

fund snapshot

investment philosophy

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

Economy Indicators	30th Nov 10	29th Oct 10	% Change
¹ Rs./\$	45.38	44.39	2.18
² WPI Inflation		141.7	0.42
³ Forex Reserves (\$ bn)	*293.98	297.96	-1.35
¹ Oil Price (\$ per Barrel)	83.71	81.85	2.23
¹ Gold (Rs. per 10gm)	20201	19399	3.97

* Forex Reserves updated as on 26th Nov 2010

Investments	30th Nov 10	29th Oct 10	Absolute Change
⁴ FII (Rs Crs)	18293	28563	-10269.80
⁴ Mfs (Rs Crs)	-100	-5801	5700.80

Indices	30th	29th	%
¹ BSE Sensex	19521	20032	-2.55
¹ S&P CNX Nifty	5863	6018	-2.58
¹ CNX Mid Cap	8908	9361	-4.84
¹ BSE Small Cap	9745	10598	-8.05

Global Indices	30th Nov 10	29th Oct 10	% Change
⁵ Dow Jones	11006	11119	-1.01
⁵ FTSE 100	5528	5675	-2.59
¹ Hang Seng	23475	23489	-0.06
¹ Nikkei	9944	9417	5.60

Sectoral Indices	30th Nov 10	29th Oct 10	% Change
⁶ CNX Infrastructure	3388	3598	-5.83
⁶ CNX Energy	9246	10027	-7.79
¹ BSE Capital Goods	15055	15819	-4.83
¹ BSE Bankex	13619	14016	-2.84
¹ BSE Oil & Gas	10062	10949	-8.10
¹ BSE IT	6094	5993	1.69

Fixed Income Indicators (%)	30th Nov 10	29th Oct 10	Absolute Change
⁵ NSE Mibor	6.64	7.66	-1.02
¹ 91 Day T-Bill	6.90	6.80	0.10
¹ 182 Day T-Bill	7.18	7.03	0.15
¹ 1 year GOI Benchmark	6.75	6.60	0.15
¹ 5 Year GOI Benchmark	7.93	7.82	0.11
¹ 10 Year GOI Benchmark	8.05	8.12	-0.07
¹ 5 Year Corp Bond Benchmark	7.92	8.61	-0.69
¹ 10 Year AAA Corp Bond Benchmark	8.82	8.80	0.02
¹ 10 Year US Benchmark	2.80	2.61	0.19

Source: ¹ Thomson Reuters, ² eaindustry.nic.in, ³ RBI, ⁴ SEBI, ⁵ Bloomberg
⁶ India Index Services & Products Ltd.

asset allocation	funds	gross return (CAGR*) (%) As on Nov 30, 2010				date of inception
		last 1 year	last 2 year	last 3 year	since inception	
100% equity	Equity Fund	21.00%	46.95%	1.12%	0.81%	October, 2007
100% pure equity	Pure Equity Fund	14.04%	41.38%	NA	41.38%	December, 2008
100% equity	Infrastructure Fund	2.98%	19.14%	NA	19.14%	December, 2008
100% equity	Energy Fund	3.89%	27.77%	NA	27.77%	December, 2008
100% equity	Midcap Fund	15.57%	45.13%	NA	45.13%	December, 2008
40% equity, 60% debt	Growth Fund	10.56%	22.88%	5.34%	12.20%	August, 2004
20% equity, 80% debt	Balanced Fund	8.37%	16.28%	7.39%	10.77%	February, 2003
100% bond instruments	Corporate Bond Fund	7.47%	11.37%	9.45%	9.35%	October, 2007
100% debt Instruments	Pure Debt Fund	7.92%	11.27%	NA	11.37%	October, 2008
100% govt. securities	Gilt Fund	6.89%	5.37%	6.22%	6.23%	October, 2007
100% money market instruments	Money Market Fund	5.10%	7.52%	8.27%	8.27%	November, 2007
100% money market instruments	Capital Secure Fund	6.95%	8.08%	8.74%	7.06%	February, 2003

*CAGR: Compounded Annual Growth Rate

Indian Economy

As expected IIP and WPI data's have started coming down because of base effect. However, IIP at 4.4% (September '10) was surprisingly lowest in last 1.5yr and on the contrary GDP stood at 8.9% reflecting a robust economy.

Debt Market

The 10 year benchmark touched a low of 7.96% on the news of allocation of fresh limits to FII for investing in Gsecs against a high of 8.17%. But continuously tight liquidity in the system, pulled the yield back to 8.05%. Corporate bond yields moved northwards due to fresh primary issuances amid overall tightness in the market.

Outlook:

In Dec, we expect liquidity to remain tight on account of advance tax outflow and credit demand. If there is no RBI action, the yield levels are likely to firm up.

Equity Market

Equity markets in the month of November were volatile but ended negative with the Nifty down 2.58% primarily due to Euro concerns and domestic housing loan and 2G Telecom scam.

The September Index of Industrial production (IIP) stood at 4.4%, which was the slowest in 17 months, raising growth concerns as the government sweated over the possibility of corporate delaying investment amid signs of fresh trouble in the global economy.

IPOs and FPOs of all government stocks are much appreciated and are receiving overwhelming response in the market. MOIL's IPO was subscribed 76% of the retail section on the day of opening, while the institutional section was fully subscribed. Next in line would be SCI's FPO.

Outlook:

The Indian markets are expected to be range bound due to Christmas holidays and new-year eve, as majority of the international market would be closed. Also there IPOs and FPOs of government stock would keep the market liquidity tight, providing less room for markets to rise. Market would keenly watch how government would handle all the scandals getting unearthed. Indian market will also take cues from other global activities / news.

Equity Fund

fund performance As on Nov 30, 2010

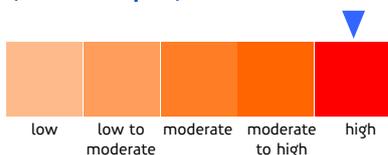
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	21.00%	16.49%	13.67%	16.42%	1.17%	0.70%
last 2 year (CAGR*)	46.95%	45.88%	21.98%	27.20%	1.91%	1.50%
last 3 year (CAGR*)	1.12%	0.58%	31.51%	34.01%	-0.12%	-0.13%
since inception (CAGR*)	0.81%	-0.21%	31.08%	33.57%	-0.13%	-0.16%
date of inception	october, 2007					

