset allocation as on Feb 28, 2010



fund characteristics as on Feb 28, 2010

Fund Beta 1.00

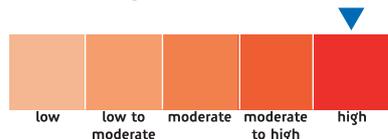
growth of initial investment of Rs. 10,000 in TIPS-I



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



ULIP Energy Fund

fund performance As on February 26, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	44.73%	46.36%	27.90%	33.41%	1.42	1.24
since inception (CAGR)	0.15%	0.67%	33.21%	37.31%	-0.15	-0.12
date of inception			march, 2008			

portfolio As on February 28, 2010

security % to net assets 1-yr beta

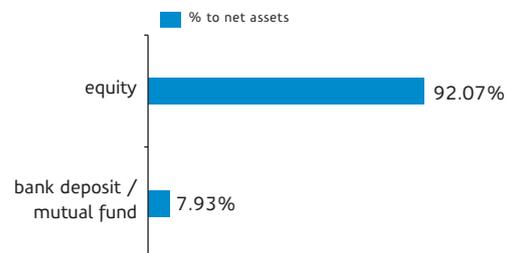
equity

OIL REFINERIES	58.56	
RELIANCE INDUSTRIES	32.55	1.21
OIL & NATURAL GAS CORPORATION	20.38	0.87
OIL INDIA	3.67	0.47
BHARAT PETROLEUM	1.97	0.40
POWER	21.01	
NTPC	13.49	0.59
POWER GRID CORPORATION OF INDIA	4.30	0.73
TATA POWER	2.18	0.81
NHPC	1.04	0.21
GAS	5.22	
GAIL INDIA	5.22	0.64
METALS	3.52	
JINDAL STEEL AND POWER	1.78	1.15
STERLITE INDUSTRIES	1.74	1.37
CAP GOODS / ENGINEERING	2.65	
BHARAT HEAVY ELECTRICALS	2.65	0.93
CONSTRUCTION	1.10	
JAIPRAKASH ASSOCIATES	1.10	1.75
total equity	92.07	

total bank deposits/mutual funds 7.93

total net assets 100.00

asset allocation as on Feb 28, 2010



fund characteristics as on Feb 28, 2010

Fund Beta 0.92

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fund manager's report

The month of February 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 92.07%.

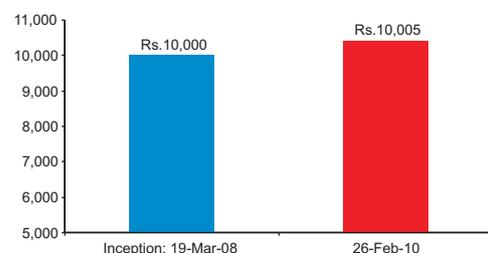
target asset allocation

Equity: 100%

benchmark construction

CNX Energy Index: 100%

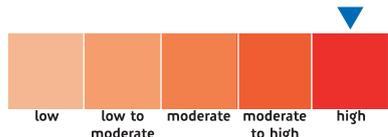
growth of initial investment of Rs. 10,000 in TIPS-I



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



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fund manager's report

The month of February 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 89.40%.

target asset allocation

Equity: 100%

benchmark construction

Nifty Midcap 50: 100%

ULIP Mid Cap Fund

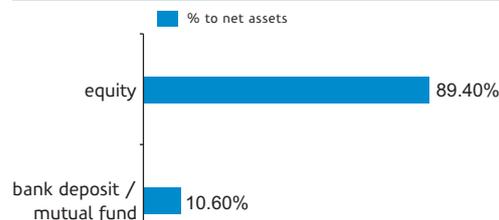
fund performance As on February 26, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	93.78%	131.04%	34.75%	49.81%	2.56	2.53
since inception (CAGR)	1.74%	3.12%	41.95%	54.82%	-0.08	-0.03
date of inception			march, 2008			

portfolio As on February 28, 2010

security	% to net assets	1-yr beta
equity		
CAP GOODS / ENGINEERING		
PUNJ LLOYD	14.84	
VOLTAS	5.02	1.51
IRB INFRASTRUCTURE DEVELOPERS LTD	5.02	1.17
CUMMINS INDIA	3.13	0.87
BHARAT FORGE	0.93	0.64
PHARMACEUTICALS		
DIVIS LABORATORIES	0.73	0.94
LUPIN	11.84	
BANKING & FINANCE		
SHRIRAM TRANSPORT FINANCE COMPANY	6.55	0.67
ANDHRA BANK	5.28	0.29
BANK OF BARODA	8.82	
IT		
MPHASIS	4.77	0.17
3I INFOTECH	3.07	0.77
SOFTWARE	0.97	0.86
FINANCIAL TECHNOLOGIES INDIA	7.62	
CONSTRUCTION	7.22	0.67
NAGARJUNA CONSTRUCTION	3.19	1.16
JAIPRAKASH ASSOCIATES	0.40	1.16
PLASTIC AND PLASTIC PRODUCT	6.67	0.86
SINTEX INDUSTRIES	4.63	
SUGAR	2.78	1.42
BAJAJ HINDUSTAN	1.85	1.75
AUTO ANCILLARY	4.32	
EXIDE INDUSTRIES	4.32	0.99
CEMENT & CEMENT PRODUCTS	3.95	
ULTRATECH CEMENT	3.95	1.23
HOTELS	3.73	
INDIAN HOTELS	3.73	0.63
SHIPPING	3.52	
GREAT EASTERN SHIPPING	3.52	0.61
AUTOMOBILES	3.47	
MAHINDRA & MAHINDRA	3.47	0.81
BAJAJ AUTO	3.19	
FMCG	3.19	0.98
TATA TEA	3.16	
FERTILIZERS	2.18	1.11
UNITED PHOSPHORUS LTD	0.98	0.58
GUJARAT STATE FERTILIZERS & CHEMICALS	3.08	
METALS	3.08	0.38
JINDAL STEEL AND POWER	2.92	
OIL REFINERIES	1.96	0.80
OIL & NATURAL GAS CORPORATION	0.96	0.69
TELECOM	1.65	
BHARTI AIRTEL	1.65	1.15
total equity	89.40	
total bank deposits/mutual funds	10.60	
total net assets	100.00	

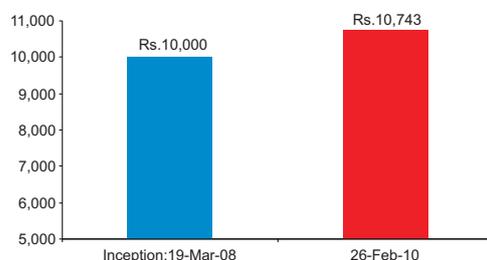
asset allocation as on Feb 28, 2010



fund characteristics as on Feb 28, 2010

Fund Beta 0.84

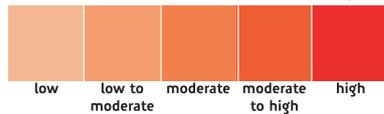
growth of initial investment of Rs. 10,000 in TIPS-I



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 February 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 72.19%.

The exposure on gilts was reduced to 1.89% from 2.73% on expectations of hardening of yield curve. The exposure to corporate bonds was increased to 12.06% from 7.95% to take the advantage of higher spread. Accordingly the exposure to short term assets like CDs and MFs has been decreased to 13.86% from 17.53% 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%

ULIP Super Growth Fund

fund performance As on February 26, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	54.34%	52.94%	20.80%	28.67%	2.37	1.67
last 2 years (CAGR)	-2.00%	-2.46%	27.72%	31.14%	-0.25	-0.24
since inception (CAGR)	4.02%	4.64%	26.80%	29.79%	-0.04	-0.01
date of inception	may, 2007					

*CAGR: Compounded Annual Growth Rate

portfolio As on February 28, 2010

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

11.95% HDFC LTD 26-11-2018	2.17	AAA
8.40% ADITYA BIRLA NUVO LTD 23-11-2012	1.85	AAA
7.6% RECL 22-01-2013	1.83	AAA
11.45% RELIANCE INDUSTRIES LTD 25-11-2013	1.22	AAA
9.05% SBI 27-01-2020	0.93	AAA
8.90% POWER GRID CORPORATION 25-02-2017	0.92	AAA
11.35% RECL LTD 24-10-2013	0.39	AAA
9.50% NABARD SER IX I 15-10-2012	0.38	AAA
8.75% IRFC 07-01-2013	0.38	AAA
9.25% IDBI BANK 29-01-2020	0.35	AAA
9.25% EXIM BANK 13-12-2012	0.30	AAA
10% NABARD 18-06-2010	0.30	AAA
9.20% HDFC LTD 09-02-2012	0.19	AAA
9.90% TATA SONS 20-05-2011	0.19	AAA
8.65% HDFC LTD 12-09-2011	0.19	AAA
6.10% IRFC 13-05-2010	0.18	AAA
10% NABARD SER IX 14-05-2012	0.12	AAA
9.25% POWER GRID CORP 09-02-2013	0.10	AAA
9.76% IRFC 03-07-1012	0.08	AAA

total non convertible debentures 12.06

gilts

		SOVEREIGN
8.24% GOI 22-04-2018	0.75	
8.47% NAGALAND GOI 25-03-2019	0.73	
7.56% GOI 03-11-2014	0.37	
7.44% GOI SPL OIL BOND 23-03-2012	0.04	

