



RELIANCE

Life Insurance



**the analyst**

**monthly Group fund  
factsheet for March 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 Feb 13	31st Jan 13	%Change
<sup>1</sup> Rs./\$	54.36	53.23	2.09
<sup>2</sup> WPI Inflation Index		169.20	
<sup>3</sup> Forex Reserves (\$ bn)	291.92	295.75	-1.31
<sup>1</sup> Brent Crude Price (\$ per Barrel)	92.05	97.49	-5.91
<sup>1</sup> Gold (Rs. per 10gm)	29615	30169	-1.87

Investments	28th Feb 13	31st Jan 13	Absolute Change
<sup>1</sup> Fills (Rs Crs)	-1318	959	-2277
<sup>1</sup> Mfs (Rs Crs)	418	-864	446

Indices	28th Feb 13	31st Jan 13	% Change
<sup>1</sup> BSE Sensex	18862	19895	-5.19
<sup>1</sup> S&P CNX Nifty	5693	6035	-5.66
<sup>1</sup> CNX Mid Cap	7540	8364	-9.84
<sup>1</sup> BSE Small Cap	6206	7074	-12.27

Global Indices	28th Feb 13	31st Jan 13	% Change
<sup>1</sup> Dow Jones	14054	13861	1.40
<sup>1</sup> FTSE 100	6361	6277	1.34
<sup>1</sup> Hang Seng	23020	23730	-2.99
<sup>1</sup> Nikkei	11559	11139	3.78

Sectoral Indices	28th Feb 13	31st Jan 13	% Change
<sup>1</sup> CNX Infrastructure	2300	2562	-10.21
<sup>1</sup> CNX Energy	7829	8483	-7.71
<sup>1</sup> BSE Capital Goods	9185	10496	-12.49
<sup>1</sup> BSE Bankex	13204	14580	-9.44
<sup>1</sup> BSE Oil & Gas	8648	9359	-7.60
<sup>1</sup> BSE IT	6754	6394	5.64

Fixed Income Indicators (%)	28th Feb 13	31st Jan 13	Absolute Change
<sup>1</sup> NSE Mibor	8.64	8.72	-0.08
<sup>1</sup> 91 Day T-Bill	8.13	7.94	0.19
<sup>1</sup> 182 Day T-Bill	8.03	7.93	0.10
<sup>1</sup> 1 year GOI Benchmark	7.83	7.82	0.01
<sup>1</sup> 5 Year GOI Benchmark	7.90	7.91	-0.01
<sup>1</sup> 10 Year GOI Benchmark	7.87	7.91	-0.04
<sup>1</sup> 5 Year Corp Bond Benchmark	8.93	7.98	0.95
<sup>1</sup> 10 Year AAA Corp Bond Benchmark	8.94	7.91	1.03
<sup>1</sup> 10 Year US Benchmark	1.88	1.98	-0.11

Source: <sup>1</sup>Bloomberg, <sup>2</sup>eaindustry.nic.in, <sup>3</sup>RBI

**Indian Economy**

Central Government was able to contain fiscal deficit to 5.2% & projected to improve it to 4.8% for FY 13 & FY 14 respectively. This was mainly on account of lowering of expenditures in the current financial year and buoyancy in the revenue collection in the next year. In order to fund fiscal deficit, the borrowing program for the next year entails higher issuance of bonds in comparison to this year. This also involves preemptive purchase of bonds maturing in FY 15- 17 for INR 500 billion to alleviate pressure of maturity in those years.

The theme came out clearly from the recent budget is emphasis on the fiscal consolidation in order to promote economy and try to send strong message to global investors that we are taking measures to maintain our credit worthiness.

3QFY13 GDP has been came out at dismal 4.5%. The main drivers were all around poor growth and lower external demand. India's Industrial production (IIP) contracted by 0.6% y-o-y in December 12 compared to -0.8% in November 12. Latest trend in Manufacturing PMI index indicates that expansion in economy is stable though pricing power still exists. In addition, Current Account Deficit (CAD) remains a high point of concern due to continuation of slackening in exports and growth in imports. Though government is taking measures to curb demand for gold, it will take a while before combination of higher duty, lower inflation and stable to lower gold prices will deter buyers. Once CAD stabilizes, then one can expect stabilization in USD/INR as well as persistent lower interest rates.

Trend in Inflation continue to be benign. WPI has softened further to 6.62% for January13 as compared to 7.18% for December 12. In line, core inflation has also declined further to 4.12% in January13 from 4.24% in December 12. However, CPI continues to be in double digit where weights are inclined more to primary articles. It is expected that WPI may soften further on account of range bound global commodity prices and improved supplies of agricultural products during the winter.

**Fixed Income Markets**

Interest rates have gone up marginally after the reduction in policy rates at the start of the month. However, interest rates have stabilized with the cancellation of a tranche of government bond issuance as well as buy back of bonds to improve liquidity. Later, interest rate moved up again marginally with higher than expected announcement of borrowing program for FY14. In all, movement was restricted in the band of 10 bps.

Similarly y0ield of AAA rated bonds also inched up much higher than Government bonds. This has resulted in widening of the spreads to 85 bps from 65 bps. Issuers were making last month trip to bond markets to complete its borrowing program for the year. This has also created pressures on corporate bond yield.

Banks were also offering better deposit rates to attract large funds to full fill its target for the year. Money Market rates also firmed up due to tight banking liquidity as well as government holding large cash to contain expenditures. It is expected that liquidity will improve by the onset of next month, which will help lowering in short term interest rates.

Globally, interest rates continue to be benign though camps are divided between the continuance of the Quantitative Easing (QE) in USA and its long term impact on the inflation. Japan is determined to pursue QE resolutely to let inflation reach to target of 2%. EURO area was witnessing some banks returning its LTRO funds mostly from the strong northern regions.

**Fixed Income Outlook:**

Going forward, it is expected that in near term, in continuation with easing bias, one can expected further reduction in policy rates in ensuing monetary policy in March 13 as we continuing to witness lower demand, for example, decade low car sales as well as hardly any capital expenditures. Though it will take a while, before policy action taken by government will improve CAD and other economic indicators. In the medium term once borrowing by the government starts in the new financial year, it will add pressure on the interest rates marginally.

**Equity Market**

After seeing off a slow start to the year in January 13, Indian equities were in for a month of weakness in February 13 (Nifty down by 5.7%). There were early signs during the month with the corporate earnings failing to live up to the strong start. While the Union Budget due on the last trading day of the month was on everyone's mind, events like macro releases, index rebalancing and M&A announcements kept investors on their toes all through the month. The Budget however, failed to cheer the market in the absence of any big-bang reforms even as the fiscal math seemed to add up. Global cues were also back in focus this month with Italy facing the prospect of a hung parliament and debate about continuance of quantitative easing in the US.

**Growth:** Dec IIP disappointed the market coming in at -0.6%. Primary factors contributing to this contraction were a 4% decline in mining - reflecting clearance issues and a decline in manufacturing with several sub-sectors in the red. The 3QFY13 GDP growth also came much weaker than expected at 4.5%.

**Budget:** The much-awaited Union Budget drew a mixed reaction from stakeholders. While the arithmetic seemed to be in place, investors were left asking for more on the reforms front. To compound the woes, a statement making Tax Residency Certificates (TRCs) a necessary but not a sufficient condition for claiming benefits under Double Tax Avoidance Agreements (DTAA) saw some impulsive selling from foreign investors. In terms of sectors, the extension of interest subvention on agricultural credit was seen as a positive for private banks and the subsidy sharing formula appeared to cap the burden for upstream companies. There were also some measures announced to boost investments - roads, manufacturing etc. and savings - house loans, inflation-indexed instruments etc.

