



RELIANCE

Life Insurance



the analyst

**monthly Group fund
factsheet for July 2013**

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 | 28th Jun 13 | 31st May 13 | % Change |
|--|-------------|-------------|----------|
| ¹ Rs./\$ | 59.39 | 56.51 | 4.86 |
| ² WPI Inflation Index | | 171.6 | |
| ³ Forex Reserves (\$ bn) | 284.65 | 287.89 | -1.14 |
| ⁴ Brent Crude Price (\$ per Barrel) | 96.56 | 91.97 | 4.75 |
| ¹ Gold (Rs. per 10gm) | 25186 | 27197 | -7.98 |

| Investments | 28th Jun 13 | 31st May 13 | Absolute Change |
|---------------------------|-------------|-------------|-----------------|
| ¹ FIs (Rs Crs) | 1124 | -504 | 144.83 |
| ¹ MIs (Rs Crs) | -581 | 203 | 134.94 |

| Indices | 28th Jun 13 | 31st May 13 | % Change |
|----------------------------|-------------|-------------|----------|
| ¹ BSE Sensex | 19396 | 19760 | -1.88 |
| ¹ S&P CNX Nifty | 5842 | 5986 | -2.46 |
| ¹ CNX Mid Cap | 7342 | 7822 | -6.53 |
| ¹ BSE Small Cap | 5644 | 5943 | -5.31 |

| Global Indices | 28th Jun 13 | 31st May 13 | % Change |
|------------------------|-------------|-------------|----------|
| ¹ Dow Jones | 14910 | 15116 | -1.38 |
| ¹ FTSE 100 | 6215 | 6583 | -5.91 |
| ¹ Hang Seng | 20803 | 22392 | -7.64 |
| ¹ Nikkei | 13677 | 13775 | -0.71 |

| Sectoral Indices | 28th Jun 13 | 31st May 13 | % Change |
|---------------------------------|-------------|-------------|----------|
| ¹ CNX Infrastructure | 2255 | 2341 | -3.82 |
| ¹ CNX Energy | 7999 | 7852 | 1.83 |
| ¹ BSE Capital Goods | 9111 | 9407 | -3.25 |
| ¹ BSE Bankex | 13258 | 14261 | -7.57 |
| ¹ BSE Oil & Gas | 8900 | 8655 | 2.76 |
| ¹ BSE IT | 6255 | 6065 | 3.03 |

| Fixed Income Indicators (%) | 28th Jun 13 | 31st May 13 | Absolute Change |
|--|-------------|-------------|-----------------|
| ¹ NSE Mibor | 8.28 | 8.36 | -0.97 |
| ¹ 91 Day T-Bill | 7.49 | 7.31 | 2.40 |
| ¹ 182 Day T-Bill | 7.47 | 7.28 | 2.60 |
| ¹ 1 year GOI Benchmark | 7.46 | 7.18 | 2.91 |
| ¹ 5 Year GOI Benchmark | 7.69 | 7.37 | 4.16 |
| ¹ 10 Year GOI Benchmark | 7.46 | 7.25 | 2.92 |
| ¹ 5 Year Corp Bond Benchmark | 8.42 | 8.01 | 4.97 |
| ¹ 10 Year AAA Corp Bond Benchmark | 8.59 | 8.21 | 4.42 |
| ¹ 10 Year US Benchmark | 2.49 | 2.13 | 14.38 |

Source: ¹Bloomberg, ²eaindustry.nic.in, ³RBI

Indian Economy

Welcome to the world of uncertainty and consequent large movements in all asset classes. Globally all asset classes were in turmoil as US Federal Reserve has hinted that they may be withdrawing quantitative easing in gradual fashion as US economy is strengthening. India has also felt the tremor. INR has depreciated against USD by 5% while touching life time low at 60.73, yield on benchmark 10 year Government bond inched up by 22 bps while Sensex was down by 2.4% during the month. India's foreign exchange reserves has hit a ten month lows to \$287 billion from a high of \$320 billion in September 2012. The depreciating rupee, demand for foreign exchange from oil companies and FII's capital out flow has compelled RBI to intervene in foreign exchange market intermittently to curb the volatility. This will be keeping foreign reserves under pressure in near future.

RBI has also adopted the cautions stance while keeping its key policy rate & CRR unchanged in its June 2013 monetary policy review after three successive repo rate cuts. This will help assess the recent and expected currency movement and the impact of the same on inflation, Current Account Deficit (CAD) and foreign capital flows.

Indian economy continues to face both demand and supply headwinds, which is reflected in recent data points. IIP grew by 2.0% YoY in April 2013 against 2.5% YoY in the month of March 2013, after posting better than expected figures in the previous three months. The weakness is prevalent across all components of the IIP except consumer non-durable which grew by 12.3% YoY. The growth in manufacturing and capital goods dipped to 2.8% and 1.0% respectively, compared to 4.2% and 9.0% in March 2013.

The manufacturing PMI has been declining for 3 months in a row and fell to a 50-month low of 50.1 in May 2013. The IIP too seems to be reflecting this downward trend with a lag, though the gauge is subject to volatility. The core sector growth has been tracking the IIP and grew by 2.3% in April 2013 (3.2% in March 2013). Steep drop in natural gas output contracted the growth of eight core sectors in April 2013.

India's headline WPI inflation in May 2013 eased to 4.70% YoY, lowest since November 2009, from 4.89% YoY in April 2013. Core inflation (that RBI tracks to gauge demand pressure) softened to 2.4% YoY from 2.8% YoY previous month. It is below long term average of 4% YoY for four consecutive months. Although softening global commodity prices partly helped move core inflation down, lower domestic demand also contributed. In addition, Mar 2013 final WPI inflation was revised down by 31 bps to 5.65% YoY from 5.96% YoY after upward revision of both Jan 2013 and February 2013 final inflation numbers. It is expected that inflation may marginally firm up due to depreciation in INR against USD.

Interest rates have inched up marginally by 20-25 bps across the yield curve. Spreads on Corporate bonds over comparable maturity Government security has also widened by 10-20 bps. Yield on short maturity securities remain stable as banking liquidity was easy despite outflow on account of advance tax in the middle of the month.

Tough global industrial commodity prices are settling at lower level, however, recent sharp depreciation in the value of INR against USD has compensated the benefit accruing to us. The weaker domestic demand is reflected in lower automobile sales and sluggish credit are the positive factors to allow RBI to maintain lower interest rates to spur economy. However, weakness in the INR against USD & constraint CAD will keep RBI under pressure to keep maintain status quo in terms of monetary policy. Going forward, we expect interest rates to be in range with upward bias.

Fixed Income Outlook:

It is expected that RBI will be maintaining status quo in the wake of uncertainly associated with volatile currency though all the macro economic data supports continuation of reduction in policy rates to jump start the economy.

Equity Market

Indian equities had volatile run during the month on strong capital outflows due to fears of Quantitative Easing scaling down by US Federal Reserve. FIs reversed trend for the first time this year as they turned net sellers in June 2013 with a net outflow of \$1.6bn causing the Nifty to decline steadily throughout the month. Markets made a small recovery towards Jun-end as Fed's tapering of monetary easing looked to be delayed and the Indian government resumed its reforms drive with the domestic gas price hike.

The INR also made headlines weakening below 60 to the USD for the first time and the RBI unable to intervene meaningfully on account of limited forex reserves. The central bank also left policy rates unchanged in its June 2013 meet on concerns of a deteriorating current account. Meanwhile, reforms continued with the much talked about gas price hike finally being announced by the Cabinet.

Banking space was dominated by news of NBFCs applying for new bank permits. Contenders include the likes of Reliance ADA, Aditya Birla, Bajaj, L&T Finance among others while M&M Financial Services decided to opt out. Meanwhile, Yes Bank had a weak run in Jun as uncertainty over board decision on former promoter's daughter inclusion on the board cast an overhang on the stock.

Energy stocks especially ONGC, Oil India and RIL rallied as the long pending gas price hike was approved by Cabinet, but the PSUs came off soon on lack of clarity on subsidy sharing scheme. Meanwhile, ONGC and Oil India together purchased Videocon's 10% stake in the Mozambique gas fields for a total of \$2.475bn.

The US Immigration Bill continued to be an overhang on the IT sector as US Senate passed the bill. The focus is now on discussions in the Republican dominated House, where the outplacement clause would be the key issue to watch out for.

Among Auto stocks, Bajaj Auto came off on news of Chakan plant workers going on strike over wage settlement dispute. The Aviation sector saw further delays in the Jet-Ethad deal on regulatory concerns from various quarters over ownership structure and excessive foreign control.

In the Pharma space, Ranbaxy again came under fire as various regulators raised concerns over its drug quality with some relief coming from the UK regulator giving it a clean chit.

In the Power space, Cabinet approved pass-through of imported coal costs. Meanwhile, Jaiprakash Power announced force majeure at the Vishnuprayag project due to the Uttarakhand floods. On the other hand, PSUs NTPC and Coal India signed new FSAs, resolving the dispute over coal supply quality.

