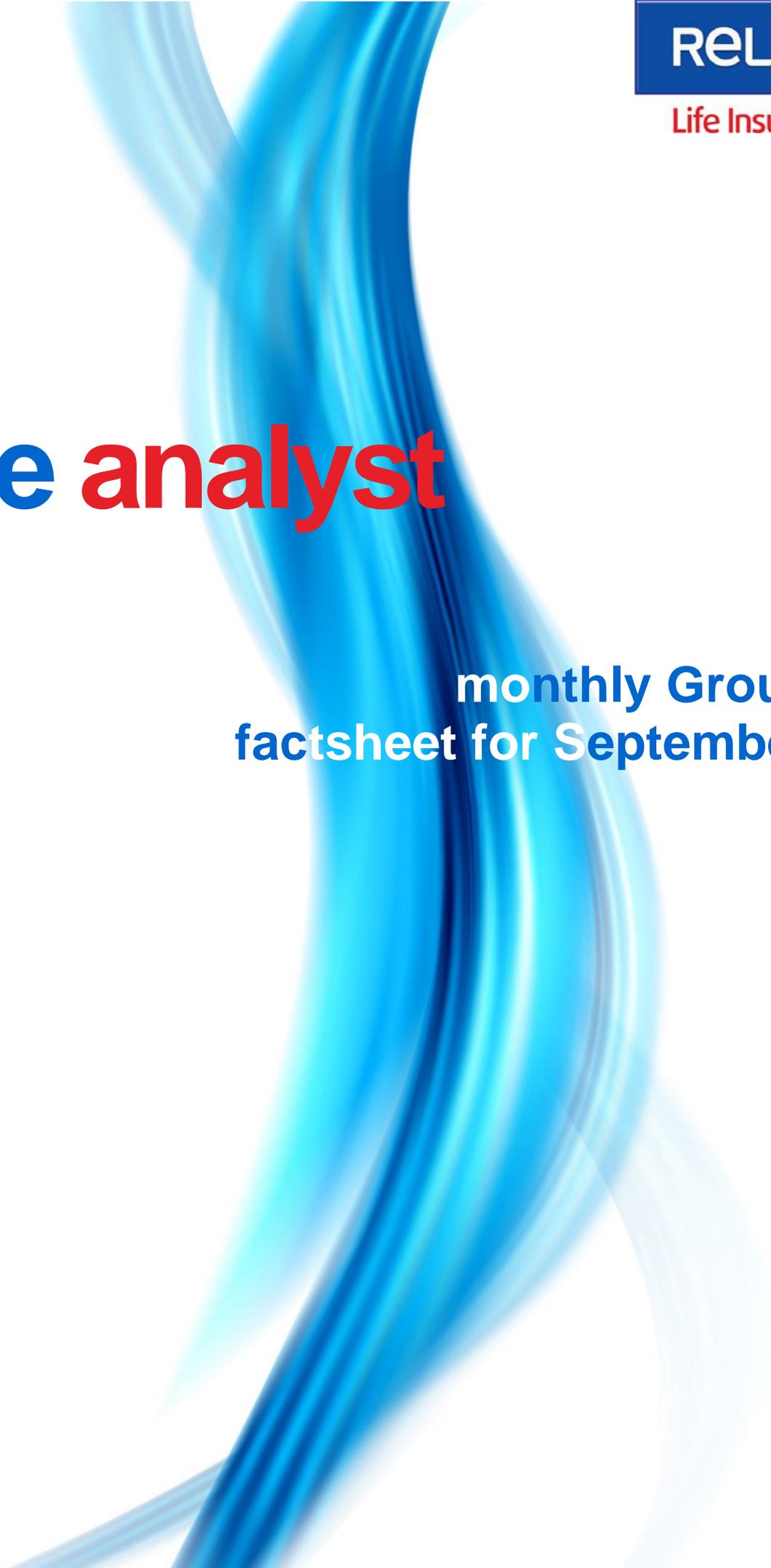




RELIANCE

Life Insurance



the analyst

**monthly Group fund
factsheet for September 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	30th Aug 13	31st Jul 13	% Change
¹ Rs./\$	65.71	60.37	8.11
² WPI Inflation Index		175.40	
³ Forex Reserves (\$ bn)	275.49	280.16	-1.70
⁴ Brent Crude Price (\$ per Barrel)	107.65	105.03	2.43
⁵ Gold (Rs. per 10gm)	32207	28600	11.20

Investments	30th Aug 13	31st Jul 13	Absolute Change
¹ FfIs (Rs Crs)	-79	143	281.19
¹ Mfs (Rs Crs)	731	-128	117.51

Indices	30th Aug 13	31st Jul 13	% Change
¹ BSE Sensex	18620	19346	-3.90
¹ S&P CNX Nifty	5472	5742	-4.94
¹ CNX Mid Cap	6590	6873	-4.30
¹ BSE Small Cap	5191	5311	-2.31

Global Indices	30th Aug 13	31st Jul 13	% Change
¹ Dow Jones	14810	15500	-4.65
¹ FTSE 100	6413	6621	-3.25
¹ Hang Seng	21731	21884	-0.70
¹ Nikkei	13389	13668	-2.09

Sectoral Indices	30th Aug 13	31st Jul 13	% Change
¹ CNX Infrastructure	1957	2179	-11.32
¹ CNX Energy	7380	7717	-4.56
¹ BSE Capital Goods	7085	8227	-16.12
¹ BSE Bankex	10304	11441	-11.03
¹ BSE Oil & Gas	8149	8579	-5.27
¹ BSE IT	8028	7458	7.09

Fixed Income Indicators (%)	30th Aug 13	31st Jul 13	Absolute Change
¹ NSE Mibor	8.47	8.27	2.36
¹ 91 Day T-Bill	11.16	11.26	-0.86
¹ 182 Day T-Bill	10.30	10.73	-4.21
¹ 1 year GOI Benchmark	10.20	10.78	-5.69
¹ 5 Year GOI Benchmark	9.13	8.89	2.63
¹ 10 Year GOI Benchmark	8.61	8.17	5.11
¹ 5 Year Corp Bond Benchmark	10.18	9.86	3.20
¹ 10 Year AAA Corp Bond Benchmark	9.75	9.60	1.50
¹ 10 Year US Benchmark	2.78	2.58	7.46

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

Indian Economy

The key theme in the last month was pressure on emerging market currencies including India, uncertainly associated with US action against Syria and its impact on commodity prices as well as expectations that US Federal Reserve (FED) may bring down the monthly asset purchase program going forward.