*CAGR: Compounded Annual Growth Rate

fund objective

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

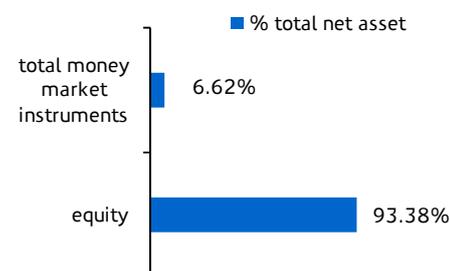
fund risk profile



portfolio As on Nov 30, 2010

security	% total net assets	1-yr beta
equity		
AUTO ANCILLARY	0.56	
EXIDE INDUSTRIES LTD	0.56	0.68
AUTOMOBILES	5.79	
BAJAJ AUTO LIMITED NEW	1.34	0.65
MAHINDRA & MAHINDRA LTD	2.41	1.19
MARUTI SUZUKI INDIA LTD	1.24	0.67
MOTHERSON SUMI SYSTEMS LTD	0.80	0.60
BANKING & FINANCE	23.27	
AXIS BANK LIMITED	1.93	1.16
BANK OF BARODA	1.65	0.65
HDFC BANK	3.51	0.86
HDFC LTD	2.06	1.05
ICICI BANK LTD	7.16	1.53
POWER FINANCE CORPORATION LTD	0.85	0.64
SHRIRAM TRANSPORT FINANCE COMPANY LTD	1.69	0.41
STATE BANK OF INDIA	4.43	0.99
CAP GOODS / ENGINEERING	10.26	
ALSTOM POWER INDIA LTD.	1.00	0.64
BHARAT HEAVY ELECTRICALS LTD	1.79	0.67
CROMPTON GREAVES LTD	0.25	0.82
CUMMINS INDIA LTD	3.21	0.35
LARSEN & TOUBRO LTD	4.02	0.94
CEMENT & CEMENT PRODUCTS	1.95	
INDIA CEMENTS LTD	0.50	0.96
ULTRATECH CEMENT LTD	1.45	0.58
CONSTRUCTION	2.07	
JAIPRAKASH ASSOCIATES LTD	1.25	1.61
NAGARJUNA CONSTRUCTION CO LTD	0.81	1.28
CONSUMER GOODS	1.16	
BALLARPUR INDUSTRIES LTD	0.31	0.75
SINTEX INDUSTRIES LTD	0.85	0.86
FMCG	6.14	
HINDUSTAN UNILEVER LTD	1.26	0.46
ITC LTD	4.42	0.65
TATA GLOBAL BEVERAGES LTD	0.47	0.59
GAS	1.03	
GAIL (INDIA) LTD	1.03	0.66
IT	9.83	
INFOSYS TECHNOLOGIES LTD	5.75	0.80
MPHASIS LTD	0.51	0.61
TATA CONSULTANCY SERVICES LTD	3.56	0.79
MEDIA	0.47	
HT MEDIA LTD	0.47	0.49
METALS	5.74	
COAL INDIA LTD	0.32	NA
JINDAL SAW LTD	0.56	1.27
JINDAL STEEL AND POWER LTD	1.30	1.13
STERILITE INDUSTRIES INDIA LTD	1.49	1.68
TATA STEEL LTD	2.07	1.65
OIL EXPLORATION	0.55	
CAIRN INDIA LTD	0.55	1.01
OIL REFINERIES	11.14	
INDIAN OIL CORPORATION LTD	0.37	0.22
OIL INDIA LTD	1.15	0.32
ONGC CORPORATION LTD	2.13	0.60
RELIANCE INDUSTRIES LTD	7.49	1.14
PHARMACEUTICALS	6.99	
AUROBINDO PHARMA LTD	0.28	0.74
CIPLA LTD	0.13	0.41
DIVIS LABORATORIES LTD	2.30	0.67
LUPIN LTD	2.39	0.27
RANBAXY LABORATORIES LTD	0.65	0.85
STRIDES ARCOLABS LTD	0.44	0.93
SUN PHARMA IND LTD	0.80	0.47
POWER	2.72	
AREVA T AND D INDIA LTD	0.32	0.67
NTPC LTD	0.96	0.62
POWER GRID CORPORATION OF INDIA LTD	0.46	0.50
TATA POWER LTD	0.98	0.66
RETAIL	0.24	
PANTALOON RETAIL INDIA LTD	0.24	0.93
SOFTWARE	0.36	
FINANCIAL TECHNOLOGIES INDIA	0.36	1.01
TELECOM	2.58	
BHARTI AIRTEL LTD	2.58	0.71
WARRANT	0.53	
HDFC LTD	0.53	NA
total equity	93.38	
total money market instruments	6.62	
total net assets	100.00	

asset allocation as on Nov 30, 2010



fund characteristics as on Nov 30, 2010

Fund Beta 0.88

fund manger's report

The month of November saw the markets ending negative. The equity market saw some profit booking and volatile FII flows. Looking at news flows in specific sectors, the holding in equities was kept at 93.38%.

target asset allocation

Equity: 100%

benchmark construction

S&P CNX Nifty: 100%

Pure Equity Fund

fund performance As on Nov 30, 2010

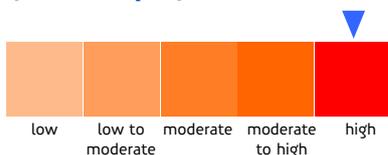
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	14.04%	16.49%	13.34%	16.42%	0.68%	0.70%
last 2 year (CAGR*)	41.38%	45.88%	24.17%	27.20%	1.50%	1.50%
since inception (CAGR*)	41.38%	45.88%	24.17%	27.20%	1.50%	1.50%
date of inception	december, 2008					

*CAGR: Compounded Annual Growth Rate

fund objective

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

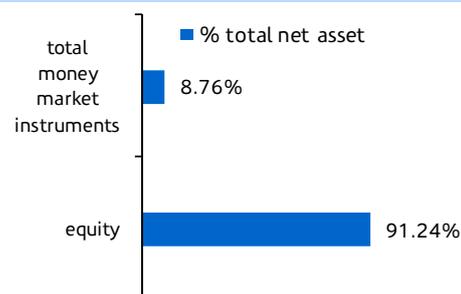
fund risk profile



portfolio As on Nov 30, 2010

security	% total net assets	1-yr beta
equity		
AUTOMOBILES 12.87		
BAJAJ AUTO LTD	1.89	0.65
MAHINDRA & MAHINDRA LTD	2.88	1.19
MARUTI SUZUKI INDIA LTD	5.73	0.67
MOTHERSON SUMI SYSTEMS LTD	2.37	0.60
CAP GOODS / ENGINEERING 10.93		
BHARAT HEAVY ELECTRICALS LTD	2.54	0.67
CROMPTON GREAVES LTD	1.32	0.82
CUMMINS INDIA LTD	1.23	0.35
LARSEN & TOUBRO LTD	4.85	0.94
VOLTAS LTD	1.00	0.95
CEMENT & CEMENT PRODUCTS 3.49		
GRASIM INDUSTRIES LTD	2.19	0.51
ULTRATECH CEMENT LTD	1.30	0.58
FMCG 4.39		
ASIAN PAINTS LTD.	1.49	0.34
HINDUSTAN UNILEVER LTD	2.90	0.46
GAS 3.33		
GAIL (INDIA) LTD	3.33	0.66
IT 12.99		
INFOSYS TECHNOLOGIES LTD	7.35	0.80
MPHASIS LTD	1.53	0.61
TATA CONSULTANCY SERVICES LTD	4.11	0.79
METALS 7.03		
COAL INDIA LTD	0.25	NA
HINDALCO INDUSTRIES LTD	3.34	1.85
JINDAL STEEL AND POWER LTD	3.45	1.13
OIL EXPLORATION 1.82		
CAIRN INDIA LTD	1.82	1.01
OIL REFINERIES 12.88		
ONGC CORPORATION LTD	5.09	0.60
RELIANCE INDUSTRIES LTD	7.79	1.14
PHARMACEUTICALS 9.83		
CADILA HEALTHCARE LTD	0.88	0.43
CIPLA LTD	1.72	0.41
LUPIN LTD	0.48	0.27
RANBAXY LABORATORIES LTD	4.12	0.85
SUN PHARMA IND LTD	2.63	0.47
POWER 8.27		
AREVA T AND D INDIA LTD	1.08	0.67
NTPC LTD	1.96	0.62
PTC INDIA LTD	0.93	0.89
TATA POWER	4.30	0.66
SOFTWARE 1.06		
FINANCIAL TECHNOLOGIES INDIA	1.06	1.01
TELECOM 5.67		
BHARTI AIRTEL LTD	5.67	0.71
total equity	91.24	
total money market instruments	8.76	
total net assets	100.00	

asset allocation as on Nov 30, 2010



fund characteristics as on Nov 30, 2010

Fund Beta 0.82

fund manger's report

The month of November saw the markets ending negative. The equity market saw some profit booking and volatile FII flows. Looking at news flows in specific sectors, the holding in equities was kept at 91.23%.

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%

Infrastructure Fund

fund performance As on Nov 30, 2010

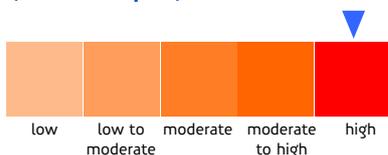
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	2.98%	0.45%	17.11%	19.17%	-0.12%	-0.24%
last 2 year (CAGR*)	19.14%	22.25%	23.17%	33.47%	0.61%	0.52%
since inception (CAGR*)	19.14%	22.25%	23.17%	33.47%	0.61%	0.52%
date of inception	december, 2008					

