



RELIANCE

Life Insurance

the analyst

monthly Group fund
factsheet for December 2014

investment philosophy

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

Economy Indicators	30th Nov 14	31st Oct 14	% Change
¹ \$ / Rs.	62.03	61.37	1.08
² CPI (YOY)	4.38	5.52	-1.14
³ Forex Reserves (\$ bn)	316.31	315.91	0.13
¹ Brent Crude Price (\$ per Barrel)	66.15	80.54	-21.75
¹ Gold (Rs. per 10gm)	26140.	25871	1.03

Indices	30th Nov 14	31st Oct 14	% Change
¹ BSE Sensex	28694	26630	2.89
¹ S&P CNX Nifty	8588	7964	3.10
¹ CNX Mid Cap	12389	11418	4.42
¹ BSE Small Cap	11271	10681	3.02

Global Indices	30th Nov 14	31st Oct 14	% Change
¹ Dow Jones	17828	17043	2.46
¹ FTSE 100	6723	6623	2.62
¹ Hang Seng	23987	22933	-0.04
¹ Nikkei	17460	16174	5.99

Sectoral Indices	30th Nov 14	31st Oct 14	% Change
¹ CNX Infrastructure	3250	3021	-0.87
¹ CNX Energy	9465	9275	-3.10
¹ BSE Capital Goods	16372	14268	2.73
¹ BSE Bankex	21212	17615	8.05
¹ BSE Oil & Gas	10914	10729	-2.25
¹ BSE IT	11207	10688	4.51

Fixed Income Indicators (%)	30th Nov 14	31st Oct 14	bps Change
¹ NSE Mibor	8.71	8.75	-0.46
¹ 91 Day T-Bill	8.21	8.26	-0.04
¹ 182 Day T-Bill	8.33	8.37	-0.04
¹ 1 year GOI Benchmark	8.25	8.33	-0.08
¹ 5 Year GOI Benchmark	8.11	8.35	-0.24
¹ 10 Year GOI Benchmark	8.09	8.28	-0.19
¹ 5 Year Corp Bond Benchmark	8.59	8.83	-0.25
¹ 10 Year AAA Corp Bond Benchmark	8.58	8.74	-0.16
¹ 10 Year US Treasury	2.16	2.34	-0.17

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

Fixed Income Market

India has heralded into a virtuous cycle as commodity prices have touch multi year low. The woes of India, associated since the onset of global financial crisis in 2007 is now seem to be getting over in terms of improvement in the various macro-economic indicators. It is expected that internal indicators like fiscal deficit as well as external indicators like trade deficit and Current Account Deficit will improve. Further, reforms initiated by the government in the areas of labor as well as steps taken to ease of doing the business will further improve the business environment as well as competitiveness of the country.

In terms of commodities, price of the Brent crude oil has touched 4 year low at USD 70.50 per barrels due to sluggish demand in the euro zone and china while increasing oil and shale gas output in the USA. In addition, several industrial commodities like Copper, Steel, Iron Ore, Cooking Coal etc have also touched multi year low due to low demand. Salubrious fall in commodity prices as well as investment by the foreign institutional investors (FIIs) to the tune of USD 40 billion in CYTD has resulted in the fairly stable local currency. It is expected that this new trend will be maintained due to continuation of near recessionary conditions in the euro zone as well as slow down in the Chinese economy.

Retail inflation (CPI) has been behaving well due to the consistent fall in the prices of the primary products. In fact, Core inflation which represents the pricing power with the manufacturers also remains stable at (YoY).

Globally, in order to ward off the deflationary threat, ECB has embarked upon the securities purchase program. It is expected to launch a full fledged quantitative easing in near future in order to effectively shore up countries like France, Italy, Portugal and Spain.

Fixed Income Outlook:

Going forward, we expect that stability in the global commodity prices and structural shift in the prices of the primary produce will impart the easing bias to the monetary policy. However, RBI is committed to break the back of the inflation so that a gold-locks scenario of low inflation and high growth can be maintained. Therefore, we foresee that marginal monetary easing will take place in CY 2015 once, we are confident of achieving sustained low inflation for considerable period of time.