total gilts 1.89

equity

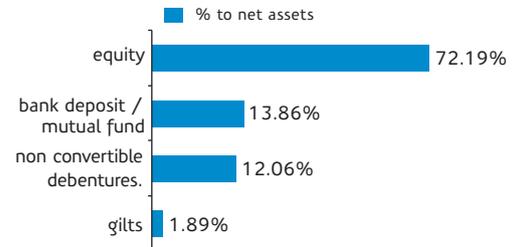
BANKING & FINANCE	16.84	
ICICI BANK	4.18	1.50
STATE BANK OF INDIA	3.41	1.17
HDFC BANK	2.99	0.83
AXIS BANK	1.75	1.31
HDFC	1.48	1.11
SHRIRAM TRANSPORT FINANCE COMPANY	1.20	0.17
BANK OF BARODA	1.15	0.86
PUNJAB NATIONAL BANK	0.67	0.94
OIL REFINERIES	10.28	
RELIANCE INDUSTRIES	7.10	1.21
OIL & NATURAL GAS CORPORATION	1.72	0.87
OIL INDIA	0.81	0.47
BHARAT PETROLEUM	0.64	0.40
CAP GOODS / ENGINEERING	9.04	
LARSEN & TOUBRO	4.59	1.24
BHARAT HEAVY ELECTRICALS	2.21	0.93
VOLTAS	0.79	1.17
PUNJ LLOYD	0.74	1.51
CUMMINS INDIA	0.68	0.64
BHARAT FORGE	0.03	0.94
IT	7.26	
INFOSYS TECHNOLOGIES	5.31	0.68
TATA CONSULTANCY SERVICES	1.57	0.86
MPHASIS	0.38	0.67
METALS	5.69	
TATA STEEL	2.10	1.42
JINDAL STEEL AND POWER	1.81	1.15
STERLITE INDUSTRIES	1.78	1.37
FMCG	5.01	
ITC	3.49	0.59
HINDUSTAN UNILEVER	1.52	0.34
AUTOMOBILES	4.44	
BAJAJ AUTO	1.79	0.58
MAHINDRA & MAHINDRA	1.44	1.11
MARUTI SUZUKI INDIA	1.21	0.64
PHARMACEUTICALS	3.57	
DIVIS LABORATORIES	1.29	0.67
CIPLA	0.78	0.44
SUN PHARMACEUTICALS	0.75	0.54
RANBAXY LAB	0.51	0.85
LUPIN	0.24	0.29
POWER	2.53	
NTPC	1.00	0.59
TATA POWER	0.85	0.81
POWER GRID CORPORATION OF INDIA	0.35	0.73
AREVA T & D INDIA	0.33	1.07
TELECOM	2.10	
BHARTI AIRTEL	2.10	0.91
CEMENT & CEMENT PRODUCTS	1.57	
ULTRATECH CEMENT	1.22	0.61
ACC	0.32	0.81
INDIA CEMENTS	0.03	0.96
CONSTRUCTION	1.36	
JAIPRAKASH ASSOCIATES	1.36	1.75
PLASTIC AND PLASTIC PRODUCT	0.72	
SINTEX INDUSTRIES	0.72	0.99
GAS	0.62	
GAIL INDIA	0.62	0.64
SUGAR	0.59	
BAJAJ HINDUSTAN	0.59	1.23
SOFTWARE	0.57	
FINANCIAL TECHNOLOGIES INDIA	0.57	0.86

total equity 72.19

total bank deposits/mutual funds 13.86

total net assets 100.00

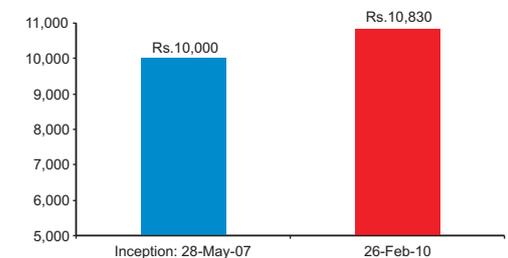
asset allocation as on Feb 28, 2010



fund characteristics as on Feb 28, 2010

M.Duration of debt portfolio:	1.95 years
YTM of debt portfolio:	8.09%
Beta of equity portfolio:	0.97

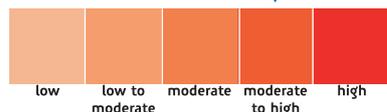
growth of initial investment of Rs. 10,000 in AIP



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 February 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 55.21%.

The allocation to gilts was reduced to 0.31% from 2.33% compared in previous month on expectations of hardening of yield curve. Allocation to corporate bonds was increased to 22.14% from 19.12% to take the advantage of higher spread. Accordingly the exposure in short term assets was decreased to 22.34% from 24.20% in the previous month.

target asset allocation

Debt.: 40%
Equity: 60%

benchmark construction

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

ULIP High Growth Fund

fund performance As on February 26, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	41.39%	40.46%	15.59%	21.57%	2.33	1.64
last 2 years (CAGR)	1.49%	0.95%	21.11%	23.48%	-0.17	-0.17
last 3 years (CAGR)	9.02%	7.87%	19.93%	21.60%	0.20	0.13
since inception (CAGR)	9.02%	7.87%	19.93%	21.60%	0.20	0.13
date of inception	march, 2007					

*CAGR: Compounded Annual Growth Rate

portfolio As on February 28, 2010

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

8.40% HDFC LTD 08-12-2014	1.57	AAA
8% RECL LTD 05-08-2014	1.55	AAA
11.45% RELIANCE INDUSTRIES LTD 25-11-2013	0.88	AAA
10.75% RECL LTD 14-04-2011	0.84	AAA
10.10% POWER GRID CORP 12-06-2012	0.84	AAA
9.80% POWER FINANCE CORP 22-03-2012	0.83	AAA
9.45% RECL LTD 04-04-2013	0.83	AAA
9.40% POWER FINANCE CORPORATION LTD 25-03-2013	0.82	AAA
9.50% NABARD SER IX I 15-10-2012	0.82	AAA
9.25% EXIM BANK 13-12-2012	0.82	AAA
9.50% TATA COMMUNICATION LTD 08-06-2014	0.82	AAA
9.90% TATA SONS 20-05-2011	0.82	AAA
11.65% HDFC LTD 09-09-2010	0.81	AAA
9.05% SBI 27-01-2020	0.80	AAA
9% TATA SONS 27-07-2010	0.80	AAA
8.90% STEEL AUTHORITY OF INDIA 01-05-2019	0.79	AAA
8.60% POWER FINANCE CORP LTD 07-08-2014	0.79	AAA
8.68% NAT CAP REGIONAL PLANNING 18-08-2019	0.79	AAA
7.6% RECL 22-01-2013	0.79	AAA
6.00% INDIAN HOTEL 13-05-2011	0.78	AA+
9.68% IRFC 03-07-2010	0.64	AAA
11.35% RECL LTD 24-10-2013	0.50	AAA
9.15% NAT CAP REGIONAL PLANNING 18-02-2019	0.48	AAA
8.90% POWER GRID CORPORATION 25-02-2014	0.40	AAA
8.90% POWER GRID CORPORATION 25-02-2020	0.40	AAA
7.60% ICICI BANK 30-12-2015	0.39	AAA
8.25% IDBI OMNI BOND SER III 26-05-2011	0.38	AA+
10% NABARD 18-06-2010	0.35	AAA
9.50% INDIAN HOTEL 28-02-2012	0.33	AA+
9.25% IDBI BANK 29-01-2020	0.30	AAA
9.76% IRFC 03-07-1012	0.17	AAA

total non convertible debentures 22.14

gilts

8.47% JHARKHAND GOI 25-03-2019	0.16	SOVEREIGN
6.72% GOI 24-02-2014	0.16	
total gilts	0.31	

equity

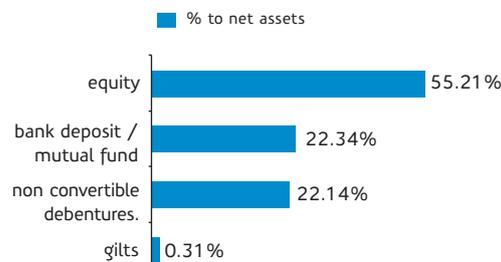
BANKING & FINANCE	12.90	
ICICI BANK	3.17	1.50
STATE BANK OF INDIA	2.65	1.17
HDFC BANK	2.27	0.83
AXIS BANK	1.33	1.31
HDFC	1.13	1.11
SHRIRAM TRANSPORT FINANCE COMPANY	0.93	0.17
BANK OF BARODA	0.93	0.86
PUNJAB NATIONAL BANK	0.50	0.94
OIL REFINERIES	7.72	
RELIANCE INDUSTRIES	5.33	1.21
OIL & NATURAL GAS CORPORATION	1.28	0.87
OIL INDIA	0.62	0.47
BHARAT PETROLEUM	0.49	0.40
CAP GOODS / ENGINEERING	6.89	
LARSEN & TOUBRO	3.46	1.24
BHARAT HEAVY ELECTRICALS	1.67	0.93
VOLTAS	0.62	1.17
PUNJ LLOYD	0.56	1.51
CUMMINS INDIA	0.56	0.64
BHARAT FORGE	0.02	0.94
IT	5.67	
INFOSYS TECHNOLOGIES	3.98	0.68
TATA CONSULTANCY SERVICES	1.40	0.86
MPHASIS	0.29	0.67
METALS	4.21	
TATA STEEL	1.49	1.42
JINDAL STEEL AND POWER	1.41	1.15
STERLITE INDUSTRIES	1.31	1.37
FMCG	3.81	
ITC	2.65	0.59
HINDUSTAN UNILEVER	1.16	0.34
AUTOMOBILES	3.46	
BAJAJ AUTO	1.39	0.58
MAHINDRA & MAHINDRA	1.18	1.11
MARUTI SUZUKI INDIA	0.89	0.64
PHARMACEUTICALS	2.70	
DIVIS LABORATORIES	1.00	0.67
CIPLA	0.58	0.44
SUN PHARMACEUTICALS	0.56	0.54
RANBAXY LAB	0.39	0.85
LUPIN	0.19	0.29
POWER	1.96	
NTPC	0.76	0.59
TATA POWER	0.63	0.81
AREVA T & D INDIA	0.31	1.07
POWER GRID CORPORATION OF INDIA	0.26	0.73
TELECOM	1.54	
BHARTI AIRTEL	1.54	0.91
CEMENT & CEMENT PRODUCTS	1.22	
ULTRATECH CEMENT	0.96	0.61
ACC	0.23	0.81
INDIA CEMENTS	0.02	0.96
CONSTRUCTION	1.08	
JAIPRAKASH ASSOCIATES	1.08	1.75
GAS	0.60	
GAIL INDIA	0.60	0.64
PLASTIC AND PLASTIC PRODUCT	0.55	
SINTEX INDUSTRIES	0.55	0.99
SUGAR	0.46	
BAJAJ HINDUSTAN	0.46	1.23
SOFTWARE	0.43	
FINANCIAL TECHNOLOGIES INDIA	0.43	0.86

total equity 55.21

total bank deposits/mutual funds 22.34

total net assets 100.00

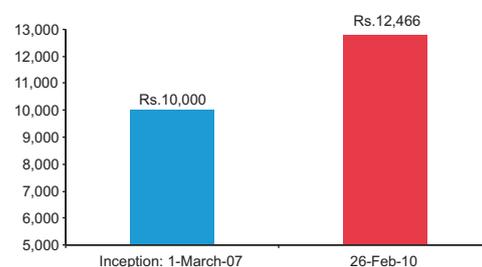
asset allocation as on Feb 28, 2010



fund characteristics as on Feb 28, 2010

M.Duration of debt portfolio: 1.41 years
YTM of debt portfolio: 7.79%
Beta of equity portfolio: 0.97

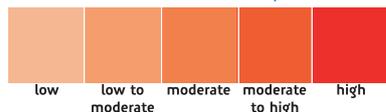
growth of initial investment of Rs. 10,000 in MGP



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 February 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 46.67%.

