

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	-4.27 bn\$
Oil Price (\$ per Barrel)	77.65	71.18	6.47
Gold (Rs. per 10gms)	16870	16200	670

* As of January 2010

Investments	26th Feb 10	29th Jan 10	Absolute Change
FIIIs (Rs Crs)	1217	-500	1717
MFs (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

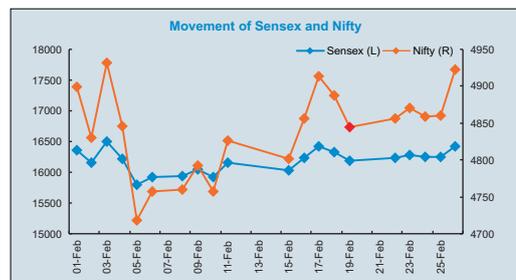
Fixed Income Indicators	26th Feb 10	29th Jan 10	Absolute Change
NSE Mibor	3.31	3.30	0.01
91 Day T-Bill	4.13	4.01	0.12
182 Day T-Bill	4.55	4.20	0.36
1 year GOI Benchmark	5.01	4.71	0.30
5 Year GOI Benchmark	7.33	7.15	0.18
5 Year Corp Bond Benchmark	7.86	8.30	-0.44
10 Year GOI Benchmark	8.59	7.59	1.00
10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

fund snapshot

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	74.84%	-3.01%	N.A.	-7.46%	October, 2007
100% pure equity	ULIP Pure Equity	81.60%	N.A.	N.A.	54.63%	December, 2008
100% equity	ULIP Infrastructure	43.39%	N.A.	N.A.	25.88%	December, 2008
100% equity	ULIP Energy	52.18%	N.A.	N.A.	37.86%	December, 2008
100% equity	ULIP Midcap	100.37%	N.A.	N.A.	59.97%	December, 2008
40% equity, 60% debt	ULIP Growth	29.79%	4.62%	8.79%	11.88%	August, 2004
20% equity, 80% debt	ULIP Balanced	18.41%	7.18%	9.74%	10.77%	February, 2003
100% bond instruments	ULIP Corporate Bond	9.13%	10.26%	N.A.	9.69%	October, 2007
100% debt instrument	ULIP Pure Debt	9.68%	N.A.	N.A.	12.91%	October, 2008
100% govt. securities	ULIP Gilt	4.17%	5.41%	N.A.	5.85%	October, 2007
100% money market instruments	ULIP Money Market	8.65%	9.40%	N.A.	9.57%	November, 2007
100% money market instruments	ULIP Capital Secure	7.98%	9.31%	9.07%	7.06%	February, 2003

*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.

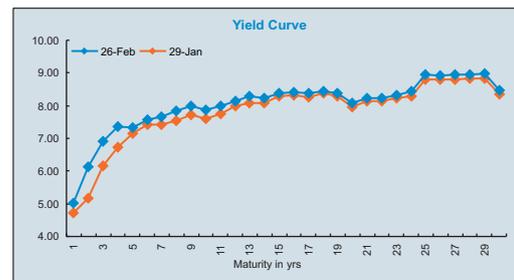
The change in income tax slabs shall leave more money in the hands of individuals that will boost consumption and in turn factory output. Additionally, thrust on infrastructure outlays (allocated Rs. 1.73 lakh crore), rural development (allocated Rs. 66100 crore) and other social spending will also head 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.

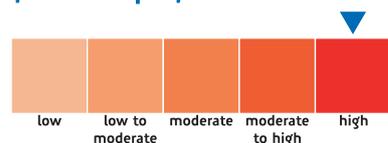
Outlook

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	74.84%	78.11%	27.31%	34.12%	2.56	2.14
last 2 year	-3.01%	-2.92%	35.19%	38.55%	-0.23	-0.21
since inception (CAGR)	-7.46%	-7.47%	34.87%	37.53%	-0.36	-0.33
date of inception	october, 2007					