In the Retail segment, jewellery retailers were adversely affected by RBI's curb on retail sale of gold coins/bars. Titan came off sharply on the gold import notification by RBI which stated credit of any kind from suppliers or bullion banks for import of gold for domestic would be only on 100% cash margin. In FMCG, Hindustan Unilever's parent Unilever Plc commenced \$5.4bn open offer to raise stake in the company.

In June 2013, FIs flow reversed trend as foreign investors sold off significantly on fears of a possible scale down in quantitative easing in US, turning net sellers to the tune of \$1.6bn for the month. This brought down the YTD net FII inflows to \$13.6bn. Domestic Institutions too changed sides as they turned net buyers during the month with a net inflow of \$1.5bn, contracting the net YTD outflow to \$7.6bn. Within Domestic Institutions, Insurance companies were net buyers to the tune of \$1.5bn while MFs sold a total of \$17.3mn.

Equity Outlook:

Going forward, a possible pullback on the INR against USD, start of quarterly earnings season and further reforms especially in FDI will set the tone for the market.

fund snapshot

gross return (CAGR*) (%) As on Jun 28, 2013

| asset allocation | funds | Last 1 Year | Last 2 Year | Last 3 Year | Page No. |
|-----------------------|-----------------------------|-------------|-------------|-------------|----------|
| 100% equity | Group Equity Fund 2 | 10.12% | 2.38% | 4.12% | 4 |
| 100% equity | Group Equity Fund 3 | 9.19% | 13.38% | 10.40% | 5 |
| 100% pure equity | Group Pure Equity Fund 1 | 6.45% | 0.00% | 1.52% | 6 |
| 100% equity | Group Infrastructure Fund 1 | -11.84% | -15.36% | -12.00% | 7 |
| 100% equity | Group Energy Fund 1 | -1.48% | -5.26% | -4.74% | 8 |
| 100% equity | Group Midcap Fund 1 | 6.15% | 0.90% | -1.19% | 9 |
| 40% equity, 60% debt | Group Growth Fund 1 | 11.40% | 7.83% | 6.91% | 10 |
| 20% equity, 80% debt | Group Balanced Fund 1 | 11.43% | 9.26% | 7.79% | 11 |
| 20% equity, 80% debt | Group Balanced Fund 2 | 12.08% | 9.73% | 8.17% | 12 |
| 100% bond instruments | Group Corporate Bond Fund 2 | 13.43% | 11.10% | 9.17% | 13 |
| 100% debt Instruments | Group Pure Debt Fund 1 | 12.90% | 10.82% | 9.00% | 14 |
| 100% money market | Group Capital Secure Fund 1 | 9.38% | 9.40% | 8.96% | 15 |
| 100% govt. securities | Group Gilt Fund 2 | 14.02% | 11.08% | 9.40% | 16 |
| 100% money market | Group Money Market Fund 2 | 9.95% | 10.01% | 9.49% | 17 |

SFIN :

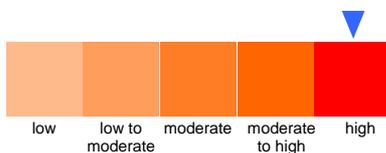
ULGF00724/10/07GEQUITYF01121

Inception Date : 30th Oct 2007

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



target asset allocation

Equity: 100%

benchmark construction

S&P CNX Nifty: 100%

Group Equity Fund 2

fund performance as on Jun 28, 2013

| fund name | gross return | | | |
|---------------------|-------------------|-------------------|-------------------|-------------------|
| | 12 month returns* | 24 month returns* | 36 month returns* | 48 month returns* |
| Group Equity Fund 2 | 10.12% | 2.38% | 4.12% | 9.81% |
| Benchmark | 10.67% | 1.71% | 3.22% | 8.02% |

*Returns above 12 months are CAGR (Compounded Annual Growth Rate) returns.

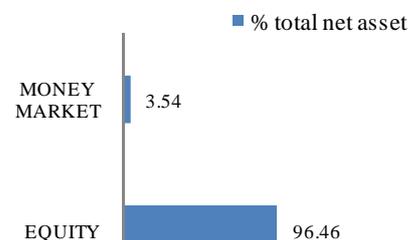
portfolio As on Jun 28, 2013

| security | % total net assets |
|--|--------------------|
| equity | |
| RELIANCE INDUSTRIES LTD. | 1.29 |
| ITC - FV 1 | 1.31 |
| ICICI BANK LTD. | 1.19 |
| HDFC BANK LTD.FV-2 | 1.16 |
| INFOSYS LIMITED | 0.81 |
| LARSEN&TUBRO | 0.15 |
| DIVIS LABORATORIES LIMITED | 1.73 |
| HDFC LTD FV 2 | 1.03 |
| TATA CONSULTANCY SERVICES LTD. | 0.13 |
| STATE BANK OF INDIA | 0.61 |
| YES BANK LTD | 0.41 |
| MARUTI UDYOG LTD. | 5.73 |
| CUMMINS INDIA | 6.75 |
| ONGCFV-5 | 2.72 |
| TATA MOTORS LTD.FV-2 | 0.04 |
| MAHINDRA & MAHINDRA LTD.-FV5 | 0.93 |
| BHARTI AIRTEL LIMITED | 0.60 |
| STRIDES ARCOLAB LIMITED | 7.98 |
| STERLITE INDUSTRIES FV 1 | 0.58 |
| SUN PHARMACEUTICAL INDUSTRIES LTD.FV-1 | 6.66 |
| ULTRATECH CEMCO LTD | 0.68 |
| AUROBINDO PHARMA LTD FV1 | 7.91 |
| MOTHERSON SUMI SYSTEMS LTD. | 1.20 |
| BAJAJ AUTO LTD | 0.73 |
| AXIS BANK LIMITED | 0.59 |
| CAIRN INDIA LIMITED | 0.84 |
| JAIPRAKASH ASSOCIATE | 2.07 |
| LUPIN LIMITEDFV-2 | 5.82 |
| TATA MOTORS LIMITED DVRFV-2 | 1.21 |
| HINDUSTAN ZINC LIMITEDFV-2 | 1.78 |
| ASSOCIATED CEMENT COMPANIES LTD. | 2.19 |
| JSW STEEL LIMITED | 1.47 |
| NMDC LTD | 0.87 |
| INDIABULLS HOUSING FINANCE LTD | 0.76 |
| OIL INDIA LIMITED | 1.20 |
| JINDAL SAW LIMITED FV2 | 0.60 |
| HT MEDIA LIMITED | 7.93 |
| CROMPTON GREAVES LTD | 0.51 |
| IRB INFRASTRUCTURE DEVELOPERS LIMITED | 2.94 |
| SML ISUZU LIMITED | 1.69 |
| BHARAT FORGE | 2.04 |
| RANBAXY FV RS 5 | 1.54 |
| ZEE ENTERTAINMENT ENTERPRISES LIMITED | 3.58 |
| JINDAL STEEL & POWER LTD. | 1.16 |
| D.B. CORP LIMITED | 2.08 |
| COAL INDIA LIMITED | 0.99 |
| BHARAT PETROLEUM CORP. LTD. | 2.52 |
| HEXA TRADEX LIMITED | 0.44 |
| total equity | 96.46 |
| total money market | 3.54 |
| total net assets | 100.00 |

fund characteristics as on Jun 28, 2013

Fund Beta 0.99
S&P CNX Nifty Beta 1.00

asset allocation as on Jun 28, 2013



SFIN :

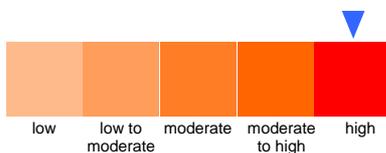
ULGF01808/06/09GEQUITYF03121

Inception Date : 8th Jun 2009

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



target asset allocation

Equity: 100%

benchmark construction

S&P CNX Nifty: 100%

Group Equity Fund 3

fund performance as on Jun 28, 2013

| fund name | gross return | | | |
|---------------------|-------------------|-------------------|-------------------|-------------------|
| | 12 month returns* | 24 month returns* | 36 month returns* | 48 month returns* |
| Group Equity Fund 3 | 9.19% | 13.38% | 10.40% | 14.82% |
| Benchmark | 10.67% | 1.71% | 3.22% | 8.02% |

*Returns above 12 months are CAGR (Compounded Annual Growth Rate) returns.