**Fiscal:** With the Budget as a backdrop, all eyes were on the government's ability to get the fiscal math in order. The NTPC and Oil India divestments aided in this process taking the FY13 proceeds to Rs215bn (revised target Rs240bn). Meanwhile, the telecom auction for unsold spectrum which was lined up for Mar proved to be damp squib with none of the operators submitting applications. However given the cutback in Plan Expenditure, the government managed to restrain the fiscal deficit number for FY13 at an impressive 5.2%. The FY14 divestment target has been set at Rs558bn of which Rs140bn is expected to be raised from stake sales in non-government companies (SUUTI stakes, Hindustan Zinc and BALCO).

**Equity Outlook:**

Equity valuations are attractive for long term savers to continue to stay invested in the equities to build their nest egg.

# fund snapshot

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

asset allocation	funds	Last 1 Year	Last 2 Year	Last 3 Year	Page No.
100% equity	Group Equity Fund 2	9.07%	5.29%	7.12%	4
100% equity	Group Equity Fund 3	8.48%	15.10%	13.73%	5
100% pure equity	Group Pure Equity Fund 1	2.52%	2.35%	3.72%	6
100% equity	Group Infrastructure Fund 1	-12.20%	-10.02%	-9.14%	7
100% equity	Group Energy Fund 1	-5.27%	-2.64%	-0.99%	8
100% equity	Group Midcap Fund 1	7.80%	5.47%	2.80%	9
40% equity, 60% debt	Group Growth Fund 1	10.09%	7.90%	7.62%	10
20% equity, 80% debt	Group Balanced Fund 1	9.72%	8.65%	7.96%	11
20% equity, 80% debt	Group Balanced Fund 2	10.49%	9.15%	8.33%	12
100% bond instruments	Group Corporate Bond Fund 2	12.04%	9.81%	8.92%	13
100% debt Instruments	Group Pure Debt Fund 1	11.39%	9.64%	8.76%	14
100% money market	Group Capital Secure Fund 1	9.48%	9.37%	8.71%	15
100% govt. securities	Group Gilt Fund 2	11.60%	9.79%	8.98%	16
100% money market	Group Money Market Fund 2	10.23%	9.97%	9.23%	17

SFIN :

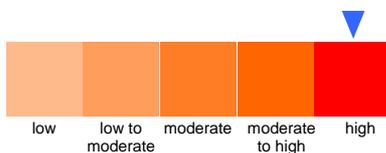
ULGF00724/10/07GEQUITYF01121

Inception Date : 30<sup>th</sup> 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 Feb 28, 2013

fund name	gross return			
	12 month returns	24 month returns	36 month returns	48 month returns
Group Equity Fund 2	9.07%	5.29%	7.12%	22.03%
<b>Benchmark</b>	<b>5.72%</b>	<b>3.32%</b>	<b>4.97%</b>	<b>19.80%</b>

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

### portfolio As on Feb 28, 2013

security	% total net assets
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#### equity

ASSOCIATED CEMENT COMPANIES LTD.	1.22
AUROBINDO PHARMA LTD FV1	1.07
AXIS BANK LIMITED	1.01
BAJAJ AUTO LTD	1.26
BHARAT FORGE	0.76
BHARTI AIRTEL LIMITED	1.68
CAIRN INDIA LIMITED	1.11
CROMPTON GREAVES LTD	0.60
D.B. CORP LIMITED	0.33
DIVIS LABORATORIES LIMITED	7.16
EXIDE INDUSTRIES LTD	0.32
GAS AUTHORITY OF INDIA LTD.	0.53
HDFC BANK LTD.FV-2	6.00
HDFC LTD FV 2	2.24
HEXA TRADEX LIMITED	0.05
HINDUSTAN ZINC LIMITEDFV-2	0.83
HT MEDIA LIMITED	0.57
ICICI BANK LTD.	7.79
INDIABULLS FINANCIAL SERVICES LIMITED	0.47
INFOSYS LIMITED	7.39
IRB INFRASTRUCTURE DEVELOPERS LIMITED	0.58
ITC - FV 1	8.16
JAIPRAKASH ASSOCIATE	1.21
JINDAL SAW LIMITED FV2	0.83
JINDAL STEEL & POWER LTD.	0.32
JSW STEEL LIMITED	0.83
KIRLOSKAR CUMMINS	2.76
LARSEN&TUBRO	3.09
LUPIN LIMITEDFV-2	1.51
MAHINDRA & MAHINDRA LTD.-FV5	1.95
MARUTI UDYOG LTD	1.43
MOTHERSON SUMI SYSTEMS LTD.	1.51
NMDC LTD	0.92
OIL INDIA LIMITED	1.01
ONGCFV-5	1.49
RALLIS INDIA LIMITED	0.06
RANBAXY FV RS 5	0.54
RELIANCE INDUSTRIES LTD.	7.99
SINTEX INDUSTRIES LTD.FV-1	0.27
SML ISUZU LIMITED	0.49
STATE BANK OF INDIA	3.43
STERLITE INDUSTRIES FV 1	1.54
STRIDES ARCOLAB LIMITED	1.85
SUN PHARMACEUTICAL INDUSTRIES LTD.FV-1	1.07
TATA CONSULTANCY SERVICES LTD.	4.08
TATA MOTORS LIMITED DVRFV-2	1.24
TATA MOTORS LTD.FV-2	1.72
ULTRATECH CEMCO LTD	1.50
YES BANK LTD	1.96
<b>total equity</b>	<b>97.73</b>

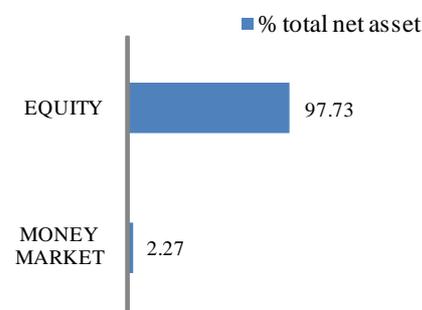
**total money market 2.27**

**total net assets 100.00**

### fund characteristics as on Feb 28, 2013

Fund Beta	0.97
S&P CNX Nifty Beta	1.00

### asset allocation as on Feb 28, 2013



### SFIN :

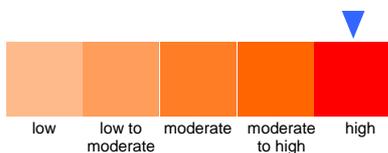
ULGF01808/06/09GEQUITYF03121

Inception Date : 8<sup>th</sup> 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 Feb 28, 2013

fund name	gross return		
	12 month returns	24 month returns	36 month returns
Group Equity Fund 3	8.48%	15.10%	13.73%
<b>Benchmark</b>	<b>5.72%</b>	<b>3.32%</b>	<b>4.97%</b>

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

### portfolio As on Feb 28, 2013

security % total net assets

#### equity

ADITYA BIRLA NUVO LIMITED	5.78
ASSOCIATED CEMENT COMPANIES LTD.	1.07
AUROBINDO PHARMA LTD FV1	0.25
AXIS BANK LIMITED	0.62
BAJAJ AUTO LTD	0.57
BHARAT FORGE	0.40
BHARTI AIRTEL LIMITED	1.39
CAIRN INDIA LIMITED	1.01
CROMPTON GREAVES LTD	0.57
D.B. CORP LIMITED	0.10
DIVIS LABORATORIES LIMITED	3.41
EXIDE INDUSTRIES LTD	0.28
GAS AUTHORITY OF INDIA LTD.	0.40
HDFC BANK LTD.FV-2	4.95
HDFC LTD FV 2	1.62
HINDUSTAN ZINC LIMITEDFV-2	0.41
HT MEDIA LIMITED	0.25
ICICI BANK LTD.	4.89
INDIABULLS FINANCIAL SERVICES LIMITED	0.45
INFOSYS LIMITED	6.25
IRB INFRASTRUCTURE DEVELOPERS LIMITED	0.27
ITC - FV 1	6.41
JAIPRAKASH ASSOCIATE	0.87
JINDAL SAW LIMITED FV2	0.47
JINDAL STEEL & POWER LTD.	0.25
JSW STEEL LIMITED	0.78
KIRLOSKAR CUMMINS	1.22
LARSEN&TUBRO	3.44
LUPIN LIMITEDFV-2	0.73
MAHINDRA & MAHINDRA LTD.-FV5	1.58
MARUTI UDYOG LTD.	1.23
MOTHERSON SUMI SYSTEMS LTD.	0.45
NMDC LTD	7.02
OIL INDIA LIMITED	0.48
ONGCFV-5	1.94
RALLIS INDIA LIMITED	0.01
RANBAXY FV RS 5	0.50
RELIANCE INDUSTRIES LTD.	6.87
SINTEX INDUSTRIES LTD.FV-1	0.14
SML ISUZU LIMITED	0.22
STATE BANK OF INDIA	2.76
STERILITE INDUSTRIES FV 1	1.30
STRIDES ARCOLAB LIMITED	0.71
SUN PHARMACEUTICAL INDUSTRIES LTD.FV-1	0.79
TATA CONSULTANCY SERVICES LTD.	3.70
TATA MOTORS LIMITED DVRFV-2	0.61
TATA MOTORS LTD.FV-2	0.67
ULTRATECH CEMCO LTD	1.21
YES BANK LTD	1.84
<b>total equity</b>	<b>83.12</b>