The allocation to gilts was decreased to 2.91% from 6.07%. Allocation to corporate bonds was increased to 27.15% from 19.64% to take the advantage of higher spread. Allocation to short term assets was decreased to 23.28% from 29.78%.

target asset allocation

Debt.: 50%
Equity: 50%

benchmark construction

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

ULIP Growth Plus Fund

fund performance As on February 26, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	35.70%	34.38%	13.14%	18.02%	2.34	1.63
last 2 years (CAGR)	3.17%	2.47%	17.93%	19.66%	-0.10	-0.13
last 3 years (CAGR)	9.03%	8.20%	16.72%	18.08%	0.24	0.18
since inception (CAGR)	9.03%	8.20%	16.72%	18.08%	0.24	0.18
date of inception	march, 2007					

*CAGR: Compounded Annual Growth Rate

portfolio As on February 28, 2010

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

11.45% RELIANCE INDUSTRIES LTD 25-11-2013	3.62	AAA
10.60% IRFC 11-09-2018	3.32	AAA
8.75% IRFC 07-01-2013	3.06	AAA
9.05% SBI 27-01-2020	3.01	AAA
7.6% RECL 22-01-2013	2.96	AAA
10.90% RECL LTD 14-04-2013	1.94	AAA
9.90% TATA SONS 20-05-2011	1.53	AAA
8.90% POWER GRID CORPORATION 25-02-2019	1.49	AAA
11.15% POWER FINANCE CORP 15-09-2011	1.25	AAA
9.07% RECL LTD 28-02-2018	1.20	AAA
9.50% NABARD SER IX I 15-10-2012	0.74	AAA
8.65% HDFC LTD 12-09-2011	0.61	AAA
9.25% IDBI BANK 29-01-2020	0.57	AAA
9.20% HDFC LTD 09-02-2012	0.31	AAA
8.95% HDFC LTD 29-10-2010	0.30	AAA
6.10% IRFC 13-05-2010	0.30	AAA
9.25% EXIM BANK 13-12-2012	0.25	AAA
7.60% ICICI BANK 30-12-2015	0.23	AAA
6.10% POWER GRID CORP 17-07-2010	0.15	AAA
10% NABARD SER IX 14-05-2012	0.13	AAA
9.35% IL & FS LTD 22-10-2010	0.12	AAA
10.10% POWER GRID CORP 12-06-2011	0.08	AAA

total non convertible debentures 27.15

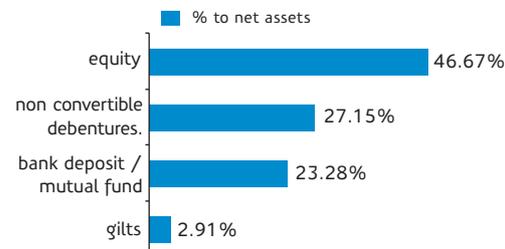
gilts

		SOVEREIGN
6.72% GOI 24-02-2014	1.17	
7.50% GOI 10-08-2034	1.08	
7.56% GOI 03-11-2014	0.60	
7.44% GOI SPL OIL BOND 23-03-2012	0.06	
total gilts	2.91	

equity

BANKING & FINANCE	10.56	
ICICI BANK	2.63	1.50
STATE BANK OF INDIA	2.15	1.17
HDFC BANK	1.88	0.83
AXIS BANK	1.09	1.31
HDFC	0.92	1.11
SHRIRAM TRANSPORT FINANCE COMPANY	0.76	0.17
BANK OF BARODA	0.72	0.86
PUNJAB NATIONAL BANK	0.40	0.94
OIL REFINERIES	7.39	
RELIANCE INDUSTRIES	5.44	1.21
OIL & NATURAL GAS CORPORATION	1.08	0.87
OIL INDIA	0.51	0.47
BHARAT PETROLEUM	0.36	0.40
CAP GOODS / ENGINEERING	5.69	
LARSEN & TOUBRO	2.88	1.24
BHARAT HEAVY ELECTRICALS	1.38	0.93
VOLTAS	0.53	1.17
PUNJ LLOYD	0.46	1.51
CUMMINS INDIA	0.41	0.64
BHARAT FORGE	0.02	0.94
IT	4.87	
INFOSYS TECHNOLOGIES	3.34	0.68
TATA CONSULTANCY SERVICES	1.29	0.86
MPHASIS	0.24	0.67
METALS	3.67	
TATA STEEL	1.34	1.42
STERLITE INDUSTRIES	1.21	1.37
JINDAL STEEL AND POWER	1.13	1.15
FMCG	3.15	
ITC	2.20	0.59
HINDUSTAN UNILEVER	0.95	0.34
AUTOMOBILES	2.78	
BAJAJ AUTO	1.08	0.58
MAHINDRA & MAHINDRA	0.95	1.11
MARUTI SUZUKI INDIA	0.76	0.64
PHARMACEUTICALS	2.22	
DIVIS LABORATORIES	0.79	0.67
CIPLA	0.49	0.44
SUN PHARMACEUTICALS	0.46	0.54
RANBAXY LAB	0.32	0.85
LUPIN	0.15	0.29
POWER	1.53	
NTPC	0.59	0.59
TATA POWER	0.54	0.81
POWER GRID CORPORATION OF INDIA	0.22	0.73
AREVA T & D INDIA	0.19	1.07
TELECOM	1.27	
BHARTI AIRTEL	1.27	0.91
CEMENT & CEMENT PRODUCTS	0.98	
ULTRATECH CEMENT	0.76	0.61
ACC	0.20	0.81
INDIA CEMENTS	0.02	0.96
CONSTRUCTION	0.85	
JAIPRAKASH ASSOCIATES	0.85	1.75
GAS	0.49	
GAIL INDIA	0.49	0.64
PLASTIC AND PLASTIC PRODUCT	0.48	
SINTEX INDUSTRIES	0.48	0.99
SUGAR	0.38	
BAJAJ HINDUSTAN	0.38	1.23
SOFTWARE	0.36	
FINANCIAL TECHNOLOGIES INDIA	0.36	0.86
total equity	46.67	
total bank deposits/mutual funds	23.28	
total net assets	100.00	

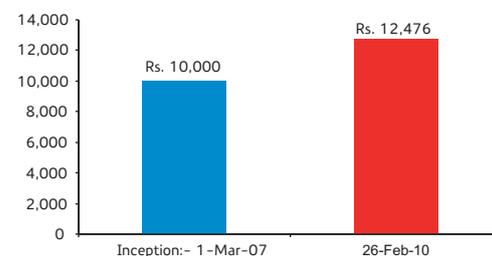
asset allocation as on Feb 28, 2010



fund characteristics as on Feb 28, 2010

M.Duration of debt portfolio: 2.25 years
YTM of debt portfolio: 8.11%
Beta of equity portfolio: 0.97

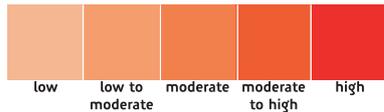
growth of initial investment of Rs. 10,000 in MGP



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 February 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 38.59%.

The allocation to the G-sec was decreased to 5.20% from 6.93%. The allocation to corporate bonds was increased to 34.03% from 28.56% to take the advantage of higher spread. Accordingly the allocation to short term bank deposits and CDs/CPs was decreased to 22.18% from 29.26%.

target asset allocation

Debt.: 60%
Equity: 40%

benchmark construction

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

ULIP Growth Fund

fund performance As on February 26, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio	
last 1 year	29.40%	31.75%	10.60%	13.85%	2.30	1.93	
last 2 years (CAGR)	4.32%	5.20%	14.79%	15.73%	-0.05	0.01	
last 3 years (CAGR)	9.51%	10.30%	13.94%	14.51%	0.32	0.37	
since inception (CAGR)	12.52%	13.08%	11.59%	11.91%	0.65	0.68	
date of inception	august, 2004						

*CAGR: Compounded Annual Growth Rate

portfolio As on February 28, 2010

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

11.45% RELIANCE INDUSTRIES LTD 25-11-2013	3.90	AAA
8.25% IDBI OMNI BOND SER III 26-05-2011	1.94	AA+
11.95% HDFC LTD 26-11-2018	1.89	AAA
9.70% LIC Housing Finance Ltd 07-04-2013	1.68	AAA
9.40% Power Finance Corporation Ltd 25-03-2013	1.67	AAA
9.25% HDFC LTD 24-11-2016	1.64	AAA
10.35% HDFC LTD 16-05-2017	1.63	AAA
9.50% NABARD SER IX I 15-10-2012	1.63	AAA
9.05% SBI 27-01-2020	1.62	AAA
8.4% Tata Capital 26-11-2012	1.62	AAA
7.6% RECL 22-01-2013	1.59	AAA
8.20% IRFC 27-04-2016	1.58	AAA
8% RECL LTD 05-08-2014	1.57	AAA
8.95% HDFC LTD 29-10-2010	1.46	AAA
7.15% IND OIL BOND 10-06-2012	1.27	AA+
11.40% POWER FINANCE CORP 28-11-2013	1.06	AAA
7.39% POWER GRID CORP 22-09-2011	1.03	AAA
9.50% INDIAN HOTEL 28-02-2012	1.00	AA+
9.80% TATA STEEL 07-05-2011	0.98	AA
8.90% Power Grid Corporation 25-02-2018	0.80	AAA
9.90% TATA SONS 20-05-2011	0.66	AAA
9.05% EXIM BANK 06-11-2010	0.65	AAA
9.68% IRFC 03-07-2010	0.52	AAA
8.95% HDFC LTD 16-01-2011	0.33	AAA
9.25% IDBI Bank 29-01-2020	0.30	AAA

total non convertible debentures 34.03

gilts

		SOVEREIGN
7.56% GOI 03-11-2014	1.61	
7.02% GOI 17-08-2016	1.55	
7.44% GOI SPL OIL BOND 23-03-2012	1.40	
7.46% GOI 28-08-2017	0.63	
8.35% GOI 14-05-2022	0.01	