Emerging market currencies of "Fragile Five" like Indonesian Rupiah, Thai Baht, Brazilian Real, Turkish Lira and Indian Rupee (INR) have weakened against USD. INR has touched life time low of 68.82 / USD before settling down to 67.50 / USD. RBI was selling foreign currency to help mitigate the pressure on INR. In addition, RBI has announced a foreign exchange swap program for PSU oil companies in order to remove their bulk day to day foreign exchange demand from the market. This will further reduce the market volatility. Additional measures like hike in import duty on bullion will curb demand while increase in deposit rate for NRIs is expected to augment inflow of foreign exchange. However, these measures would be providing breathing time to the policymakers before they could come out with structural program to help reducing the large Current Account Deficit (CAD). It is expected that Government would be increasing the petroleum product prices in-order to reduce ever increasing fiscal deficit as we would be witnessing lower tax collection as well due to sub-par growth in the economy in the current financial year.

Globally, we are witnessing good set of data numbers be it Purchasing Managers Index (PMI), employment and manufacturing. This is auger well for the global economy. It is expected that FED on the basis of continuing strong set of economic data points, may reduce the monthly asset purchase program. This imminent move has already reflected in the market from May 2013 when Fed has hinted possible reduction in asset purchase program. Interest rate across the globe has gone up wherever foreign investor has chose to walk out, which in turn has impacted currency adversely. Uncertainty to already fragile global markets was further added due to the tension in middle-east.

Benchmark 10 year Government bond yield went up by 43 bps to 8.60% while touching intra month high of 9.26%. This has prompted RBI to announce measure like purchase of long maturity government bonds to bring down the yield at the longer end of the curve. Additionally banks were allowed to transfer the securities held in trading book to "Held to Maturity" category to minimize the losses as on July 15, 2013. Short term rates are extremely tight and it is expected that RBI will maintain such stance in-order to support the currency.

GDP growth in 1QFY14 has recorded four year low at 4.4% (YoY). The slowdown in GDP was primarily driven from anemic Industrial sector growth at 0.2% (YoY), while agriculture grew at 2.7% (YoY) and services at 6.6% (YoY). Meanwhile, Index of Industrial Production (IIP) disappointed again to 2.2% (YoY) in June 2013. The IIP was revised downwards to 2.8% (YoY) in May 2013, bringing 1QFY14 factory output to (1.8%) (YoY). The WPI inflation registered at 5.8% (YoY) in July 2013 reflecting the continuing the pricing pressure in the economy. Core inflation has increased marginally to 2.4% (YoY) in July 2013 from 2.1% (YoY) in June 2013. The key drivers of the increase in the prices were petroleum products & inflationary impact of depreciation of the INR. On the other hand, CPI has decelerated marginally to 9.6% (YoY) in July 2013 from 9.9% (YoY) in the June 2013.

Fixed Income Outlook:

Going forward, uncertainty associated with movements in USD/ INR will define the near term movement in the interest rates. However, it is expected that policymakers will come out with a credible plan first to augment supply of foreign exchange to provide time to come out with policies to reduce the CAD to sustainable level. This can bring down the interest rates to level which can support anemic growth.

Equity Market

Indian equities had a roller coaster ride during the last month with the benchmark index Nifty losing 4.7%, closing below 5500. With the INR continuing to depreciate, the RBI as well as the government took various measures to support the INR. Globally, the Syrian crisis has impacted the crude oil prices adversely. Inflation is also firm due to increase in the prices of trade-able goods due to depreciation in the currency.

The Monsoon Session of Parliament started during the first week of August 2013, with a total of 44 bills up for discussion. The much talked about National Food Security Bill & The Land Acquisition Bill, got passed by the Lok Sabha. These Bills will now schedule to be tabled in the Rajya Shaba in order to become law. Next, Pension Bill is also expected to get pass and this will allow foreign entities to take stake up-to 26%. It is expected that if government put some more speed into reform process, which, in turn, will go a long way to boost confidence of the investors.

In a country, which is still dependent on South-West monsoons for a good crop, the ample rains during the season so far augur well. For the season so far, 22 of the 36 meteorological subdivisions have reported normal rains while rains for the country as a whole are 11% in excess of normal for the season till now. Though the agriculture output depends on the spatial distribution of rainfall as much as on the quantity, the overall picture does indicate more positive news. With a majority of India's workforce employed in agriculture and related sectors and around 20% of GDP derived from it, this is a positive for incomes and growth in Q3 and Q4 of 2013-14.

INR depreciation could also encourage exports. While the sharp depreciation in the INR is indeed worrisome given that one-third of our import demand is in the form of petroleum products, which is relatively inelastic and hence will increase the trade deficit. Automobile industry which is already doing well in terms of exports, now expected to do much better due to favorable currency. It will take a while for other large exporting sectors like Textile to gain competitive advantage of favorable currency as exports were hit in the recent time by the prolonged global slowdown.

Among the results, latest quarterly performance of SBI has disappointed again as asset quality deterioration spread across segments. This sector was a significant underperformer in August 2013 as higher bond yields adversely impacted the trading books; RBI's steps to curb these losses provided only a short-lived reprieve. Meanwhile, Axis Bank & IDFC fell sharply on news of exclusion from the MSCI Emerging Market Index. The Information Technology sector had a strong performance on potential benefits from a fall in the value of INR.

FfIs were net sellers for the third consecutive month ending August 2013, with net outflows totaling \$943mn. The YTD figure now stands at \$11.4bn net inflows. Meanwhile, domestic investors switched to net buyers in last month with net inflow to the tune of \$1.1bn - comprising \$163mn inflows from MFs and \$913mn from Insurance companies. YTD, domestic investors were net sellers at \$6.8bn.

Equity Outlook:

Going forward, investors will draw comfort from the fact that government has initiated reform process and it is expected to maintain the momentum. The expected structural reform process will be the panacea for current economic woes like twin deficit of CAD and Fiscal Deficit. Policy holders' are expected to stay invested as well as to pay premium regularly to take advantage of the reasonable equity valuations.

fund snapshot

gross return (CAGR*) (%) As on Aug 31, 2013

asset allocation	funds	Last 1 Year	Last 2 Year	Last 3 Year	Page No.
100% equity	Group Equity Fund 2	2.59%	4.94%	0.83%	4
100% equity	Group Equity Fund 3	1.63%	9.15%	6.94%	5
100% pure equity	Group Pure Equity Fund 1	2.46%	3.56%	0.42%	6
100% equity	Group Infrastructure Fund 1	-15.16%	-12.89%	-15.09%	7
100% equity	Group Energy Fund 1	-12.54%	-7.04%	-8.03%	8
100% equity	Group Midcap Fund 1	0.70%	2.72%	-4.78%	9
40% equity, 60% debt	Group Growth Fund 1	5.31%	7.20%	4.84%	10
20% equity, 80% debt	Group Balanced Fund 1	5.57%	7.18%	5.89%	11
20% equity, 80% debt	Group Balanced Fund 2	6.03%	7.80%	6.37%	12
100% bond instruments	Group Corporate Bond Fund 2	6.93%	7.81%	7.51%	13
100% debt Instruments	Group Pure Debt Fund 1	8.70%	8.67%	8.10%	14
100% money market	Group Capital Secure Fund 1	9.34%	9.42%	9.10%	15
100% govt. securities	Group Gilt Fund 2	6.72%	7.28%	7.33%	16
100% money market	Group Money Market Fund 2	9.83%	10.01%	9.62%	17