Equity Market

Indian equities continued to grind up higher in Nov (up 3% for the month), making fresh all-time highs, helped by the sharp fall in crude prices (Brent Crude down 19% in Nov, post no cuts from the OPEC). This caused inflationary expectations to temper, and hence bond yields came down, and bank stocks went up. Rate sensitives were clearly the flavor of the month, evident in the sharp outperformance of Banks and Real Estate stocks.

Banks were in the news on multiple counts – PSBs like SBI and BOB reported their numbers, with SBI delivering strongly again on asset quality and cost control but BOB disappointing on account of MTM losses. We also saw the much awaited NBFC norms being released by the RBI which turned out to be less stringent than expected with asset quality recognition transition being deferred. To round off, there was a merger announcement between Kotak and ING Vysya in a share swap deal which was perceived as a strategic fit for Kotak.

Among Consumer names, the spotlight was on ITC after the Health Ministry circulated a Cabinet note banning the sale of loose cigarettes and setting a minimum age of 25 years. While the initial reaction was negative, final implementation of these rules remained a key ponder able and there were talks of introducing smaller packs to counter this.

In the Industrials space, L&T had a solid inflows quarter but cut its sales guidance from +15% to 10-15% and once again had weak segmental margins. BHEL had strong order inflows led by the 6GW agreement with Telangana and also showed control over costs.

The action in the Energy space was driven by the movement in global crude with OMCs led by HPCL rallying towards the end of the month following the OPEC decision to maintain supply. Among gas companies, there was positive cheer after the Appellate Tribunal ruled in favour of GSPL against regulator PNGRB's tariff order. Upstream companies like ONGC and Oil India reported 2Q earnings in Nov with production targets remaining stretched and clarity on subsidy being awaited as the key trigger.

Autos saw heavyweights Tata Motors and Mahindra reporting during the month – for TTMT, while JLR was operationally ahead, the parent numbers were materially below estimates. Mahindra had another weak quarter with neither tractors nor SUVs bringing any immediate cheer.

FIIs once again stepped onto the gas pedal in Nov, net buying \$2bn worth of equities in India. This has taken their total YTD inflows to \$16bn. After the brief period of buying seen from DIIs, we saw them turn net sellers to the tune of \$1.2bn again in Nov – DIIs have now net sold \$6bn YTD. This was almost entirely contributed by insurance cos. even as inflows from mutual funds remained flat.

Equity Outlook:

Markets would keenly watch out for persisting uncertainty on the government divestment pipeline, the Winter Session of the Parliament and the RBI credit policy to take cues on the way forward .

fund snapshot

gross return (CAGR*) (%) As on Nov 28, 2014

asset allocation	funds	Last 1 Year	Last 2 Year	Last 3 Year	Page No.
100% equity	Group Equity Fund 2	48.36%	24.71%	25.05%	4
100% equity	Group Equity Fund 3	45.02%	23.19%	24.84%	5
100% pure equity	Group Pure Equity Fund 1	41.54%	23.75%	20.64%	6
100% equity	Group Infrastructure Fund 1	50.91%	15.12%	12.72%	7
100% equity	Group Energy Fund 1	42.86%	17.13%	13.86%	8
100% equity	Group Midcap Fund 1	62.60%	29.01%	30.20%	9
40% equity, 60% debt	Group Growth Fund 1	25.33%	15.39%	15.97%	10
20% equity, 80% debt	Group Balanced Fund 1	19.11%	12.08%	12.63%	11
20% equity, 80% debt	Group Balanced Fund 2	19.49%	12.64%	13.10%	12
20% equity, 80% debt	Group Balanced Fund 4	-	-	-	13
100% bond instruments	Group Corporate Bond Fund 2	14.15%	10.42%	10.71%	14
100% debt Instruments	Group Pure Debt Fund 1	14.45%	11.17%	11.32%	15
100% debt Instruments	Group Corporate Bond Fund 3	-	-	-	16
100% money market	Group Capital Secure Fund 1	9.59%	9.67%	9.61%	17
100% govt. securities	Group Gilt Fund 2	14.37%	10.01%	10.35%	18
100% money market	Group Money Market Fund 2	9.36%	9.52%	9.76%	19

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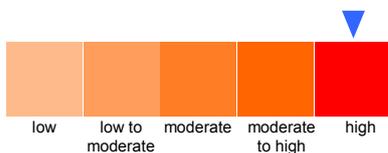
ULGF00724/10/07GEQUITYF01121