*CAGR: Compounded Annual Growth Rate

portfolio as on February 28, 2010

security % to net assets 1-yr beta

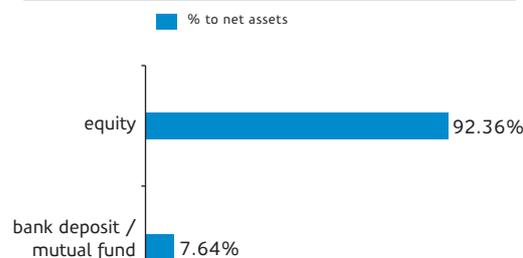
equity

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
HOUSING DEVELOPMENT FINANCE CORPORATION	2.32	1.11
SHRI RAM 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	
PANTALON RETAIL	0.01	1.03
total equity	92.36	

total bank deposits/mutual funds 7.64

total net assets 100.00

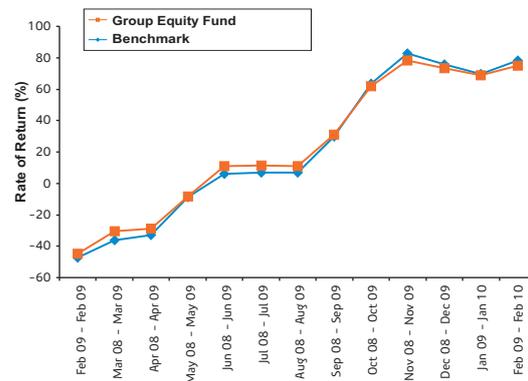
asset allocation as on Feb 28, 2010



fund characteristics as on Feb 28, 2010

Fund Beta 0.95

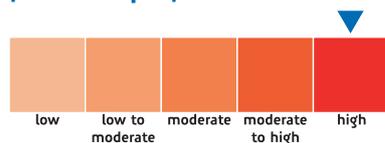
rolling yearly performance



fund objective

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

fund risk profile



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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

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	81.60%	78.11%	30.63%	34.12%	2.50	2.14
since inception (CAGR)	54.63%	59.09%	29.10%	32.17%	1.71	1.68
date of inception			december, 2008			

*CAGR: Compounded Annual Growth Rate

portfolio as on February 28, 2010

security % to net assets 1-yr beta

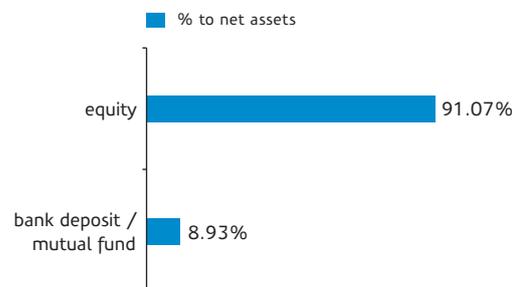
equity

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 bank deposits/mutual funds 8.93

total net assets 100.00

asset allocation as on Feb 28, 2010



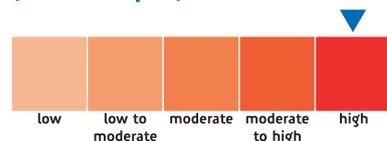
fund characteristics as on Feb 28, 2010

Beta of equity portfolio: 0.85

fund objective

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

fund risk profile



ULIP Infrastructure Fund

fund performance as on February 26, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	43.39%	43.58%	28.32%	41.45%	1.36	0.93
since inception (CAGR)	25.88%	33.41%	26.50%	40.13%	0.79	0.71
date of inception			december, 2008			

*CAGR: Compounded Annual Growth Rate

portfolio as on February 28, 2010

security % to net assets 1-yr beta

equity

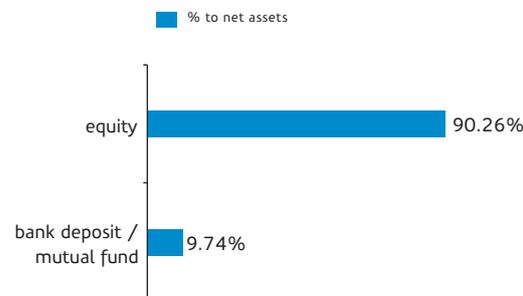
CAP GOODS / ENGINEERING	26.23	
BHARAT HEAVY ELECTRICALS	11.34	0.93
LARSEN & TOUBRO	8.34	1.24
PUNJ LLOYD	4.27	1.51
IRB INFRASTRUCTURE DEVELOPERS LTD	1.26	0.87
VOLTAS	1.02	1.17
POWER	20.18	
NTPC	14.23	0.59
NEYVELI LIGNITE CORPORATION	2.39	1.03
TATA POWER	2.36	0.81
NHPC	1.21	0.21
METALS	10.72	
STERLITE 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	
HOUSING DEVELOPMENT FINANCE CORPORATION	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