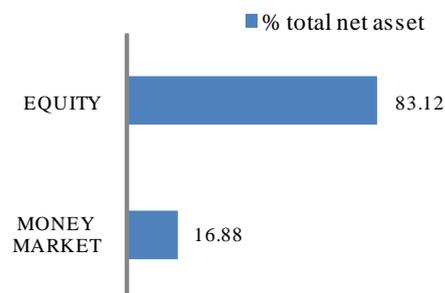
total money market 16.88

total net assets 100.00

### fund characteristics as on Feb 28, 2013

Fund Beta 0.98  
S&P CNX Nifty Beta 1.00

### asset allocation as on Feb 28, 2013



# RELIANCE

## Life Insurance

SFIN :

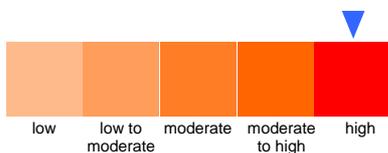
ULGF01528/11/08GPUREEQF01121

Inception Date : 16<sup>th</sup> 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 Feb 28, 2013

gross return				
Fund name	12 month returns	24 month returns	36 month returns	48 month returns
Group Pure Equity Fund 1	2.52%	2.35%	3.72%	19.27%
<b>Benchmark</b>	<b>2.31%</b>	<b>2.36%</b>	<b>2.49%</b>	<b>17.90%</b>

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

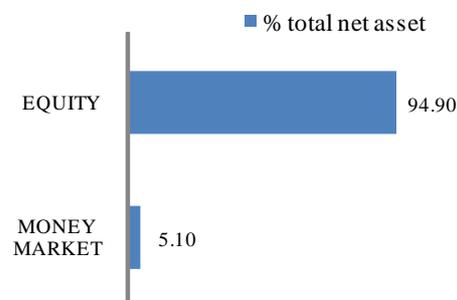
### portfolio As on Feb 28, 2013

security	% total net assets
<b>equity</b>	
ASSOCIATED CEMENT COMPANIES LTD.	2.53
BAJAJ AUTO LTD	3.99
BHARAT HEAVY ELECTRICALS LTD.FV-2	2.70
BHARTI AIRTEL LIMITED	4.50
CAIRN INDIA LIMITED	4.20
CROMPTON GREAVES LTD	1.36
DIVIS LABORATORIES LIMITED	3.34
EXIDE INDUSTRIES LTD	2.00
GAS AUTHORITY OF INDIA LTD.	2.22
GRASIM INDUSTRIES LTD.	2.76
HEXA TRADEX LIMITED	0.06
HINDALCO INDUSTRIES LTD FV RE 1	1.46
INFOSYS LIMITED	7.74
JINDAL SAW LIMITED FV2	0.88
JINDAL STEEL & POWER LTD.	1.76
KIRLOSKAR CUMMINS	1.86
LARSEN&TUBRO	3.45
LUPIN LIMITEDFV-2	1.31
MAHINDRA & MAHINDRA LTD.-FV5	3.25
MARUTI UDYOG LTD	2.82
MOTHERSON SUMI SYSTEMS LTD.	3.55
NTPC LIMITED	2.65
OIL INDIA LIMITED	0.73
ONGCFV-5	5.36
PETRONET LNG LIMITED	0.92
POWER GRID CORP OF INDIA LTD	1.64
RANBAXY FV RS 5	1.81
RELIANCE INDUSTRIES LTD.	8.58
SANOFI INDIA LIMITED	2.07
SUN PHARMACEUTICAL INDUSTRIES LTD.FV-1	4.66
TATA CONSULTANCY SERVICES LTD.	5.12
ULTRATECH CEMCO LTD	2.06
VOLTAS LTD	1.55
<b>total equity</b>	<b>94.90</b>
<b>total money market</b>	<b>5.10</b>
<b>total net assets</b>	<b>100.00</b>

### fund characteristics as on Feb 28, 2013

Fund Beta 0.93  
S&P CNX Nifty Shariah Index Beta 1.00

### asset allocation as on Feb 28, 2013



### SFIN :

ULGF01908/06/09GINFRASF01121

Inception Date : 8<sup>th</sup> 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 Feb 28, 2013

gross return			
fund Name	12 month returns	24 month returns	36 month returns
Group Infrastructure Fund 1	-12.20%	-10.02%	-9.14%
<b>Benchmark</b>	<b>-12.48%</b>	<b>-9.54%</b>	<b>-10.90%</b>

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

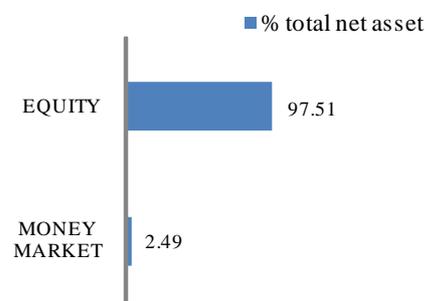
### portfolio As on Feb 28, 2013

security	% total net assets
<b>equity</b>	
AXIS BANK LIMITED	1.70
BHARAT FORGE	2.91
BHARAT HEAVY ELECTRICALS LTD.FV-2	5.90
BHARTI AIRTEL LIMITED	8.01
CAIRN INDIA LIMITED	1.08
COAL INDIA LIMITED	3.39
CROMPTON GREAVES LTD	1.41
EXIDE INDUSTRIES LTD	1.17
GAS AUTHORITY OF INDIA LTD.	3.65
GRASIM INDUSTRIES LTD.	3.11
GREAVES COTTONFV-2	0.83
HEXA TRADEX LIMITED	0.05
HINDALCO INDUSTRIES LTD FV RE 1	1.11
HINDUSTAN ZINC LIMITEDFV-2	1.15
INDIAN METALS AND FERRO ALLOYS LIMITED	2.80
INFOSYS LIMITED	3.26
IRB INFRASTRUCTURE DEVELOPERS LIMITED	2.39
JAIPRAKASH ASSOCIATE	6.17
JINDAL SAW LIMITED FV2	0.73
JINDAL STEEL & POWER LTD.	2.19
JYOTI STRUCTURES LTD	1.61
LARSEN&TUBRO	8.28
MOTHERSON SUMI SYSTEMS LTD.	1.68
NCC LIMITED	0.98
NTPC LIMITED	8.61
ORIENT GREEN POWER COMPANY LIMITED	1.79
PETRONET LNG LIMITED	1.24
POWER GRID CORP OF INDIA LTD	6.49
RELIANCE INDUSTRIES LTD.	3.22
SINTEX INDUSTRIES LTD.FV-1	1.14
TATA IRON & STEEL COMPANY LTD	2.77
TATA POWER CO. LTD.FV-1	4.05
TD POWER SYSTEMS LIMITED	1.51
VOLTAS LTD	1.14
<b>total equity</b>	<b>97.51</b>
<b>total money market</b>	<b>2.49</b>
<b>total net assets</b>	<b>100.00</b>