portfolio As on Jun 28, 2013

| security | % total net assets |
|----------|--------------------|
|----------|--------------------|

equity

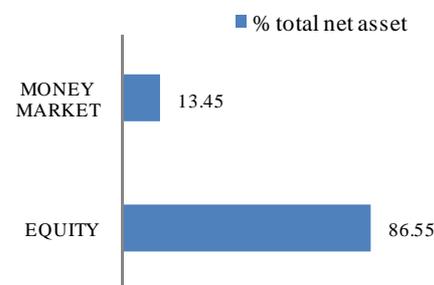
| | |
|--|------|
| LARSEN&TUBRO | 7.45 |
| RELIANCE INDUSTRIES LTD. | 7.09 |
| HDFC BANK LTD.FV-2 | 6.95 |
| TATA CONSULTANCY SERVICES LTD. | 6.17 |
| ICICI BANK LTD. | 6.15 |
| DIVIS LABORATORIES LIMITED | 6.13 |
| NMDC LTD | 5.34 |
| ITC - FV 1 | 5.19 |
| INFOSYS LIMITED | 4.76 |
| HDFC LTD FV 2 | 4.35 |
| CUMMINS INDIA | 3.09 |
| STATE BANK OF INDIA | 2.79 |
| ONGCOFV-5 | 2.16 |
| YES BANK LTD | 2.13 |
| MARUTI UDYOG LTD. | 1.68 |
| BHARTI AIRTEL LIMITED | 1.24 |
| ULTRATECH CEMCO LTD | 1.18 |
| STERLITE INDUSTRIES FV 1 | 1.15 |
| MAHINDRA & MAHINDRA LTD.-FV5 | 1.14 |
| SUN PHARMACEUTICAL INDUSTRIES LTD.FV-1 | 0.98 |
| CAIRN INDIA LIMITED | 0.83 |
| JSW STEEL LIMITED | 0.69 |
| JAIPRAKASH ASSOCIATE | 0.61 |
| AXIS BANK LIMITED | 0.61 |
| TATA MOTORS LTD.FV-2 | 0.59 |
| ASSOCIATED CEMENT COMPANIES LTD. | 0.54 |
| INDIABULLS HOUSING FINANCE LTD | 0.48 |
| ZEE ENTERTAINMENT ENTERPRISES LIMITED | 0.47 |
| CROMPTON GREAVES LTD | 0.47 |
| BAJAJ AUTO LTD | 0.42 |
| RANBAXY FV RS 5 | 0.40 |
| STRIDES ARCOLAB LIMITED | 0.37 |
| HINDUSTAN ZINC LIMITEDFV-2 | 0.36 |
| JINDAL STEEL & POWER LTD. | 0.36 |
| JINDAL SAW LIMITED FV2 | 0.30 |
| AUROBINDO PHARMA LTD FV1 | 0.28 |
| COAL INDIA LIMITED | 0.24 |
| TATA MOTORS LIMITED DVRFV-2 | 0.23 |
| HT MEDIA LIMITED | 0.23 |
| BHARAT PETROLEUM CORP. LTD. | 0.22 |
| IRB INFRASTRUCTURE DEVELOPERS LIMITED | 0.21 |
| SML ISUZU LIMITED | 0.19 |
| D.B. CORP LIMITED | 0.10 |
| MOTHERSON SUMI SYSTEMS LTD. | 0.09 |
| OIL INDIA LIMITED | 0.05 |
| BHARAT FORGE | 0.05 |
| LUPIN LIMITEDFV-2 | 0.02 |

| | |
|---------------------------|---------------|
| total equity | 86.55 |
| total money market | 13.45 |
| total net assets | 100.00 |

fund characteristics as on Jun 28, 2013

| | |
|--------------------|------|
| Fund Beta | 0.98 |
| S&P CNX Nifty Beta | 1.00 |

asset allocation as on Jun 28, 2013



RELIANCE

Life Insurance

SFIN :

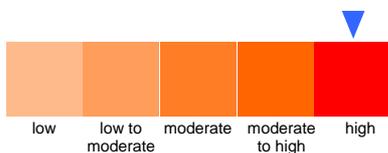
ULGF01528/11/08GPUREEQF01121

Inception Date : 16th Dec 2008

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



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

benchmark construction
S&P CNX Nifty Shariah Index: 100%

Group Pure Equity Fund 1

fund performance as on Jun 28, 2013

| gross return | | | | |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
| Fund name | 12 month returns* | 24 month returns* | 36 month returns* | 48 month returns* |
| Group Pure Equity Fund 1 | 6.45% | -0.005% | 1.52% | 6.81% |
| Benchmark | 10.79% | 1.91% | 1.10% | 5.50% |

*Returns above 12 months are CAGR (Compounded Annual Growth Rate) returns.

portfolio As on Jun 28, 2013

| security | % total net assets |
|----------|--------------------|
|----------|--------------------|

equity

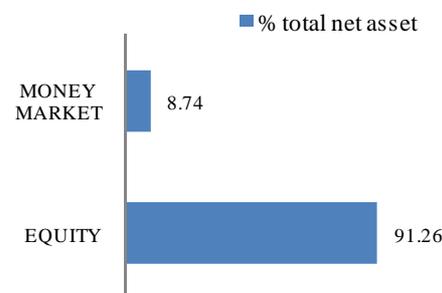
| | |
|--|------|
| INFOSYS LIMITED | 8.62 |
| RELIANCE INDUSTRIES LTD. | 8.33 |
| ONGCFV-5 | 6.13 |
| TATA CONSULTANCY SERVICES LTD. | 5.11 |
| SUN PHARMACEUTICAL INDUSTRIES LTD.FV-1 | 4.55 |
| BHARTI AIRTEL LIMITED | 4.41 |
| BAJAJ AUTO LTD | 4.21 |
| MOTHERSON SUMI SYSTEMS LTD. | 3.88 |
| LARSEN&TUBRO | 3.84 |
| MARUTI UDYOG LTD. | 3.48 |
| DIVIS LABORATORIES LIMITED | 3.44 |
| CAIRN INDIA LIMITED | 3.39 |
| GRASIM INDUSTRIES LTD. | 2.80 |
| COAL INDIA LIMITED | 2.79 |
| ASSOCIATED CEMENT COMPANIES LTD. | 2.64 |
| SANOFI INDIA LIMITED | 2.32 |
| ULTRATECH CEMCO LTD | 2.25 |
| VOLTAS LTD | 2.07 |
| LUPIN LIMITEDFV-2 | 1.89 |
| PETRONET LNG LIMITED | 1.86 |
| CROMPTON GREAVES LTD | 1.82 |
| TATA GLOBAL BEVERAGES LIMITED | 1.80 |
| CUMMINS INDIA | 1.62 |
| HINDALCO INDUSTRIES LTD FV RE 1 | 1.59 |
| ASIAN PAINTS LIMITED | 1.57 |
| GAS AUTHORITY OF INDIA LTD. | 1.46 |
| BHARAT PETROLEUM CORP. LTD. | 1.31 |
| JINDAL STEEL & POWER LTD. | 1.19 |
| OIL INDIA LIMITED | 0.86 |
| HEXA TRADEX LIMITED | 0.04 |

| | |
|---------------------------|---------------|
| total equity | 91.26 |
| total money market | 8.74 |
| total net assets | 100.00 |

fund characteristics as on Jun 28, 2013

| | |
|----------------------------------|------|
| Fund Beta | 0.90 |
| S&P CNX Nifty Shariah Index Beta | 1.00 |

asset allocation as on Jun 28, 2013



SFIN :

ULGF01908/06/09GINFRASF01121

Inception Date : 8th Jun 2009

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



target asset allocation

Equity: 100%

benchmark construction

CNX Infrastructure Index: 100%

Group Infrastructure Fund 1

fund performance as on Jun 28, 2013

| fund Name | gross return | | | |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|
| | 12 month returns* | 24 month returns* | 36 month returns* | 48 month returns* |
| Group Infrastructure Fund 1 | -11.84% | -15.36% | -12.00% | -8.49% |
| Benchmark | -6.65% | -14.95% | -12.76% | -10.62% |

*Returns above 12 months are CAGR (Compounded Annual Growth Rate) returns.