SFIN :

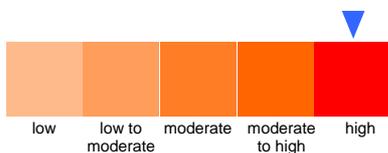
ULGF00724/10/07GEQUITYF01121

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 Aug 31, 2013

gross return				
fund name	12 month returns*	24 month returns*	36 month returns*	48 month returns*
Group Equity Fund 2	2.59%	4.94%	0.83%	5.86%
Benchmark	4.06%	4.60%	0.43%	4.08%

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

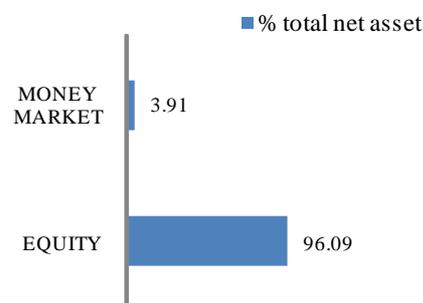
portfolio As on Aug 31, 2013

security	% total net assets
equity	
INFOSYS LIMITED	8.49
ITC - FV 1	8.41
RELIANCE INDUSTRIES LTD.	8.01
HDFC BANK LTD.	6.70
DIVIS LABORATORIES LIMITED	6.07
ICICI BANK LTD.	5.98
TATA CONSULTANCY SERVICES LTD.	5.15
LARSEN & TUBRO LTD	5.11
HDFC LTD	3.80
SESA GOA LIMITED	2.39
STATE BANK OF INDIA	2.15
KIRLOSKAR CUMMINS	2.10
MARUTI SUZUKI INDIA LIMITED	2.00
SUN PHARMACEUTICAL INDUSTRIES LTD.	1.81
MAHINDRA & MAHINDRA LTD.	1.78
ONGC	1.66
YES BANK LIMITED	1.54
ULTRATECH CEMENT LTD	1.54
MOTHERSON SUMI SYSTEMS LTD.	1.47
TATA MOTORS LTD.	1.47
BAJAJ AUTO LTD	1.38
STRIDES ARCOLAB LIMITED	1.30
BHARTI AIRTEL LIMITED	1.22
HINDUSTAN ZINC LIMITED	1.17
TATA MOTORS LIMITED DVR	1.09
LUPIN LIMITED	0.96
JSW STEEL LIMITED	0.95
INDIABULLS HOUSING FINANCE LTD	0.95
NMDC LTD	0.89
JINDAL STEEL & POWER LTD.	0.83
AXIS BANK LIMITED	0.79
CAIRN INDIA LIMITED	0.72
CROMPTON GREAVES LTD	0.70
HT MEDIA LIMITED	0.64
ASSOCIATED CEMENT COMPANIES LTD.	0.59
ZEE ENTERTAINMENT ENTERPRISES LTD.	0.56
BHARAT FORGE	0.56
OIL INDIA LIMITED	0.55
SML ISUZU LIMITED	0.55
D.B. CORP LIMITED	0.46
RANBAXY FV RS 5	0.43
AUROBINDO PHARMA LTD	0.41
COAL INDIA LIMITED	0.35
BHARAT PETROLEUM CORP. LTD.	0.28
HINDALCO INDUSTRIES LTD FV RE 1	0.18
total equity	96.09
total money market	3.91
total net assets	100.00

fund characteristics as on Aug 31, 2013

Fund Beta 0.96

asset allocation as on Aug 31, 2013



RELIANCE

Life Insurance

SFIN :

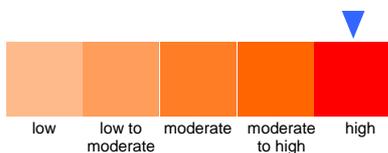
ULGF01808/06/09GEQUITYF03121

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 Aug 31, 2013

fund name	gross return			
	12 month returns*	24 month returns*	36 month returns*	48 month returns*
Group Equity Fund 3	1.63%	9.15%	6.94%	10.69%
Benchmark	4.06%	4.60%	0.43%	4.08%

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

portfolio As on Aug 31, 2013

security % total net assets

equity

INFOSYS LIMITED	8.54
RELIANCE INDUSTRIES LTD.	8.15
ITC - FV 1	7.73
HDFC BANK LTD.	7.28
ICICI BANK LTD.	5.99
DIVIS LABORATORIES LIMITED	5.91
TATA CONSULTANCY SERVICES LTD.	4.69
LARSEN & TUBRO LTD	4.48
HDFC LTD	3.73
KIRLOSKAR CUMMINS	3.24
MARUTI SUZUKI INDIA LIMITED	2.24
STATE BANK OF INDIA	2.01
ONGC	1.98
SESA GOA LIMITED	1.87
MAHINDRA & MAHINDRA LTD.	1.75
SUN PHARMACEUTICAL INDUSTRIES LTD.	1.65
BHARTI AIRTEL LIMITED	1.47
TATA MOTORS LTD.	1.44
NMDC LTD	1.43
MOTHERSON SUMI SYSTEMS LTD.	1.42
YES BANK LIMITED	1.37
ULTRATECH CEMENT LTD	1.32
CAIRN INDIA LIMITED	1.21
BAJAJ AUTO LTD	1.17
JSW STEEL LIMITED	0.89
INDIABULLS HOUSING FINANCE LTD	0.88
JINDAL STEEL & POWER LTD.	0.73
CROMPTON GREAVES LTD	0.61
ZEE ENTERTAINMENT ENTERPRISES LTD.	0.56
HINDUSTAN ZINC LIMITED	0.49
AXIS BANK LIMITED	0.44
RANBAXY FV RS 5	0.40
COAL INDIA LIMITED	0.37
AUROBINDO PHARMA LTD	0.35
ASSOCIATED CEMENT COMPANIES LTD.	0.31
STRIDES ARCOLAB LIMITED	0.30
TATA MOTORS LIMITED DVR	0.30
BHARAT PETROLEUM CORP. LTD.	0.30
HT MEDIA LIMITED	0.24
SML ISUZU LIMITED	0.19
HINDALCO INDUSTRIES LTD	0.18

total equity 89.60

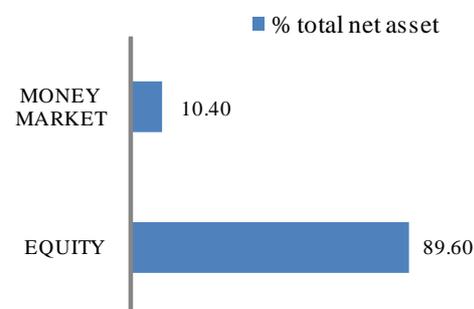
total money market 10.40

total net assets 100.00

fund characteristics as on Aug 31, 2013

Fund Beta 0.97

asset allocation as on Aug 31, 2013



RELIANCE

Life Insurance

SFIN :