*CAGR: Compounded Annual Growth Rate

fund objective

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

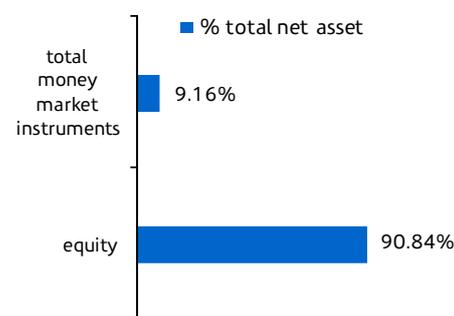
fund risk profile



portfolio As on Nov 30, 2010

security	% total net assets	1-yr beta
equity		
AUTOMOBILES	0.78	
MOTHERSON SUMI SYSTEMS LTD	0.78	0.60
CAP GOODS / ENGINEERING	30.92	
ALSTOM POWER INDIA LTD	1.54	0.64
BHARAT HEAVY ELECTRICALS LTD	8.88	0.67
CROMPTON GREAVES LTD	4.16	0.82
GREAVES COTTON LTD	0.41	0.82
IRB INFRASTRUCTURE DEVELOPERS LTD	1.28	1.03
LARSEN & TOUBRO LTD	11.15	0.94
TRIVENI ENGINEERING & IND. LTD	0.93	1.01
VOLTAS LTD	2.57	0.95
CEMENT & CEMENT PRODUCTS	3.69	
GRASIM INDUSTRIES LTD	3.69	0.51
CONSTRUCTION	9.25	
ASHOKA BUILDCON LTD	2.08	0.32
JAIPRAKASH ASSOCIATES LTD	7.17	1.61
CONSUMER GOODS	1.42	
SINTEX INDUSTRIES	1.42	0.86
GAS	1.87	
GAIL (INDIA) LTD	1.87	0.66
HOTELS	1.07	
INDIAN HOTELS LTD	1.07	1.01
METALS	4.90	
COAL INDIA LTD	0.33	NA
JINDAL STEEL AND POWER LTD	1.05	1.13
TATA STEEL LTD	3.51	1.65
POWER	22.25	
AREVA T AND D INDIA LTD	3.32	0.67
BGR ENERGY SYSTEMS LTD	1.87	0.74
NEVELI LIGNITE CORPORATION LTD	2.20	1.02
NTPC LTD	6.93	0.62
ORIENT GREEN POWER CO LTD	1.00	1.05
POWER GRID CORPORATION OF INDIA LTD	1.18	0.50
PTC INDIA LTD	1.59	0.89
TATA POWER	4.16	0.66
RETAIL	1.10	
PANTALOON RETAIL INDIA LTD	1.10	0.93
SHIPPING	1.19	
GREAT EASTERN SHIPPING COMPANY LTD	1.19	1.14
SOFTWARE	1.80	
FINANCIAL TECHNOLOGIES INDIA	1.80	1.01
TELECOM	11.72	
BHARTI AIRTEL LTD	11.72	0.71
total equity	90.84	
total money market instruments	9.16	
total net assets	100.00	

asset allocation as on Nov 30, 2010



fund characteristics as on Nov 30, 2010

Fund Beta 0.87

fund manger's report

The month of November saw the markets ending negative. The equity market saw some profit booking and volatile FII flows. Looking at news flows in specific sectors, the holding in equities was kept at 90.84%.

target asset allocation

Equity: 100%

benchmark construction

CNX Infrastructure Index: 100%

Energy Fund

fund performance As on Nov 30, 2010

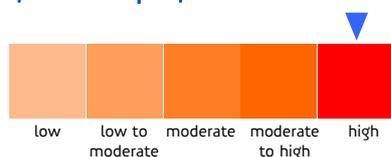
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	3.89%	1.37%	13.51%	15.94%	-0.08%	-0.23%
last 2 year (CAGR*)	27.77%	30.16%	24.27%	25.86%	0.94%	0.97%
since inception (CAGR*)	27.77%	30.16%	24.27%	25.86%	0.94%	0.97%
date of inception	december, 2008					

*CAGR: Compounded Annual Growth Rate

fund objective

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

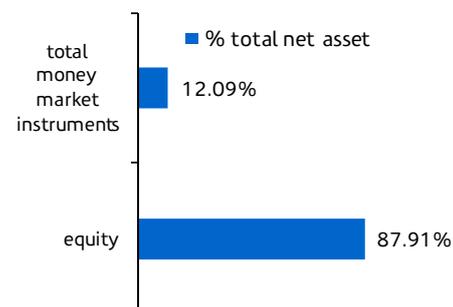
fund risk profile



portfolio As on Nov 30, 2010

security	% total net assets	1-yr beta
equity		
BANKING & FINANCE	1.61	
POWER FINANCE CORPORATION LTD	1.61	0.64
CAP GOODS / ENGINEERING	8.13	
ALSTOM POWER INDIA LTD	0.99	0.64
CROMPTON GREAVES LTD	3.66	0.82
CUMMINS INDIA LTD	3.48	0.35
GAS	7.60	
GAIL (INDIA) LTD	7.60	0.66
METALS	1.24	
COAL INDIA LTD	0.37	NA
JINDAL STEEL AND POWER LTD	0.87	1.13
OIL EXPLORATION	6.56	
CAIRN INDIA LTD	5.23	1.01
SHIVVANI OIL AND GAS EXPLOARATION	1.34	0.45
OIL REFINERIES	51.57	
INDIAN OIL CORPORATION LTD	5.76	0.22
OIL INDIA LTD	5.86	0.32
ONGC CORPORATION LTD	12.93	0.60
RELIANCE INDUSTRIES LTD	27.03	1.14
POWER	11.18	
NTPC LTD	7.90	0.62
POWER GRID CORPORATION OF INDIA LTD	0.59	0.50
TATA POWER	2.69	0.66
total equity	87.91	
total money market instruments	12.09	
total net assets	100.00	

asset allocation as on Nov 30, 2010



fund characteristics as on Nov 30, 2010

Fund Beta 0.76

fund manger's report

The month of November saw the markets ending negative. The equity market saw some profit booking and volatile FII flows. Looking at news flows in specific sectors, the holding in equities was kept at 87.91%.

target asset allocation

Equity: 100%

benchmark construction

CNX Energy Index: 100%

Mid Cap Fund

fund performance As on Nov 30, 2010

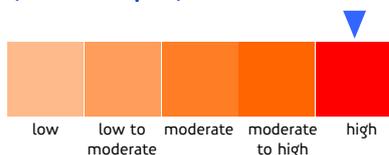
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	15.57%	15.58%	14.53%	16.04%	0.73%	0.66%
last 2 year (CAGR*)	45.13%	58.27%	28.88%	40.39%	1.39%	1.32%
since inception (CAGR*)	45.13%	58.27%	28.88%	40.39%	1.39%	1.32%
date of inception	december , 2008					

*CAGR: Compounded Annual Growth Rate

fund objective

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

fund risk profile

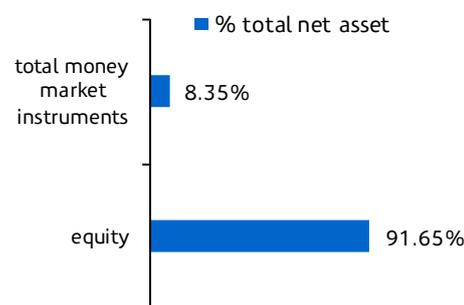


portfolio As on Nov 30, 2010

security	% total net assets	1-yr beta
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equity		
AUTO ANCILLARY	3.70	
EXIDE INDUSTRIES LTD	3.70	0.68
AUTOMOBILES	2.46	
TATA MOTORS LTD	2.46	1.42
BANKING & FINANCE	9.19	
ANDHRA BANK EQ	3.45	0.98
BANK OF BARODA	1.12	0.65
DENA BANK	1.06	1.34
INDUS IND BANK	1.00	1.06
SHRIRAM TRANSPORT FINANCE COMPANY LTD	2.57	0.41
CAP GOODS / ENGINEERING	8.20	
CUMMINS INDIA LTD	1.60	0.35
GREAVES COTTON LTD	1.81	0.82
IRB INFRASTRUCTURE DEVELOPERS LTD	1.36	1.03
VOLTAS LTD	3.44	0.95
CEMENT & CEMENT PRODUCTS	3.29	
ULTRATECH CEMENT LTD	3.29	0.58
CONSTRUCTION	2.73	
JAIPRAKASH ASSOCIATES LTD	1.74	1.61
NAGARJUNA CONSTRUCTION CO LTD	0.99	1.28
CONSUMER GOODS	5.90	
BALLARPUR INDUSTRIES LTD	1.79	0.75
SINTEX INDUSTRIES	4.11	0.86
FERTILIZERS	3.07	
GUJARAT STATE FERTILIZERS & CHEMICALS LTD	1.71	0.42
TATA CHEMICALS	1.36	0.80
FMCG	5.63	
TATA GLOBAL BEVERAGES LTD	3.10	0.59
UNITED SPIRITS LTD	2.53	0.98
GAS	1.85	
PETRONET LNG LTD	1.85	0.84
HOTELS	2.64	
INDIAN HOTELS LTD	2.64	1.01
IT	4.39	
MPHASIS LTD	4.39	0.61
METALS	9.83	
JINDAL SAW LTD	1.30	1.27
JINDAL STEEL AND POWER LTD	1.74	1.13
JSW STEELS LTD	5.09	1.77
TATA STEEL LTD	1.70	1.65
OIL EXPLORATION	1.87	
SHIVANI OIL AND GAS EXPLORATION	1.87	0.45
PHARMACEUTICALS	13.41	
AUROBINDO PHARMA LTD	3.88	0.74
DIVIS LABORATORIES LTD	2.41	0.67
JUBILANT INDUSTRIES LTD	0.10	0.70
JUBILANT LIFE SCIENCES LTD	1.58	0.70
LUPIN LTD	3.80	0.27
STRIDES ARCOLABS LTD	1.63	0.93
POWER	6.80	
AREVA T AND D INDIA LTD	2.30	0.67
BGR ENERGY SYSTEMS LTD	1.92	0.74
NTPC LTD	2.00	0.62
ORIENT GREEN POWER CO LTD	0.59	1.05
RETAIL	1.27	
PANTALOON RETAIL INDIA LTD	1.27	0.93
SHIPPING	2.96	
GREAT EASTERN SHIPPING COMPANY LTD	2.96	1.14
SOFTWARE	2.48	
FINANCIAL TECHNOLOGIES INDIA	2.48	1.01
total equity	91.65	
total money market instruments	8.35	
total net assets	100.00	