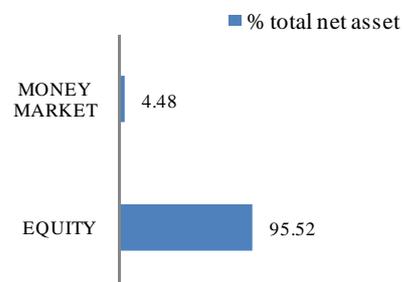
portfolio As on Jun 28, 2013

| security | % total net assets |
|--|--------------------|
| equity | |
| NTPC LIMITED | 9.10 |
| POWER GRID CORP OF INDIA LTD | 9.10 |
| LARSEN&TUBRO | 8.83 |
| BHARTI AIRTEL LIMITED | 8.46 |
| TATA POWER CO. LTD.FV-1 | 6.18 |
| BHARAT HEAVY ELECTRICALS LTD.FV-2 | 5.81 |
| COAL INDIA LIMITED | 5.46 |
| JAIPRAKASH ASSOCIATE | 5.40 |
| RELIANCE INDUSTRIES LTD. | 3.88 |
| BHARAT FORGE | 3.83 |
| GRASIM INDUSTRIES LTD. | 3.70 |
| INFOSYS LIMITED | 3.19 |
| TATA IRON & STEEL COMPANY LTD | 2.53 |
| INDIAN METALS AND FERRO ALLOYS LIMITED | 2.47 |
| IRB INFRASTRUCTURE DEVELOPERS LIMITED | 2.30 |
| GAS AUTHORITY OF INDIA LTD. | 2.30 |
| MOTHERSON SUMI SYSTEMS LTD. | 1.92 |
| TD POWER SYSTEMS LIMITED | 1.78 |
| JINDAL STEEL & POWER LTD. | 1.55 |
| CROMPTON GREAVES LTD | 1.54 |
| HINDALCO INDUSTRIES LTD FV RE 1 | 1.27 |
| JYOTI STRUCTURES LTD | 1.27 |
| PETRONET LNG LIMITED | 1.25 |
| VOLTAS LTD | 1.19 |
| HINDUSTAN ZINC LIMITEDFV-2 | 1.16 |
| HEXA TRADEX LIMITED | 0.04 |
| total equity | 95.52 |
| total money market | 4.48 |
| total net assets | 100.00 |

fund characteristics as on Jun 28, 2013

Fund Beta 0.87
CNX Infrastructure Index Beta 1.00

asset allocation as on Jun 28, 2013



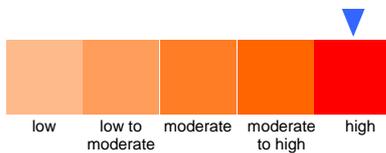
SFIN :
ULGF01428/11/08GENERGYF01121

Inception Date : 16th Dec 2008

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



target asset allocation

Equity: 100%

benchmark construction

CNX Energy Index: 100%

Group Energy Fund 1

fund performance as on Jun 28, 2013

| fund Name | gross return | | | |
|---------------------|-------------------|-------------------|-------------------|-------------------|
| | 12 month returns* | 24 month returns* | 36 month returns* | 48 month returns* |
| Group Energy Fund 1 | -1.48% | -5.26% | -4.74% | 0.06% |
| Benchmark | 6.03% | -3.64% | -6.39% | -1.12% |

*Returns above 12 months are CAGR (Compounded Annual Growth Rate) returns.

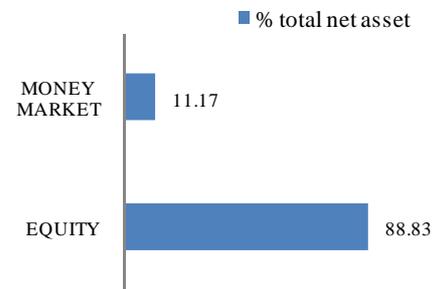
portfolio As on Jun 28, 2013

| security | % total net assets |
|------------------------------|--------------------|
| equity | |
| ONGCFV-5 | 8.94 |
| NTPC LIMITED | 8.93 |
| POWER GRID CORP OF INDIA LTD | 8.87 |
| OIL INDIA LIMITED | 8.01 |
| BHARAT PETROLEUM CORP. LTD. | 7.36 |
| LARSEN&TUBRO | 6.32 |
| RELIANCE INDUSTRIES LTD. | 6.31 |
| CUMMINS INDIA | 5.68 |
| CAIRN INDIA LIMITED | 5.24 |
| TATA POWER CO. LTD.FV-1 | 5.06 |
| GAS AUTHORITY OF INDIA LTD. | 5.00 |
| COAL INDIA LIMITED | 4.55 |
| PETRONET LNG LIMITED | 3.90 |
| JYOTI STRUCTURES LTD | 1.72 |
| JINDAL STEEL & POWER LTD. | 1.64 |
| CROMPTON GREAVES LTD | 1.29 |
| total equity | 88.83 |
| total money market | 11.17 |
| total net assets | 100.00 |

fund characteristics as on Jun 28, 2013

Fund Beta 0.80
CNX Energy Index Beta 1.00

asset allocation as on Jun 28, 2013



SFIN :

ULGF02008/06/09GMIDCAPF01121

Inception Date : 8th Jun 2009

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



target asset allocation

Equity: 100%

benchmark construction

Nifty Midcap 50: 100%

Group Midcap Fund 1

fund performance as on Jun 28, 2013

| fund Name | gross return | | | |
|---------------------|-------------------|-------------------|-------------------|-------------------|
| | 12 month returns* | 24 month returns* | 36 month returns* | 48 month returns* |
| Group Midcap Fund 1 | 6.15% | 0.90% | -1.19% | 6.62% |
| Benchmark | -11.48% | -11.57% | -11.90% | -2.11% |

*Returns above 12 months are CAGR (Compounded Annual Growth Rate) returns.

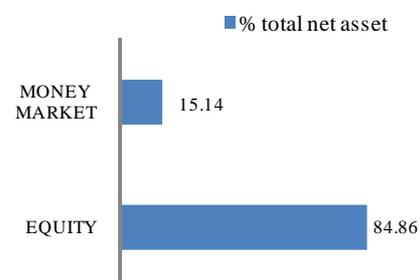
portfolio As on Jun 28, 2013

| security | % total net assets |
|--|--------------------|
| equity | |
| UNITED SPIRITS LIMITED | 8.11 |
| STRIDES ARCOLAB LIMITED | 7.27 |
| CUMMINS INDIA | 5.85 |
| TATA GLOBAL BEVERAGES LIMITED | 5.40 |
| D.B. CORP LIMITED | 4.42 |
| TATA CHEMICALS LTD. | 4.34 |
| PURAVANKARA PROJECTS LIMITED | 4.08 |
| INDIABULLS HOUSING FINANCE LTD | 3.78 |
| DIVIS LABORATORIES LIMITED | 3.72 |
| RADICO KHAITAN LIMITED | 3.62 |
| AUROBINDO PHARMA LTD FV1 | 3.18 |
| JINDAL SAW LIMITED FV2 | 2.78 |
| CROMPTON GREAVES LTD | 2.74 |
| HT MEDIA LIMITED | 2.62 |
| INDIAN METALS AND FERRO ALLOYS LIMITED | 2.51 |
| TITAN INDUSTRIES LTD-FV1 | 2.30 |
| HINDUSTAN ZINC LIMITEDFV-2 | 2.28 |
| JSW STEEL LIMITED | 2.11 |
| JYOTI STRUCTURES LTD | 1.54 |
| TATA CONSULTANCY SERVICES LTD. | 1.52 |
| TD POWER SYSTEMS LIMITED | 1.52 |
| YES BANK LTD | 1.30 |
| GUJARAT FLUOROCHEMICALS LTD. | 1.26 |
| PETRONET LNG LIMITED | 1.17 |
| VOLTAS LTD | 1.16 |
| ZEE ENTERTAINMENT ENTERPRISES LIMITED | 1.04 |
| IRB INFRASTRUCTURE DEVELOPERS LIMITED | 0.92 |
| BHARAT FORGE | 0.89 |
| AXIS BANK LIMITED | 0.73 |
| UNITED PHOSPHOROUS LTD | 0.53 |
| HEXA TRADEX LIMITED | 0.16 |
| total equity | 84.86 |
| total money market | 15.14 |
| total net assets | 100.00 |

fund characteristics as on Jun 28, 2013

| | |
|----------------------------|------|
| Fund Beta | 0.73 |
| Nifty Midcap 50 Index Beta | 1.00 |

asset allocation as on Jun 28, 2013



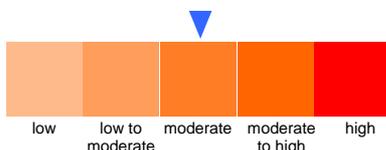
SFIN :
ULGF00310/10/03GGROWTHF01121

Inception Date : 31st Jan 2007

fund objective

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

fund risk profile



target asset allocation

Debt: 60%
Equity: 40%

benchmark construction

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

Group Growth Fund 1

fund performance as on Jun 28, 2013

| fund Name | gross return | | | | |
|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 12 month returns* | 24 month returns* | 36 month returns* | 48 month returns* | 60 month returns* |
| Group Growth Fund 1 | 11.40% | 7.83% | 6.91% | 8.52% | 9.55% |
| Benchmark | 10.91% | 6.81% | 6.62% | 8.10% | 8.86% |

*Returns above 12 months are CAGR (Compounded Annual Growth Rate) returns.