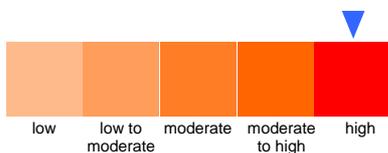
ULGF01528/11/08GPUREEQF01121

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 Aug 31, 2013

gross return				
Fund name	12 month returns*	24 month returns*	36 month returns*	48 month returns*
Group Pure Equity Fund 1	2.46%	3.56%	0.42%	3.81%
Benchmark	14.45%	9.60%	3.47%	4.20%

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

portfolio As on Aug 31, 2013

security % total net assets

equity

RELIANCE INDUSTRIES LTD.	8.80
TATA CONSULTANCY SERVICES LTD.	7.29
INFOSYS LIMITED	6.59
ONGC	5.84
BHARTI AIRTEL LIMITED	5.77
ASIAN PAINTS LIMITED	4.88
BAJAJ AUTO LTD	4.76
LARSEN & TUBRO LTD	3.80
DR. REDDY LABORATORIES	3.23
DIVIS LABORATORIES LIMITED	3.21
MARUTI SUZUKI INDIA LIMITED	3.01
CAIRN INDIA LIMITED	2.85
ULTRATECH CEMENT LTD	2.76
LUPIN LIMITED	2.54
COAL INDIA LIMITED	2.47
GRASIM INDUSTRIES LTD.	2.45
SANOFI INDIA LIMITED	2.44
ASSOCIATED CEMENT COMPANIES LTD.	2.19
TATA TEA LTD.	1.99
HERO MOTOCORP LIMITED	1.96
PETRONET LNG LIMITED	1.94
HINDUSTAN LEVER LTD.	1.92
SUN PHARMACEUTICAL INDUSTRIES LTD.	1.87
CROMPTON GREAVES LTD	1.80
MOTHERSON SUMI SYSTEMS LTD.	1.58
KIRLOSKAR CUMMINS	1.49
GAS AUTHORITY OF INDIA LTD.	1.47
VOLTAS LTD	1.36
JINDAL STEEL & POWER LTD.	1.30
BHARAT PETROLEUM CORP. LTD.	1.05
HINDALCO INDUSTRIES LTD FV RE 1	0.77
OIL INDIA LIMITED	0.70

total equity 96.08

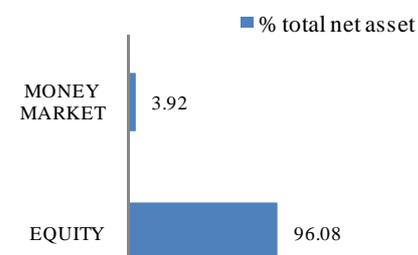
total money market 3.92

total net assets 100.00

fund characteristics as on Aug 31, 2013

Fund Beta 0.89

asset allocation as on Aug 31, 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 Aug 31, 2013

fund Name	gross return			
	12 month returns*	24 month returns*	36 month returns*	48 month returns*
Group Infrastructure Fund 1	-15.16%	-12.89%	-15.09%	-11.66%
Benchmark	-12.38%	-16.09%	-16.74%	-15.10%

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

portfolio As on Aug 31, 2013

security % total net assets

equity

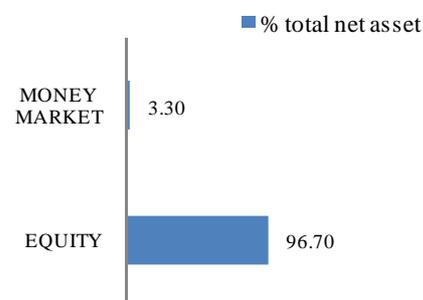
POWER GRID CORP OF INDIA LTD	8.70
NTPC LIMITED	8.32
LARSEN & TUBRO LTD	7.87
BHARTI AIRTEL LIMITED	7.77
RELIANCE INDUSTRIES LTD.	7.47
TATA POWER CO. LTD.	7.44
COAL INDIA LIMITED	7.21
IDEA CELLULAR LTD	6.42
PETRONET LNG LIMITED	5.98
BHARAT FORGE	4.82
INFOSYS LIMITED	4.59
BHARAT HEAVY ELECTRICALS LTD.	4.57
KIRLOSKAR CUMMINS	3.87
JINDAL STEEL & POWER LTD.	1.82
INDRAPRASTHA GAS LIMITED	1.67
CROMPTON GREAVES LTD	1.65
HINDUSTAN ZINC LIMITED	1.63
MOTHERSON SUMI SYSTEMS LTD.	1.57
JYOTI STRUCTURES LTD	1.30
VOLTAS LTD	1.13
HINDALCO INDUSTRIES LTD	0.90

total equity	96.70
total money market	3.30
total net assets	100.00

fund characteristics as on Aug 31, 2013

Fund Beta 0.86

asset allocation as on Aug 31, 2013



SFIN :

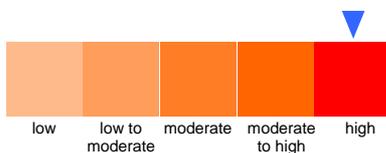
ULGF01428/11/08GENERGYF01121

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 Aug 31, 2013

fund Name	gross return			
	12 month returns*	24 month returns*	36 month returns*	48 month returns*
Group Energy Fund 1	-12.54%	-7.04%	-8.03%	-4.25%
Benchmark	-3.15%	-1.86%	-7.53%	-4.49%

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

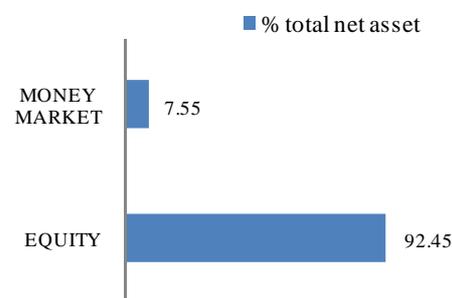
portfolio As on Aug 31, 2013

security	% total net assets
equity	
RELIANCE INDUSTRIES LTD.	8.44
LARSEN & TUBRO LTD	8.28
POWER GRID CORP OF INDIA LTD	8.25
NTPC LIMITED	8.16
ONGC	7.58
OIL INDIA LIMITED	6.81
CAIRN INDIA LIMITED	6.20
COAL INDIA LIMITED	5.95
KIRLOSKAR CUMMINS	5.82
TATA POWER CO. LTD.	5.00
BHARAT PETROLEUM CORP. LTD.	4.70
GAS AUTHORITY OF INDIA LTD.	4.33
PETRONET LNG LIMITED	4.26
INDRAPRASTHA GAS LIMITED	3.73
JINDAL STEEL & POWER LTD.	1.88
JYOTI STRUCTURES LTD	1.70
CROMPTON GREAVES LTD	1.34
total equity	92.45
total money market	7.55
total net assets	100.00

fund characteristics as on Aug 31, 2013

Fund Beta 0.82

asset allocation as on Aug 31, 2013



RELIANCE

Life Insurance

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 Aug 31, 2013

fund Name	gross return			
	12 month returns*	24 month returns*	36 month returns*	48 month returns*
Group Midcap Fund 1	0.70%	2.72%	-4.78%	1.26%
Benchmark	-11.27%	-9.32%	-14.35%	-6.58%