asset allocation as on Nov 30, 2010



fund characteristics as on Nov 30, 2010

Fund Beta 0.88

fund manger's report

The month of November saw the markets ending negative. The equity market saw some profit booking and volatile FII flows. Looking at news flows in specific sectors, the holding in equities was kept at 91.65%.

target asset allocation

Equity: 100%

benchmark construction

Nifty Midcap 50: 100%

Growth Fund

fund performance As on Nov 30, 2010

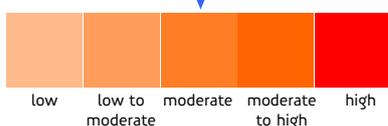
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	10.56%	9.47%	5.61%	6.64%	0.99%	0.67%
last 2 year (CAGR*)	22.88%	22.25%	9.17%	11.17%	1.95%	1.54%
last 3 year (CAGR*)	5.34%	5.86%	13.19%	13.82%	0.03%	0.06%
last 4 year (CAGR*)	8.53%	9.71%	12.37%	13.02%	0.29%	0.36%
last 5 year (CAGR*)	10.93%	11.98%	11.68%	12.16%	0.51%	0.57%
since inception (CAGR*)	12.20%	13.11%	10.97%	11.39%	0.66%	0.71%
date of inception	august, 2004					

*CAGR: Compounded Annual Growth Rate

fund objective

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

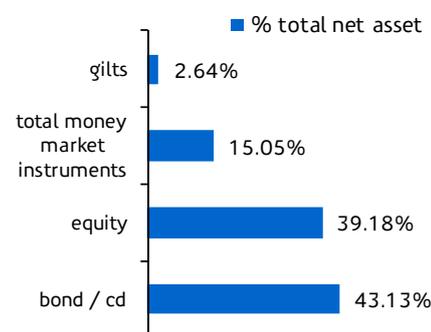
fund risk profile



portfolio As on Nov 30, 2010

security	% total net assets	rating/1-yr beta
bond/cd		
8.97% TATA SONS LTD NCD 15/07/2020	4.05	AAA
8.79% IRFC NCD 04/05/2030	4.04	AAA
11.45% RELIANCE INDUSTRIES LTD NCD 25/11/2013	4.03	AAA
8.95% INFOTEL BROADBAND SERV LTD NCD 15/09/20	1.62	AAA
8.25% IDBI OMNI BOND SER III 26-05-2011	1.60	AA+
11.95% HDFC LTD NCD 26/11/2018	1.58	AAA
9.7% UNITED PHOS LTD 9/4/17 CALL STEP 9/4/15	1.38	AA+
9.25% HDFC LTD. NCD 24/11/2016	1.37	AAA
9.70% LIC HOUSING FINANCE LTD NCD 07/04/2013	1.37	AAA
9.05% SBI PERPE NCD CALL/STEP-UP 27/01/2020	1.36	AAA
9.40% POWER FIN CORP LTD NCD 25/03/2013	1.36	AAA
9.05% CANARA BANK NCD CALL/STEP-UP 03/08/2020	1.36	AAA
10.35% HDFC LTD NCD 16/05/2017	1.36	AAA
9.00% LIC HOUSING FINANCE 23/11/2020	1.36	AAA
8.99% TATA SONS LTD NCD 07/06/2020	1.35	AAA
8.80% SAIL NCD 22/06/2019	1.34	AAA
8.78% POWER FIN CORP LTD NCD 15/11/2020	1.34	AAA
8.4% TATA CAPITAL LTD NCD 26/11/2012	1.33	AAA
8.23% SUNDARAM FINANCE LTD NCD 27/07/2012	1.33	AAA
8.20% IRFC NCD 27/04/2016	1.32	AA+
8% RECL LTD NCD 05/08/2014	1.31	AAA
8.88% LIC HOUSING FINANCE NCD 13/10/2020	0.94	AAA
11.45% RELIANCE IND LTD NCD 25/11/2013	0.86	AAA
11.40% POWER FIN CORP LTD NCD 28/11/2013	0.86	AAA
BANK OF INDIA CD 22/11/2011	0.74	AAA
8.90% POWER GRID CORP LTD NCD STRPP E 25/2/18	0.68	AA+
8.65% L&T LTD PART PD NCD26/5/20CALL 26/5/11	0.67	AAA
9.50% NABARD NPS BONDS SR IX I 15/10/2012	0.57	AAA
8.95% IRFC NCD SERIES 69 10/03/2025	0.27	AAA
9.25% IDBI BANK LTD NCD CALL/STEP-UP 29/01/20	0.26	AAA
9.50% SBI NCD 04/11/25 CALL/STEP-UP 05/11/20	0.12	AAA
total bond/cd	43.13	
gilts		
8.26% GOI (MD 02/08/2027)	2.11	sovereign
7.46% GOI 2017 (M/D. 28/8/2017)	0.52	sovereign
8.35% GOI 2022 (M/D. 14.05.2022)	0.01	sovereign
total gilts	2.64	
equity		
AUTOMOBILES	1.56	
BAJAJ AUTO LTD NEW	0.19	0.65
MAHINDRA & MAHINDRA LTD	0.65	1.19
MARUTI SUZUKI INDIA LTD	0.30	0.67
TATA MOTORS LTD	0.43	1.42
BANKING & FINANCE	11.23	
AXIS BANK LTD	1.06	1.16
BANK OF BARODA	0.91	0.65
HDFC BANK	1.00	0.86
HOUSING DEV FIN CORPN LTD	0.68	1.05
ICICI BANK LTD	3.49	1.53
POWER FINANCE CORPORATION LTD	1.37	0.64
SHRIRAM TRANSPORT FINANCE COMPANY LTD	1.14	0.41
STATE BANK OF INDIA	1.59	0.99
CAP GOODS / ENGINEERING	5.02	
BHARAT HEAVY ELECTRICALS LTD	0.49	0.67
CROMPTON GREAVES LTD	0.99	0.82
CUMMINS INDIA LTD	0.79	0.35
LARSEN & TOUBRO LTD	2.14	0.94
VOLTAS LTD FV INR. 1	0.60	0.95
CEMENT & CEMENT PRODUCTS	1.16	
INDIA CEMENTS LTD	0.54	0.96
ULTRATECH CEMENT LTD	0.3	0.58
CONSTRUCTION	0.42	
JAIPRKASH ASSOCIATES LTD	0.42	1.61
CONSUMER GOODS	0.08	
BALLARPUR INDUSTRIES LTD	0.08	0.75
FERTILIZERS	0.41	
GUJARAT STATE FERTILIZERS & CHEMICALS LT	0.41	0.42
FMCG	1.91	
ASIAN PAINTS LTD.	0.39	0.34
ITC LTD FACE VALUE INR 1	0.85	0.65
UNITED SPIRITS LTD	0.67	0.98
GAS	0.60	
GAIL (INDIA) LTD	0.60	0.66
IT	3.92	
INFOSYS TECHNOLOGIES LTD	2.95	0.80
TATA CONSULTANCY SERVICES LTD	0.97	0.79
METALS	2.08	
COAL INDIA LTD	0.10	NA
JINDAL STEEL AND POWER LTD	0.35	1.13
STERILITE INDUSTRIES INDIA LTD	0.88	1.68
TATA STEEL LTD	0.76	1.65
OIL EXPLORATION	0.17	
CAIRN INDIA LTD	0.17	1.01
OIL REFINERIES	4.18	
ONGC CORPORATION LTD	1.06	0.60
RELIANCE INDUSTRIES LTD	3.12	1.14
PHARMACEUTICALS	2.82	
CADILA HEALTHCARE LTD	0.25	0.43
CIPLA LTD	0.12	0.41
DIVIS LABORATORIES LTD	0.33	0.67
JUBILANT INDUSTRIES LTD	0.05	0.70
JUBILANT LIFE SCIENCES LTD	0.82	0.70
LUPIN LTD	0.89	0.27
RANBAXY LABORATORIES LTD	0.36	0.85
POWER	1.18	
AREVA T AND D INDIA LTD	0.46	0.67
ORIENT GREEN POWER CO LTD	0.23	1.05
POWER GRID CORPORATION OF INDIA LTD	0.19	0.50
PTC INDIA LTD	0.30	0.89
RETAIL	0.42	
AGRE DEVELOPERS LTD	0.00	NA
PANTALOON RETAIL INDIA LTD	0.42	0.93
SOFTWARE	0.50	
FINANCIAL TECHNOLOGIES INDIA	0.50	1.01
TELECOM	1.52	
BHARTI AIRTEL LTD	1.52	0.71
total equity	39.18	
total money market instruments	15.05	
total net assets	100.00	