total gilts 5.20

equity

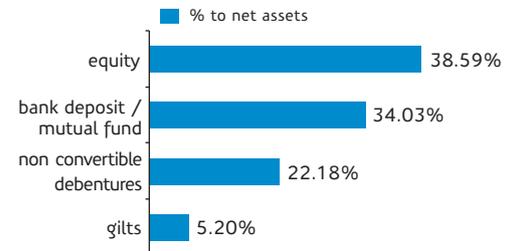
BANKING & FINANCE	8.05	
ICICI BANK	3.03	1.50
STATE BANK OF INDIA	1.75	1.17
AXIS BANK	0.86	1.31
HDFC	0.75	1.11
SHRIRAM TRANSPORT FINANCE COMPANY	0.61	0.17
BANK OF BARODA	0.59	0.86
POWER FINANCE CORPORATION	0.46	0.72
OIL REFINERIES	5.38	
RELIANCE INDUSTRIES	3.83	1.21
OIL & NATURAL GAS CORPORATION	0.84	0.87
OIL INDIA	0.40	0.47
BHARAT PETROLEUM	0.31	0.40
CAP GOODS / ENGINEERING	4.91	
LARSEN & TOUBRO	2.32	1.24
BHARAT HEAVY ELECTRICALS	1.11	0.93
VOLTAS	0.39	1.17
CROMPTON GREAVES	0.39	0.84
PUNJ LLOYD	0.37	1.51
CUMMINS INDIA	0.34	0.64
IT	3.94	
INFOSYS TECHNOLOGIES	2.61	0.68
TATA CONSULTANCY SERVICES	1.01	0.86
MPHASIS	0.32	0.67
METALS	3.20	
TATA STEEL	1.47	1.42
JINDAL STEEL AND POWER	0.91	1.15
STERLITE INDUSTRIES	0.82	1.37
AUTOMOBILES	3.05	
TATA MOTORS	1.25	1.21
MAHINDRA & MAHINDRA	0.75	1.11
MARUTI SUZUKI INDIA	0.59	0.64
BAJAJ AUTO	0.45	0.58
FMCG	2.11	
ITC	1.36	0.59
HINDUSTAN UNILEVER	0.75	0.34
PHARMACEUTICALS	2.01	
DIVIS LABORATORIES	1.15	0.67
CIPLA	0.38	0.44
SUN PHARMACEUTICALS	0.37	0.54
LUPIN	0.12	0.29
CONSTRUCTION	1.09	
JAIPRAKASH ASSOCIATES	0.70	1.75
NAGARJUNA CONSTRUCTION	0.39	1.42
TELECOM	1.02	
BHARTI AIRTEL	1.02	0.91
POWER	0.78	
TATA POWER	0.42	0.81
AREVA T & D INDIA	0.18	1.07
POWER GRID CORPORATION OF INDIA	0.18	0.73
CEMENT & CEMENT PRODUCTS	0.78	
ULTRATECH CEMENT	0.44	0.61
INDIA CEMENTS	0.19	0.96
ACC	0.15	0.81
GAS	0.73	
GAIL INDIA	0.73	0.64
SOFTWARE	0.47	
FINANCIAL TECHNOLOGIES INDIA INR FV 2	0.47	0.86
CONSUMER GOODS	0.41	
UNITED SPIRITS	0.41	0.89
PLASTIC AND PLASTIC PRODUCT	0.35	
SINTEX INDUSTRIES	0.35	0.99
SUGAR	0.30	
BAJAJ HINDUSTAN	0.30	1.23

total equity 38.59

total bank deposits/mutual funds 22.18

total net assets 100.00

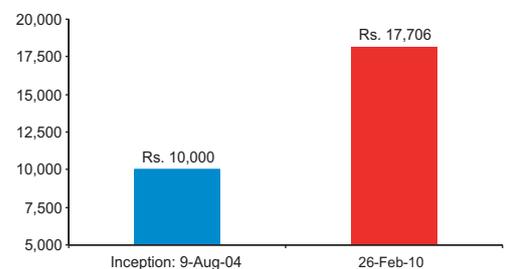
asset allocation as on Feb 28, 2010



fund characteristics as on Feb 28, 2010

M.Duration of debt portfolio: 2.11 years
YTM of debt portfolio: 8.25%
Beta of equity portfolio: 1.01

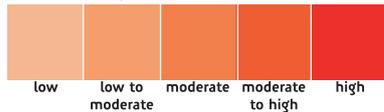
growth of initial investment of Rs. 10,000 in MRP



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 February 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 19.72%.

The allocation to gilts was decreased to 3.22% from 8.05% on expectations of hardening of yield curve. The exposure in corporate bonds was increased to 54.82% from 51.61% to take the advantage of higher spread. Accordingly, exposure in short-term bank deposits and CDs/CPs has been decreased to 22.24% from 22.72%.

target asset allocation

Debt.: 80%
Equity: 20%

benchmark construction

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

ULIP Balanced Fund

fund performance As on February 26, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	18.19%	18.10%	5.85%	7.18%	2.26	1.82
last 2 years (CAGR)	7.09%	6.80%	8.27%	8.27%	0.25	0.22
last 3 years (CAGR)	9.88%	9.46%	7.67%	7.63%	0.64	0.58
since inception (CAGR)	10.92%	9.75%	5.85%	5.91%	1.01	0.80
date of inception			February, 2003			

*CAGR: Compounded Annual Growth Rate

portfolio As on February 28, 2010

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

11.45% RELIANCE INDUSTRIES LTD 25-11-2013	6.49	AAA
11.40% POWER FINANCE CORP 28-11-2013	2.74	AAA
10.20% SUNDARAM FINANCE 29-05-2013	1.76	AAA
10.95% RECL LTD 14-04-2011	1.73	AAA
9.90% TATA SONS 20-05-2011	1.70	AAA
8.94% LIC HOUSING FIN LTD 16-01-2011	1.68	AAA
8.50% EXPORT & IMPORT BANK LTD 12-09-2011	1.68	AAA
8.80% STEEL AUTHORITY OF INDIA LTD 22-09-2019	1.65	AAA
8% RECL LTD 05-08-2014	1.62	AAA
8.95% HDFC LTD 16-01-2011	1.51	AAA
9.50% NABARD SER IX 1 15-10-2012	1.35	AAA
9.80% ICICI BANK LTD 10-02-2013	1.31	AAA
9.50% INDIAN HOTEL 28-02-2012	1.28	AA+
9.35% LIC HOUSING FIN LTD 23-11-2012	1.03	AAA
10% NABARD SER IX 14-05-2012	1.03	AAA
8.75% IRFC 07-01-2013	1.02	AAA
9.80% TATA STEEL 07-05-2011	1.01	AA
11.25% POWER FINANCE CORP LTD 28-11-2018	0.94	AAA
11.10% POWER FINANCE CORP 15-09-2013	0.91	AAA
10.75% RECL LTD 14-04-2011	0.88	AAA
9.80% POWER FINANCE CORP 22-03-2012	0.86	AAA
9.20% POWER GRID CORP 12-03-2013	0.86	AAA
9.50% TATA COMMUNICATION LTD 08-06-2014	0.85	AAA
8.83% IRFC 29-10-2012	0.85	AAA
11.65% HDFC LTD 09-09-2010	0.85	AAA
9.24% L&T FINANCE LTD 30-07-2010	0.84	AA+
9.05% SBI 27-01-2020	0.84	AAA
8.4% TATA CAPITAL 26-11-2012	0.83	AAA
8.40% ADITYA BIRLA NLV LTD 23-11-2012	0.83	AAA
7.20% HDFC 03-06-2010	0.83	AAA
8.90% STEEL AUTHORITY OF INDIA 01-05-2019	0.83	AAA
8.68% NAT CAP REGIONAL PLANNING 18-08-2019	0.83	AAA
7.6% RECL 22-01-2013	0.82	AAA
8.40% HDFC LTD 08-12-2014	0.82	AAA
9.35% IL & FS LTD 22-10-2010	0.80	AAA
9.25% IDBI BANK 29-01-2020	0.79	AAA
9.30% POWER FINANCE CORP LTD 12-03-2013	0.77	AAA
10.10% POWER GRID CORP 12-06-2011	0.62	AAA
9.76% IRFC 03-07-1012	0.61	AAA
8.65% HDFC LTD 12-09-2011	0.59	AAA
9% TATA SONS 27-07-2010	0.58	AAA
11.15% HDFC LTD 06-08-2018	0.56	AAA
11.15% POWER FINANCE CORP 15-09-2011	0.52	AAA
9.45% RECL LTD 04-04-2013	0.52	AAA
9.20% HDFC LTD 09-02-2012	0.51	AAA
9.68% IRFC 03-07-2010	0.49	AAA
6.00% INDIAN HOTEL 13-05-2011	0.47	AA+
9.25% EXIM BANK 13-12-2012	0.43	AAA
8.90% POWER GRID CORPORATION 25-02-2021	0.41	AAA
12% TATA CAPITAL LTD 05-03-2014	0.36	AAA
10% NABARD 18-06-2010	0.33	AAA
10.60% IRFC 11-09-2018	0.18	AAA
10.35% HDFC LTD SR E006 06-06-2017	0.16	AAA
11.35% RECL LTD 24-10-2013	0.07	AAA

total non convertible debentures 54.82

gilts SOVEREIGN

7.44% GOI SPL OIL BOND 23-03-2012	1.35
7.46% GOI 28-08-2017	0.81
7.50% GOI 10-08-2034	0.45
6.72% GOI 24-02-2014	0.32
8.24% GOI 22-04-2018	0.29
7.37% GOI 16-04-2014	0.00

total gilts 3.22

equity

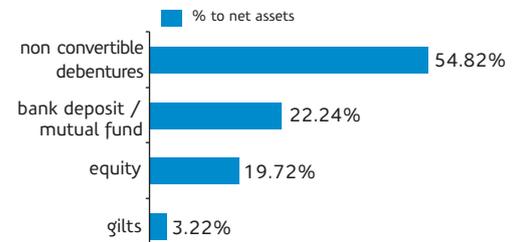
BANKING & FINANCE		
ICICI BANK	1.54	1.50
STATE BANK OF INDIA	0.90	1.17
AXIS BANK	0.42	1.31
HDFC	0.38	1.11
SHRIRAM TRANSPORT FINANCE COMPANY	0.31	0.17
BANK OF BARODA	0.29	0.86
POWER FINANCE CORPORATION	0.24	0.72
OIL REFINERIES		
RELIANCE INDUSTRIES	1.91	1.21
OIL & NATURAL GAS CORPORATION	0.43	0.87
OIL INDIA	0.20	0.47
BHARAT PETROLEUM	0.17	0.40
CAP GOODS / ENGINEERING		
LARSEN & TOUBRO	1.16	1.24
BHARAT HEAVY ELECTRICALS	0.58	0.93
CROMPTON GREAVES	0.20	0.84
CUMMINS INDIA	0.19	0.64
VOLTAS	0.19	1.17
PUNJ LLOYD	0.18	1.51
IT	2.07	
INFOSYS TECHNOLOGIES	1.34	0.68
TATA CONSULTANCY SERVICES	0.51	0.86
Mphasis	0.22	0.67
AUTOMOBILES		
TATA MOTORS	0.76	1.21
MAHINDRA & MAHINDRA	0.37	1.11
MARUTI SUZUKI INDIA	0.30	0.64
BAJAJ AUTO	0.26	0.58
METALS		
TATA STEEL	1.56	1.42
JINDAL STEEL AND POWER	0.71	1.15
STERLITE INDUSTRIES	0.46	1.15
FMCG	0.39	1.37
ITC	1.05	
HINDUSTAN UNILEVER	0.67	0.59
PHARMACEUTICALS	0.37	0.34
DIVIS LABORATORIES	1.03	
CIPLA	0.59	0.67
SUN PHARMACEUTICALS	0.19	0.44
LUPIN	0.19	0.54
CONSTRUCTION	0.06	0.29
JAIPRAKASH ASSOCIATES	0.57	
NAGARJUNA CONSTRUCTION	0.37	1.75
TELECOM	0.20	1.42
BHARTI AIRTEL	0.51	
POWER	0.51	0.91
TATA POWER	0.42	
AREVA T & D INDIA	0.21	0.81
POWER GRID CORPORATION OF INDIA	0.12	1.07
CEMENT & CEMENT PRODUCTS	0.09	0.73
ULTRATECH CEMENT	0.39	
INDIA CEMENTS	0.22	0.61
ACC	0.10	0.96
GAS	0.08	0.81
GAIL INDIA	0.38	0.38
SOFTWARE	0.38	0.64
FINANCIAL TECHNOLOGIES INDIA	0.23	0.86
CONSUMER GOODS	0.21	
UNITED SPIRITS	0.21	0.89
PLASTIC AND PLASTIC PRODUCT	0.17	
SINTEX INDUSTRIES	0.17	0.99
SUGAR	0.15	
BAJAJ HINDUSTAN	0.15	1.23