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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%

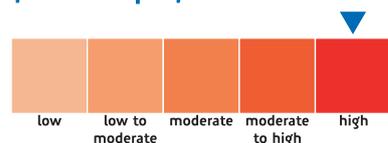
benchmark construction

CNX Infrastructure Index: 100%

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	52.18%	46.36%	31.83%	33.41%	1.48	1.24
since inception (CAGR)	37.86%	45.11%	29.21%	30.20%	1.12	1.33
date of inception			december, 2008			

*CAGR: Compounded Annual Growth Rate

portfolio as on February 28, 2010

security % to net assets 1-yr beta

equity

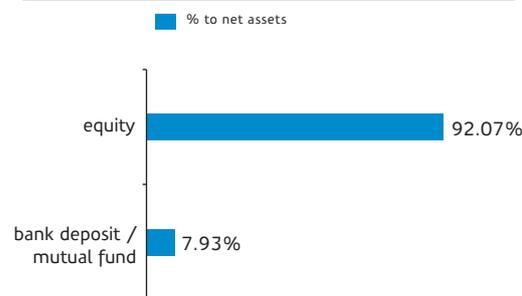
OIL REFINERIES	58.56	
RELIANCE INDUSTRIES	32.55	1.21
OIL & NATURAL GAS CORPORATION	20.38	0.87
OIL INDIA	3.67	0.47
BHARAT PETROLEUM	1.97	0.40
POWER	21.01	
NTPC	13.49	0.59
POWER GRID CORPORATION OF INDIA	4.30	0.73
TATA POWER	2.18	0.81
NHPC	1.04	0.21
GAS	5.22	
GAIL INDIA	5.22	0.64
METALS	3.52	
JINDAL STEEL 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%

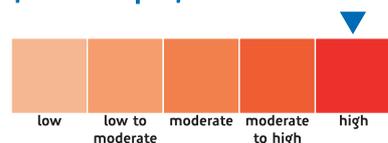
benchmark construction

CNX Energy Index: 100%

fund objective

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

fund risk profile



ULIP Midcap Fund

fund performance as on February 26, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	100.37%	131.04%	35.64%	49.81%	2.68	2.53
since inception (CAGR)	59.97%	84.94%	34.92%	49.28%	1.57	1.62
date of inception	december, 2008					

*CAGR: Compounded Annual Growth Rate

portfolio as on February 28, 2010

security % to net assets 1-yr beta

equity

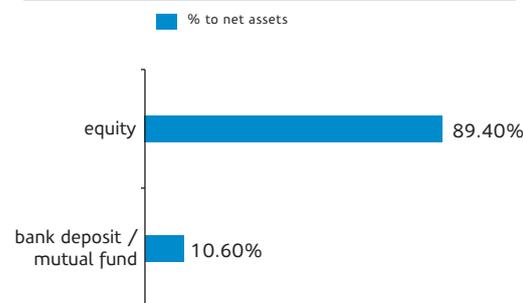
CAP GOODS / ENGINEERING	14.84	
PUNJ LLOYD	5.02	1.51
VOLTAS	5.02	1.17
IRB INFRASTRUCTURE DEVELOPERS LTD	3.13	0.87
CUMMINS INDIA	0.93	0.64
BHARAT FORGE	0.73	0.94
PHARMACEUTICALS	11.84	
DIVIS LABORATORIES	6.55	0.67
LUPIN	5.28	0.29
BANKING & FINANCE	8.82	
SHRIRAM TRANSPORT FINANCE COMPANY	4.77	0.17
ANDHRA BANK	3.07	0.77
BANK OF BARODA	0.97	0.86
IT	7.62	
MPHASIS	7.22	0.67
3I INFOTECH	0.40	1.16
SOFTWARE	6.67	
FINANCIAL TECHNOLOGIES INDIA	6.67	0.86
CONSTRUCTION	4.63	
NAGARJUNA CONSTRUCTION	2.78	1.42
JAI PRAKASH ASSOCIATES	1.85	1.75
PLASTIC AND PLASTIC PRODUCT	4.32	
SINTEX INDUSTRIES	4.32	0.99
SUGAR	3.95	
BAJAJ HINDUSTAN	3.95	1.23
AUTO ANCILLARY	3.73	
EXIDE INDUSTRIES	3.73	0.63
CEMENT & CEMENT PRODUCTS	3.52	
ULTRATECH CEMENT	3.52	0.61
HOTELS	3.47	
INDIAN HOTELS	3.47	0.81
SHIPPING	3.19	
GREAT EASTERN SHIPPING	3.19	0.98
AUTOMOBILES	3.16	
MAHINDRA & MAHINDRA	2.18	1.11
BAJAJ AUTO	0.98	0.58
FMCG	3.08	
TATA TEA	3.08	0.38
FERTILIZERS	2.92	
UNITED PHOSPHORUS LTD	1.96	0.80
GUJARAT STATE FERTILIZERS & CHEMICALS	0.96	0.69
METALS	1.65	
JINDAL STEEL AND POWER	1.65	1.15
OIL REFINERIES	1.11	
OIL & NATURAL GAS CORPORATION	1.11	0.87
TELECOM	0.88	
BHARTI AIRTEL	0.88	0.91