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

portfolio As on Aug 31, 2013

security % total net assets

equity

UNITED SPIRITS LIMITED	8.48
JSW STEEL LIMITED	6.86
DIVIS LABORATORIES LIMITED	6.22
KIRLOSKAR CUMMINS	5.61
TATA TEA LTD.	5.45
PETRONET LNG LIMITED	5.32
D.B. CORP LIMITED	4.93
YES BANK LIMITED	4.76
RADICO KHAITAN LIMITED	4.32
AXIS BANK LIMITED	4.31
TATA CHEMICALS LTD.	4.24
STRIDES ARCOLAB LIMITED	3.84
INDIABULLS HOUSING FINANCE LTD	3.56
AUROBINDO PHARMA LTD	3.55
TATA CONSULTANCY SERVICES LTD.	3.30
PURAVANKARA PROJECTS LIMITED	3.28
ZEE ENTERTAINMENT ENTERPRISES LTD.	3.11
HINDUSTAN ZINC LIMITED	3.06
CROMPTON GREAVES LTD	2.82
HT MEDIA LIMITED	2.69
JYOTI STRUCTURES LTD	1.51
GUJARAT FLUOROCEMICALS LTD.	1.27
UNITED PHOSPHOROUS LTD	1.13
BHARAT FORGE	1.08
VOLTAS LTD	1.07

total equity 95.77

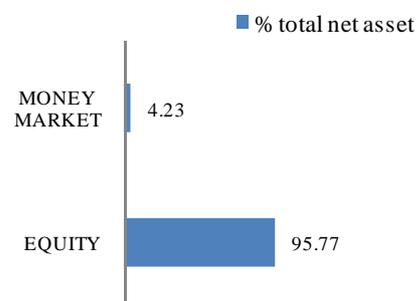
total money market 4.23

total net assets 100.00

fund characteristics as on Aug 31, 2013

Fund Beta 0.79

asset allocation as on Aug 31, 2013



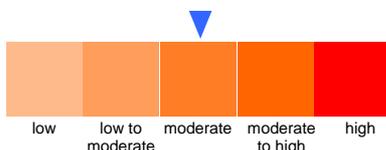
SFIN :
ULGF00310/10/03GGROWTHF01121

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 Aug 31, 2013

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Growth Fund 1	5.31%	7.20%	4.84%	6.57%	7.84%
Benchmark	3.85%	5.77%	4.24%	5.55%	6.77%

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

portfolio As on Aug 31, 2013

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

bond/ncd

8.82% REC NCD 12-04-2023 SR-114th	7.47	AAA
9.55% HINDALCO NCD 27-06-2022	5.76	AA+
10.60% IRFC NCB 11-09-2018	2.05	AAA

total bond/cd 15.28

gilts

8.12% GOI CG 10-12-2020	6.68
8.20% GOI CG 24-09-2025	5.99
8.07% GOI CG 03-07-2017	4.31
8.33% GOI CG 09-07-2026	4.22
8.83% GOI CG 12-12-2041	1.33
8.97% GOI CG 05-12-2030	0.78

total gilts 23.31

equity

RELIANCE INDUSTRIES LTD.	3.21
ITC	3.10
DIVIS LABORATORIES LIMITED	2.97
HDFC BANK LTD.	2.93
INFOSYS LIMITED	2.23
TATA CONSULTANCY SERVICES LTD.	2.21
ICICI BANK LTD.	2.20
HDFC LTD	1.87
SANOFI INDIA LIMITED	1.65
LARSEN & TUBRO LTD	1.40
ONGC	0.94
UNITED SPIRITS LIMITED	0.93
TATA MOTORS LTD.	0.87
MAHINDRA & MAHINDRA LTD.	0.86
YES BANK LIMITED	0.81
SUN PHARMACEUTICAL INDUSTRIES LTD.	0.80
STATE BANK OF INDIA	0.77
BAJAJ AUTO LTD	0.70
AUROBINDO PHARMA LTD	0.66
MARUTI SUZUKI INDIA LIMITED	0.63
STRIDES ARCOLAB LIMITED	0.62
KIRLOSKAR CUMMINS	0.54
HINDUSTAN ZINC LIMITED	0.53
JSW STEEL LIMITED	0.51
ULTRATECH CEMENT LTD	0.49
BHARTI AIRTEL LIMITED	0.46
INDIABULLS HOUSING FINANCE LTD	0.44
LUPIN LIMITED	0.41
SESA GOA LIMITED	0.40
UNITED PHOSPHOROUS LTD	0.35
CAIRN INDIA LIMITED	0.29
MOTHERSON SUMI SYSTEMS LTD.	0.26
SML ISUZU LIMITED	0.20
CROMPTON GREAVES LTD	0.14
JINDAL STEEL & POWER LTD.	0.10

total equity 37.46

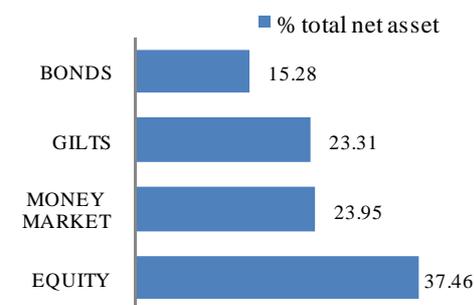
total money market 23.95

total net assets 100.00

fund characteristics as on Aug 31, 2013

M. Duration of debt portfolio: 3.75Years
YTM of debt portfolio: 8.18%
Fund Beta: 0.95

asset allocation as on Aug 31, 2013



SFIN :

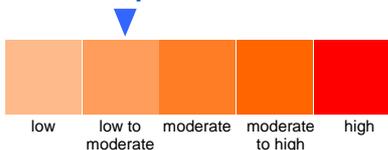
ULGF00110/10/03GBALANCE01121

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 Aug 31, 2013

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Balanced Fund 1	5.57%	7.18%	5.89%	6.84%	8.12%
Benchmark	3.60%	5.91%	5.28%	5.79%	6.93%