total equity 19.72

total bank deposits/mutual funds 22.24

total net assets 100.00

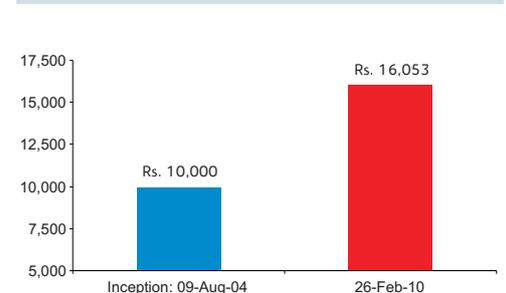
asset allocation as on Feb 28, 2010



fund characteristics as on Feb 28, 2010

M.Duration of debt portfolio: 2.00 years
YTM of debt portfolio: 7.84%
Beta of equity portfolio: 1.01

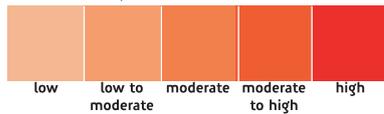
growth of initial investment of Rs. 10,000



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



ULIP Corporate Bond Fund

fund performance As on February 26, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	9.00%	4.88%	3.28%	3.55%	1.22	-0.03
last 2 years (CAGR)	10.11%	6.28%	4.14%	5.11%	1.24	0.25
since inception (CAGR)	10.26%	7.16%	3.73%	4.57%	1.41	0.47
date of inception	may, 2007					

*CAGR: Compounded Annual Growth Rate

portfolio As on February 28, 2010

security % to net assets rating

non convertible debentures.

11.45% RELIANCE INDUSTRIES LTD 25-11-2013	6.83	AAA
12%TATA CAPITAL LTD 05-03-2014	4.77	AAA
8.80% STEEL AUTHORITY OF INDIA LTD 22-06-2019	4.39	AAA
11.10% POWER FINANCE CORP 15-09-2013	4.00	AAA
11.50% RECL LTD 26-11-2013	3.26	AAA
2% TATA MOTORS LTD 31-03-2014	3.07	AAA(SO)
2% INDIAN HOTELS COMPANY LTD 09-12-2014	3.03	AAA
8.40% ADITYA BIRLA NUVO LTD 23-11-2012	2.96	AAA
8.46% IRFC 15-01-2014	2.94	AAA
7.24% LIC HOUSING FIN LTD 23-06-2011	2.93	AAA
10.90% RECL LTD 14-04-2013	2.75	AAA
8.75% IRFC 07-01-2013	1.81	AAA
9.70% LIC HOUSING FINANCE LTD 07-04-2013	1.54	AAA
10.05% NABARD 11-06-2014	1.54	AAA
9.50% HDFC LTD 27-02-2013	1.53	AAA
9.33% POWER GRID CORP LTD 15-12-2013	1.51	AAA
8.88% IDFC 07-01-2011	1.49	AAA
9.05% SBI 27-01-2020	1.49	AAA
8.90% STEEL AUTHORITY OF INDIA 01-05-2019	1.47	AAA
8.60% POWER FINANCE CORP LTD 07-08-2014	1.47	AAA
8.68% NAT CAP REGIONAL PLANNING 18-08-2019	1.47	AAA
8% RECL LTD 05-08-2014	1.44	AAA
8.90% POWER GRID CORPORATION 25-02-2016	0.74	AAA
6.00% INDIAN HOTEL 13-05-2011	0.62	AA+
9.32% HDFC LTD 17-12-2012	0.61	AAA
9.35% LIC HOUSING FIN LTD 23-11-2012	0.61	AAA
7.39% POWER GRID CORP 22-09-2011	0.53	AAA
9% TATA SONS 27-07-2010	0.45	AAA
9.47% POWER GRID CORP 31-03-2013	0.31	AAA
9.20% HDFC LTD 09-02-2012	0.30	AAA
9.80% TATA STEEL 07-05-2011	0.30	AA
11.30% ACC LTD 10-12-2013	0.16	AAA
9.30% POWER FINANCE CORP LTD 12-03-2013	0.15	AAA
10.48% GRASIM INDUSTRIES LTD 16-12-2013	0.10	AAA
9.76% IRFC 03-07-1012	0.09	AAA
9.25% EXIM BANK 13-12-2012	0.09	AAA
11.35% RECL LTD 24-10-2013	0.05	AAA

total non convertible debentures 62.77

gilts SOVEREIGN

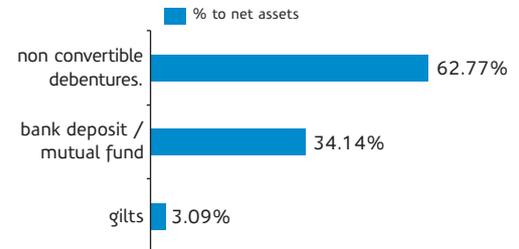
7.46% GOI 28-08-2017	1.50
7.35% GOI 22-06-2024	1.41
6.35%GOI 2020 02-01-2020	1.38
7.56% GOI 03-11-2014	0.30

total gilts 3.09

total bank deposits/mutual funds 34.14

total net assets 100.00

asset allocation as on Feb 28, 2010



fund characteristics as on Feb 28, 2010

M.Duration of debt portfolio: 2.33 years
YTM of debt portfolio: 7.67%

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fund manager's report

The exposure to corporate bonds was decreased to 62.77% from 68.66%. Exposure in gilts was decreased to 3.09% from 4.59% 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.

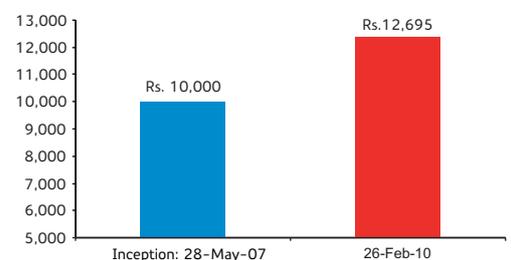
target asset allocation

Bond Instruments: 100%

benchmark construction

CRISIL Composite Bond Index: 100%

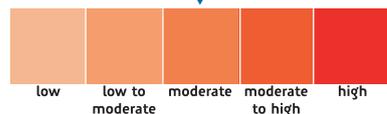
growth of initial investment of Rs. 10,000 in AIP



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



ULIP Pure Debt Fund

fund performance As on February 26, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	9.21%	4.88%	3.70%	3.55%	1.14	-0.03
last 2 years (CAGR)	9.75%	6.28%	3.91%	5.11%	1.22	0.25
since inception (CAGR)	9.58%	7.03%	3.29%	4.43%	1.39	0.46
date of inception			april, 2007			

*CAGR: Compounded Annual Growth Rate

portfolio As on February 28, 2010

security % to net assets rating

non convertible debentures.

11.45% RELIANCE INDUSTRIES LTD 25-11-2013	6.99	AAA
11.10% POWER FINANCE CORP 15-09-2013	5.32	AAA
10.90% RECL LTD 30-09-2013	4.21	AAA
9.70% LIC HOUSING FINANCE LTD 07-04-2013	4.04	AAA
2% TATA MOTORS LTD 31-03-2014	4.02	AAA(SO)
2% INDIAN HOTELS COMPANY LTD 09-12-2014	3.97	AAA
8.40% HDFC LTD 08-12-2014	3.82	AAA
10.90% RECL LTD 14-04-2013	3.52	AAA
12% TATA CAPITAL LTD 05-03-2014	3.33	AAA
10.60% IRFC 11-09-2018	2.58	AAA
11.25% POWER FINANCE CORP LTD 28-11-2018	2.20	AAA
11.30% ACC LTD 10-12-2013	2.11	AAA
8.98% NAT CAP REGIONAL PLANNING 14-02-2018	1.97	AAA
8.4% TATA CAPITAL 26-11-2012	1.94	AAA
8.40% ADITYA BIRLA NUVO LTD 23-11-2012	1.94	AAA
8.90% STEEL AUTHORITY OF INDIA 01-05-2019	1.93	AAA
9.25% IDBI BANK 29-01-2020	1.83	AAA
9.05% SBI 27-01-2020	0.97	AAA
8.90% POWER GRID CORPORATION 25-02-2015	0.97	AAA
10.10% POWER GRID CORP 12-06-2011	0.50	AAA
10% NABARD SER IX 14-05-2012	0.41	AAA

total non convertible debentures 58.57

gilts

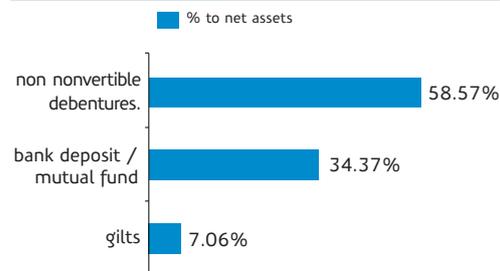
		SOVEREIGN
7.46% GOI 28-08-2017	3.76	
7.50% GOI 10-08-2034	1.75	
7.56% GOI 03-11-2014	1.55	

total gilts 7.06

total bank deposits/mutual funds 34.37

total net assets 100.00

asset allocation as on Feb 28, 2010



fund characteristics as on Feb 28, 2010

M.Duration of debt portfolio: 2.64 years
YTM of debt portfolio: 8.32%

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fund manager's report

The exposure to gilts was decreased to 7.06% from 10.36% on expectations of hardening of yield curve. Exposure to corporate bonds was increased to 58.57% from 56.27% to take the advantage of higher spread. Accordingly the exposure to short term assets was increased to 34.37% from 33.37%. We will increase exposure to gilts and corporate bonds as and when attractive investments are available.