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 Nov 28, 2014

gross return					
fund name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Equity Fund 2	48.36%	24.71%	25.05%	12.93%	14.42%
Benchmark	39.06%	20.86%	21.13%	10.01%	11.28%

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

portfolio

security % total net assets

equity

INFOSYS LIMITED	8.45
DIVIS LABORATORIES LIMITED	7.55
HDFC BANK LTD.	7.44
LARSEN&TUBRO	6.74
RELIANCE INDUSTRIES LTD.	6.47
ICICI BANK LTD.	5.76
YES BANK LTD	4.95
ITC	4.28
TATA MOTORS LTD.	3.97
MARUTI UDYOG LTD.	3.90
TATA CONSULTANCY SERVICES LTD.	3.76
ULTRATECH CEMCO LTD	2.89
SUN PHARMACEUTICAL INDUSTRIES LTD.	2.59
STATE BANK OF INDIA	2.52
KIRLOSKAR CUMMINS	2.24
INDIABULLS HOUSING FINANCE LTD	2.00
BHARTI AIRTEL LIMITED	1.92
MAHINDRA & MAHINDRA LTD.	1.91
JSW STEEL LIMITED	1.90
ONGC	1.76
SML ISUZU LIMITED	1.72
HDFC LTD	1.64
MOTHERSON SUMI SYSTEMS LTD.	1.60
SESA STERLITE LIMITED	1.37
ADITYA BIRLA NUVO LIMITED	1.22
OIL INDIA LIMITED	1.03
HERO MOTOCORP LIMITED	0.85
WIPRO	0.83
INDIABULLS REAL ESTATE LIMITED	0.79
HCL TECHNOLOGIES LIMITED	0.72
D.B. CORP LIMITED	0.57
HT MEDIA LIMITED	0.45
COAL INDIA LIMITED	0.42
CROMPTON GREAVES LTD	0.40

96.61

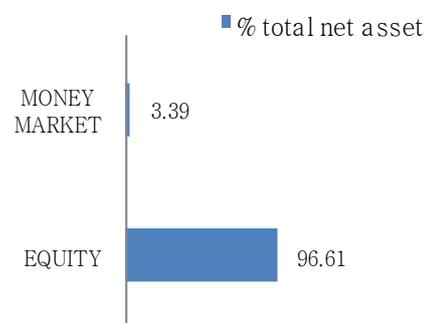
total money market 3.39

total net assets 100.00

fund characteristics

Fund Beta 1.00

asset allocation



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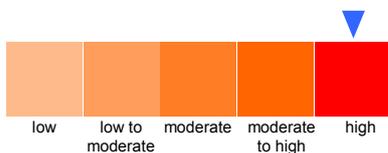
ULGF01808/06/09GEQUITYF03121

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 Nov 28, 2014

fund name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Equity Fund 3	45.02%	23.19%	24.84%	17.24%	17.95%
Benchmark	39.06%	20.86%	21.13%	10.01%	11.28%

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

portfolio

security % total net assets

equity

INFOSYS LIMITED	8.78
HDFC BANK LTD.	7.41
LARSEN&TUBRO	7.03
DIVIS LABORATORIES LIMITED	6.47
RELIANCE INDUSTRIES LTD.	6.34
YES BANK LTD	4.77
ITC	4.27
MARUTI UDYOG LTD.	4.14
TATA MOTORS LTD.	4.01
ICICI BANK LTD.	3.98
TATA CONSULTANCY SERVICES LTD.	3.74
ULTRATECH CEMCO LTD	2.88
STATE BANK OF INDIA	2.60
SUN PHARMACEUTICAL INDUSTRIES LTD.	2.59
KIRLOSKAR CUMMINS	2.39
JSW STEEL LIMITED	2.03
INDIABULLS HOUSING FINANCE LTD	1.99
BHARTI AIRTEL LIMITED	1.97
MAHINDRA & MAHINDRA LTD.	1.94
ONGC	1.74
MOTHERSON SUMI SYSTEMS LTD.	1.64
HDFC LTD	1.64
SESA STERLITE LIMITED	1.51
ADITYA BIRLA NUVO LIMITED	1.21
OIL INDIA LIMITED	1.08
SML ISUZU LIMITED	0.94
HERO MOTOCORP LIMITED	0.90
WIPRO	0.87
HCL TECHNOLOGIES LIMITED	0.75
INDIABULLS REAL ESTATE LIMITED	0.68
CROMPTON GREAVES LTD	0.40
D.B. CORP LIMITED	0.30
COAL INDIA LIMITED	0.26
HT MEDIA LIMITED	0.25