### fund characteristics as on Feb 28, 2013

Fund Beta 0.80  
CNX Infrastructure Index Beta 1.00

### asset allocation as on Feb 28, 2013



# RELIANCE

Life Insurance

SFIN :

ULGF01428/11/08GENERGYF01121

Inception Date : 16<sup>th</sup> 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 Feb 28, 2013

gross return			
fund Name	12 month returns	24 month returns	36 month returns
Group Energy Fund 1	-5.27%	-2.64%	-0.99%
<b>Benchmark</b>	<b>-4.32%</b>	<b>-5.03%</b>	<b>-3.42%</b>

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

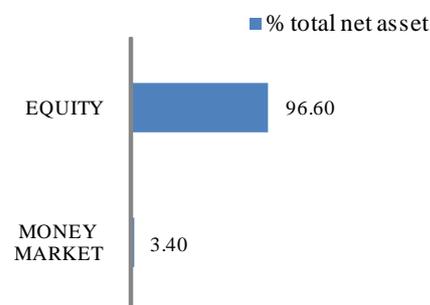
## portfolio As on Feb 28, 2013

security	% total net assets
<b>equity</b>	
AXIS BANK LIMITED	1.66
BHARAT HEAVY ELECTRICALS LTD.FV-2	2.32
BHARAT PETROLEUM CORP. LTD.	7.28
CAIRN INDIA LIMITED	7.58
COAL INDIA LIMITED	1.21
CROMPTON GREAVES LTD	1.25
EXIDE INDUSTRIES LTD	3.08
GAS AUTHORITY OF INDIA LTD.	8.38
JINDAL STEEL & POWER LTD.	2.41
JYOTI STRUCTURES LTD	2.36
KIRLOSKAR CUMMINS	5.06
LARSEN&TUBRO	5.92
NTPC LIMITED	5.68
OIL INDIA LIMITED	8.84
ONGCFV-5	8.98
ORIENT GREEN POWER COMPANY LIMITED	1.77
PETRONET LNG LIMITED	4.12
POWER FINANCE CORPORATION	1.31
POWER GRID CORP OF INDIA LTD	7.62
RELIANCE INDUSTRIES LTD.	8.96
TATA POWER CO. LTD.FV-1	0.80
<b>total equity</b>	<b>96.60</b>
<b>total money market</b>	<b>3.40</b>
<b>total net assets</b>	<b>100.00</b>

## fund characteristics as on Feb 28, 2013

Fund Beta 0.82  
CNX Energy Index Beta 1.00

## asset allocation as on Feb 28, 2013



### SFIN :

ULGF02008/06/09GMIDCAPF01121

Inception Date : 8<sup>th</sup> 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 Feb 28, 2013

gross return			
fund Name	12 month returns	24 month returns	36 month returns
Group Midcap Fund 1	7.80%	5.47%	2.80%
<b>Benchmark</b>	<b>-14.31%</b>	<b>-6.71%</b>	<b>-7.18%</b>

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

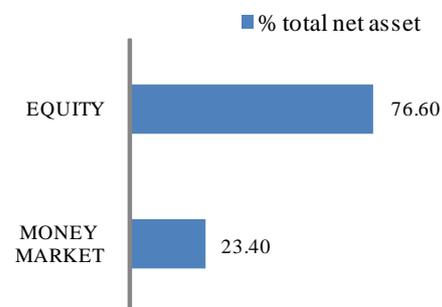
### portfolio As on Feb 28, 2013

security	% total net assets
<b>equity</b>	
ADITYA BIRLA NUVO LIMITED	0.85
AUROBINDO PHARMA LTD FV1	2.65
AXIS BANK LIMITED	0.56
BHARAT FORGE	0.71
D.B. CORP LIMITED	3.16
DIVIS LABORATORIES LIMITED	5.55
EXIDE INDUSTRIES LTD	1.09
GREAVES COTTONFV-2	2.87
GUJARAT FLUOROCEMICALS LTD.	0.92
GUJARAT STATE FERTILIZER COMPANYFV-2	2.55
HEXA TRADEX LIMITED	0.22
HT MEDIA LIMITED	2.29
INDIABULLS FINANCIAL SERVICES LIMITED	2.87
INDIAN METALS AND FERRO ALLOYS LIMITED	2.97
IRB INFRASTRUCTURE DEVELOPERS LIMITED	0.88
JINDAL SAW LIMITED FV2	3.55
JSW STEEL LIMITED	1.76
JYOTI STRUCTURES LTD	2.03
KIRLOSKAR CUMMINS	4.54
NCC LIMITED	0.27
PETRONET LNG LIMITED	0.98
RADICO KHAITAN LIMITED	4.10
RALLIS INDIA LIMITED	0.17
SANOFI INDIA LIMITED	7.39
SINTEX INDUSTRIES LTD.FV-1	0.55
STATE BANK OF INDIA	0.31
STRIDES ARCOLAB LIMITED	7.64
TATA CHEMICALS LTD.	0.91
TATA MOTORS LIMITED DVRFV-2	1.60
TD POWER SYSTEMS LIMITED	1.35
TVS MOTORS	0.58
UNITED PHOSPHOROUS LTD	0.37
UNITED SPIRITS LIMITED	6.31
VOLTAS LTD	0.34
YES BANK LTD	0.99
ZEE ENTERTAINMENT ENTERPRISES LIMITED	0.71
<b>total equity</b>	<b>76.60</b>
<b>total money market</b>	<b>23.40</b>
<b>total net assets</b>	<b>100.00</b>

### fund characteristics as on Feb 28, 2013

Fund Beta	0.72
Nifty Midcap 50 Index Beta	1.00

### asset allocation as on Feb 28, 2013



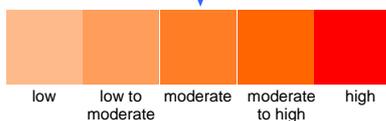
SFIN :  
ULGF00310/10/03GGROWTHF01121

Inception Date : 31<sup>st</sup> 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 Feb 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	10.09%	7.90%	7.62%	12.78%	6.41%
<b>Benchmark</b>	<b>8.77%</b>	<b>8.08%</b>	<b>7.32%</b>	<b>9.88%</b>	<b>7.10%</b>