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

portfolio As on Aug 31, 2013

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

bond/nccd

9.67% TATA SONS NCD 13-09-2022	8.39	AAA
9.57% LICHFL NCD 07-09-2017	4.13	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	4.04	AAA
8.82% REC NCD 12-04-2023 SR-114th	3.97	AAA
0.00% HDFC ZCB 23-10-2017 J-041	3.31	AAA
8.68% NCRPB NCB 18-08-2019	3.04	AAA
10.60% IRFC NCB 11-09-2018	1.09	AAA

total bond/cd 27.99

gilts

8.20% GOI CG 24-09-2025	8.17
8.12% GOI CG 10-12-2020	6.21
8.83% GOI CG 12-12-2041	5.36
8.33% GOI CG 09-07-2026	5.21
8.07% GOI CG 03-07-2017	2.37
8.97% GOI CG 05-12-2030	0.83

total gilts 28.15

equity

INFOSYS LIMITED	1.76
RELIANCE INDUSTRIES LTD.	1.53
ITC - FV 1	1.48
HDFC BANK LTD.	1.40
TATA CONSULTANCY SERVICES LTD.	1.34
DIVIS LABORATORIES LIMITED	1.10
ICICI BANK LTD.	1.07
HDFC LTD	0.79
LARSEN & TUBRO LTD	0.68
TATA MOTORS LTD.	0.51
SANOFI INDIA LIMITED	0.46
ONGC	0.45
YES BANK LIMITED	0.45
STATE BANK OF INDIA	0.43
MAHINDRA & MAHINDRA LTD.	0.41
SUN PHARMACEUTICAL INDUSTRIES LTD.	0.40
SESA GOA LIMITED	0.37
ULTRATECH CEMENT LTD	0.36
HINDUSTAN ZINC LIMITED	0.35
BAJAJ AUTO LTD	0.33
BHARTI AIRTEL LIMITED	0.32
KIRLOSKAR CUMMINS	0.31
MARUTI SUZUKI INDIA LIMITED	0.30
CAIRN INDIA LIMITED	0.30
JSW STEEL LIMITED	0.25
INDIABULLS HOUSING FINANCE LTD	0.21
LUPIN LIMITED	0.20
AUROBINDO PHARMA LTD	0.16
UNITED PHOSPHOROUS LTD	0.15
MOTHERSON SUMI SYSTEMS LTD.	0.10
CROMPTON GREAVES LTD	0.10
STRIDES ARCOLAB LIMITED	0.08
SML ISUZU LIMITED	0.08
JINDAL STEEL & POWER LTD.	0.05

total equity 18.27

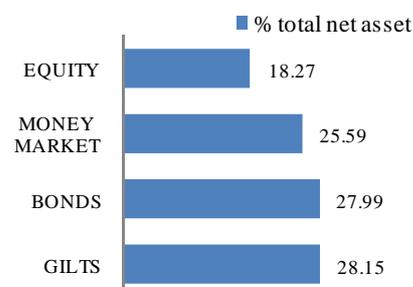
total money market 25.59

total net assets 100.00

fund characteristics as on Aug 31, 2013

M. Duration of debt portfolio:	4.16Years
YTM of debt portfolio:	8.76%
Fund Beta:	0.95

asset allocation as on Aug 31, 2013



target asset allocation

Debt.:	80%
Equity:	20%

benchmark construction

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

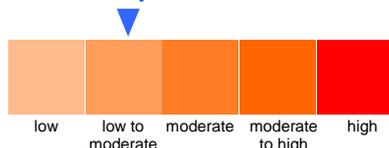
SFIN :
ULGF00210/10/03GBALANCE02121

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



target asset allocation

Debt.: 80%
Equity: 20%

benchmark construction

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

Group Balanced Fund 2

fund performance as on Aug 31, 2013

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Balanced Fund 2	6.03%	7.80%	6.37%	7.24%	8.51%
Benchmark	3.60%	5.91%	5.28%	5.79%	6.93%

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

portfolio As on Aug 31, 2013

security	% total assets	rating net
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bond/ncd

10.20% RELIANCE POWER LTD NCD 12-06-2014	3.49	A1
8.70% REC NCD 01-02-2018 112	3.38	AAA
0.00% HDFC ZCB 23-10-2017 J-041	3.08	AAA
8.99% TATA SONS NCD 07-06-2020	3.03	AAA
9.70% TATA SONS NCD 25-07-2022	2.93	AAA
9.75% SRTRANSFIN NCD 01-06-2015	2.78	AA
11.15% HDFC NCD 06-08-2018	1.84	AAA
8.97% TATA SONS NCD 15-07-2020	1.23	AAA
8.80% PGCIL NCD 13-03-2023 XLII	1.22	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	0.68	AAA
10.60% IRFC NCB 11-09-2018	0.61	AAA
9.34% SBOT NCB 31-10-2016 I	0.58	AAA
10.35% NCD(B)HDFC 16-05-2017	0.47	AAA
9.70% UNITEDPHOSPHORUS NCD 09-04-2017 A	0.46	AA+
8.94% PFC NCD 25-03-2028 SR -103	0.33	AAA
8.68% NCRPB NCB 18-08-2019	0.23	AAA

total bond/cd 26.35

gilts

8.20% GOI CG 24-09-2025	8.27
8.12% GOI CG 10-12-2020	5.90
8.33% GOI CG 09-07-2026	5.29
8.83% GOI CG 12-12-2041	4.34
8.07% GOI CG 03-07-2017	4.04
8.97% GOI CG 05-12-2030	0.58

total gilts 28.42

equity

RELIANCE INDUSTRIES LTD.	1.55
ITC - FV 1	1.50
INFOSYS LIMITED	1.48
HDFC BANK LTD.	1.41
ICICI BANK LTD.	1.01
DIVIS LABORATORIES LIMITED	1.00
TATA CONSULTANCY SERVICES LTD.	0.96
SANOFI INDIA LIMITED	0.66
LARSEN & TUBRO LTD	0.64
HDFC LTD	0.61
TATA MOTORS LTD.	0.48
ONGC	0.45
MAHINDRA & MAHINDRA LTD.	0.41
KIRLOSKAR CUMMINS	0.41
SUN PHARMACEUTICAL INDUSTRIES LTD.	0.40
ULTRATECH CEMENT LTD	0.40
YES BANK LIMITED	0.38
STATE BANK OF INDIA	0.37
BAJAJ AUTO LTD	0.34
SESA GOA LIMITED	0.33
MARUTI SUZUKI INDIA LIMITED	0.30
BHARTI AIRTEL LIMITED	0.29
JSW STEEL LIMITED	0.23
INDIABULLS HOUSING FINANCE LTD	0.21
LUPIN LIMITED	0.20
AUROBINDO PHARMA LTD	0.19
STRIDES ARCOLAB LIMITED	0.17
CAIRN INDIA LIMITED	0.16
UNITED PHOSPHOROUS LTD	0.14
JAIPRAKASH ASSOCIATE	0.10
CROMPTON GREAVES LTD	0.10
SML ISUZU LIMITED	0.08
MOTHERSON SUMI SYSTEMS LTD.	0.08
JINDAL STEEL & POWER LTD.	0.05

total equity 17.09

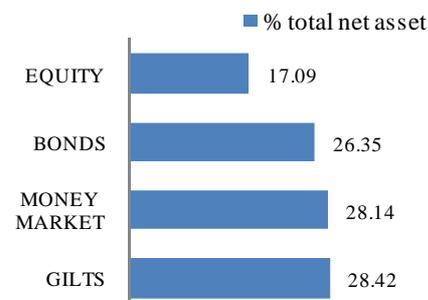
total money market 28.14

total net assets 100.00

fund characteristics as on Aug 31, 2013

M. Duration of debt portfolio: 3.55Years
YTM of debt portfolio: 8.85%
Fund Beta: 0.95

asset allocation as on Aug 31, 2013



SFIN :