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

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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%

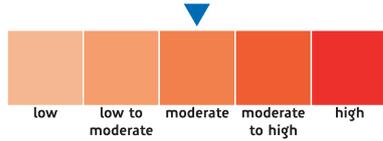
benchmark construction

Nifty Midcap 50: 100%

fund objective

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

fund risk profile



ULIP Growth Fund

fund performance as on February 26, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	29.79%	31.75%	10.61%	13.85%	2.34	1.93
last 2 years (CAGR)	4.62%	5.20%	14.73%	15.73%	-0.03	0.01
last 3 years (CAGR)	8.79%	10.30%	13.81%	14.51%	0.27	0.37
since inception (CAGR)	11.88%	13.08%	11.52%	11.91%	0.60	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

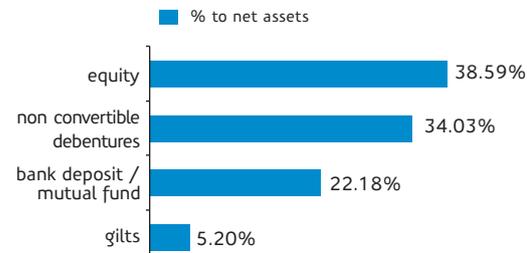
BANKING & FINANCE	8.05	
ICICI BANK	3.03	1.50
STATE BANK OF INDIA	1.75	1.17
AXIS BANK	0.86	1.31
HOUSING DEVELOPMENT FINANCE CORPORATION	0.75	1.11
SHRIRAM TRANSPORT FINANCE COMPANY	0.61	0.17
BANK OF BARODA	0.59	0.86
POWER FINANCE CORPORATION	0.46	0.72
OIL REFINERIES	5.38	
RELIANCE INDUSTRIES	3.83	1.21
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	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

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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%.

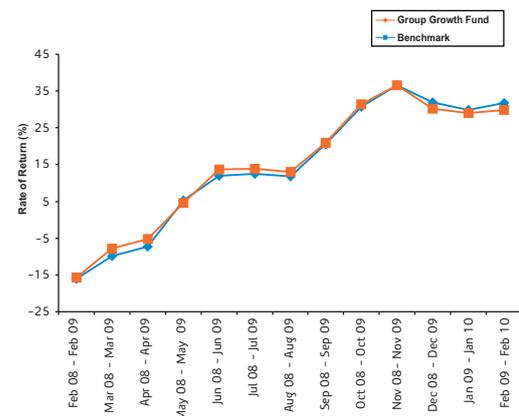
target asset allocation

Debt.:	60%
Equity:	40%

benchmark construction

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

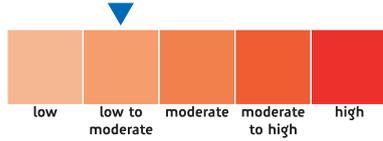
rolling yearly performance



fund objective

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

fund risk profile



ULIP Balanced Fund

fund performance as on February 26, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	18.41%	18.10%	5.92%	7.18%	2.26	1.82
last 2 years (CAGR)	7.18%	6.80%	8.32%	8.27%	0.26	0.22
last 3 years (CAGR)	9.74%	9.46%	7.68%	7.63%	0.62	0.59
since inception (CAGR)	10.77%	9.75%	5.88%	5.91%	0.98	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 22-06-2019	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 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	0.89	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	0.84	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 NUVO 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