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

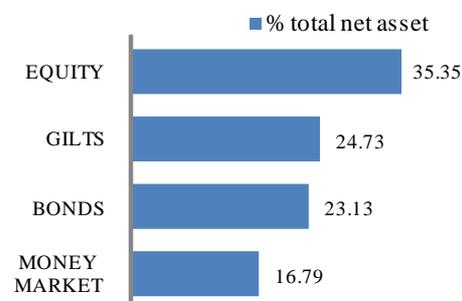
### portfolio As on Feb 28, 2013

security	% total assets	rating
<b>bond/ncd</b>		
10.60% IRFC NCB 11-09-2018	1.40	AAA
11.95% HDFC DB 26-11-2018	5.85	AAA
8.90% PGCIL NCD 25-02-2018 XXXI E	1.62	AAA
8.93% NTPC NCB 19-01-2021 XXXVII	5.17	AAA
8.99% TATA SONS NCD 07-06-2020	9.09	AAA
<b>total bond/cd</b>	<b>23.13</b>	
<b>gilts</b>		
8.15% GOI CG 11-06-2022	2.63	
8.20% GOI CG 24-09-2025	3.16	
8.28% GOI CG 21-09-2027	3.18	
8.33% GOI CG 09-07-2026	3.06	
8.97% GOI CG 05-12-2030	12.70	
<b>total gilts</b>	<b>24.73</b>	
<b>equity</b>		
ASSOCIATED CEMENT COMPANIES LTD.	0.24	
AUROBINDO PHARMA LTD FV1	0.45	
AXIS BANK LIMITED	1.21	
BAJAJ AUTO LTD	0.86	
BHARAT FORGE	0.96	
BHARAT HEAVY ELECTRICALS LTD.FV-2	0.08	
BHARTI AIRTEL LIMITED	0.47	
CAIRN INDIA LIMITED	1.03	
COAL INDIA LIMITED	0.01	
CROMPTON GREAVES LTD	0.17	
D.B. CORP LIMITED	0.12	
DIVIS LABORATORIES LIMITED	2.13	
EXIDE INDUSTRIES LTD	0.18	
FINANCIAL TECHNOLOGIES (INDIA) LIMITED	0.08	
GAS AUTHORITY OF INDIA LTD.	0.26	
HDFC BANK LTD.FV-2	2.00	
HDFC LTD FV 2	0.66	
HEXA TRADEX LIMITED	0.00	
HINDALCO INDUSTRIES LTD FV RE 1	0.13	
HINDUSTAN ZINC LIMITEDFV-2	0.53	
HT MEDIA LIMITED	0.00	
ICICI BANK LTD	2.90	
INFOSYS LIMITED	2.08	
IRB INFRASTRUCTURE DEVELOPERS LIMITED	0.08	
ITC - FV 1	3.08	
JAI PRAKASH ASSOCIATE	0.37	
JINDAL SAW LIMITED FV2	0.15	
JINDAL STEEL & POWER LTD.	0.09	
JSW STEEL LIMITED	0.32	
KIRLOSKAR CUMMINS	0.51	
LARSEN&TUBRO	0.90	
LUPIN LIMITEDFV-2	0.40	
MAHINDRA & MAHINDRA LTD.-FV5	0.74	
MARUTI UDYOG LTD.	0.45	
MOTHERSON SUMI SYSTEMS LTD.	0.93	
NCC LIMITED	0.01	
NTPC LIMITED	0.12	
OIL INDIA LIMITED	0.06	
ONGCFV-5	0.57	
POWER FINANCE CORPORATION	0.14	
RALLIS INDIA LIMITED	0.07	
RANBAXY FV RS 5	0.20	
RELIANCE INDUSTRIES LTD.	2.50	
SANOFI INDIA LIMITED	1.06	
SINTEX INDUSTRIES LTD.FV-1	0.10	
SML ISUZU LIMITED	0.17	
STATE BANK OF INDIA	1.12	
STERLITE INDUSTRIES FV 1	0.36	
STRIDES ARCOLAB LIMITED	0.42	
SUN PHARMACEUTICAL INDUSTRIES LTD.FV-1	0.21	
TATA CONSULTANCY SERVICES LTD.	1.40	
TATA IRON & STEEL COMPANY LTD	0.07	
TATA MOTORS LIMITED DVRFV-2	0.53	
TATA MOTORS LTD.FV-2	0.46	
ULTRATECH CEMCO LTD	0.42	
UNITED PHOSPHOROUS LTD	0.15	
UNITED SPIRITS LIMITED	1.16	
ZEE ENTERTAINMENT ENTERPRISES LIMITED	0.07	
<b>total equity</b>	<b>35.35</b>	
<b>total money market</b>	<b>16.79</b>	
<b>total net assets</b>	<b>100.00</b>	

### fund characteristics as on Feb 28, 2013

M.Duration of debt portfolio: 4.97 Years  
YTM of debt portfolio: 8.13%  
Fund Beta: 0.97  
S&P CNX Nifty Beta: 1.00

### asset allocation as on Feb 28, 2013



### SFIN :

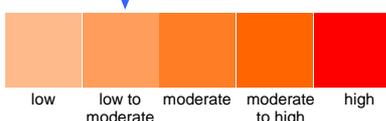
ULGF00110/10/03GBALANCE01121

Inception Date : 29<sup>th</sup> 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 Feb 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	9.72%	8.65%	7.96%	10.40%	7.57%
<b>Benchmark</b>	<b>8.77%</b>	<b>8.08%</b>	<b>7.32%</b>	<b>9.88%</b>	<b>7.10%</b>

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

### portfolio As on Feb 28, 2013

security	% total net assets	rating
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#### bond/ncd

0.00% HDFC ZCB 23-10-2017 J-041	1.38	AAA
10.35% HDFC NCD 06-06-2017	0.46	AAA
10.60% IRFC NCB 11-09-2018	0.48	AAA
11.15% HDFC NCD 06-08-2018	0.96	AAA
8.68% NCRPB NCB 18-08-2019	1.31	AAA
8.84% PGCIL NCD 21-10-2018 STRPP E	0.44	AAA
8.90% PGCIL NCD 25-02-2021 XXXI H	0.55	AAA
8.93% NTPC NCB 19-01-2021 XXXVII	4.84	AAA
9.25% REC NCD 27-08-2017 109TH	0.89	AAA
9.27% PFC NCD 21-08-2017 92-B	2.23	AAA
9.34% SBOT NCB 31-10-2016 I	0.89	AAA
9.50% TATA COMMUNICATIONS NCD 08-06-2014	1.32	AA+
9.57% LICHL NCD 07-09-2017	4.50	AAA
9.67% TATA SONS NCD 13-09-2022	8.28	AAA
9.75% SRTRANSFIN NCD 01-06-2015	4.40	AA
9.95% ILFS NCD 14-02-2016 VIII	0.62	AAA

**total bond/cd gilts 33.55**

7.83% GOI CG 11-04-2018	3.90
8.15% GOI CG 11-06-2022	4.08
8.20% GOI CG 24-09-2025	7.16
8.28% GOI CG 21-09-2027	4.01
8.33% GOI CG 09-07-2026	1.13
8.97% GOI CG 05-12-2030	12.15

**total gilts equity 32.44**

ASSOCIATED CEMENT COMPANIES LTD.	0.16
AUROBINDO PHARMA LTD FV1	0.15
AXIS BANK LIMITED	0.55
BAJAJ AUTO LTD	0.19
BHARAT FORGE	0.11
BHARAT HEAVY ELECTRICALS LTD.FV-2	0.11
BHARTI AIRTEL LIMITED	0.26
CAIRN INDIA LIMITED	0.52
COAL INDIA LIMITED	0.01
CROMPTON GREAVES LTD	0.10
D. B. CORP LIMITED	0.02
DIVIS LABORATORIES LIMITED	0.85
EXIDE INDUSTRIES LTD	0.07
FINANCIAL TECHNOLOGIES (INDIA) LIMITED	0.02
GAS AUTHORITY OF INDIA LTD.	0.14
HDFC BANK LTD.FV-2	0.94
HDFC LTD FV 2	0.18
HEXA TRADEX LIMITED	0.01
HINDALCO INDUSTRIES LTD FV RE 1	0.08
HINDUSTAN ZINC LIMITEDFV-2	0.27
HT MEDIA LIMITED	0.00
ICICI BANK LTD.	1.40
INFOSYS LIMITED	1.64
IRB INFRASTRUCTURE DEVELOPERS LIMITED	0.09
ITC - FV 1	1.02
JAIPRAKASH ASSOCIATE	0.22
JINDAL SAW LIMITED FV2	0.08
JINDAL STEEL & POWER LTD.	0.05
JSW STEEL LIMITED	0.16
KIRLOSKAR CUMMINS	0.35
LARSEN&TUBRO	0.51
LUPIN LIMITEDFV-2	0.33
MAHINDRA & MAHINDRA LTD.-FV5	0.33
MARUTI UDYOG LTD.	0.22
MOTHERSON SUMI SYSTEMS LTD.	0.09
NCC LIMITED	0.83
NTPC LIMITED	0.09
OIL INDIA LIMITED	0.00
ONGCFV-5	0.30
POWER FINANCE CORPORATION	0.03
RALLIS INDIA LIMITED	0.03
RANBAXY FV RS 5	0.13
RELIANCE INDUSTRIES LTD.	1.10
SANOFI INDIA LIMITED	0.22
SINTEX INDUSTRIES LTD.FV-1	0.04
SML ISUZU LIMITED	0.05
STATE BANK OF INDIA	0.55
STERILITE INDUSTRIES FV 1	0.26
STRIDES ARCOLAB LIMITED	0.07
SUN PHARMACEUTICAL INDUSTRIES LTD.FV-1	0.20
TATA CONSULTANCY SERVICES LTD.	0.70
TATA IRON & STEEL COMPANY LTD	0.07
TATA MOTORS LIMITED DVRFV-2	0.20
TATA MOTORS LTD.FV-2	0.25
ULTRATECH CEMCO LTD	0.22
UNITED PHOSPHOROUS LTD	0.07
UNITED SPIRITS LIMITED	0.34
YES BANK LTD	0.34
ZEE ENTERTAINMENT ENTERPRISES LIMITED	0.01