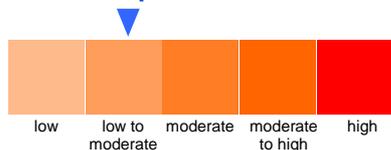
ULGF01213/10/08GCORBOND02121

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 Aug 31, 2013

gross return				
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*
Group Corporate Bond Fund 2	6.93%	7.81%	7.51%	7.92%
Benchmark	3.25%	5.94%	5.92%	5.87%

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

portfolio As on Aug 31, 2013

security	% total net assets	rating
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bond/ncd

8.70% REC NCD 01-02-2018 112	6.28	AAA
8.80% PGCIL NCD 13-03-2023 XLII	5.18	AAA
0.00% HDFC ZCB 23-10-2017 J-041	4.87	AAA
9.55% HINDALCO NCD 27-06-2022	4.64	AA+
10.20% RELIANCE POWER LTD NCD 12-06-2014	3.85	A1
8.87% PFC NCD 18-03-2023 102-B	2.59	AAA
9.70% TATA SONS NCD 16-08-2022	2.23	AAA
9.70% LICHFL NCD 11-06-2017	2.21	AAA
9.30% HDFC NCD 04-10-2017 J-033	2.18	AAA
9.11% LICHFL NCD 09-04-2018	2.17	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	2.15	AAA
8.99% TATA SONS NCD 07-06-2020	1.84	AAA
9.25% PGCIL NCD 26-12-2016 B	1.31	AAA
9.57% LICHFL NCD 07-09-2017	1.18	AAA
8.94% PFC NCD 25-03-2028 SR -103	1.18	AAA
8.82% REC NCD 12-04-2023 SR-114th	1.14	AAA
8.75% RIL NCD 07-05-2020	0.84	AAA
11.95% HDFC DB 26-11-2018	0.48	AAA
9.90% TATA SONS NCD 18-03-2016	0.13	AAA
11.50% REC NCB 26-11-2013	0.05	AAA
total	46.49	

Gilts

8.20% GOI CG 24-09-2025	11.74
8.07% GOI CG 03-07-2017	8.77
8.12% GOI CG 10-12-2020	5.30
8.33% GOI CG 09-07-2026	5.29
8.83% GOI CG 12-12-2041	2.20
8.97% GOI CG 05-12-2030	1.21
total gilts	34.51

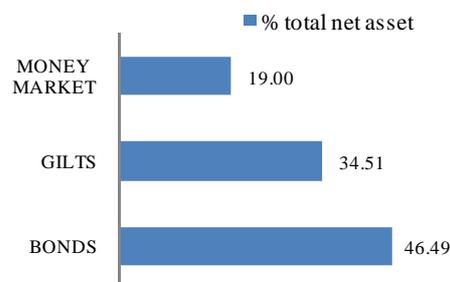
total money market 19.00

total net assets 100.00

fund characteristics as on Aug 31, 2013

M. Duration of debt portfolio: 4.56Years
YTM of debt portfolio: 9.82%

asset allocation as on Aug 31, 2013



target asset allocation

Bond Instruments: 100%

benchmark construction

CRISIL Composite Bond Index: 100%

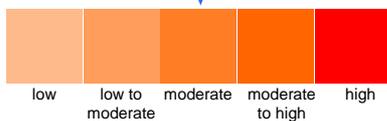
SFIN :
ULGF01030/09/08GPUREDEB01121

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 Aug 31, 2013

fund Name	gross return			
	12 month returns*	24 month returns*	36 month returns*	48 month returns*
Group Pure Debt Fund 1	8.70%	8.67%	8.10%	8.40%
Benchmark	3.25%	5.94%	5.92%	5.87%

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

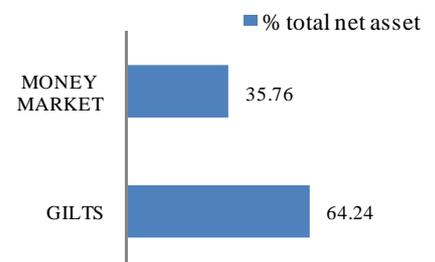
portfolio As on Aug 31, 2013

security	% total net assets	rating
gilts		
8.20% GOI CG 24-09-2025	28.66	
8.12% GOI CG 10-12-2020	14.41	
8.07% GOI CG 03-07-2017	11.95	
8.33% GOI CG 09-07-2026	3.33	
8.97% GOI CG 05-12-2030	2.98	
8.83% GOI CG 12-12-2041	2.91	
total gilts	64.24	
total money market	35.76	
total net assets	100.00	

fund characteristics as on Aug 31, 2013

M .Duration of debt portfolio: 4.05Years
YTM of debt portfolio: 9.44%

asset allocation as on Aug 31, 2013



SFIN :

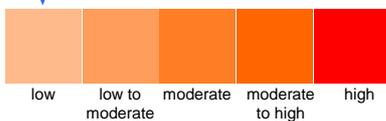
ULGF00431/01/07GCAPISEC01121

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 Aug 31, 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	9.34%	9.42%	9.10%	8.53%	8.91%
Benchmark	6.24%	7.31%	7.08%	6.56%	6.85%

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

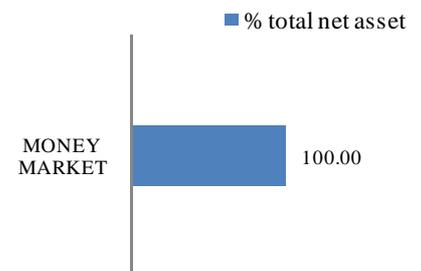
portfolio As on Aug 31, 2013

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

fund characteristics as on Aug 31, 2013

YTM of debt portfolio: 10.14%

asset allocation as on Aug 31, 2013



SFIN :

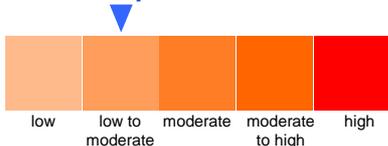
ULGF01610/12/08GGILTFUN02121

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 Aug 31, 2013

fund Name	gross return			
	12 month returns*	24 month returns*	36 month returns*	48 month returns*
Group Gilt Fund 2	6.72%	7.28%	7.33%	7.27%
Benchmark	3.81%	6.73%	6.79%	6.58%