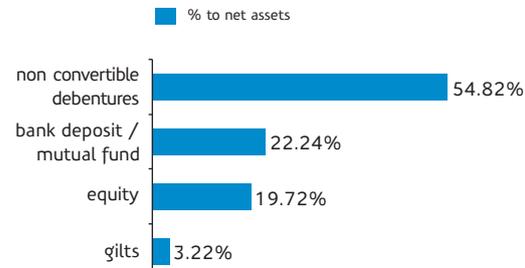
BANKING & FINANCE	4.08
ICICI BANK	1.54
STATE BANK OF INDIA	1.17
AXIS BANK	0.42
HOUSING DEVELOPMENT FINANCE CORPORATION	0.38
SHRIRAM TRANSPORT FINANCE COMPANY	0.31
BANK OF BARODA	0.29
POWER FINANCE CORPORATION	0.24
OIL REFINERIES	2.71
RELIANCE INDUSTRIES	1.91
OIL & NATURAL GAS CORPORATION	0.43
OIL INDIA	0.20
BHARAT PETROLEUM	0.17
CAP GOODS / ENGINEERING	2.51
LARSEN & TOUBRO	1.16
BHARAT HEAVY ELECTRICALS	0.58
CROMPTON GREAVES	0.20
CUMMINS INDIA	0.19
VOLTAS	0.19
PUNJ LLOYD	0.18
IT	2.07
INFOSYS TECHNOLOGIES	1.34
TATA CONSULTANCY SERVICES	0.51
MPHASIS	0.22
AUTOMOBILES	1.70
TATA MOTORS	0.76
MAHINDRA & MAHINDRA	0.37
MARUTI SUZUKI INDIA	0.30
BAJAJ AUTO	0.26
METALS	1.56
TATA STEEL	0.71
JINDAL STEEL AND POWER	0.46
STERLITE INDUSTRIES	0.39
FMCG	1.05
IITC	0.67
HINDUSTAN UNILEVER	0.59
PHARMACEUTICALS	0.37
DIVIS LABORATORIES	1.03
CIPLA	0.59
SUN PHARMACEUTICALS	0.19
LUPIN	0.44
CONSTRUCTION	0.19
JAIPRAKASH ASSOCIATES	0.06
NAGARJUNA CONSTRUCTION	0.57
TELECOM	0.37
BHARTI AIRTEL	1.75
POWER	1.42
TATA POWER	0.20
AREVA T & D INDIA	0.51
POWER GRID CORPORATION OF INDIA	0.91
CEMENT & CEMENT PRODUCTS	0.21
ULTRATECH CEMENT	0.81
INDIA CEMENTS	0.61
ACC	0.10
GAS	0.08
GAIL INDIA	0.38
SOFTWARE	0.64
FINANCIAL TECHNOLOGIES INDIA	0.23
CONSUMER GOODS	0.23
UNITED SPIRITS	0.21
PLASTIC AND PLASTIC PRODUCT	0.17
SINTEX INDUSTRIES	0.89
SUGAR	0.17
BAJAJ HINDUSTAN	0.15

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

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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%.