**total equity 17.31**

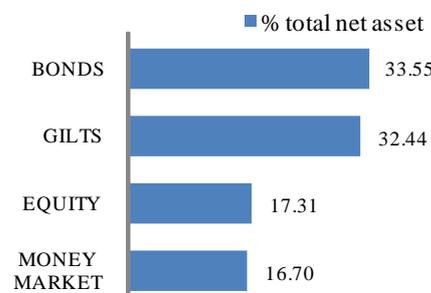
**total money market 16.70**

**total net assets 100.00**

### fund characteristics as on Feb 28, 2013

M.Duration of debt portfolio:	4.71Years
YTM of debt portfolio:	8.27%
Fund Beta:	1.00
S&P CNX Nifty Beta:	1.00

### asset allocation as on Feb 28, 2013



### target asset allocation

Debt.:	80%
Equity:	20%

### benchmark construction

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

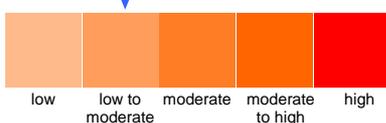
SFIN :  
ULGF00210/10/03GBALANCE02121

Inception Date : 31<sup>th</sup> 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 Feb 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	10.49%	9.15%	8.33%	10.77%	7.87%
<b>Benchmark</b>	<b>8.77%</b>	<b>8.08%</b>	<b>7.32%</b>	<b>9.88%</b>	<b>7.10%</b>

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

### portfolio As on Feb 28, 2013

security	% total net assets	rating
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#### bond/ncd

0.00% HDFC ZCB 06-02-2017 I-032	0.57	AAA
0.00% HDFC ZCB 23-10-2017 J-041	3.26	AAA
10.35% NCD(B)HDFC 16-05-2017	0.52	AAA
10.60% IRFC NCB 11-09-2018	0.58	AAA
11.15% HDFC NCD 06-08-2018	2.05	AAA
8.20% IRFC NCD 27-04-2016	0.49	AAA
8.40% HDFC NCD 08-12-2014 G -003	2.35	AAA
8.68% NCRFB NCB 19-08-2019	0.25	AAA
8.90% PGCIL NCD 25-02-2021 XXXI H	1.56	AAA
8.93% NTPC NCB 19-01-2021 XXXVII	0.75	AAA
8.97% TATA SONS NCD 15-07-2020	1.38	AAA
8.99% TATA SONS NCD 07-06-2020	3.76	AAA
9.27% PFC NCD 21-08-2017 92-B	2.66	AAA
9.30% LICHL NCD 14-09-2022	5.63	AAA
9.34% SBOT NCB 01-10-2016 J1	2.27	AAA
9.50% TATA COMMUNICATIONS NCD 08-06-2014	0.25	AA+
9.67% TATA SONS NCD 13-09-2022	0.65	AAA
9.70% TATA SONS NCD 25-07-2022	3.27	AAA
9.70% UNITEDPHOSPHORUS NCD 09-04-2017 A	0.50	AA+
9.75% SRTRANSFIN NCD 01-06-2015	4.99	AA
9.95% ILFS NCD 14-02-2016 VIII	0.10	AAA

**total bond/cd 37.94**

#### gilts

7.83% GOI CG 11-04-2018	3.69
8.15% GOI CG 11-06-2022	4.29
8.20% GOI CG 24-09-2025	7.65
8.33% GOI CG 09-07-2026	1.05
8.97% GOI CG 05-12-2030	17.05

**total gilts 33.74**

#### equity

ASSOCIATED CEMENT COMPANIES LTD.	0.14
AUROBINDO PHARMA LTD FV1	0.23
AXIS BANK LIMITED	0.56
BAJAJ AUTO LTD	0.18
BHARAT FORGE	0.05
BHARAT HEAVY ELECTRICALS LTD.FV-2	0.11
BHARTI AIRTEL LIMITED	0.30
CAIRN INDIA LIMITED	0.52
COAL INDIA LIMITED	0.01
CROMPTON GREAVES LTD	0.11
D.B. CORP LIMITED	0.09
DIVIS LABORATORIES LIMITED	1.08
EXIDE INDUSTRIES LTD	0.00
FINANCIAL TECHNOLOGIES (INDIA) LIMITED	0.04
GAS AUTHORITY OF INDIA LTD.	0.12
HDFC BANK LTD.FV-2	0.92
HDFC LTD FV 2	0.18
HEXA TRADEX LIMITED	0.02
HINDALCO INDUSTRIES LTD FV RE 1	0.08
HINDUSTAN ZINC LIMITEDFV-2	0.00
HT MEDIA LIMITED	0.00
ICICI BANK LTD.	1.38
INFOSYS LIMITED	1.66
IRB INFRASTRUCTURE DEVELOPERS LIMITED	0.16
ITC - FV 1	1.36
JAIPRAKASH ASSOCIATE	0.23
JINDAL SAW LIMITED FV2	0.18
JINDAL STEEL & POWER LTD.	0.05
JSW STEEL LIMITED	0.18
KIRLOSKAR CUMMINS	0.67
LARSEN&TUBRO	0.52
LUPIN LIMITEDFV-2	0.36
MAHINDRA & MAHINDRA LTD.-FV5	0.34
MARUTI UDYOG LTD.	0.23
MOTHERSON SUMI SYSTEMS LTD.	0.08
NCC LIMITED	0.02
NTPC LIMITED	0.10
OIL INDIA LIMITED	0.01
ONGCFV-5	0.29
POWER FINANCE CORPORATION	0.05
RALLIS INDIA LIMITED	0.04
RANBAXY FV RS 5	0.16
RELIANCE INDUSTRIES LTD.	1.28
SANOFI INDIA LIMITED	0.69
SINTEX INDUSTRIES LTD.FV-1	0.04
SNL ISUZU LIMITED	0.11
STATE BANK OF INDIA	0.54
STERLITE INDUSTRIES FV 1	0.31
STRIDES ARCOLAB LIMITED	0.18
SUN PHARMACEUTICAL INDUSTRIES LTD.FV-1	0.20
TATA CONSULTANCY SERVICES LTD.	0.58
TATA IRON & STEEL COMPANY LTD	0.19
TATA MOTORS LIMITED DFRV-2	0.23
TATA MOTORS LTD.FV-2	0.31
ULTRATECH CEMCO LTD	0.39
UNITED PHOSPHOROUS LTD	0.09
UNITED SPIRITS LIMITED	0.45
YES BANK LTD	0.69
ZEE ENTERTAINMENT ENTERPRISES LIMITED	0.02

**total equity 19.14**

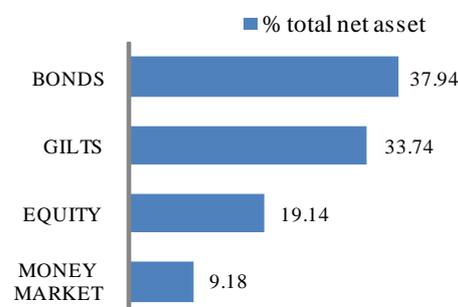
**total money market 9.18**

**total net assets 100.00**

### fund characteristics as on Feb 28, 2013

M.Duration of debt portfolio:	5.25 Years
YTM of debt portfolio:	8.44%
Fund Beta:	0.98
S&P CNX Nifty Beta:	1.00