asset allocation as on Nov 30, 2010



fund manager's report

The month of November saw the markets ending negative. The equity market saw some profit booking and volatile FII flows. Looking at news flows in specific sectors, the holding in equities was kept at 39.18%.

Exposures in Government Securities have been maintained due to lackluster market sentiment and exposures in Corporate Bonds have been increased to capture the higher yields at the shorter end of the curve. Accordingly Allocations to Money Market instruments have been decreased.

target asset allocation

Debt:	60%
Equity:	40%

benchmark construction

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

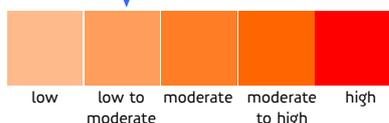
fund characteristics as on Nov 30, 2010

M.Duration of debt portfolio:	3.71 years
YTM of debt portfolio:	8.48%
Beta of equity portfolio:	0.92

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



fund manager's report

The month of November saw the markets ending negative. The market saw some profit booking and volatile FII flows. Looking at news flows in specific sectors, the holding in equities was kept at 18.65%.

Exposures in Government Securities have been maintained due to lackluster market sentiment and exposures in Corporate Bonds have been increased to capture the higher yields at the shorter end of the curve. Accordingly Allocations to Money Market instruments have been decreased.

target asset allocation

Debt.: 80%
Equity: 20%

benchmark construction

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

Balanced Fund

fund performance As on Nov 30, 2010

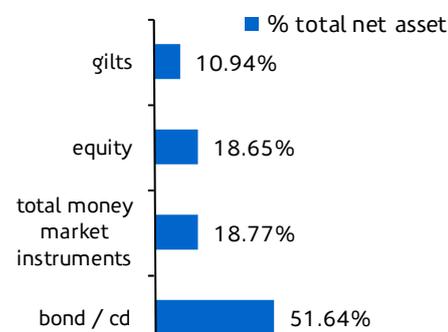
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	8.37%	7.01%	3.02%	3.41%	1.12%	0.59%
last 2 year (CAGR*)	16.28%	14.64%	5.61%	6.02%	2.01%	1.60%
last 3 year (CAGR*)	7.39%	6.68%	7.27%	7.21%	0.33%	0.23%
last 4 year (CAGR*)	8.96%	8.63%	6.92%	6.86%	0.57%	0.53%
last 5 year (CAGR*)	9.82%	9.51%	6.48%	6.37%	0.74%	0.71%
since inception (CAGR*)	10.77%	9.69%	5.66%	5.71%	1.02%	0.82%
date of inception	february, 2003					