portfolio As on Jun 28, 2013

| security | % total net assets | rating |
|----------|--------------------|--------|
|----------|--------------------|--------|

bond/ncd

| | | |
|-----------------------------------|------|-----|
| 8.82% REC NCD 12-04-2023 SR-114th | 7.99 | AAA |
| 9.55% HINDALCO NCD 27-06-2022 | 6.13 | AA+ |
| 8.94% PFC NCD 25-03-2028 SR -103 | 4.05 | AAA |
| 10.60% IRFC NCB 11-09-2018 | 2.14 | AAA |

total bond/cd 20.31

gilts

| | |
|-------------------------|------|
| 8.12% GOI CG 10-12-2020 | 5.63 |
| 8.97% GOI CG 05-12-2030 | 5.43 |
| 8.33% GOI CG 09-07-2026 | 3.72 |
| 8.20% GOI CG 24-09-2025 | 3.68 |
| 8.07% GOI CG 03-07-2017 | 1.89 |
| 8.83% GOI CG 12-12-2041 | 1.52 |

total gilts 21.67

equity

| | |
|--|------|
| DIVIS LABORATORIES LIMITED | 2.92 |
| ICICI BANK LTD. | 2.65 |
| HDFC BANK LTD.FV-2 | 2.63 |
| RELIANCE INDUSTRIES LTD. | 2.45 |
| UNITED SPIRITS LIMITED | 1.88 |
| INFOSYS LIMITED | 1.77 |
| SANOFI INDIA LIMITED | 1.65 |
| ITC - FV 1 | 1.43 |
| TATA CONSULTANCY SERVICES LTD. | 1.29 |
| HDFC LTD FV 2 | 1.11 |
| AXIS BANK LIMITED | 1.10 |
| STATE BANK OF INDIA | 0.97 |
| CAIRN INDIA LIMITED | 0.93 |
| LARSEN&TUBRO | 0.86 |
| ONGCFV-5 | 0.78 |
| YES BANK LTD | 0.78 |
| MAHINDRA & MAHINDRA LTD.-FV5 | 0.76 |
| BAJAJ AUTO LTD | 0.67 |
| AUROBINDO PHARMA LTD FV1 | 0.65 |
| CUMMINS INDIA | 0.61 |
| STRIDES ARCOLAB LIMITED | 0.61 |
| MARUTI UDYOG LTD. | 0.57 |
| LUPIN LIMITEDFV-2 | 0.49 |
| BHARTI AIRTEL LIMITED | 0.44 |
| HINDUSTAN ZINC LIMITEDFV-2 | 0.43 |
| TATA MOTORS LIMITED DVRFV-2 | 0.43 |
| TATA MOTORS LTD.FV-2 | 0.42 |
| ULTRATECH CEMCO LTD | 0.40 |
| UNITED PHOSPHOROUS LTD | 0.35 |
| BHARAT FORGE | 0.34 |
| STERLITE INDUSTRIES FV 1 | 0.29 |
| JAIPRAKASH ASSOCIATE | 0.26 |
| MOTHERSON SUMI SYSTEMS LTD. | 0.26 |
| JSW STEEL LIMITED | 0.26 |
| SUN PHARMACEUTICAL INDUSTRIES LTD.FV-1 | 0.25 |
| SML ISUZU LIMITED | 0.22 |
| ASSOCIATED CEMENT COMPANIES LTD. | 0.22 |
| D.B. CORP LIMITED | 0.20 |
| CROMPTON GREAVES LTD | 0.15 |
| RANBAXY FV RS 5 | 0.15 |
| IRB INFRASTRUCTURE DEVELOPERS LIMITED | 0.10 |
| OIL INDIA LIMITED | 0.06 |
| JINDAL STEEL & POWER LTD. | 0.05 |

total equity 34.86

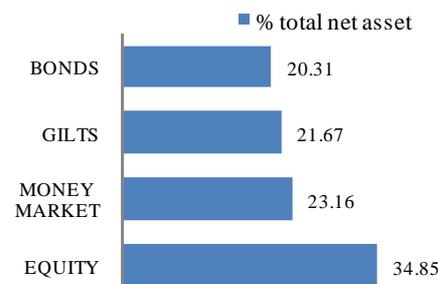
total money market 23.16

total net assets 100.00

fund characteristics as on Jun 28, 2013

| | |
|--------------------------------|-------|
| M. Duration of debt portfolio: | Years |
| YTM of debt portfolio: | % |
| Fund Beta: | 0.94 |
| S&P CNX Nifty Beta: | 1.00 |

asset allocation as on Jun 28, 2013



SFIN :

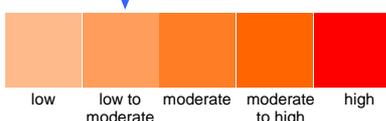
ULGF00110/10/03GBALANCE01121

Inception Date : 29th Jan 2007

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



Group Balanced Fund 1

fund performance as on Jun 28, 2013

| fund Name | gross return | | | | |
|-----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 12 month returns* | 24 month returns* | 36 month returns* | 48 month returns* | 60 month returns* |
| Group Balanced Fund 1 | 11.43% | 9.26% | 7.79% | 8.39% | 9.60% |
| Benchmark | 10.84% | 8.31% | 7.53% | 7.84% | 8.68% |

*Returns above 12 months are CAGR (Compounded Annual Growth Rate) returns.

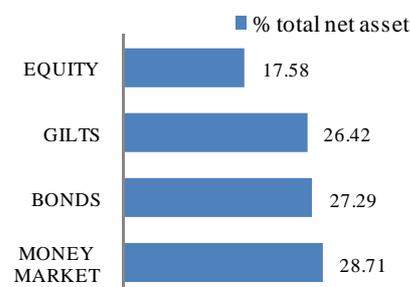
portfolio As on Jun 28, 2013

| security | % total net assets | rating |
|--|--------------------|--------|
| bond/ncd | | |
| 9.67% TATA SONS NCD 13-09-2022 | 8.28 | AAA |
| 9.57% LICHL NCD 07-09-2017 | 4.00 | AAA |
| 8.93% NTPC NCB 19-01-2021 XXXVII | 3.95 | AAA |
| 8.82% REC NCD 12-04-2023 SR-114th | 3.94 | AAA |
| 0.00% HDFC ZCB 23-10-2017 J-041 | 3.16 | AAA |
| 8.68% NCRPS NCB 18-08-2019 | 2.91 | AAA |
| 10.60% IRFC NCB 11-09-2018 | 1.06 | AAA |
| total bond/cd | 27.29 | |
| gilts | | |
| 8.12% GOI CG 10-12-2020 | 7.14 | |
| 8.83% GOI CG 12-12-2041 | 5.68 | |
| 8.20% GOI CG 24-09-2025 | 4.23 | |
| 8.33% GOI CG 09-07-2026 | 3.77 | |
| 8.97% GOI CG 05-12-2030 | 3.32 | |
| 8.07% GOI CG 03-07-2017 | 2.27 | |
| total gilts | 26.42 | |
| equity | | |
| ICICI BANK LTD. | 1.48 | |
| HDFC BANK LTD.FV-2 | 1.45 | |
| INFOSYS LIMITED | 1.32 | |
| RELIANCE INDUSTRIES LTD. | 1.30 | |
| DIVIS LABORATORIES LIMITED | 1.03 | |
| TATA CONSULTANCY SERVICES LTD. | 0.78 | |
| AXIS BANK LIMITED | 0.61 | |
| LARSEN&TUBRO | 0.59 | |
| STATE BANK OF INDIA | 0.58 | |
| CAIRN INDIA LIMITED | 0.56 | |
| ITC - FV 1 | 0.54 | |
| LUPIN LIMITEDFV-2 | 0.50 | |
| ONGCFV-5 | 0.47 | |
| YES BANK LTD | 0.45 | |
| SANOFI INDIA LIMITED | 0.44 | |
| HDFC LTD FV 2 | 0.43 | |
| MAHINDRA & MAHINDRA LTD.-FV5 | 0.42 | |
| UNITED SPIRITS LIMITED | 0.40 | |
| CUMMINS INDIA | 0.33 | |
| MARUTI UDYOG LTD. | 0.33 | |
| BHARTI AIRTEL LIMITED | 0.29 | |
| SUN PHARMACEUTICAL INDUSTRIES LTD.FV-1 | 0.28 | |
| TATA MOTORS LTD.FV-2 | 0.27 | |
| HINDUSTAN ZINC LIMITEDFV-2 | 0.27 | |
| STERLITE INDUSTRIES FV 1 | 0.26 | |
| ULTRATECH CEMCO LTD | 0.25 | |
| TATA MOTORS LIMITED DVRFV-2 | 0.19 | |
| JAIPRAKASH ASSOCIATE | 0.19 | |
| ASSOCIATED CEMENT COMPANIES LTD. | 0.17 | |
| BAJAJ AUTO LTD | 0.16 | |
| JSW STEEL LIMITED | 0.16 | |
| AUROBINDO PHARMA LTD FV1 | 0.14 | |
| UNITED PHOSPHOROUS LTD | 0.14 | |
| BHARAT FORGE | 0.13 | |
| RANBAXY FV RS 5 | 0.12 | |
| CROMPTON GREAVES LTD | 0.10 | |
| MOTHERSON SUMI SYSTEMS LTD. | 0.10 | |
| IRB INFRASTRUCTURE DEVELOPERS LIMITED | 0.09 | |
| SML ISUZU LIMITED | 0.08 | |
| STRIDES ARCOLAB LIMITED | 0.08 | |
| JINDAL STEEL & POWER LTD. | 0.04 | |
| D.B. CORP LIMITED | 0.03 | |
| HEXA TRADEX LIMITED | 0.01 | |
| total equity | 17.58 | |
| total money market | 28.71 | |
| total net assets | 100.00 | |

fund characteristics as on Jun 28, 2013

| | |
|--------------------------------|-------|
| M. Duration of debt portfolio: | Years |
| YTM of debt portfolio: | % |
| Fund Beta: | 0.98 |
| S&P CNX Nifty Beta: | 1.00 |

asset allocation as on Jun 28, 2013



target asset allocation

| | |
|---------|-----|
| Debt.: | 80% |
| Equity: | 20% |

benchmark construction

| | |
|-----------------------------------|-----|
| CRISIL Composite Bond Fund Index: | 80% |
| S&P CNX Nifty: | 20% |