### asset allocation as on Feb 28, 2013



### target asset allocation

Debt.:	80%
Equity:	20%

### benchmark construction

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

### SFIN :

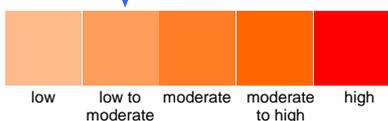
ULGF01213/10/08GCORBOND02121

Inception Date : 13<sup>th</sup> 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



### target asset allocation

Bond Instruments: 100%

### benchmark construction

CRISIL Composite Bond Index: 100%

# Group Corporate Bond Fund 2

## fund performance as on Feb 28, 2013

fund Name	gross return			
	12 month returns	24 month returns	36 month returns	48 month returns
Group Corporate Bond Fund 2	12.04%	9.81%	8.92%	8.91%
<b>Benchmark</b>	<b>9.03%</b>	<b>8.66%</b>	<b>7.43%</b>	<b>6.62%</b>

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

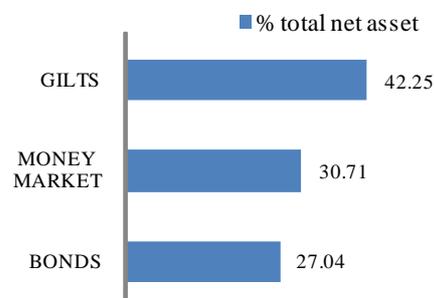
### portfolio As on Feb 28, 2013

security	% total net assets	rating
<b>bond/ncd</b>		
0.00% HDFC ZCB 23-10-2017 J-041	3.23	AAA
0.00% NOVOITRUST-LOCOMATIVE PTC 18-10-2013 J	0.66	AAA
10.10% SRTRANSFIN NCD 30-07-2014 II	0.60	AA+
8.40% HDFC NCD 08-12-2014 G -003	0.44	AAA
8.42% SHREECEM NCD 22-07-2015	0.56	AA+
8.75% RIL NCD 07-05-2020	0.59	AAA
8.85% PGCIL NCD 19-10-2016 STRPP A	1.49	AAA
8.91% PFC NCD 15-10-2017 93-B	3.00	AAA
8.93% NTPC NCB 19-01-2021 XXXVII	1.50	AAA
8.99% TATA SONS NCD 07-06-2020	1.29	AAA
9.25% LICHFL NCD 01-01-2023	1.53	AAA
9.25% PGCIL NCD 26-12-2016 B	0.91	AAA
9.25% REC NCD 27-08-2017 109TH	0.36	AAA
9.27% PFC NCD 21-08-2017 92-B	2.22	AAA
9.30% HDFC NCD 04-10-2017 J-033	3.04	AAA
9.50% HDFC NCD 13-09-2017 J-030	1.53	AAA
9.57% LICHFL NCD 07-09-2017	0.83	AAA
9.66% NABARD NCB 18-10-2014 XII Q	1.45	AAA
9.70% TATA SONS NCD 16-08-2022	1.48	AAA
9.90% TATA SONS NCD 18-03-2016	0.09	AAA
9.95% ILFS NCD 14-02-2016 VIII	0.22	AAA
<b>total bond/cd</b>	<b>27.04</b>	
<b>gilts</b>		
7.83% GOI CG 11-04-2018	6.82	
8.15% GOI CG 11-06-2022	4.97	
8.20% GOI CG 24-09-2025	5.42	
8.28% GOI CG 21-09-2027	2.71	
8.33% GOI CG 09-07-2026	4.78	
8.97% GOI CG 05-12-2030	17.56	
<b>total gilts</b>	<b>42.25</b>	
<b>total money market</b>	<b>30.71</b>	
<b>total net assets</b>	<b>100.00</b>	

### fund characteristics as on Feb 28, 2013

M.Duration of debt portfolio: 4.28 Years  
YTM of debt portfolio: 8.16%

### asset allocation as on Feb 28, 2013



### SFIN :

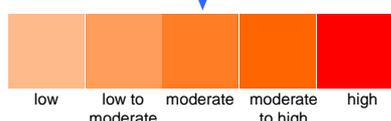
ULGF01030/09/08GPUREDEB01121

Inception Date : 30<sup>th</sup> 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 Feb 28, 2013

fund Name	gross return			
	12 month returns	24 month returns	36 month returns	48 month returns
Group Pure Debt Fund 1	11.39%	9.64%	8.76%	8.87%
<b>Benchmark</b>	<b>9.03%</b>	<b>8.66%</b>	<b>7.43%</b>	<b>6.62%</b>

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

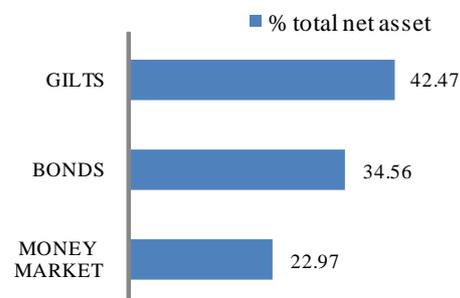
### portfolio As on Feb 28, 2013

security	% total assets	rating
<b>bond/ncd</b>		
0.00% HDFC ZCB 23-10-2017 J-041	4.97	AAA
10.60% IRFC NCB 11-09-2018	5.15	AAA
11.25% PFC DB 28-11-2018	5.24	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	4.76	AAA
8.98% NCRFB BS 14-02-2018	4.76	AAA
9.25% REC NCD 27-08-2017 109TH	4.81	AAA
9.30% LICHL NCD 14-09-2022	4.87	AAA
<b>total bond/cd</b>	<b>34.56</b>	
<b>gilts</b>		
7.83% GOI CG 11-04-2018	4.74	
8.15% GOI CG 11-06-2022	5.33	
8.20% GOI CG 24-09-2025	5.32	
8.28% GOI CG 21-09-2027	2.44	
8.33% GOI CG 09-07-2026	5.38	
8.97% GOI CG 05-12-2030	19.25	
<b>total gilts</b>	<b>42.47</b>	
<b>total money market</b>	<b>22.97</b>	
<b>total net assets</b>	<b>100.00</b>	

### fund characteristics as on Feb 28, 2013

M.Duration of debt portfolio: 4.86Years  
YTM of debt portfolio: 8.25%

### asset allocation as on Feb 28, 2013



### SFIN :

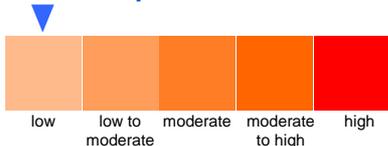
ULGF00431/01/07GCAPISEC01121

Inception Date : 31<sup>st</sup> 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 Feb 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	9.48%	9.37%	8.71%	8.53%	8.95%
<b>Benchmark</b>	<b>8.44%</b>	<b>8.05%</b>	<b>7.28%</b>	<b>6.75%</b>	<b>7.31%</b>

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

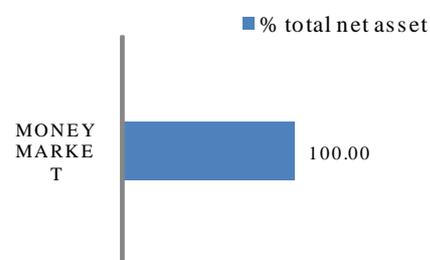
### portfolio As on Feb 28, 2013

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

### fund characteristics as on Feb 28, 2013

YTM of debt portfolio: 8.45%

### asset allocation as on Feb 28, 2013



### SFIN :

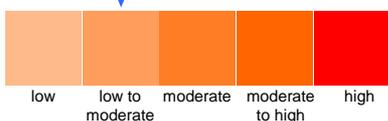
ULGF01610/12/08GGILTFUN02121

Inception Date : 10<sup>th</sup> 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 Feb 28, 2013

fund Name	gross return			
	12 month returns	24 month returns	36 month returns	48 month returns
Group Gilt Fund 2	11.60%	9.79%	8.98%	7.79%
<b>Benchmark</b>	<b>11.08%</b>	<b>9.33%</b>	<b>7.93%</b>	<b>5.98%</b>