*CAGR: Compounded Annual Growth Rate

portfolio As on Nov 30, 2010

security	% total net assets	rating/1-yr beta
bond/cd		
8.97% TATA SONS LTD NCD 15/07/2020	3.57	AAA
11.45% RELIANCE INDUSTRIES LTD NCD 25/11/2013	2.66	AAA
9.7% UNITED PHOS LTD 9/4/17 CALL STEP 9/4/15	2.55	AAA
8.99% TATA SONS LTD NCD 07/06/2020	2.38	AAA
8.95% INFOTEL BROADBAND SERV LTD NCD 15/09/2010	2.38	AAA
11.45% RELIANCE IND LTD NCD 25/11/2013	2.22	AAA
11.40% POWER FIN CORP LTD NCD 28/11/2013	2.20	AAA
9.05% CANARA BANK PERP NCD CALL/STEP-UP 03/08/2020	1.79	AAA
8.8% RECL NCD 25/10/2020	1.77	AAA
8.70% BAJAJ AUTO FINANCE LTD NCD 22/07/2015	1.76	AAA
8.75% RELIANCE INDUSTRIES LTD NCD 07/05/2020	1.62	AAA
8.42% SHREE CEMENT LTD NCD 22/07/2015	1.38	AAA
8.78% POWER FIN CORP LTD NCD 15/11/2020	1.18	AAA
8% RECL LTD NCD 05/08/2014	1.16	AAA
ANDHRA BANK CD 17/11/2011	1.09	PR1+
11.25% POWER FIN CORP LTD NCD 28/11/2018	1.07	AAA
8.40% HDFC LTD NCD 08/12/2014	0.84	AAA
9.90% TATA SONS LTD NCD 20/05/2011	0.83	AAA
9.35% LIC HO FI LTD NCD 23/11/2014 P/C 231112	0.72	AAA
10% NABARD NCD SR IX 14/05/2012	0.71	AAA
8.23% SUNDARAM FINANCE LTD NCD 27/07/2012	0.70	AAA
UNION BANK OF INDIA CD 28/11/2011	0.65	P1+
11.50% RECL LTD NCD 26/11/2013	0.63	AAA
9.50% TATA COMMUNICATION LTD NCD 08/06/2014	0.63	AAA
10.05% NABARD 11/06/2014	0.61	AAA
10.20% SUNDARAM FINANCE LTD NCD 29/05/2013	0.61	AAA
9.80% POWER FINANCE CORP 22/03/2012	0.60	AAA
9.00% LIC HOUSING FINANCE 23/11/2020	0.60	AAA
8.90% SAIL 01/05/2019 CALL 010514	0.59	AAA
8.79% IRFC NCD 04/05/2030	0.59	AAA
8.88% LIC HOUSING FINANCE NCD 13/10/2020	0.59	AAA
8.88% IDFC LTD NCD 07/07/2011	0.59	AAA
8.80% SAIL NCD 22/06/2019	0.59	AAA
8.68% NAT CAP REG PLAN NCD 18/8/19P/C18/08/16	0.59	AAA
8.48% LIC HOUSING FINANCE NCD 27/09/2013	0.58	AAA
8.40% ADITYA BIRLA NUVO LTD NCD 23/11/2012	0.59	AAA
8.4% TATA CAPITAL LTD NCD 26/11/2012	0.59	AAA
10.10% POWER GRID CORPORATION 12/06/2011	0.58	AAA
9.25% IDBI BANK LTD PERP NCD CALL/STEP-UP 29/01/20	0.56	AAA
BANK OF INDIA CD 22/11/2011	0.54	P1+
9.30% POWER FIN CORP LTD NCD 12/03/2013	0.44	AAA
12% TATA CAPITAL LTD NCD 05/03/2014 P/C 050312	0.49	AAA
8.2% NATIONAL HSG BANK NCD 30/08/13	0.47	AAA
9.34% STATE BANK OF TRAVANCOR PERP CALL 31/10/16	0.44	AAA
9.05% SBI PERPETUAL NCD CALL/STEP-UP 27/01/2020	0.42	AAA
8.23% TATA CAP LTD NCD 06/08/2018	0.41	AAA
11.15% HDFC LTD NCD 06/08/2018	0.40	AAA
9.50% NABARD MFS BONDS 15/10/2012	0.36	AAA
9.20% HDFC LTD NCD 09/02/2012	0.36	AAA
11.10% POWER FIN CORP LTD NCD 15/09/2013	0.33	AAA
8.40% L & T FINANCE LTD NCD 08/03/2013	0.31	AAA
8.90% POWER GRID CORP LTD NCD STRPP H 25/2/21	0.30	AAA
8.65% LET LTD PART PD NCD26/5/20CALL 26/5/11	0.29	AAA
9.33% POWER GRID CORP LTD NCD 15/12/2013	0.24	AAA
9.20% POWER GRID CORP STRIP A NCD 12/03/2013	0.18	AAA
10.60% IRFC NCD 11/09/2018	0.13	AAA
9.50% SBI NCD 04/11/25 CALL/STEP-UP 05/11/20	0.13	AAA
10.35% HDFC LTD SR E006 NCD 06/06/2017	0.11	AAA
STATE BANK OF TRAVANCOR CD 21/11/2011	0.11	P1+
11.35% RECL LTD NCD 24/10/2013 P/C 24/10/2011	0.05	AAA
total bond/cd	51.64	
gilts		
8.30% GOI (MD 02/07/2040)	3.47	sovereign
8.33% GOI (MD 21/09/2022)	2.96	sovereign
8.26% GOI (MD 02/08/2027)	2.32	sovereign
8.08% GOI (MD 02/08/2022)	1.18	sovereign
7.48% GOI 2017 (M 28/8/2017)	0.23	sovereign
6.72% GOI 2014 (MD 24/02/2014)	0.23	sovereign
8.24% GOI (MD 22/04/2018)	0.20	sovereign
total gilts	10.94	
equity		
AUTOMOBILES		
BAJAJ AUTO LTD	0.82	0.65
MAHINDRA & MAHINDRA LTD	0.18	1.19
MARUTI SUZUKI INDIA LTD	0.30	0.67
TATA MOTORS LTD	0.14	1.42
BANKING & FINANCE		
AXIS BANK LTD	5.14	1.16
BANK OF BARODA	0.42	0.65
HDFC BANK	0.42	0.86
HOUSING DEV FIN CORPN LTD	0.50	1.05
ICICI BANK LTD	0.31	1.53
POWER FINANCE CORPORATION LTD	1.60	0.64
SHRIRAM TRANSPORT FINANCE COMPANY LTD	0.54	0.41
STATE BANK OF INDIA	0.50	0.99
CAP GOODS / ENGINEERING		
BHARAT HEAVY ELECTRICALS LTD	0.76	0.67
CROMPTON GREAVES LTD	2.35	0.82
CUMMINS INDIA LTD	0.27	0.35
LARSEN & TOUBRO LTD	0.38	0.94
VOLTAS LTD	0.39	0.95
CEMENT & CEMENT PRODUCTS		
INDIA CEMENTS LTD	0.28	0.96
ULTRATECH CEMENT LTD	0.58	0.96
CONSTRUCTION		
JAIPRAKASH ASSOCIATES LTD	0.23	0.58
CONSUMER GOODS	0.19	1.61
BALLARUP INDUSTRIES LTD	0.21	0.75
SINTEX INDUSTRIES	0.04	0.86
FERTILIZERS		
GUJARAT STATE FERTILIZERS & CHEMICALS LT	0.17	0.34
FMCG		
ASIAN PAINTS LTD.	0.34	0.24
ITC LTD	1.16	0.65
UNITED SPIRITS LTD	0.18	0.65
GAIL (INDIA) LTD	0.39	0.98
IT		
INFOSYS TECHNOLOGIES LTD	0.31	0.66
MPHASIS LTD	0.28	0.80
TATA CONSULTANCY SERVICES LTD	1.89	0.80
METALS		
COAL INDIA LTD	1.35	0.61
ORIENT STEEL AND POWER LTD	1.35	0.79
STERILITE INDUSTRIES INDIA LTD	0.45	0.45
TATA STEEL LTD	0.97	NA
OIL EXPLORATION		
CAIRN INDIA LTD	0.15	1.13
OIL REFINERIES	0.41	1.68
ONGC CORPORATION LTD	0.41	1.65
RELIANCE INDUSTRIES LTD	0.36	0.36
PHARMACEUTICALS		
CADILA HEALTHCARE LTD	0.08	1.01
CIPLA LTD	0.08	1.01
DIVIS LABORATORIES LTD	0.08	1.01
JUBILANT INDUSTRIES LTD	0.08	1.01
JUBILANT LIFE SCIENCES LTD	0.08	1.01
LUPIN LTD	0.08	1.01
RANBAXY LABORATORIES LTD	0.08	1.01
POWER		
AREVA T AND D INDIA LTD	0.08	1.01
ORIENT GREEN POWER CO LTD	0.08	1.01
POWER GRID CORPORATION OF INDIA LTD	0.08	1.01
PTC INDIA LTD	0.08	1.01
RETAIL		
PANTALOON RETAIL INDIA LTD	0.08	1.01
SOFTWARE		
FINANCIAL TECHNOLOGIES INDIA	0.08	1.01
TELECOM		
BHARTI AIRTEL LTD	0.08	1.01
total equity	18.65	
total money market instruments		
	18.77	
total net assets	100.00	

asset allocation as on Nov 30, 2010



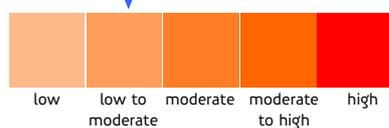
fund characteristics as on Nov 30, 2010

M.Duration of debt portfolio: 3.71 years
YTM of debt portfolio: 8.47%
Fund Beta: 0.91

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



Corporate Bond Fund

fund performance As on Nov 30, 2010

period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	7.47%	4.52%	1.51%	1.11%	1.64%	-0.43%
last 2 year (CAGR*)	11.37%	7.14%	4.02%	4.80%	1.58%	0.44%
last 3 year (CAGR*)	9.45%	6.01%	3.48%	4.22%	1.28%	0.24%
since inception (CAGR*)	9.35%	6.02%	3.44%	4.16%	1.26%	0.25%
date of inception	october, 2007					

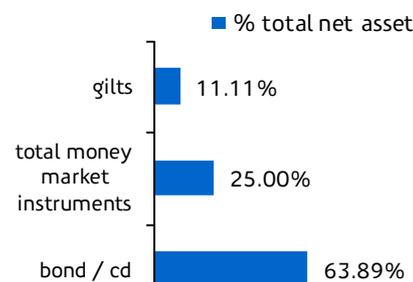
*CAGR: Compounded Annual Growth Rate

portfolio As on Nov 30, 2010

security	% total net assets	rating/ 1-yr beta
bond/cd		
8.75% RELIANCE INDUSTRIES LTD NCD (MD 07/05/2020)	6.47	AAA
11.10% POWER FIN CORP LTD NCD (MD 15/09/2013)	6.16	AAA
8.80% SAIL NCD (MD 22/06/2019)	3.90	AAA
12% TATA CAPITAL LTD NCD (MD 05/03/2014) P/C 050312	3.50	LAA+
2% TATA MOTORS LTD NCD (MD 31/03/2014)	2.84	AAA
2% INDIAN HOTELS COMPANY LTD NCD (MD 09/12/2014)	2.82	LAA+
8.95% INFOTEL BROADBAND SERV LTD NCD (MD 15/09/20)	2.62	AAA
8.40% L & T FINANCE LTD NCD (MD 08/03/2013)	2.59	AA+
8.40% ADITYA BIRLA NUVO LTD NCD (MD 23/11/2012)	2.58	LAA+
ANDHRA BANK CD (MD 17/11/2011)	2.40	PR1+
8.23% SUNDARAM FINANCE LTD NCD (MD 27/07/2012)	2.32	LAA+
11.25% POWER FIN CORP LTD NCD (MD 07/11/2018)	1.48	AAA
11.50% RECL LTD NCD (MD 26/11/2013)	1.40	AAA
9.18% TATA SONS LTD NCD (MD 23/11/2020)	1.33	AAA
9.70% LIC HOUSING FINANCE LTD NCD (MD 07/04/2013)	1.33	AAA
10% NABARD NCD SR IX (MD 14/05/2012)	1.32	AAA
9.50% HDFC LTD NCD (MD 27/02/2013)	1.32	AAA
8.99% TATA SONS LTD NCD (MD 07/06/2020)	1.31	AAA
8.90% SAIL (MD 01/05/2019) CALL 010514	1.31	AAA
8.60% POWER FIN CORP LTD NCD (MD 07/08/2014)	1.30	AAA
8.68% NAT CAP REG PLAN NCD (MD 18/8/19)P/C18/08/16	1.30	AAA
9.50% NABARD NPS BONDS SR IX I (MD 15/10/2012)	1.29	AAA
8% RECL LTD NCD (MD 05/08/2014)	1.27	AAA
BANK OF INDIA CD (MD 22/11/2011)	1.20	P1+
STATE BANK OF TRAVANCORE CD (MD 21/11/2011)	1.20	P1+
9.7% UNITED PHOS LTD (MD 9/4/17) CALL STEP 9/4/15	1.07	AA+
9.33% POWER GRID CORP LTD NCD (MD 15/12/2013)	0.79	AAA
8.2% NATIONAL HSG BANK NCD (MD 30/08/13)	0.77	AAA
11.45% RELIANCE INDUSTRIES LTD NCD (MD 25/11/2013)	0.72	AAA
8.90% POWER GRID CORP LTD NCD STRPP C (MD 25/2/16)	0.66	AAA
9.35% LIC HO FI LTD NCD (MD 23/11/2014) P/C 231112	0.53	AAA
9.32% HDFC LTD NCD (MD 17/12/2012)	0.53	AAA
8.97% TATA SONS LTD NCD (MD 15/07/2020)	0.52	AAA
8.8% RECL NCD (MD 25/10/2020)	0.52	AAA
9.47% POWER GRID CORPORATION NCD (MD 31/03/2013)	0.26	AAA
9.05% CANARA BANK PERP NCD CALL/STEP-UP 03/08/2020	0.26	AAA
9.20% HDFC LTD NCD (MD 09/02/2012)	0.26	AAA
11.30% ACC LTD NCD (MD 10/12/2013)	0.14	AAA
9.30% POWER FIN CORP LTD NCD (MD 12/03/2013)	0.13	AAA
10.48% SAMRUDDHI CEMENTS LTD NCD (MD 16/12/2013)	0.09	AAA
9.50% SBI NCD (MD 04/11/25) CALL/STEP-UP 05/11/20	0.06	AAA
11.35% RECL LTD NCD (MD 24/10/2013) P/C 24/10/2011	0.04	AAA
total bond/cd	63.89	