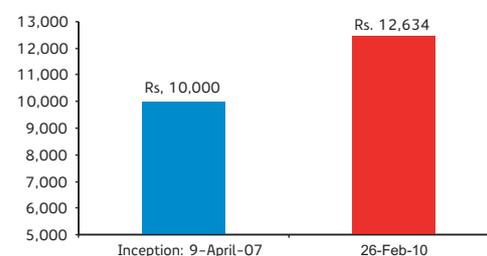
target asset allocation

Debt Instruments: 100%

benchmark construction

CRISIL Composite Bond Index: 100%

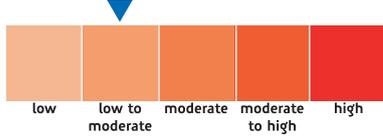
growth of initial investment of Rs. 10,000 in MGP



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



ULIP Gilt Fund

fund performance As on February 26, 2010

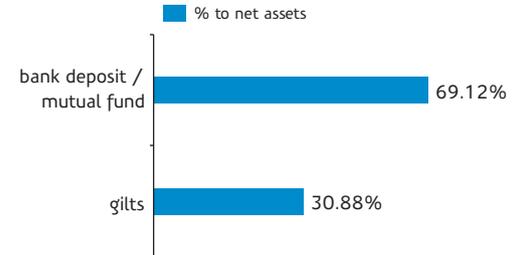
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	4.11%	2.28%	3.58%	6.02%	-0.25	-0.45
last 2 years (CAGR)	5.37%	8.78%	3.95%	12.89%	0.09	0.29
since inception (CAGR)	5.97%	9.73%	3.41%	11.10%	0.28	0.43
date of inception	may, 2007					

*CAGR: Compounded Annual Growth Rate

portfolio As on February 28, 2010

security	% to net assets	rating
gilts		
6.49% GOI 08-06-2015	12.98	SOVEREIGN
7.56% GOI 03-11-2014	9.11	
7.49% GOI 16-04-2017	4.43	
6.07% GOI 15-05-2014	4.33	
9.85% GOI 16-10-2015	0.03	
total gilts	30.88	
total bank deposits/mutual funds	69.12	
total net assets	100.00	

asset allocation as on Feb 28, 2010



fund characteristics as on Feb 28, 2010

M.Duration of debt portfolio: 1.34 years
YTM of debt portfolio: 5.79%

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fund manager's report

The allocation to gilts was decreased to 30.88% from 34.21% on expectations of hardening of yield curve. Accordingly we increased the exposure in short term bank FDs, CDs and CPs to 69.12% from 65.79%.

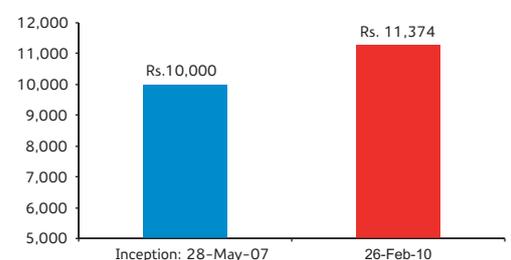
target asset allocation

Government Securities: 100%

benchmark construction

I-Sec Composite Sovereign Bond Index:100%

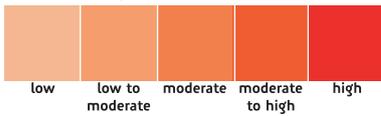
growth of initial investment of Rs. 10,000 in AIP



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



ULIP Guaranteed Bond Fund I

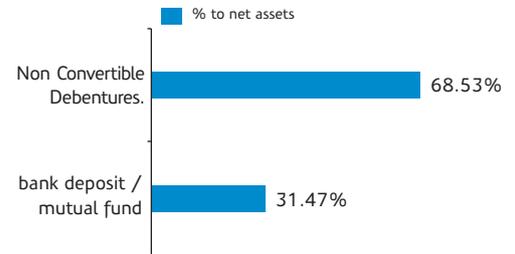
fund performance As on February 26, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	10.38%	N.A.	3.92%	N.A.	1.37	N.A.
since inception (CAGR)	14.89%	N.A.	4.23%	N.A.	2.34	N.A.
date of inception			december, 2008			

portfolio As on February 28, 2010

security	% to net assets	rating/ 1-yr beta
non convertible debentures		
9.15% NAT CAP REGIONAL PLANNING 18-02-2019	8.92	AAA
11% POWER FINANCE CORP LTD 15-09-2018	7.02	AAA
2% TATA MOTORS LTD 31-03-2014	6.50	AAA(SO)
9.50% TATA COMMUNICATION LTD 08-06-2014	6.43	AAA
11.45% RELIANCE INDUSTRIES LTD 25-11-2013	6.34	AAA
10.48% GRASIM INDUSTRIES LTD 16-12-2013	6.24	AAA
11.30% ACC LTD 10-12-2013	6.17	AAA
10.35% HDFC LTD SR E006 06-06-2017	5.56	AAA
11.35% RECL LTD 24-10-2013	4.57	AAA
10.60% IRFC 11-09-2018	4.18	AAA
9.07% RECL LTD 28-02-2018	3.79	AAA
11.15% HDFC LTD 06-08-2018	2.83	AAA
total non convertible debentures	68.53	
total bank deposits/mutual funds	31.47	
total net assets	100.00	

asset allocation as on Feb 28, 2010



fund characteristics as on Feb 28, 2010

M.Duration of debt portfolio:	2.98 years
YTM of debt portfolio:	8.65%

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fund manager's report

The portfolio is maintained to deliver guaranteed returns.

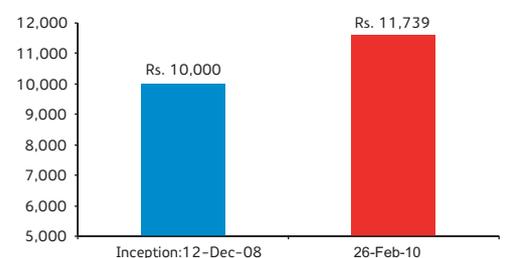
target asset allocation

Debt Instruments: 100%

benchmark construction

CRISIL Composite Bond Index: 100%

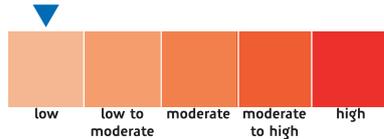
growth of initial investment of Rs. 10,000 in GRP I



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



ULIP Money Market Fund

fund performance As on February 26, 2010

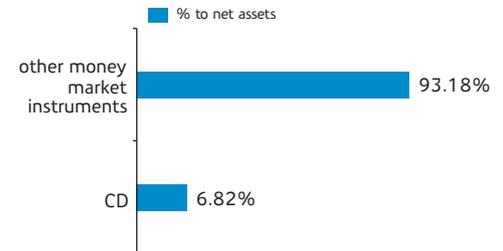
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	8.51%	3.84%	0.42%	0.63%	8.43	-1.85
last 2 years (CAGR)	9.49%	6.37%	0.46%	0.89%	9.69	1.55
since inception (CAGR)	9.37%	6.36%	0.40%	0.77%	10.89	1.76
date of inception			may, 2007			

*CAGR: Compounded Annual Growth Rate

portfolio As on February 28, 2010

security	% to net assets	rating
certificate of deposit		
CANARA BANK 18-03-2010	6.82	P1+
total certificate of deposit	6.82	
other money market Instrument	93.18	
total net assets	100.00	

asset allocation as on Feb 28, 2010



fund characteristics as on Feb 28, 2010

M.Duration of debt portfolio:	0.01 years
YTM of debt portfolio:	7.34%

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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.

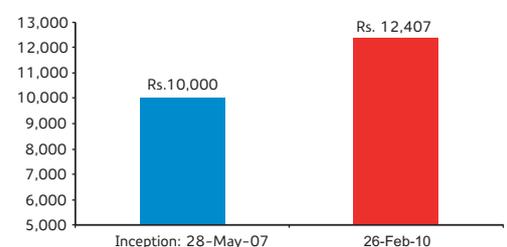
target asset allocation

Money Market Instruments : 100%

benchmark construction

CRISIL Liquid Bond Index: 100%

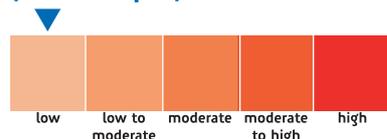
growth of initial investment of Rs. 10,000 in AIP



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



ULIP Capital Secure Fund

fund performance As on February 26, 2010

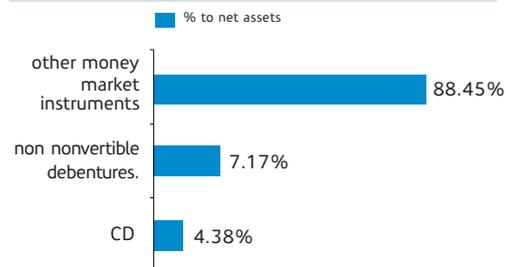
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	7.85%	4.10%	0.43%	0.14%	6.62	-6.48
last 2 years (CAGR)	8.83%	5.97%	0.58%	0.61%	6.58	1.60
last 3 years (CAGR)	9.04%	6.54%	0.48%	0.55%	8.39	2.81
since inception (CAGR)	7.04%	5.80%	0.60%	0.49%	3.38	1.63
date of inception	february, 2003					

*CAGR: Compounded Annual Growth Rate

portfolio As on February 28, 2010

security	% to net assets	rating
certificate of deposit		
CANARA BANK 18-03-2010	4.38	P1+
total certificate of deposits	4.38	
non convertible debentures		
10.00% HDFC LTD 19-03-2010	7.17	AAA
total non convertible debentures	7.17	
other money market instruments	88.45	
total net assets	100.00	

asset allocation as on Feb 28, 2010



fund characteristics as on Feb 28, 2010

M.Duration of debt portfolio:	0.01 years
YTM of debt portfolio:	6.77%

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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.