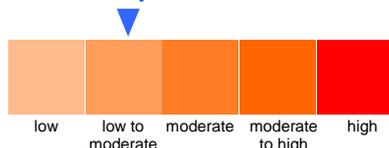
SFIN :
ULGF00210/10/03GBALANCE02121

Inception Date : 31th Jan 2007

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



Group Balanced Fund 2

fund performance as on Jun 28, 2013

| fund Name | gross return | | | | |
|-----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 12 month returns* | 24 month returns* | 36 month returns* | 48 month returns* | 60 month returns* |
| Group Balanced Fund 2 | 12.08% | 9.73% | 8.17% | 8.72% | 9.93% |
| Benchmark | 10.84% | 8.31% | 7.53% | 7.84% | 8.68% |

*Returns above 12 months are CAGR (Compounded Annual Growth Rate) returns.

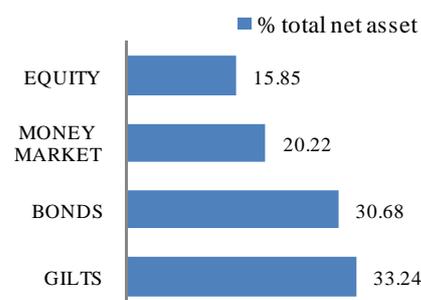
portfolio As on Jun 28, 2013

| security | % total assets | rating |
|--|----------------|--------|
| bond/ncd | | |
| 8.99% TATA SONS NCD 07-06-2020 | 3.49 | AAA |
| 8.70% REC NCD 01-02-2018 112 | 3.43 | AAA |
| 10.20% RELIANCE POWER LTD NCD 12-06-2014 | 3.42 | A1 |
| 8.94% PFC NCD 25-03-2020 SR - 103 | 3.41 | AAA |
| 0.00% HDFC ZCB 23-10-2017 J-041 | 3.10 | AAA |
| 9.70% TATA SONS NCD 25-07-2022 | 3.05 | AAA |
| 9.75% SRTRANSFIN NCD 01-06-2015 | 2.75 | AA |
| 11.15% HDFC NCD 06-08-2018 | 1.88 | AAA |
| 8.97% TATA SONS NCD 15-07-2020 | 1.28 | AAA |
| 8.80% PGCIL NCD 13-03-2023 XLII | 1.27 | AAA |
| 8.93% NTPC NCB 19-01-2021 XXXVII. | 0.70 | AAA |
| 10.60% IRFC NCB 11-09-2018 | 0.62 | AAA |
| 9.34% SBOT NCB 31-10-2016 I | 0.58 | AAA |
| 0.00% HDFC ZCB 06-02-2017 I-032 | 0.54 | AAA |
| 10.35% NCD(B)HDFC 16-05-2017 | 0.48 | AAA |
| 9.70% UNITEDPHOSPHORUS NCD 09-04-2017 A | 0.46 | AA+ |
| 8.68% NCRPB NCB 18-08-2019 | 0.23 | AAA |
| total bond/cd | 30.68 | |
| gilts | | |
| 8.97% GOI CG 05-12-2030 | 11.98 | |
| 8.12% GOI CG 10-12-2020 | 5.92 | |
| 8.83% GOI CG 12-12-2041 | 4.84 | |
| 8.20% GOI CG 24-09-2025 | 4.54 | |
| 8.33% GOI CG 09-07-2026 | 3.68 | |
| 8.07% GOI CG 03-07-2017 | 2.27 | |
| total gilts | 33.24 | |
| equity | | |
| ICICI BANK LTD. | 1.24 | |
| RELIANCE INDUSTRIES LTD. | 1.23 | |
| HDFC BANK LTD.FV-2 | 1.22 | |
| INFOSYS LIMITED | 1.14 | |
| DIVIS LABORATORIES LIMITED | 0.96 | |
| SANOFI INDIA LIMITED | 0.64 | |
| ITC - FV 1 | 0.60 | |
| CUMMINS INDIA | 0.53 | |
| TATA CONSULTANCY SERVICES LTD. | 0.53 | |
| AXIS BANK LIMITED | 0.50 | |
| CAIRN INDIA LIMITED | 0.46 | |
| STATE BANK OF INDIA | 0.46 | |
| LUPIN LIMITEDFV-2 | 0.44 | |
| ONGCFV-5 | 0.40 | |
| UNITED SPIRITS LIMITED | 0.39 | |
| HDFC LTD FV 2 | 0.39 | |
| LARSEN&TUBRO | 0.37 | |
| ULTRATECH CEMCO LTD | 0.36 | |
| MAHINDRA & MAHINDRA LTD.-FV5 | 0.35 | |
| YES BANK LTD | 0.34 | |
| MARUTI UDYOG LTD. | 0.29 | |
| TATA MOTORS LTD.FV-2 | 0.27 | |
| BHARTI AIRTEL LIMITED | 0.27 | |
| STERILITE INDUSTRIES FV 1 | 0.25 | |
| SUN PHARMACEUTICAL INDUSTRIES LTD.FV-1 | 0.23 | |
| TATA MOTORS LIMITED DVRFV-2 | 0.19 | |
| AUROBINDO PHARMA LTD FV1 | 0.18 | |
| JAIPRAKASH ASSOCIATE | 0.16 | |
| STRIDES ARCOLAB LIMITED | 0.16 | |
| JSW STEEL LIMITED | 0.14 | |
| UNITED PHOSPHOROUS LTD | 0.14 | |
| ASSOCIATED CEMENT COMPANIES LTD. | 0.13 | |
| IRB INFRASTRUCTURE DEVELOPERS LIMITED | 0.12 | |
| RANBAXY FV RS 5 | 0.12 | |
| BAJAJ AUTO LTD | 0.11 | |
| JINDAL SAW LIMITED FV2 | 0.10 | |
| CROMPTON GREAVES LTD | 0.10 | |
| SML ISUZU LIMITED | 0.08 | |
| D.B. CORP LIMITED | 0.08 | |
| MOTHERSON SUMI SYSTEMS LTD. | 0.08 | |
| BHARAT FORGE | 0.05 | |
| JINDAL STEEL & POWER LTD. | 0.03 | |
| HEXA TRADEX LIMITED | 0.01 | |
| total equity | 15.86 | |
| total money market | 20.22 | |
| total net assets | 100.00 | |

fund characteristics as on Jun 28, 2013

| | |
|--------------------------------|-------|
| M. Duration of debt portfolio: | Years |
| YTM of debt portfolio: | % |
| Fund Beta: | 0.96 |
| S&P CNX Nifty Beta: | 1.00 |

asset allocation as on Jun 28, 2013



target asset allocation

| | |
|---------|-----|
| Debt: | 80% |
| Equity: | 20% |

benchmark construction

| | |
|-----------------------------------|-----|
| CRISIL Composite Bond Fund Index: | 80% |
| S&P CNX Nifty: | 20% |

SFIN :

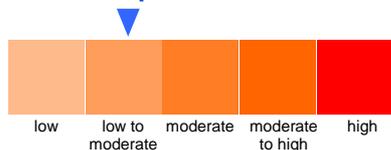
ULGF01213/10/08GCBOND02121

Inception Date : 13th Oct 2008

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



Group Corporate Bond Fund 2

fund performance as on Jun 28, 2013

| gross return | | | | |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|
| fund Name | 12 month returns* | 24 month returns* | 36 month returns* | 48 month returns* |
| Group Corporate Bond Fund 2 | 13.43% | 11.10% | 9.17% | 9.02% |
| Benchmark | 10.70% | 9.70% | 7.97% | 7.14% |

*Returns above 12 months are CAGR (Compounded Annual Growth Rate) returns.