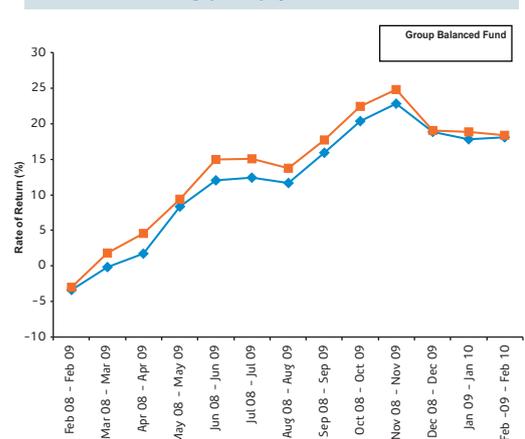
target asset allocation

Debt.:	80%
Equity:	20%

benchmark construction

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

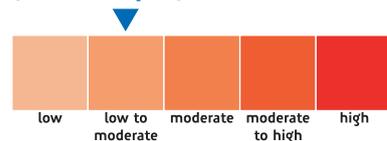
rolling yearly performance



fund objective

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

fund risk profile



ULIP Corporate Bond Fund

fund performance as on February 26, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	9.13%	4.22%	3.29%	3.58%	1.26	-0.22
last 2 year	10.26%	5.95%	4.14%	5.13%	1.27	0.18
since inception (CAGR)	9.69%	6.20%	3.88%	4.77%	1.21	0.25

date of inception: october, 2007

portfolio as on February 28, 2010

security	% to net assets	rating
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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

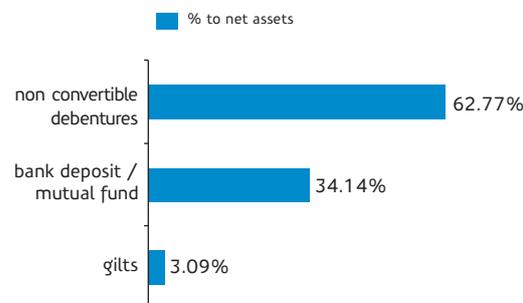
gilts	SOVEREIGN
7.46% GOI 28-08-2017	1.44
7.35% GOI 22-06-2024	1.36
7.56% GOI 03-11-2014	0.30

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.

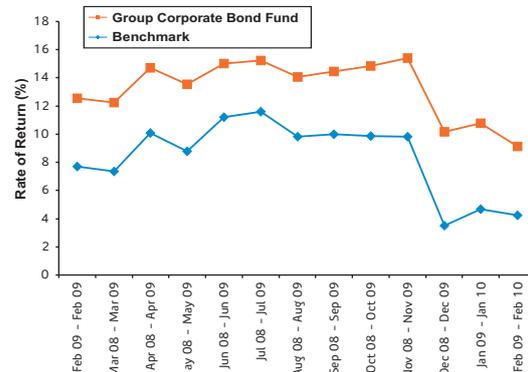
target asset allocation

Bond Instruments: 100%

benchmark construction

CRISIL Composite Bond Index: 100%

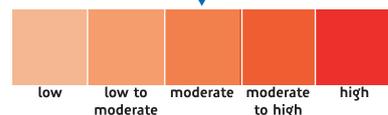
rolling yearly performance



fund objective

Provide steady investment returns achieved through 100% investment in debt securities, while maintaining moderate probability of negative returns in the short-term. The risk appetite is defined as 'moderate'.

fund risk profile



ULIP Pure Debt Fund

fund performance as on February 26, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	9.68%	4.22%	3.65%	3.58%	1.28	-0.22
since inception (CAGR)	12.91%	8.46%	4.30%	5.73%	1.84	0.60
date of inception			october, 2008			

*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

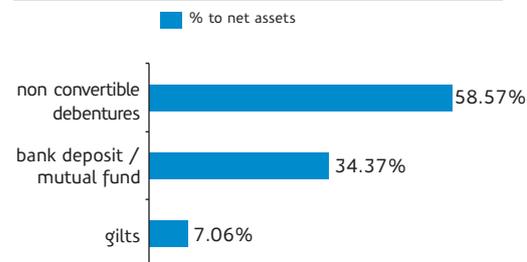
7.46% GOI 28-08-2017	3.76
7.50% GOI 10-08-2034	1.75
7.56% GOI 03-11-2014	1.55

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%

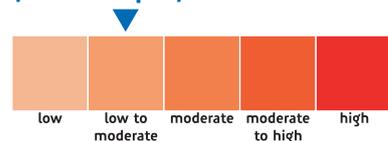
benchmark construction

CRISIL Composite Bond Index: 100%

fund objective

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

fund risk profile



ULIP Gilt Fund

fund performance as on February 26, 2010

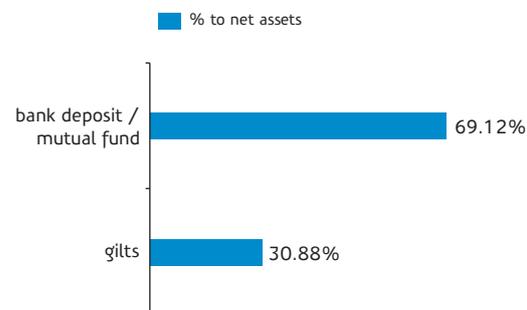
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	4.17%	1.36%	3.57%	6.01%	-0.23	-0.60
last 2 year	5.41%	8.29%	3.94%	12.91%	0.10	0.25
since inception (CAGR)	5.85%	9.08%	3.66%	11.97%	0.23	0.34
date of inception			october, 2007			