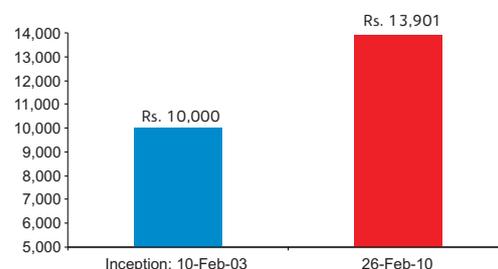
target asset allocation

Money Market Instruments :100%

benchmark construction

Yield on 182-day T.Bills : 100%

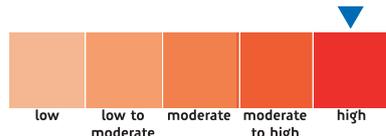
growth of initial investment of Rs 10,000



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 February 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 79.87%.

target asset allocation

Equity Plus: 100%

benchmark construction

S&P CNX Nifty: 100%

ULIP Equity Plus Fund

fund performance As on February 26, 2010

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

portfolio As on February 28, 2010

security % to net assets 1-yr beta

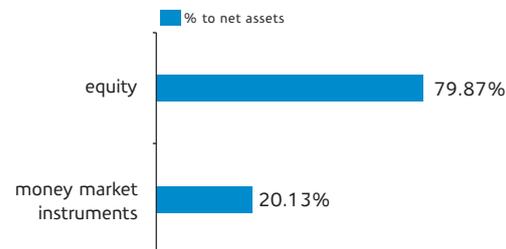
equity

BANKING & FINANCE	14.85	
ICICI BANK	5.26	1.50
STATE BANK OF INDIA	3.29	1.17
AXIS BANK	1.96	1.31
POWER FINANCE CORPORATION	1.59	0.72
HOUSING DEVELOPMENT FINANCE CORPORATION	1.48	1.11
HDFC BANK	1.28	0.83
IT	11.02	
INFOSYS TECHNOLOGIES	6.08	0.68
TATA CONSULTANCY SERVICES	3.38	0.86
MPHASIS	0.78	0.67
3I INFOTECH	0.77	1.16
OIL REFINERIES	8.69	
RELIANCE INDUSTRIES	7.95	1.21
OIL & NATURAL GAS CORPORATION	0.74	0.87
CAP GOODS / ENGINEERING	8.61	
LARSEN & TOUBRO	3.97	1.24
BHARAT HEAVY ELECTRICALS	2.23	0.93
CROMPTON GREAVES	1.74	0.84
CUMMINS INDIA	0.67	0.64
AUTOMOBILES	6.42	
MAHINDRA & MAHINDRA	1.66	1.11
MARUTI SUZUKI INDIA	1.49	0.64
TATA MOTORS	1.47	1.21
MOTHERSON SUMI SYSTEMS	1.05	0.58
BAJAJ AUTO	0.75	0.58
METALS	4.72	
TATA STEEL	2.06	1.42
JINDAL STEEL AND POWER	1.68	1.15
STERLITE INDUSTRIES	0.98	1.37
POWER	3.52	
TATA POWER	2.75	0.81
PTC INDIA	0.77	0.63
CEMENT & CEMENT PRODUCTS	3.08	
ULTRATECH CEMENT	1.58	0.61
INDIA CEMENTS	1.50	0.96
FMCG	3.01	
HINDUSTAN UNILEVER	1.53	0.34
ITC	1.48	0.59
TELECOM	2.79	
BHARTI AIRTEL	2.79	0.91
CONSTRUCTION	2.41	
NAGARJUNA CONSTRUCTION	1.25	1.42
JAIPRAKASH ASSOCIATES	1.16	1.75
CONSUMER GOODS	2.21	
ASIAN PAINTS	1.32	0.19
UNITED SPIRITS	0.89	0.89
AUTO ANCILLARY	2.03	
EXIDE INDUSTRIES	2.03	0.63
PHARMACEUTICALS	1.86	
DIVIS LABORATORIES	0.80	0.67
CIPLA	0.79	0.44
LUPIN	0.26	0.29
OIL EXPLORATION	1.31	
CAIRN INDIA	1.31	0.94
GAS	1.10	
GAIL INDIA	1.10	0.64
FERTILISERS	0.84	
TATA CHEMICALS	0.84	0.76
PLASTIC AND PLASTIC PRODUCT	0.71	
SINTEX INDUSTRIES	0.71	0.99
FERTILIZERS	0.69	
UNITED PHOSPHORUS LTD	0.69	0.80
total equity	79.87	

total money market instruments 20.13

total net assets 100.00

asset allocation as on Feb 28, 2010



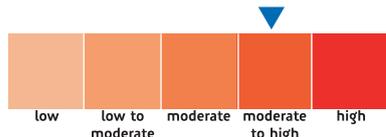
fund characteristics as on Feb 28, 2010

Fund Beta 0.97

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



ULIP Highest Nav Guarantee Fund

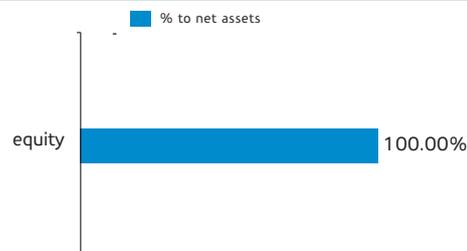
fund performance As on February 26, 2010

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 February 28, 2010

security	% to net assets	1-yr beta
equity	23.37	
BANKING & FINANCE		
ICICI BANK	8.11	1.50
HDFC	5.37	1.11
HDFC BANK	5.19	0.83
STATE BANK OF INDIA	4.71	1.17
OIL REFINERIES	17.36	
RELIANCE INDUSTRIES	13.37	1.21
OIL & NATURAL GAS CORPORATION	3.99	0.87
IT	15.97	
INFOSYS TECHNOLOGIES	10.57	0.68
TATA CONSULTANCY SERVICES	3.74	0.86
WIPRO LTD	1.66	0.78
CAP GOODS / ENGINEERING	10.41	
LARSEN & TOUBRO	7.05	1.24
BHARAT HEAVY ELECTRICALS	3.36	0.93
FMCG	7.32	
ITC	5.16	0.59
HINDUSTAN UNILEVER	2.15	0.34
METALS	7.27	
TATA STEEL	2.98	1.42
STERLITE INDUSTRIES	2.47	1.37
HINDALCO INDUSTRIES	1.82	1.23
AUTOMOBILES	6.72	
MAHINDRA & MAHINDRA	1.77	1.11
MARUTI SUZUKI INDIA	1.76	0.64
TATA MOTORS	1.71	1.21
HERO HONDA MOTORS	1.48	0.48
POWER	3.78	
NTPC	2.10	0.59
TATA POWER	1.68	0.81
TELECOM	3.11	
BHARTI AIRTEL	3.11	0.91
CEMENT & CEMENT PRODUCTS	2.35	
GRASIM INDUSTRIES	1.55	0.73
ACC	0.80	0.81
CONSTRUCTION	1.29	
JAIPRAKASH ASSOCIATES	1.29	1.75
PHARMACEUTICALS	1.06	
SUN PHARMACEUTICALS	1.06	0.54
total equity	100.00	
total bank deposits/mutual funds	0.00	
total net assets	100.00	

asset allocation as on Feb 28, 2010

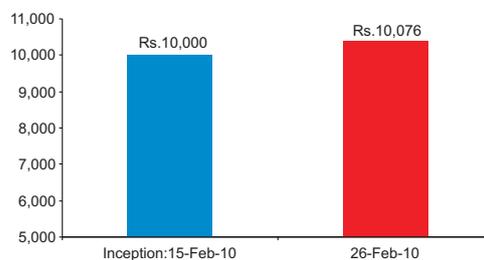


fund characteristics as on Feb 28, 2010

Fund Beta 1.01

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



Product Details

Nav's as of 26th February, 2010

Reliance Equity Fund

Product Name	Inception Date	Nav
Market Return Plan (MRP)	Aug 9, 2004	25.4491
Golden Year Plan (GYP)	Mar 12, 2007	12.5536
Automatic Investment Plan (AIP)	May 28, 2007	10.7907
Secure Child Plan (SCP)	Nov 29, 2007	8.2398
Wealth + Health Plan (WHP)	Feb 27, 2008	8.9580
Total Investment Plan Series I (TIPS I)	Mar 19, 2008	11.1320
Total Investment Plan Series II (TIPS II)	Mar 19, 2008	11.1276
SuperInvest Assure Plan (SIP)	Jun 12, 2008	11.1394
Super Golden Year Plan (SGYP)	Dec 4, 2008	10.7907
Super Market Return Plan (SMRP)	Dec 4, 2008	10.7907
Super Automatic Investment Plan (SAIP)	Dec 4, 2008	10.7907
SuperInvest Assure Plan Plus (SIP Plus)	Dec 10, 2008	11.1394
Savings Linked Insurance (SLI)	May 26, 2009	17.0020
Reliance Premier Life (RPL)	Aug 20, 2009	17.0020
New Equity Fund	Jan 11, 2010	9.6626

Reliance Pure Equity Fund

Product Name	Inception Date	Nav
SuperInvest Assure Plan (SIP)	Jun 12, 2008	12.2269
Automatic Investment Plan (AIP)	Aug 1, 2008	11.0482
Secure Child Plan (SCP)	Aug 1, 2008	11.0482
Golden Year Plan (GYP)	Aug 1, 2008	11.0482
Wealth + Health Plan (WHP)	Aug 1, 2008	11.0482
Total Investment Plan Series I (TIPS I)	Aug 1, 2008	11.0482
Total Investment Plan Series II (TIPS II)	Aug 1, 2008	11.0482
Market Return Plan (MRP)	Aug 1, 2008	11.0482
Super Golden Year Plan (SGYP)	Dec 4, 2008	11.0482
Super Market Return Plan (SMRP)	Dec 4, 2008	11.0482
Super Automatic Investment Plan (SAIP)	Dec 4, 2008	11.0482
SuperInvest Assure Plan Plus (SIP Plus)	Dec 10, 2008	12.2269
Imaan Plan- Indian Traditional Fund Option	Dec 17, 2008	12.2269
Savings Linked Insurance(SLI)	April 29, 2009	17.0331
Reliance Premier Life (RPL)	Aug 20, 2009	17.0331
New Pure Equity Fund	Jan 11, 2010	9.3267
New Indian Traditional Fund	Jan 11, 2010	9.3267

Reliance Infrastructure Fund

Product Name	Inception Date	Nav
Total Investment Plan Series I (TIPS I)	Mar 19, 2008	8.6753
Total Investment Plan Series II (TIPS II)	Mar 19, 2008	8.6656
SuperInvest Assure Plan (SIP)	Jun 12, 2008	9.0996
Automatic Investment Plan (AIP)	Aug 1, 2008	8.8220
Secure Child Plan (SCP)	Aug 1, 2008	8.8220
Golden Year Plan (GYP)	Aug 1, 2008	8.8220
Wealth + Health Plan (WHP)	Aug 1, 2008	8.8220
Market Return Plan (MRP)	Aug 1, 2008	8.8220
Super Golden Year Plan (SGYP)	Dec 4, 2008	8.8220
Super Market Return Plan (SMRP)	Dec 4, 2008	8.8220
Super Automatic Investment Plan (SAIP)	Dec 4, 2008	8.8220
SuperInvest Assure Plan Plus (SIP Plus)	Dec 10, 2008	9.0996
Savings Linked Insurance(SLI)	May 26, 2009	13.1349
Reliance Premier Life (RPL)	Aug 20, 2009	13.1349
New Infrastructure fund	Jan 11, 2010	8.9903