portfolio As on Jun 28, 2013

| security | % total net assets | rating |
|----------|--------------------|--------|
|----------|--------------------|--------|

bond/ncd

| | | |
|--|------|-----|
| 9.55% HINDALCO NCD 27-06-2022 | 6.40 | AA+ |
| 8.94% PFC NCD 25-03-2028 SR -103 | 5.78 | AAA |
| 8.70% REC NCD 01-02-2018 112 | 4.38 | AAA |
| 8.80% PGCIL NCD 13-03-2023 XLII | 3.71 | AAA |
| 0.00% HDFC ZCB 23-10-2017 J-041 | 3.36 | AAA |
| 9.30% HDFC NCD 04-10-2017 J-033 | 3.04 | AAA |
| 10.20% RELIANCE POWER LTD NCD 12-06-2014 | 2.97 | A1 |
| 8.82% REC NCD 12-04-2023 SR-114th | 2.33 | AAA |
| 8.87% PFC NCD 18-03-2023 102-B | 1.83 | AAA |
| 9.70% TATA SONS NCD 16-08-2022 | 1.59 | AAA |
| 9.55% HINDALCO NCD 25-04-2022 | 1.54 | AA+ |
| 9.70% LICHL NCD 11-06-2017 | 1.54 | AAA |
| 9.40% REC NCD 20-07-2017 | 1.52 | AAA |
| 8.93% NTPC NCB 19-01-2021 XXXVII. | 1.51 | AAA |
| 9.11% LICHL NCD 09-04-2018 | 1.51 | AAA |
| 8.99% TATA SONS NCD 07-06-2020 | 1.30 | AAA |
| 9.25% PGCIL NCD 26-12-2016 B | 0.90 | AAA |
| 9.57% LICHL NCD 07-09-2017 | 0.83 | AAA |
| 8.75% RIL NCD 07-05-2020 | 0.60 | AAA |
| 11.95% HDFC DB 26-11-2018 | 0.34 | AAA |
| 9.90% TATA SONS NCD 18-03-2016 | 0.09 | AAA |
| 11.50% REC NCB 26-11-2013 | 0.03 | AAA |

total bond/cd 47.10

Gilts

| | |
|-------------------------|------|
| 8.33% GOI CG 09-07-2026 | 5.90 |
| 8.83% GOI CG 12-12-2041 | 5.74 |
| 8.12% GOI CG 10-12-2020 | 5.59 |
| 8.20% GOI CG 24-09-2025 | 5.31 |
| 8.07% GOI CG 03-07-2017 | 2.85 |
| 8.97% GOI CG 05-12-2030 | 1.97 |
| 9.15% GOI CG 14-11-2024 | 1.65 |

total gilts 29.00

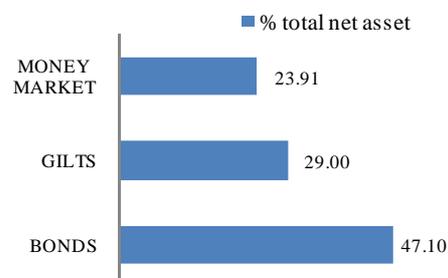
total money market 23.91

total net assets 100.00

fund characteristics as on Jun 28, 2013

M. Duration of debt portfolio: Years
YTM of debt portfolio: %

asset allocation as on Jun 28, 2013



target asset allocation

Bond Instruments: 100%

benchmark construction

CRISIL Composite Bond Index: 100%

SFIN :

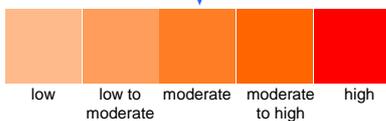
ULGF01030/09/08GPUREDEB01121

Inception Date : 30th Sep 2008

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



target asset allocation

Debt Instruments: 100%

benchmark construction

CRISIL Composite Bond Index: 100%

Group Pure Debt Fund 1

fund performance as on Jun 28, 2013

| fund Name | gross return | | | |
|------------------------|-------------------|-------------------|-------------------|-------------------|
| | 12 month returns* | 24 month returns* | 36 month returns* | 48 month returns* |
| Group Pure Debt Fund 1 | 12.90% | 10.82% | 9.00% | 8.86% |
| Benchmark | 10.70% | 9.70% | 7.97% | 7.14% |

*Returns above 12 months are CAGR (Compounded Annual Growth Rate) returns.

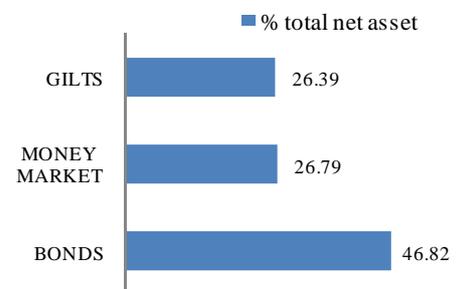
portfolio As on Jun 28, 2013

| security | % total assets | rating |
|------------------------------------|----------------|--------|
| bond/ncd | | |
| 8.70% REC NCD 01-02-2018 112 | 4.82 | AAA |
| 8.85% PGCIL NCD 19-10-2017 STRPP B | 4.45 | AAA |
| 0.00% HDFC ZCB 23-10-2017 J-041 | 8.94 | AAA |
| 9.09% IRFC NCD 29-03-2026 SR 74 | 5.61 | AAA |
| 9.55% HINDALCO NCD 27-06-2022 | 4.57 | AA+ |
| 8.94% PFC NCD 25-03-2028 SR -103 | 4.64 | AAA |
| 8.93% NTPC NCB 19-01-2021 XXXVII. | 4.43 | AAA |
| 8.98% NCRPB BS 14-02-2018 | 4.77 | AAA |
| 8.37% LICHL NCD 21-05-2023 | 4.67 | AAA |
| total bond/cd | 46.82 | |
| gilts | | |
| 8.12% GOI CG 10-12-2020 | 6.85 | |
| 8.83% GOI CG 12-12-2041 | 6.41 | |
| 8.33% GOI CG 09-07-2026 | 5.64 | |
| 8.20% GOI CG 24-09-2025 | 4.64 | |
| 8.07% GOI CG 03-07-2017 | 2.85 | |
| total gilts | 26.39 | |
| total money market | 26.79 | |
| total net assets | 100.00 | |

fund characteristics as on Jun 28, 2013

M .Duration of debt portfolio: Years
YTM of debt portfolio: %

asset allocation as on Jun 28, 2013



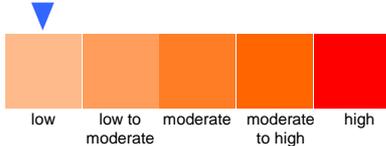
SFIN :
ULGF00431/01/07GCAPISEC01121

Inception Date : 31st Jan 2007

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



target asset allocation

Money market : 100%

benchmark construction

Yield on 182-day T.Bills : 100%

Group Capital Secure Fund 1

fund performance as on Jun 28, 2013

| fund Name | gross return | | | | |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 12 month returns* | 24 month returns* | 36 month returns* | 48 month returns* | 60 month returns* |
| Group Capital Secure Fund 1 | 9.38% | 9.40% | 8.96% | 8.49% | 8.93% |
| Benchmark | 8.14% | 8.20% | 7.56% | 6.85% | 7.27% |

*Returns above 12 months are CAGR (Compounded Annual Growth Rate) returns.

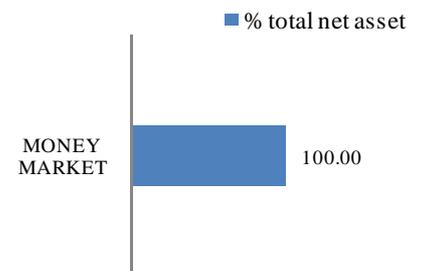
portfolio As on Jun 28, 2013

| | % total net assets |
|-------------------------------|--------------------|
| security | |
| other money market Instrument | 100.00 |
| total net assets | 100.00 |

fund characteristics as on Jun 28, 2013

YTM of debt portfolio: %

asset allocation as on Jun 28, 2013



SFIN :

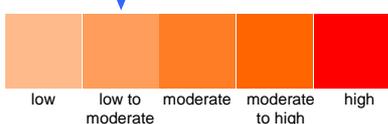
ULGF01610/12/08GGILTFUN02121

Inception Date : 10th Dec 2008

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



target asset allocation

Government Securities: 100%

benchmark construction

I-Sec Composite Sovereign Bond Index:100%

Group Gilt Fund 2

fund performance as on Jun 28, 2013

| fund Name | gross return | | | |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 12 month returns* | 24 month returns* | 36 month returns* | 48 month returns* |
| Group Gilt Fund 2 | 14.02% | 11.08% | 9.40% | 8.48% |
| Benchmark | 13.10% | 11.53% | 9.29% | 8.03% |

*Returns above 12 months are CAGR (Compounded Annual Growth Rate) returns.