*CAGR: Compounded Annual Growth Rate

portfolio as on February 28, 2010

security	% to net assets	rating
gilts		
SOVEREIGN		
6.49% GOI 08-06-2015	12.98	
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%.

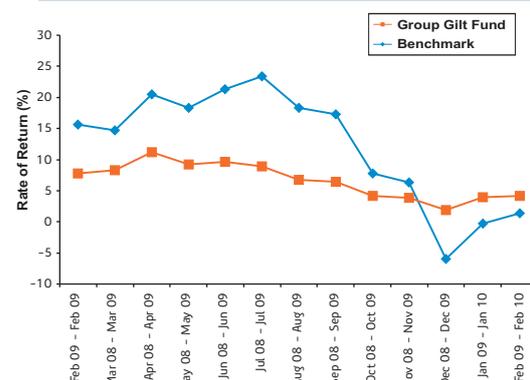
target asset allocation

Government Securities: 100%

benchmark construction

I-Sec Composite Sovereign Bond Index: 100%

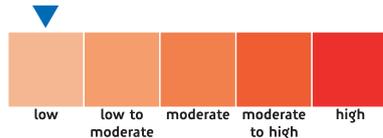
rolling yearly performance



fund objective

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

fund risk profile



fund manager's report

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

target asset allocation

Money Market Instruments: 100%

benchmark construction

CRISIL Liquid Bond Index: 100%

ULIP Money Market Fund

fund performance as on February 26, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	8.65%	3.87%	0.40%	0.62%	9.08	-1.81
last 2 year	9.40%	6.39%	0.47%	0.88%	9.44	1.58
since inception (CAGR)	9.57%	6.42%	0.44%	0.83%	10.33	1.71
date of inception			November, 2007			

*CAGR: Compounded Annual Growth Rate

portfolio as on February 28, 2010

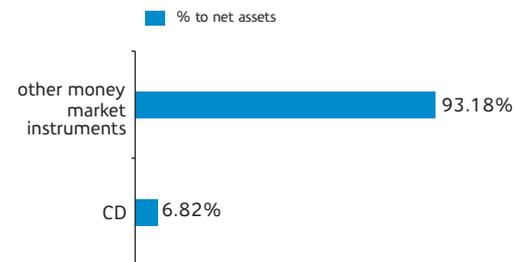
security % to net assets rating

certificate of deposits

CANARA BANK 18-03-2010 6.82 P1+

total certificate of deposits	6.82
other money market instruments	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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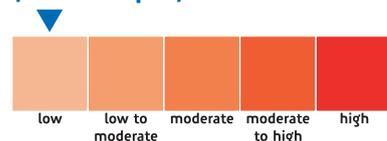
rolling yearly performance



fund objective

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

fund risk profile



ULIP Capital Secure Fund

fund performance as on February 26, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	7.98%	4.06%	0.43%	0.16%	6.94	-5.96
last 2 years (CAGR)	9.31%	5.94%	0.51%	0.61%	8.37	1.54
last 3 years (CAGR)	9.07%	6.53%	0.44%	0.56%	9.18	2.75
since inception (CAGR)	7.06%	5.79%	0.67%	0.49%	3.07	1.60
date of inception	february, 2003					