total equity 93.50

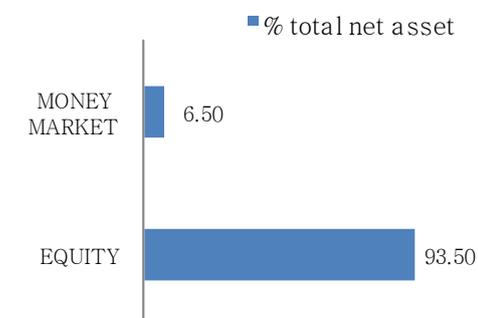
total money market 6.50

total net assets 100.00

fund characteristics

Fund Beta 1.00

asset allocation



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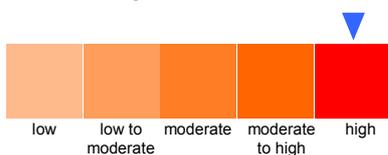
ULGF01528/11/08GPUREEQF01121

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 Nov 28, 2014

gross return					
Fund name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Pure Equity Fund 1	41.54%	23.75%	20.64%	11.03%	11.63%
Benchmark	35.94%	24.37%	18.66%	9.97%	9.88%

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

portfolio

security % total net assets

equity

RELIANCE INDUSTRIES LTD.	8.85
TATA CONSULTANCY SERVICES LTD.	8.51
MARUTI UDYOG LTD.	7.47
BHARTI AIRTEL LIMITED	7.06
LUPIN LIMITED	6.36
HINDUSTAN LEVER LTD.	5.85
INFOSYS LIMITED	5.71
ASIAN PAINTS LIMITED	5.63
HERO MOTOCORP LIMITED	5.44
TECH MAHINDRA LIMITED	4.62
ULTRATECH CEMCO LTD	4.51
SUN PHARMACEUTICAL INDUSTRIES LTD.	2.99
GAS AUTHORITY OF INDIA LTD.	2.88
BAJAJ AUTO LTD	2.75
TRENT LTD	2.44
MOTHERSON SUMI SYSTEMS LTD.	2.40
ACC LIMITED	2.25
VOLTAS LTD	2.22
LARSEN&TUBRO	2.22
DR. REDDY LABORATORIES	2.17
ECLERX SERVICES LIMITED	1.86
SANOFI INDIA LIMITED	1.72
JUBILANT FOODWORKS LIMITED	1.29
DIVIS LABORATORIES LIMITED	0.89

total equity **98.08**

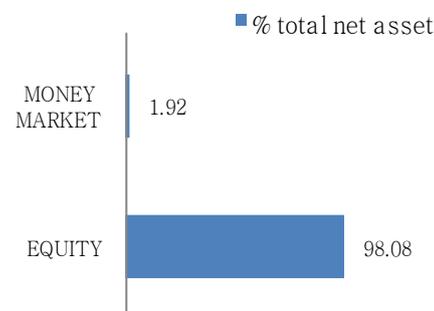
total money market **1.92**

total net assets **100.00**

fund characteristics

Fund Beta 0.90

asset allocation



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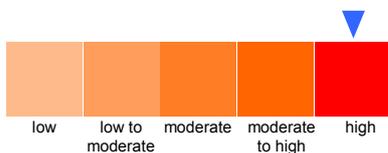
ULGF01908/06/09GINFRASF01121

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 Nov 28, 2014

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Infrastructure Fund 1	50.91%	15.12%	12.72%	1.17%	1.55%
Benchmark	33.86%	11.17%	10.24%	-1.04%	-0.74%

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

portfolio

security % total net assets

equity

LARSEN&TUBRO	9.15
KIRLOSKAR CUMMINS	8.27
BHARTI AIRTEL LIMITED	7.94
POWER GRID CORP OF INDIA LTD	7.77
RELIANCE INDUSTRIES LTD.	7.57
CROMPTON GREAVES LTD	7.18
NTPC LIMITED	7.14
BHARAT HEAVY ELECTRICALS LTD.	6.61
MOTHERSON SUMI SYSTEMS LTD.	6.49
VOLTAS LTD	5.23
IDEA CELLULAR LTD	5.05
INDRAPRASTHA GAS LIMITED	4.93
TATA POWER CO. LTD.	4.03
ACC LIMITED	3.32
GRASIM INDUSTRIES LTD.	2.44
TEXMACO RAIL & ENGINEERING LIMITED	2.30
INDIAN METALS AND FERRO ALLOYS LIMITED	1.98