gilts	Sovereign
8.26% GOI (MD 02/08/2027)	5.12 sovereign
6.90% GOI OIL BONDS (MD 04/02/2026)	2.26 sovereign
8.30% GOI (MD 02/07/2040)	1.27 sovereign
7.46% GOI 2017 (M/D. 28/8/2017)	1.26 sovereign
7.35% GOI (MD 22/06/2024)	1.20 sovereign
total gilts	11.11
total money market instruments	25.00
total net assets	100.00

asset allocation as on Nov 30, 2010



fund characteristics as on Nov 30, 2010

M.Duration of debt portfolio:	3.2 years
YTM of debt portfolio:	8.66%

fund manger's report

Exposures in Government Securities have been maintained due to lackluster market sentiment and exposures in Corporate Bonds have been increased to capture the higher yields at the shorter end of the curve. Accordingly Allocations to Money Market instruments have been decreased.

target asset allocation

Bond Instruments: 100%

benchmark construction

CRISIL Composite Bond Index: 100%

Pure Debt Fund

fund performance As on Nov 30, 2010

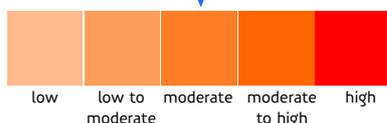
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	7.92%	4.52%	1.49%	1.11%	1.95%	-0.43%
last 2 year (CAGR*)	11.27%	7.14%	3.75%	4.81%	1.67%	0.44%
since inception (CAGR*)	11.37%	7.42%	3.60%	4.64%	1.77%	0.52%
date of inception	october, 2008					

*CAGR: Compounded Annual Growth Rate

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'.

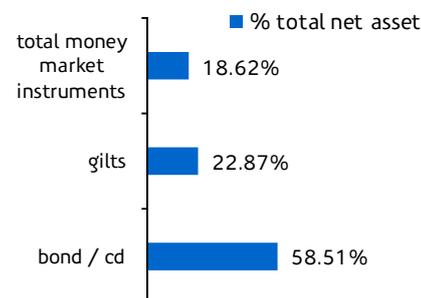
fund risk profile



portfolio As on Nov 30, 2010

security	% total assets	rating/ net 1-yr beta
bond/cd		
11.45% RELIANCE INDUSTRIES LTD NCD (MD 25/11/2013)	4.77	AAA
2% TATA MOTORS LTD NCD (MD 31/03/2014)	4.26	AAA
2% INDIAN HOTELS COMPANY LTD NCD (MD 09/12/2014)	4.23	LAA+
10.90% RECL LTD NCD (MD 30/09/2013)	4.12	AAA
9.70% LIC HOUSING FINANCE LTD NCD (MD 07/04/2013)	3.99	AAA
8.40% L & T FINANCE LTD NCD (MD 08/03/2013)	3.89	AA+
8.40% HDFC LTD NCD (MD 08/12/2014)	3.87	AAA
11.25% POWER FIN CORP LTD NCD (MD 28/11/2018)	3.11	AAA
10.60% IRFC NCD (MD 11/09/2018)	2.60	AAA
ANDHRA BANK CD (MD 17/11/2011)	2.52	PR1+
9.7% UNITED PHOS LTD (MD 9/4/17) CALL STEP 9/4/15	2.21	AA+
11.45% RELIANCE IND LTD NCD (MD 25/11/2013)	2.09	AAA
9.18% TATA SONS LTD NCD (MD 23/11/2020)	1.99	AAA
8.98% NAT CAP REG PLAN NCD 14/02/18 P/C14/02/15	1.98	AAA
8.95% INFOTEL BROADBAND SERV LTD NCD (MD 15/09/20)	1.96	AAA
8.90% SAIL (MD 01/05/2019) CALL 010514	1.96	AAA
8.78% POWER FIN CORP LTD NCD (MD 15/11/2020)	1.94	AAA
9.25% IDBI BANK LTD PERP NCD CALL/STEP-UP 29/01/20	1.86	AA
STATE BANK OF TRAVANCORE CD (MD 21/11/2011)	1.80	P1+
8.97% TATA SONS LTD NCD (MD 15/07/2020)	1.18	AAA
8.90% POWER GRID CORP LTD NCD STRPP B (MD 25/2/15)	0.98	AAA
12% TATA CAPITAL LTD NCD (MD 05/03/2014) P/C 050312	0.81	LAA+
10% NABARD NCD SR IX (MD 14/05/2012)	0.40	AAA
total bond/cd	58.51	
gilts		
8.53% TAMILNADU SDL (MD 27/10/2020)	3.89	sovereign
8.26% GOI (MD 02/08/2027)	3.84	sovereign
7.46% GOI 2017 (M/D. 28/8/2017)	3.79	sovereign
8.13% GOI (MD 21/09/2022)	1.96	sovereign
8.08% GOI (MD 02/08/2022)	1.95	sovereign
8.32% GOI (MD 02/08/2032)	1.92	sovereign
8.28% GOI (MD 15/02/2032)	1.92	sovereign
8.30% GOI (MD 02/07/2040)	1.91	sovereign
6.90% GOI OIL BONDS (MD 04/02/2026)	1.69	sovereign
total gilts	22.87	
total money market instruments	18.62	
total net assets	100.00	

asset allocation as on Nov 30, 2010



fund characteristics as on Nov 30, 2010

M.Duration of debt portfolio: 3.93 years
YTM of debt portfolio: 8.81%

fund manger's report

Exposures in Government Securities have been maintained due to lackluster market sentiment and exposures in Corporate Bonds have been increased to capture the higher yields at the shorter end of the curve. Accordingly Allocations to Money Market instruments have been decreased.

target asset allocation

Debt Instruments: 100%

benchmark construction

CRISIL Composite Bond Index: 100%

Gilt Fund

fund performance As on Nov 30, 2010

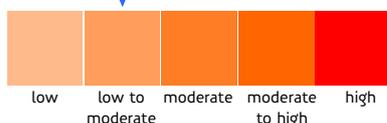
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	6.89%	4.74%	1.34%	2.03%	1.41%	-0.13%
last 2 year (CAGR*)	5.37%	5.56%	3.45%	10.86%	0.11%	0.05%
last 3 year (CAGR*)	6.22%	8.44%	3.30%	10.57%	0.37%	0.33%
since inception (CAGR*)	6.23%	8.35%	3.25%	10.42%	0.38%	0.32%
date of inception	october, 2007					