*CAGR: Compounded Annual Growth Rate

portfolio as on February 28, 2010

security % to net assets rating

certificate of deposits

CANARA BANK 18-03-2010 4.38 P1+

total certificate of deposits 4.38

non convertible debentures

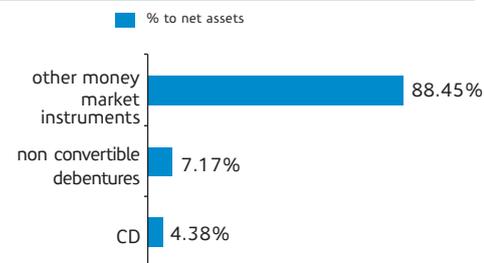
10.00% HDFC LTD 19-03-2010 7.17 AAA

total 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

rolling yearly performance



Product Details

Nav's as of 26th February, 2010

Reliance Equity Fund

Product Name	NAV
Reliance Group Leave Encashment (GLE) - Equity Fund Option	Rs. 8.2926
Reliance Group Savings Linked Insurance (GSLI)	Rs. 17.0020
Reliance Group Gratuity (GG)	Rs. 11.6852
Reliance Group Superannuation (GS)	Rs. 9.9521

Reliance Pure Equity Fund

Product Name	NAV
Reliance Group Savings Linked Insurance(GSLI)	Rs. 17.0331

Reliance Infrastructure Fund

Product Name	NAV
Reliance Group Savings Linked Insurance- (GSLI)	Rs. 13.1349
Reliance Group Gratuity (GG)	Rs.9.8600

Reliance Energy Fund

Product Name	NAV
Reliance Group Savings Linked Insurance (GSLI)	Rs. 14.7337

Reliance Midcap Fund

Product Name	NAV
Reliance Group Savings Linked Insurance (GSLI)	Rs. 17.7783
Reliance Group Gratuity (GG)	Rs. 12.2405

Reliance Growth Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 12.1439
Reliance Group Superannuation (GSA)	Rs. 10.1221

Product Details

Nav's as of 26th February, 2010

Reliance Balanced Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 12.6694
Reliance Group Superannuation (GSA)	Rs. 15.8533
Reliance Group Savings Linked Insurance (GSLI)	Rs. 12.0027
Reliance Group Leave Encashment (GLE)	Rs. 10.6248

Reliance Corporate Bond Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 11.7192
Reliance Group Leave Encashment (GLE)	Rs. 12.3483
Reliance Group Savings Linked Insurance (GSLI)	Rs. 11.2965
Reliance Group Superannuation (GSA)	Rs. 10.7938

Reliance Pure Debt Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 11.6964
Reliance Group Superannuation (GSA)	Rs. 11.5562
Reliance Group Leave Encashment (GLE)	Rs. 11.7982
Reliance Group Savings Linked Insurance (GSLI)	Rs. 11.1627

Reliance Gilt Fund

Product Name	NAV
Reliance Group Leave Encashment (GLE)	Rs. 11.3608
Reliance Group Gratuity(GG)	Rs. 10.3348
Reliance Group Savings Linked Insurance (GSLI)	Rs. 10.3051
Reliance Group Superannuation (GS)	Rs. 10.0799

Reliance Money Market Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 11.3808
Reliance Group Superannuation (GSA)	Rs. 11.1076
Reliance Group Leave Encashment (GLE)	Rs. 12.2492
Reliance Group Savings Linked Insurance (GSLI)	Rs. 11.0124

Reliance Capital Secure Fund

Product Name	NAV
Reliance Group Gratuity (GG)	Rs. 12.7838
Reliance Group Superannuation (GSA)	Rs. 11.5309
Reliance Group Leave Encashment (GLE)	Rs. 10.4949

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

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

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

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

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

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

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

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

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

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

the analyst expressions

► Gross Fund Return

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

We shall highlight this with the help of an example.

Reliance Life Insurance

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

XYZ Insurance Company

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

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

► Benchmark Return

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

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

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

► Fund Standard Deviation

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

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

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

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

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

► Fund Sharpe Ratio

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

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

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

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

✓ Benchmark Sharpe Ratio

✓ Modified Duration of Debt Portfolio

✓ Fund Beta

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

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

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

▶ **Benchmark Sharpe Ratio**

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

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

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

▶ **Modified Duration of Debt Portfolio**

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

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

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

▶ **Fund Beta**

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

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

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

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

products & UIN nos.

Reliance Group Gratuity: 121L011V02

Reliance Group Superannuation:
121L021V01

Reliance Group Leave Encashment Plan:
121L027V01

Reliance Group Savings Linked Insurance
Plan : 121L033V01

the analyst

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