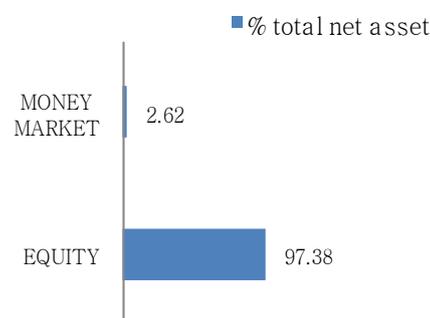
total money market 2.62

total net assets 100.00

fund characteristics

Fund Beta 0.90

asset allocation



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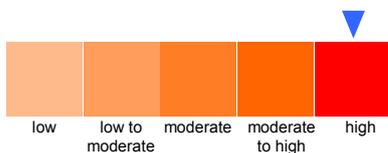
ULGF01428/11/08GENERGYF01121

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 Nov 28, 2014

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Energy Fund 1	42.86%	17.13%	13.86%	5.83%	5.44%
Benchmark	21.36%	10.58%	8.14%	0.59%	0.74%

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

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

portfolio

security % total net assets

equity

OIL INDIA LIMITED	8.79
RELIANCE INDUSTRIES LTD.	8.73
ONGC	8.63
POWER GRID CORP OF INDIA LTD	8.33
LARSEN&TUBRO	8.02
INDRAPRASTHA GAS LIMITED	8.00
GUJARAT STATE PETRONET LIMITED	7.74
NTPC LIMITED	7.67
GAS AUTHORITY OF INDIA LTD.	5.88
TATA POWER CO. LTD.	5.30
BHARAT PETROLEUM CORP. LTD.	5.20
CAIRN INDIA LIMITED	4.43
VOLTAS LTD	3.94
CROMPTON GREAVES LTD	2.95
KIRLOSKAR CUMMINS	2.74
TEXMACO RAIL & ENGINEERING LIMITED	2.28

total equity 98.61

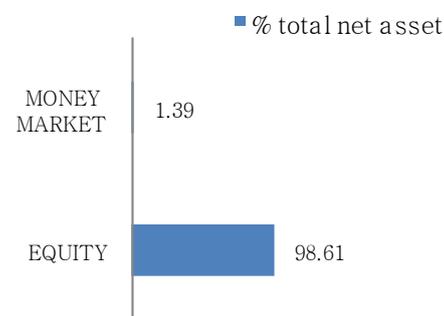
total money market 1.39

total net assets 100.00

fund characteristics

Fund Beta 0.90

asset allocation



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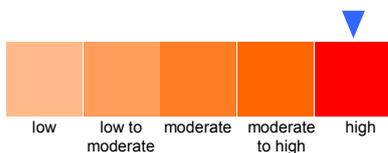
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Inception Date : 8th Jun 2009

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 Nov 28, 2014

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Midcap Fund 1	62.60%	29.01%	30.20%	13.62%	14.05%
Benchmark	56.96%	22.22%	21.27%	4.00%	6.22%

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

portfolio

security	% total net assets
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equity

YES BANK LTD	7.79
DIVIS LABORATORIES LIMITED	6.38
ADITYA BIRLA NUVO LIMITED	5.99
INDIABULLS HOUSING FINANCE LTD	5.34
VOLTAS LTD	5.17
STATE BANK OF INDIA	5.03
CROMPTON GREAVES LTD	4.49
IDEA CELLULAR LTD	3.94
FUTURE CONSUMER ENTERPRISE LIMITED	3.76
GUJARAT FLUOROCHEMICALS LTD.	3.70
PURAVANKARA PROJECTS LIMITED	3.57
TRENT LTD	3.23
INDRAPRASTHA GAS LIMITED	3.21
D.B. CORP LIMITED	3.17
JUBILANT FOODWORKS LIMITED	2.89
SHOPPERS STOP LIMITED	2.73
JINDAL SAW LIMITED	2.70
JSW STEEL LIMITED	2.68
ECLERX SERVICES LIMITED	2.52
TATA CHEMICALS LTD.	2.47
PETRONET LNG LIMITED	2.41
THE FEDERAL BANK LIMITED	2.24
MOTHERSON SUMI SYSTEMS LTD.	2.07
INDIAN METALS AND FERRO ALLOYS LIMITED	1.80
HT MEDIA LIMITED	1.75
HINDUSTAN ZINC LIMITED	1.74
RADICO KHAITAN LIMITED	1.69
OIL INDIA LIMITED	1.36