*CAGR: Compounded Annual Growth Rate

fund objective

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

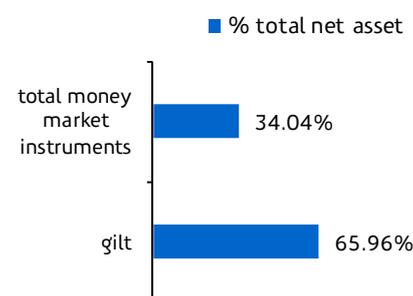
fund risk profile



portfolio As on Nov 30, 2010

security	% total net assets	rating/1-yr beta
gilts		sovereign
8.13% GOI (MD 21/09/2022)	13.64	sovereign
8.26% GOI (MD 02/08/2027)	13.39	sovereign
8.28% GOI (MD 15/02/2032)	13.37	sovereign
8.08% GOI (MD 02/08/2022)	6.78	sovereign
6.90% GOI OIL BONDS (MD 04/02/2026)	5.90	sovereign
8.24% GOI (MD 15/02/2027)	3.34	sovereign
8.30% GOI (MD 02/07/2040)	3.34	sovereign
7.49% GOI 2017 (M/D. 16.04.2017)	3.30	sovereign
8.39% GOI UTTAR PRADESH SDL 22/09/2020	2.88	sovereign
9.85% GOI 2015 (M/D. 16.10.2015)	0.02	sovereign
total gilts	65.96	
total money market instruments	34.04	
total net assets	100.00	

asset allocation as on Nov 30, 2010



fund characteristics as on Nov 30, 2010

M.Duration of debt portfolio:	5.75 years
YTM of debt portfolio:	8.17%

fund manger's report

Exposures in Government Securities have been decreased due to lackluster market sentiment. Accordingly Allocations to Money Market instruments have been increased. We will increase exposure to gilts as and when attractive investments are available.

target asset allocation

Government Securities: 100%

benchmark construction

I-Sec Composite Sovereign Bond Index:100%

Money Market Fund

fund performance As on Nov 30, 2010

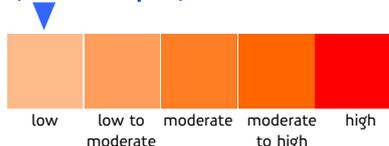
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	5.10%	4.71%	0.90%	0.40%	0.11%	-0.74%
last 2 year (CAGR*)	7.52%	5.14%	0.98%	0.73%	2.57%	0.19%
last 3 year (CAGR*)	8.27%	6.13%	0.86%	0.75%	3.80%	1.51%
since inception (CAGR*)	8.27%	6.13%	0.86%	0.75%	3.80%	1.51%
date of inception	november, 2007					

*CAGR: Compounded Annual Growth Rate

fund objective

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

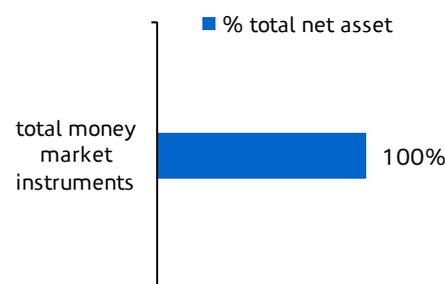
fund risk profile



portfolio As on Nov 30, 2010

security	% total net assets	rating/ 1-yr beta
total money market Instrument	100.00	
total net assets	100.00	

asset allocation as on Nov 30, 2010



fund characteristics as on Nov 30, 2010

fund manger'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%

Capital Secure Fund

fund performance As on Nov 30, 2010

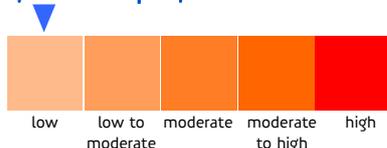
period	gross fund return	benchmark return	fund standard deviation	benchmark standard deviation	fund sharpe ratio	benchmark sharpe ratio
last 1 year	6.95%	5.23%	0.15%	0.31%	13.39%	0.74%
last 2 year (CAGR*)	8.08%	4.88%	0.48%	0.32%	6.42%	-0.37%
last 3 year (CAGR*)	8.74%	6.01%	0.49%	0.53%	7.57%	1.90%
last 4 year (CAGR*)	8.58%	6.41%	0.46%	0.51%	7.74%	2.79%
last 5 year (CAGR*)	8.14%	6.48%	0.52%	0.45%	6.02%	3.25%
since inception (CAGR*)	7.06%	5.77%	0.64%	0.47%	3.23%	1.63%
date of inception	february, 2003					

*CAGR: Compounded Annual Growth Rate

fund objective

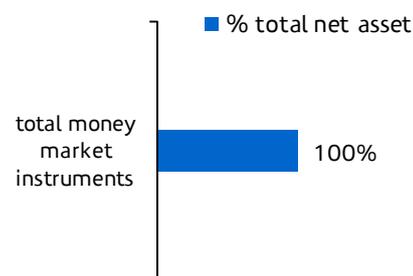
Maintain the capital value of all contributions (net of charges) and all interest additions, at all times. The risk appetite is 'extremely low'.

fund risk profile



security	% total net assets	rating/ 1-yr beta
total money market Instrument	100.00	
total net assets	100.00	

asset allocation as on Nov 30, 2010



fund characteristics as on Nov 30, 2010

fund manger'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%

Product Details

Nav's as of 30 November, 2010

Product Name	NAV
Reliance Group Gratuity Equity	14.2778
Reliance Group Gratuity Infrastructure	10.0312
Reliance Group Gratuity Midcap	13.1644
Reliance Group Gratuity Growth	12.6965
Reliance Group Gratuity Balance	13.1623
Reliance Group Gratuity Corporate Bond	12.1285
Reliance Group Gratuity Pure Debt	12.1033
Reliance Group Gratuity Money Market	11.6226
Reliance Group Gratuity capital Secure	13.0404
Reliance Group Gratuity Gilt	10.6691
Reliance Group Leave Encashment Balance	11.0582
Reliance Group Leave Encashment Corporate Bond	12.8024
Reliance Group Leave Encashment Pure Debt	12.2312
Reliance Group Leave Encashment Gilt	11.7495
Reliance Group Leave Encashment Money Market	12.5325
Reliance Group Leave Encashment Capital Secure	10.0000
Reliance Group Leave Encashment Equity	9.1075
Reliance Group Savings Linked Insurance Equity	18.5868
Reliance Group Savings Linked Insurance Energy	16.1849
Reliance Group Savings Linked Insurance Midcap	19.0674
Reliance Group Savings Linked Insurance Balance	12.4583
Reliance Group Savings Linked Insurance Corporate Bond	11.6797
Reliance Group Savings Linked Insurance Pure Debt	11.5405
Reliance Group Savings Linked Insurance Gilt	10.6284
Reliance Group Savings Linked Insurance Money Market	11.2354
Reliance Group Savings Linked Insurance Infrastructure	13.3262
Reliance Group Savings Linked Insurance Pure Equity	18.1711
Reliance Group Superannuation Equity	10.8697
Reliance Group Superannuation Growth	10.5437
Reliance Group Superannuation Balance	16.4248
Reliance Group Superannuation Corporate Bond	11.1394
Reliance Group Superannuation Pure Debt	11.9252
Reliance Group Superannuation Gilt	10.3769
Reliance Group Superannuation Money Market	11.3119
Reliance Group Superannuation Capital Secure	11.7298

- √ Macro Analysis
- √ Appreciation of Market Dynamics
- √ Meeting Investment Objective vis-à-vis Risk Appetite
- √ Asset Allocation Strategy
- √ Security Selection-Portfolio Constriction
- √ Benchmark
- √ Risk Management / Portfolio Evolution/ Diagnostics
- √ Governance and Process

Investment strategy and risk control

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 Sharpe ratio are calculated in order to compare the returns generated per unit of risk vis-à-vis benchmarks.

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

✓ Gross Fund Return

✓ Benchmark Return

✓ Fund Standard Deviation

✓ Fund Sharpe Ratio

Gross Fund Return

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

We shall highlight this with the help of an example.

Reliance Life Insurance

Balanced Fund

NAV based Return=11.50 %

Fund Management Fee=2%

Gross Fund Return=13.50%

XYZ Insurance Company

Balanced Fund

NAV based Return=10.50%

Fund Management Fee=3%

Gross Fund Return=13.50%.

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

Benchmark Return

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

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

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

Fund Standard Deviation

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

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

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

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

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

Fund Sharpe Ratio

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

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

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

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

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

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

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

Benchmark Sharpe Ratio

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

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

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

Modified Duration of Debt Portfolio

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

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

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

Fund Beta

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

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

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

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

✓ **Benchmark Sharpe Ratio**

✓ **Modified Duration Of Debt Profile**

✓ **Fund Beta**

Disclaimer

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