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

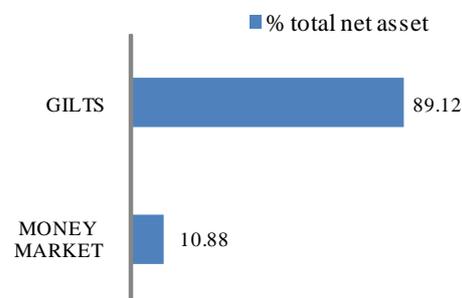
### portfolio As on Feb 28, 2013

security	% total net assets
<b>gilts</b>	
7.83% GOI CG 11-04-2018	10.14
8.15% GOI CG 11-06-2022	13.64
8.19% GOI CG 16-01-2020	4.68
8.20% GOI CG 24-09-2025	7.52
8.28% GOI CG 21-09-2027	9.47
8.33% GOI CG 09-07-2026	14.26
8.97% GOI CG 05-12-2030	29.42
<b>total gilts</b>	<b>89.12</b>
<b>total money market</b>	<b>10.88</b>
<b>total net assets</b>	<b>100.00</b>

### fund characteristics as on Feb 28, 2013

M.Duration of debt portfolio: 6.52Years  
YTM of debt portfolio: 7.90%

### asset allocation as on Feb 28, 2013



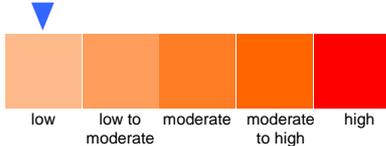
SFIN :  
ULGF00930/09/08GMONMRKT02121

Inception Date : 30<sup>th</sup> 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 Feb 28, 2013

fund Name	gross return			
	12 month returns	24 month returns	36 month returns	48 month returns
Group Money Market Fund 2	10.23%	9.97%	9.23%	9.06%
<b>Benchmark</b>	<b>8.34%</b>	<b>8.35%</b>	<b>7.52%</b>	<b>6.60%</b>

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

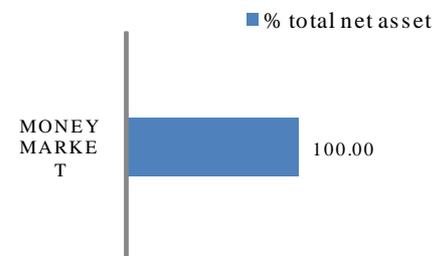
### portfolio As on Feb 28, 2013

security	% total net assets
other money market Instrument	100.00
<b>total net assets</b>	<b>100.00</b>

### fund characteristics as on Feb 28, 2013

YTM of debt portfolio: 9.23%

### asset allocation as on Feb 28, 2013



SFIN	Plan Name	Fund Name	NAV
ULGF00431/01/07GCAPISEC01121	Reliance Group Gratuity Plan	Group Capital Secure Fund 1	16.0816
ULGF00210/10/03GBALANCE02121	Reliance Group Gratuity Plan	Group Balanced Fund 2	15.7687
ULGF00110/10/03GBALANCE01121	Reliance Group Gratuity Plan	Group Balanced Fund 1	19.1212
ULGF01213/10/08GCORBOND02121	Reliance Group Gratuity Plan	Group Corporate Bond Fund 2	14.8245
ULGF01808/06/09GEQUITYF03121	Reliance Group Gratuity Plan	Group Equity Fund 3	16.8518
ULGF01610/12/08GGILTFUN02121	Reliance Group Gratuity Plan	Group Gilt Fund 2	13.0965
ULGF00930/09/08GMONMRKT02121	Reliance Group Gratuity Plan	Group Money Market Fund 2	14.5221
ULGF00310/10/03GGROWTHF01121	Reliance Group Gratuity Plan	Group Growth Fund 1	14.8184
ULGF01908/06/09GINFRASF01121	Reliance Group Gratuity Plan	Group Infrastructure Fund 1	7.2135
ULGF02008/06/09GMIDCAPF01121	Reliance Group Gratuity Plan	Group Midcap Fund 1	13.0109
ULGF01030/09/08GPUREDEB01121	Reliance Group Gratuity Plan	Group Pure Debt Fund 1	14.7307
ULGF00110/10/03GBALANCE01121	Reliance Group Superannuation Plan	Group Balanced Fund 1	19.1212
ULGF00431/01/07GCAPISEC01121	Reliance Group Superannuation Plan	Group Capital Secure Fund 1	16.0816
ULGF01213/10/08GCORBOND02121	Reliance Group Superannuation Plan	Group Corporate Bond Fund 2	14.8245
ULGF01808/06/09GEQUITYF03121	Reliance Group Superannuation Plan	Group Equity Fund 3	16.8518
ULGF01610/12/08GGILTFUN02121	Reliance Group Superannuation Plan	Group Gilt Fund 2	13.0965
ULGF00310/10/03GGROWTHF01121	Reliance Group Superannuation Plan	Group Growth Fund 1	14.8184
ULGF00930/09/08GMONMRKT02121	Reliance Group Superannuation Plan	Group Money Market Fund 2	14.5221
ULGF01030/09/08GPUREDEB01121	Reliance Group Superannuation Plan	Group Pure Debt Fund 1	14.7307
ULGF00210/10/03GBALANCE02121	Reliance Group Savings Linked Insurance Plan	Group Balanced Fund 2	15.7687
ULGF01213/10/08GCORBOND02121	Reliance Group Savings Linked Insurance Plan	Group Corporate Bond Fund 2	14.8245
ULGF01428/11/08GENERGF01121	Reliance Group Savings Linked Insurance Plan	Group Energy Fund 1	13.6609
ULGF01328/11/08GEQUITYF02121	Reliance Group Savings Linked Insurance Plan	Group Equity Fund 2	20.0344
ULGF01610/12/08GGILTFUN02121	Reliance Group Savings Linked Insurance Plan	Group Gilt Fund 2	13.0965
ULGF01908/06/09GINFRASF01121	Reliance Group Savings Linked Insurance Plan	Group Infrastructure Fund 1	7.2135
ULGF02008/06/09GMIDCAPF01121	Reliance Group Savings Linked Insurance Plan	Group Midcap Fund 1	13.0109
ULGF00930/09/08GMONMRKT02121	Reliance Group Savings Linked Insurance Plan	Group Money Market Fund 2	14.5221
ULGF01030/09/08GPUREDEB01121	Reliance Group Savings Linked Insurance Plan	Group Pure Debt Fund 1	14.7307
ULGF01528/11/08GPUREEQF01121	Reliance Group Savings Linked Insurance Plan	Group Pure Equity Fund 1	18.1965
ULGF00210/10/03GBALANCE02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Balanced Fund 2	15.7687
ULGF00930/09/08GMONMRKT02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Money Market Fund 2	14.5221
ULGF01213/10/08GCORBOND02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Corporate Bond Fund 2	14.8245
ULGF01610/12/08GGILTFUN02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Gilt Fund 2	13.0965
ULGF01808/06/09GEQUITYF03121	Reliance Life Insurance Group Gratuity Plus Plan	Group Equity Fund 3	16.8518
ULGF00930/09/08GMONMRKT02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Money Market Fund 2	14.5221
ULGF01213/10/08GCORBOND02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Corporate Bond Fund 2	14.8245
ULGF01610/12/08GGILTFUN02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Gilt Fund 2	13.0965
ULGF01808/06/09GEQUITYF03121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Equity Fund 3	16.8518
ULGF00210/10/03GBALANCE02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Balanced Fund 2	15.7687

- √ 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 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

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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