total equity 95.81

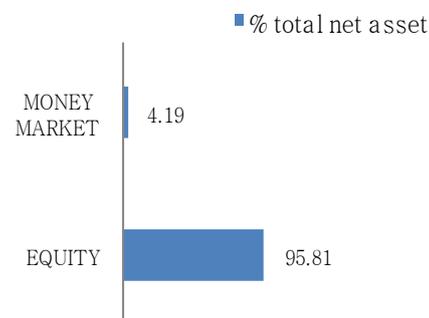
total money market 4.19

total net assets 100.00

fund characteristics

Fund Beta 0.80

asset allocation



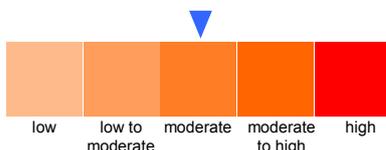
SFIN :
ULGF00310/10/03GGROWTHF01121

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 Nov 28, 2014

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Growth Fund 1	25.33%	15.39%	15.97%	10.66%	10.64%
Benchmark	23.35%	13.72%	13.95%	9.48%	9.48%

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

portfolio

security	% total net assets	rating
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bond

9.34% REC NCD 25-08-2024 SR123 TR3	5.13	AAA
9.22% LICHL NCD 16-10-2024 TR230	5.09	AAA
9.25% RJL NCD 16-06-2024 SR-PPD3	5.09	AAA
9.81% PFC NCD 07-10-2018 SR109	5.07	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	1.74	AAA
9.30% PGCIL NCD 04-09-2029 OPT III	1.72	AAA
10.00% IHFL NCD 29-09-2019	1.71	AAA
9.38% IDFC NCD 12-09-2024 PP 7/2015	1.71	LAAA
9.70% PFC NCD 15-12-2018 SR 82-C	1.69	AAA

total bond 28.95

gilts

8.83% GOI CG 25-11-2023	7.34
8.60% GOI CG 02-06-2028	5.39
9.20% GOI CG 30-09-2030	3.59
8.30% GOI CG 31-12-2042	2.67
9.23% GOI CG 23-12-2043	2.32
8.32% GOI CG 02-08-2032	2.18

total gilts 23.48

equity

HDFC BANK LTD.	3.31
DIVIS LABORATORIES LIMITED	3.11
INFOSYS LIMITED	2.95
RELIANCE INDUSTRIES LTD.	2.87
LARSEN&TUBRO	2.53
ICICI BANK LTD.	2.51
ITC	2.02
YES BANK LTD	1.88
TATA CONSULTANCY SERVICES LTD.	1.87
TATA MOTORS LTD.	1.51
STATE BANK OF INDIA	1.27
ULTRATECH CEMCO LTD	1.23
HDFC LTD	1.15
MARUTI UDYOG LTD.	1.11
ONGC	1.06
SUN PHARMACEUTICAL INDUSTRIES LTD.	0.88
KIRLOSKAR CUMMINS	0.84
JSW STEEL LIMITED	0.82
BHARTI AIRTEL LIMITED	0.79
INDIABULLS HOUSING FINANCE LTD	0.76
MAHINDRA & MAHINDRA LTD.	0.75
LUPIN LIMITED	0.65
HERO MOTOCORP LIMITED	0.64
MOTHERSON SUMI SYSTEMS LTD.	0.46
SESA STERLITE LIMITED	0.42
SANOFI INDIA LIMITED	0.41
WIPRO	0.36
HCL TECHNOLOGIES LIMITED	0.29