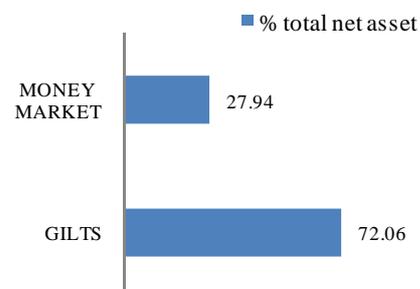
portfolio As on Jun 28, 2013

| security | % total net assets |
|---------------------------|--------------------|
| gilts | |
| 8.12% GOI CG 10-12-2020 | 16.72 |
| 8.83% GOI CG 12-12-2041 | 16.20 |
| 8.33% GOI CG 09-07-2026 | 11.86 |
| 8.97% GOI CG 05-12-2030 | 10.60 |
| 8.20% GOI CG 24-09-2025 | 9.38 |
| 8.07% GOI CG 03-07-2017 | 7.30 |
| total gilts | 72.06 |
| total money market | 27.94 |
| total net assets | 100.00 |

fund characteristics as on Jun 28, 2013

M. Duration of debt portfolio: Years
YTM of debt portfolio: %

asset allocation as on Jun 28, 2013



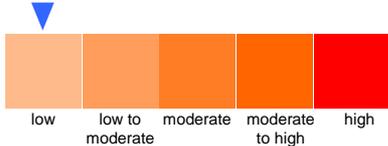
SFIN :
ULGF00930/09/08GMONMRKT02121

Inception Date : 30th Sep 2008

fund objective

To achieve predictable investment return. This will be achieved through 100% investments in money market, The risk appetite is 'low'.

fund risk profile



target asset allocation

Money market : 100%

benchmark construction

CRISIL Liquid Bond Index: 100%

Group Money Market Fund 2

fund performance as on Jun 28, 2013

| fund Name | gross return | | | |
|---------------------------|-------------------|-------------------|-------------------|-------------------|
| | 12 month returns* | 24 month returns* | 36 month returns* | 48 month returns* |
| Group Money Market Fund 2 | 9.95% | 10.01% | 9.49% | 9.04% |
| Benchmark | 8.10% | 8.40% | 7.99% | 6.80% |

*Returns above 12 months are CAGR (Compounded Annual Growth Rate) returns.

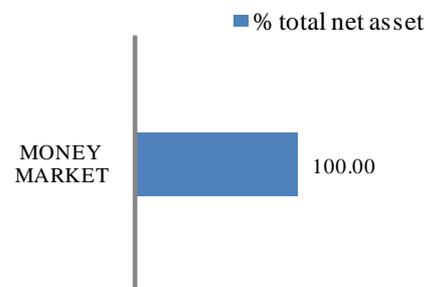
portfolio As on Jun 28, 2013

| security | % total net assets |
|-------------------------------|--------------------|
| other money market Instrument | 100.00 |
| total net assets | 100.00 |

fund characteristics as on Jun 28, 2013

YTM of debt portfolio: %

asset allocation as on Jun 28, 2013



| SFIN | Plan Name | Fund Name | NAV |
|------------------------------|--|-----------------------------|---------|
| ULGF00431/01/07GCAPISEC01121 | Reliance Group Gratuity Plan | Group Capital Secure Fund 1 | 16.525 |
| ULGF00210/10/03GBALANCE02121 | Reliance Group Gratuity Plan | Group Balanced Fund 2 | 16.3161 |
| ULGF00110/10/03GBALANCE01121 | Reliance Group Gratuity Plan | Group Balanced Fund 1 | 19.7255 |
| ULGF01213/10/08GCORBOND02121 | Reliance Group Gratuity Plan | Group Corporate Bond Fund 2 | 15.4589 |
| ULGF01808/06/09GEQUITYF03121 | Reliance Group Gratuity Plan | Group Equity Fund 3 | 16.889 |
| ULGF01610/12/08GGILTFUN02121 | Reliance Group Gratuity Plan | Group Gilt Fund 2 | 13.6858 |
| ULGF00930/09/08GMONMRKT02121 | Reliance Group Gratuity Plan | Group Money Market Fund 2 | 14.9462 |
| ULGF00310/10/03GGROWTHF01121 | Reliance Group Gratuity Plan | Group Growth Fund 1 | 15.1889 |
| ULGF01908/06/09GINFRASF01121 | Reliance Group Gratuity Plan | Group Infrastructure Fund 1 | 6.6622 |
| ULGF02008/06/09GMIDCAPF01121 | Reliance Group Gratuity Plan | Group Midcap Fund 1 | 12.4116 |
| ULGF01030/09/08GPUREDEB01121 | Reliance Group Gratuity Plan | Group Pure Debt Fund 1 | 15.3544 |
| ULGF00110/10/03GBALANCE01121 | Reliance Group Superannuation Plan | Group Balanced Fund 1 | 19.7255 |
| ULGF00431/01/07GCAPISEC01121 | Reliance Group Superannuation Plan | Group Capital Secure Fund 1 | 16.525 |
| ULGF01213/10/08GCORBOND02121 | Reliance Group Superannuation Plan | Group Corporate Bond Fund 2 | 15.4589 |
| ULGF01808/06/09GEQUITYF03121 | Reliance Group Superannuation Plan | Group Equity Fund 3 | 16.889 |
| ULGF01610/12/08GGILTFUN02121 | Reliance Group Superannuation Plan | Group Gilt Fund 2 | 13.6858 |
| ULGF00310/10/03GGROWTHF01121 | Reliance Group Superannuation Plan | Group Growth Fund 1 | 15.1889 |
| ULGF00930/09/08GMONMRKT02121 | Reliance Group Superannuation Plan | Group Money Market Fund 2 | 14.9462 |
| ULGF01030/09/08GPUREDEB01121 | Reliance Group Superannuation Plan | Group Pure Debt Fund 1 | 15.3544 |
| ULGF00210/10/03GBALANCE02121 | Reliance Group Savings Linked Insurance Plan | Group Balanced Fund 2 | 16.3161 |
| ULGF01213/10/08GCORBOND02121 | Reliance Group Savings Linked Insurance Plan | Group Corporate Bond Fund 2 | 15.4589 |
| ULGF01428/11/08GENERGF01121 | Reliance Group Savings Linked Insurance Plan | Group Energy Fund 1 | 13.3406 |
| ULGF01328/11/08GEQUITYF02121 | Reliance Group Savings Linked Insurance Plan | Group Equity Fund 2 | 20.0845 |
| ULGF01610/12/08GGILTFUN02121 | Reliance Group Savings Linked Insurance Plan | Group Gilt Fund 2 | 13.6858 |
| ULGF01908/06/09GINFRASF01121 | Reliance Group Savings Linked Insurance Plan | Group Infrastructure Fund 1 | 6.6622 |
| ULGF02008/06/09GMIDCAPF01121 | Reliance Group Savings Linked Insurance Plan | Group Midcap Fund 1 | 12.4116 |
| ULGF00930/09/08GMONMRKT02121 | Reliance Group Savings Linked Insurance Plan | Group Money Market Fund 2 | 14.9462 |
| ULGF01030/09/08GPUREDEB01121 | Reliance Group Savings Linked Insurance Plan | Group Pure Debt Fund 1 | 15.3544 |
| ULGF01528/11/08GPUREEQF01121 | Reliance Group Savings Linked Insurance Plan | Group Pure Equity Fund 1 | 18.1831 |
| ULGF00210/10/03GBALANCE02121 | Reliance Life Insurance Group Gratuity Plus Plan | Group Balanced Fund 2 | 16.3161 |
| ULGF00930/09/08GMONMRKT02121 | Reliance Life Insurance Group Gratuity Plus Plan | Group Money Market Fund 2 | 14.9462 |
| ULGF01213/10/08GCORBOND02121 | Reliance Life Insurance Group Gratuity Plus Plan | Group Corporate Bond Fund 2 | 15.4589 |
| ULGF01610/12/08GGILTFUN02121 | Reliance Life Insurance Group Gratuity Plus Plan | Group Gilt Fund 2 | 13.6858 |
| ULGF01808/06/09GEQUITYF03121 | Reliance Life Insurance Group Gratuity Plus Plan | Group Equity Fund 3 | 16.889 |
| ULGF00930/09/08GMONMRKT02121 | Reliance Life Insurance Group Leave encashment Plus Plan | Group Money Market Fund 2 | 14.9462 |
| ULGF01213/10/08GCORBOND02121 | Reliance Life Insurance Group Leave encashment Plus Plan | Group Corporate Bond Fund 2 | 15.4589 |
| ULGF01610/12/08GGILTFUN02121 | Reliance Life Insurance Group Leave encashment Plus Plan | Group Gilt Fund 2 | 13.6858 |
| ULGF01808/06/09GEQUITYF03121 | Reliance Life Insurance Group Leave encashment Plus Plan | Group Equity Fund 3 | 16.889 |
| ULGF00210/10/03GBALANCE02121 | Reliance Life Insurance Group Leave encashment Plus Plan | Group Balanced Fund 2 | 16.3161 |

- ✓ 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

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

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

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

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

Based on the investment of objectives of each fund option, a rigorous **security selection** process is followed. The fixed income fund manager identifies cheaper securities across the yield curve and builds a basket of securities to arrive at the optimum level of yield within the range of pre-determined 'duration' for the entire portfolio after paying particular attention to the liquidity position and the liquidity premium on the securities. An active fund management style is followed 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 process and risk/compliance controls are well documented.

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%.

✓ Gross Fund Return

✓ Benchmark Return

✓ Fund Standard Deviation

✓ Fund Sharpe Ratio

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**

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