Reliance Energy Fund

Product Name	Inception Date	Nav
Total Investment Plan Series I (TIPS I)	Mar 19, 2008	10.0051
Total Investment Plan Series II (TIPS II)	Mar 19, 2008	10.0059
SuperInvest Assure Plan (SIP)	Jun 12, 2008	10.5443
Automatic Investment Plan (AIP)	Aug 1, 2008	9.8787
Golden Year Plan (GYP)	Aug 1, 2008	9.8787
Wealth + Health Plan (WHP)	Aug 1, 2008	9.8787
Market Return Plan (MRP)	Aug 1, 2008	9.8787
Secure Child Plan (SCP)	Aug 1, 2008	9.8787
Super Golden Year Plan (SGYP)	Dec 4, 2008	9.8787
Super Market Return Plan (SMRP)	Dec 4, 2008	9.8787
Super Automatic Investment Plan (SAIP)	Dec 4, 2008	9.8787
SuperInvest Assure Plan Plus (SIP Plus)	Dec 10, 2008	10.5443
Savings Linked Insurance (SLI)	May 26, 2009	14.7337
Reliance Premier Life (RPL)	Aug 20, 2009	14.7337
New Energy Fund	Jan 11, 2010	9.0780

Product Details

Nav's as of 26th February, 2010

Reliance Midcap Fund

Product Name	Inception Date	Nav
Total Investment Plan Series I (TIPS I)	Mar 19, 2008	10.7430
Total Investment Plan Series II (TIPS II)	Mar 19, 2008	10.7726
SuperInvest Assure Plan (SIP)	Jun 12, 2008	10.3088
Automatic Investment Plan (AIP)	Aug 1, 2008	10.6693
Secure Child Plan (SCP)	Aug 1, 2008	10.6693
Golden Year Plan (GYP)	Aug 1, 2008	10.6693
Wealth + Health Plan (WHP)	Aug 1, 2008	10.6693
Market Return Plan (MRP)	Aug 1, 2008	10.6693
Super Golden Year Plan (SGYP)	Dec 4, 2008	10.6693
Super Market Return Plan (SMRP)	Dec 4, 2008	10.6693
Super Automatic Investment Plan (SAIP)	Dec 4, 2008	10.6693
SuperInvest Assure Plan Plus (SIP Plus)	Dec 10, 2008	10.3088
Reliance Premier Life (RPL)	Aug 20, 2009	17.7783
New Midcap fund	Jan 11, 2010	9.0370

Reliance Super Growth Fund

Product Name	Inception Date	Nav
Automatic Investment Plan (AIP)-A Option	May 28, 2007	10.8295
Wealth + Health Plan (WHP)-A Option	Feb 27, 2008	9.2136
Super Automatic Investment Plan (SAIP)-A Option	Dec 4, 2008	10.8295
New Fund A	Jan 11, 2010	9.5447

Reliance High Growth Fund

Product Name	Inception Date	Nav
Reliance Money Guarantee Plan (MGP)-F Option	Mar 1, 2007	12.4656
New Fund F	Jan 11, 2010	9.8115

Reliance Growth Plus Fund

Product Name	Inception Date	Nav
Money Guarantee Plan (MGP)-E Option	Mar 1, 2007	12.4757
Automatic Investment Plan (AIP)-B Option	May 28, 2007	11.7530
Wealth + Health Plan (WHP)-B Option	Feb 27, 2008	10.3297
Super Automatic Investment Plan (SAIP)-B Option	Aug 4, 2008	11.7530
New Fund B	Jan 11, 2010	9.7373
New Fund E	Jan 11, 2010	9.7373

Reliance Growth Fund

Product Name	Inception Date	Nav
Market Return Plan (MRP)	Aug 9, 2004	17.7062
Money Guarantee Plan (MGP)-D Option	Mar 1, 2007	12.5877
Golden Year Plan (GYP)	Mar 12, 2007	14.1052
Secure Child Plan (SCP)-H Option	Nov 29, 2007	10.3627
Super Golden Year Plan (SGYP)	Dec 4, 2008	14.1052
Super Market Return Plan (SMRP)	Dec 4, 2008	17.7062
New Growth Fund	Jan 11, 2010	9.7971
New Fund D	Jan 11, 2010	9.7971
New Fund H	Jan 11, 2010	9.7971

Reliance Balanced Fund

Product Name	Inception Date	Nav
Golden Year Plan (GYP)	Feb 10, 2003	16.0570
Market Return Plan (MRP)	Aug 9, 2004	16.0532
Automatic Investment Plan (AIP)-C Option	May 28, 2007	12.3386
Secure Child Plan (SCP)-G Option	Nov 29, 2007	11.2095
Super Golden Year Plan (SGYP)	Dec 4, 2008	16.0570
Super Market Return Plan (SMRP)	Dec 4, 2008	16.0532
Super Automatic Investment Plan (SAIP)-C Option	Dec 4, 2008	12.3386
New Balanced Fund	Jan 11, 2010	9.9195
New Fund C	Jan 11, 2010	9.9195
New Fund G	Jan 11, 2010	9.9195

Product Details

Nav's as of 26th February, 2010

Reliance Corporate Bond Fund

Product Name	Inception Date	Nav
Automatic Investment Plan (AIP)	May 28, 2007	12.6953
Total Investment Plan Series I (TIPS I)	Mar 19, 2008	11.8230
Total Investment Plan Series II (TIPS II)	Mar 19, 2008	11.8119
Wealth + Health Plan (WHP)	Feb 27, 2008	11.9006
SuperInvest Assure Plan (SIP)	Jun 12, 2008	11.7318
Super Automatic Investment Plan (SAIP)	Dec 4, 2008	12.6953
SuperInvest Assure Plan Plus (SIP Plus)	Dec 4, 2008	11.7318
Reliance Premier Life (RPL)	Aug 20, 2009	11.2965
New Corporate Bond Fund	Jan 11, 2010	10.0397

Reliance Pure Debt Fund

Product Name	Inception Date	Nav
Money Guarantee Plan (MGP) Return Shield Option	Apr 9, 2007	12.6337
Secure Child Plan (SCP) Return Shield Option	Dec 27, 2007	11.9189
New Return Shield	Jan 11, 2010	10.0000

Reliance Gilt Fund

Product Name	Inception Date	Nav
Automatic Investment Plan (AIP)	May 28, 2007	11.3737
Wealth + Health Plan (WHP)	Feb 27, 2008	10.8537
Total Investment Plan Series I (TIPS I)	Mar 19, 2008	10.8059
Total Investment Plan Series II (TIPS II)	Mar 19, 2008	10.8088
SuperInvest Assure Plan (SIP)	Jun 12, 2008	10.8567
Super Automatic Investment Plan (SAIP)	Dec 4, 2008	11.3737
SuperInvest Assure Plan Plus (SIP Plus)	Dec 10, 2008	10.8567
Savings Linked Insurance (SLI)	May 26, 2009	10.3051
Reliance Premier Life (RPL)	Aug 20, 2009	10.3051
New Gilt Fund	Jan 11, 2010	10.0327

Reliance Guaranteed Bond Fund I

Product Name	Inception Date	Nav
Insurance Bond Fund Option	Dec 12, 2008	11.7388
Pension Bond Fund Option	Dec 12, 2008	11.7487
Insurance Bond Fund Option (New)	Feb 25, 2009	11.0449
Pension Bond Fund Option (New)	Feb 25, 2009	11.0569

Reliance Money Market Fund

Product Name	Inception Date	Nav
Automatic Investment Plan (AIP)	May 28, 2007	12.4071
Wealth + Health Plan (WHP)	Feb 27, 2008	11.7411
Total Investment Plan Series I (TIPS I)	Mar 19, 2008	11.6737
Total Investment Plan Series II (TIPS II)	Mar 19, 2008	11.6647
SuperInvest Assure Plan (SIP)	Jun 12, 2008	11.4754
Super Golden Year Plan (SGYP)	Dec 4, 2008	11.1076
Super Market Return Plan (SMRP)	Dec 4, 2008	11.1076
Super Automatic Investment Plan (SAIP)	Dec 4, 2008	12.4071
SuperInvest Assure Plan Plus (SIP Plus)	Dec 10, 2008	11.4754
Savings Linked Insurance (SLI)	May 26, 2009	11.0124
Reliance Premier Life (RPL)	Aug 20, 2009	11.0124
New Money Market	Jan 11, 2010	10.0723

Reliance Capital Secure Fund

Product Name	Inception Date	Nav
Golden Year Plan (GYP)	Feb 10, 2003	13.9554
Market Return Plan (MRP)	Aug 9, 2004	13.9008

Reliance Highest Nav Guarantee Fund

Product Name	Inception Date	Nav
Highest Nav Guarantee Fund	Feb 15, 2010	10.0756

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

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

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

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

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

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

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

A statistical analysis is carried out to determine that the **risk levels** are in tune with the risk appetite of the particular fund. Statistical tools such as the standard deviation and risk-adjusted return measures such as the Sharp ratio are calculated in order to compare the returns generated per unit of risk vis-à-vis benchmarks.

The investment policy has been designed by the **Board** to cover regulatory guidelines, the various product investment objectives, risk appetite strategic asset allocation and the investment style. It is ensured that the portfolio is always kept compliant with the relevant regulations. Our rigorous process and risk/compliance controls are well documented.

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

the analyst expressions

► Gross Fund Return

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

We shall highlight this with the help of an example.

Reliance Life Insurance

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

XYZ Insurance Company

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

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

► Benchmark Return

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

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

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

► Fund Standard Deviation

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

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

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

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

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

► Fund Sharpe Ratio

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

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

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

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

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

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

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

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

▶ Benchmark Sharpe Ratio

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

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

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

▶ Modified Duration of Debt Portfolio

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

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

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

▶ Fund Beta

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

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

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

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

products & UIN nos.

Reliance Golden Year Plan (GYP):
121L020V01

Reliance Market Return Plan (MRP):
121L016V02

Reliance Automatic Investment Plan (AIP):
121L024V01

Reliance Wealth + Health Plan (WHP):
121L028V01

Reliance Total Investment Plan Series I
(TIPS I): 121L029V01

Reliance Total Investment Plan Series II
(TIPS II): 121L030V01

Reliance SuperInvest Assure Plan (SIP):
121L031V01

Reliance Money Guarantee Plan (MGP):
121L025V01

Reliance Secure Child Plan (SCP):
121L026V01

Reliance Super Market Return Plan (SMRP):
121L035V01

Reliance Super Automatic Investment Plan
(SAIP): 121L036V01

Reliance Super Golden Years Plan (SGYP):
121L037V01

Reliance Super Invest Assure Plus Plan (SIP
Plus): 121L040V01

Reliance Iman Investment Plan - Indian
Traditional Fund Option: 121L034V01

Guaranteed Return Plan Series I Insurance
Bond Fund Option - 121L041V01

Guaranteed Return Plan Series I Pension
Bond Fund Option - 121L042V01

Guaranteed Return Plan Series I (New)
Insurance Bond Fund Option -
121L041V02

Guaranteed Return Plan Series I (New)
Pension Bond Fund Option - 121L042V02

Savings Linked Insurance Plan (SLI) -
121L043V01

Reliance Premier Life (PL)
121L043V01

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