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

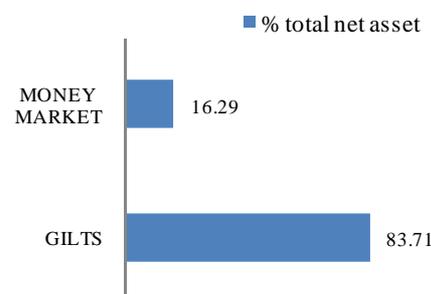
portfolio As on Aug 31, 2013

security	% total net assets
gilts	
8.20% GOI CG 24-09-2025	30.05
8.12% GOI CG 10-12-2020	18.60
8.33% GOI CG 09-07-2026	12.93
8.07% GOI CG 03-07-2017	9.70
8.83% GOI CG 12-12-2041	7.63
8.97% GOI CG 05-12-2030	4.81
total money market	16.29
total net assets	100.00

fund characteristics as on Aug 31, 2013

M. Duration of debt portfolio: 5.99 Years
YTM of debt portfolio: 9.24%

asset allocation as on Aug 31, 2013



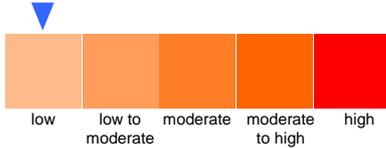
SFIN :
ULGF00930/09/08GMONMRKT02121

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 Aug 31, 2013

fund Name	gross return			
	12 month returns*	24 month returns*	36 month returns*	48 month returns*
Group Money Market Fund 2	9.83%	10.01%	9.62%	9.04%
Benchmark	7.81%	8.27%	8.04%	6.96%

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

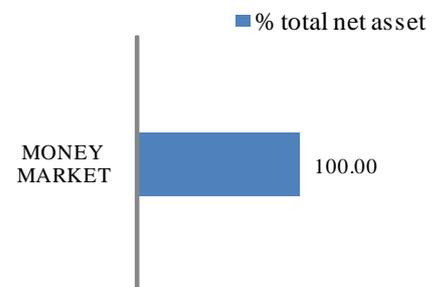
portfolio As on Aug 31, 2013

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

fund characteristics as on Aug 31, 2013

YTM of debt portfolio: 9.22%

asset allocation as on Aug 31, 2013



SFIN	Plan Name	Fund Name	NAV
ULGF00431/01/07GCAPISEC01121	Reliance Group Gratuity Plan	Group Capital Secure Fund 1	16.7620
ULGF00210/10/03GBALANCE02121	Reliance Group Gratuity Plan	Group Balanced Fund 2	15.6821
ULGF00110/10/03GBALANCE01121	Reliance Group Gratuity Plan	Group Balanced Fund 1	18.8660
ULGF01213/10/08GCORBOND02121	Reliance Group Gratuity Plan	Group Corporate Bond Fund 2	14.8332
ULGF01808/06/09GEQUITYF03121	Reliance Group Gratuity Plan	Group Equity Fund 3	15.8683
ULGF01610/12/08GGILTFUN02121	Reliance Group Gratuity Plan	Group Gilt Fund 2	12.9452
ULGF00930/09/08GMONMRKT02121	Reliance Group Gratuity Plan	Group Money Market Fund 2	15.1610
ULGF00310/10/03GGROWTHF01121	Reliance Group Gratuity Plan	Group Growth Fund 1	14.5769
ULGF01908/06/09GINFRASF01121	Reliance Group Gratuity Plan	Group Infrastructure Fund 1	6.1798
ULGF02008/06/09GMIDCAPF01121	Reliance Group Gratuity Plan	Group Midcap Fund 1	11.7915
ULGF01030/09/08GPUREDEB01121	Reliance Group Gratuity Plan	Group Pure Debt Fund 1	15.0194
ULGF00110/10/03GBALANCE01121	Reliance Group Superannuation Plan	Group Balanced Fund 1	18.8660
ULGF00431/01/07GCAPISEC01121	Reliance Group Superannuation Plan	Group Capital Secure Fund 1	16.7620
ULGF01213/10/08GCORBOND02121	Reliance Group Superannuation Plan	Group Corporate Bond Fund 2	14.8332
ULGF01808/06/09GEQUITYF03121	Reliance Group Superannuation Plan	Group Equity Fund 3	15.8683
ULGF01610/12/08GGILTFUN02121	Reliance Group Superannuation Plan	Group Gilt Fund 2	12.9452
ULGF00310/10/03GGROWTHF01121	Reliance Group Superannuation Plan	Group Growth Fund 1	14.5769
ULGF00930/09/08GMONMRKT02121	Reliance Group Superannuation Plan	Group Money Market Fund 2	15.1610
ULGF01030/09/08GPUREDEB01121	Reliance Group Superannuation Plan	Group Pure Debt Fund 1	15.0194
ULGF00210/10/03GBALANCE02121	Reliance Group Savings Linked Insurance Plan	Group Balanced Fund 2	15.6821
ULGF01213/10/08GCORBOND02121	Reliance Group Savings Linked Insurance Plan	Group Corporate Bond Fund 2	14.8332
ULGF01428/11/08GENERGF01121	Reliance Group Savings Linked Insurance Plan	Group Energy Fund 1	11.7673
ULGF01328/11/08GEQUITYF02121	Reliance Group Savings Linked Insurance Plan	Group Equity Fund 2	18.8215
ULGF01610/12/08GGILTFUN02121	Reliance Group Savings Linked Insurance Plan	Group Gilt Fund 2	12.9452
ULGF01908/06/09GINFRASF01121	Reliance Group Savings Linked Insurance Plan	Group Infrastructure Fund 1	6.1798
ULGF02008/06/09GMIDCAPF01121	Reliance Group Savings Linked Insurance Plan	Group Midcap Fund 1	11.7915
ULGF00930/09/08GMONMRKT02121	Reliance Group Savings Linked Insurance Plan	Group Money Market Fund 2	15.1610
ULGF01030/09/08GPUREDEB01121	Reliance Group Savings Linked Insurance Plan	Group Pure Debt Fund 1	15.0194
ULGF01528/11/08GPUREEQF01121	Reliance Group Savings Linked Insurance Plan	Group Pure Equity Fund 1	17.7340
ULGF00210/10/03GBALANCE02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Balanced Fund 2	15.6821
ULGF00930/09/08GMONMRKT02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Money Market Fund 2	15.1610
ULGF01213/10/08GCORBOND02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Corporate Bond Fund 2	14.8332
ULGF01610/12/08GGILTFUN02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Gilt Fund 2	12.9452
ULGF01808/06/09GEQUITYF03121	Reliance Life Insurance Group Gratuity Plus Plan	Group Equity Fund 3	15.8683
ULGF00930/09/08GMONMRKT02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Money Market Fund 2	15.1610
ULGF01213/10/08GCORBOND02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Corporate Bond Fund 2	14.8332
ULGF01610/12/08GGILTFUN02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Gilt Fund 2	12.9452
ULGF01808/06/09GEQUITYF03121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Equity Fund 3	15.8683
ULGF00210/10/03GBALANCE02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Balanced Fund 2	15.6821

- ✓ 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 FII 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. $1.2*10\%$). 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. $0.80*10\%$)

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

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

✓ **Benchmark Sharpe Ratio**

✓ **Modified Duration Of Debt Profile**

✓ **Fund Beta**

Disclaimer

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