total equity 38.49

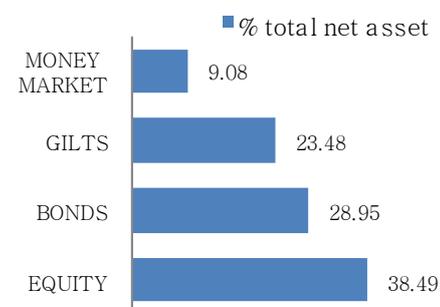
total money market 9.08

total net assets 100.00

fund characteristics

M. Duration of debt portfolio:	5.72 Years
YTM of debt portfolio:	8.32%
Fund Beta:	1.00

asset allocation



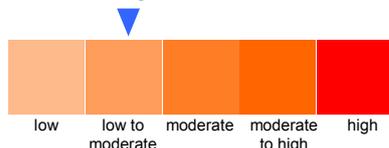
SFIN :
ULGF00110/10/03GBALANCE01121

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 Nov 28, 2014

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Balanced Fund 1	19.11%	12.08%	12.63%	9.66%	9.37%
Benchmark	18.38%	11.25%	11.44%	9.06%	8.65%

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

portfolio

security	% total net assets	rating
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bond

9.00% SAIL NCD 14-10-2024	6.98	AAA
9.25% RJIL NCD 16-06-2024 SR-PPD3	4.71	AAA
9.63% REC NCD 05-02-2019 SR-119	4.68	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	4.59	AAA
9.22% LICHFL NCD 16-10-2024 TR230	3.54	AAA
9.25% TATA SONS NCD 19-06-2019	3.47	AAA
9.38% IDFC NCD 12-09-2024 PP 7/2015	2.38	LAAA
8.83% EXIM NCB 03-11-2029 R16 - 2029	2.30	AAA
8.80% PGCIL NCD 13-03-2023 XLII	2.29	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	1.21	AAA
9.30% PGCIL NCD 04-09-2029 OPT III	1.20	AAA
9.81% PFC NCD 07-10-2018 SR109	1.17	AAA

total bond 38.51

gilts

8.83% GOI CG 25-11-2023	12.54
8.60% GOI CG 02-06-2028	9.59
9.20% GOI CG 30-09-2030	6.06
8.30% GOI CG 31-12-2042	4.32
8.32% GOI CG 02-08-2032	3.77
9.23% GOI CG 23-12-2043	3.40

total gilts 39.67

equity

HDFC BANK LTD.	1.65
DIVIS LABORATORIES LIMITED	1.57
INFOSYS LIMITED	1.48
RELIANCE INDUSTRIES LTD.	1.44
LARSEN&TUBRO	1.26
ICICI BANK LTD.	1.26
ITC	1.02
YES BANK LTD	0.97
TATA CONSULTANCY SERVICES LTD.	0.93
TATA MOTORS LTD.	0.73
STATE BANK OF INDIA	0.64
ULTRATECH CEMCO LTD	0.62
MARUTI UDYOG LTD.	0.56
HDFC LTD	0.55
ONGC	0.53
SUN PHARMACEUTICAL INDUSTRIES LTD.	0.44
JSW STEEL LIMITED	0.43
KIRLOSKAR CUMMINS	0.42
INDIABULLS HOUSING FINANCE LTD	0.41
BHARTI AIRTEL LIMITED	0.40
MAHINDRA & MAHINDRA LTD.	0.38
HERO MOTOCORP LIMITED	0.33
LUPIN LIMITED	0.33
MOTHERSON SUMI SYSTEMS LTD.	0.23
SESA STERLITE LIMITED	0.22
SANOFI INDIA LIMITED	0.21
WIPRO	0.19
HCL TECHNOLOGIES LIMITED	0.15

total equity 19.34

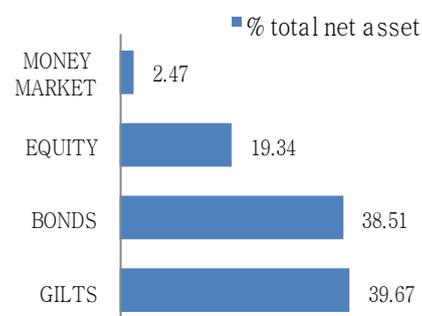
total money market 2.47

total net assets 100.00

fund characteristics

M. Duration of debt portfolio:	6.63 Years
YTM of debt portfolio:	8.36%
Fund Beta:	1.00

asset allocation



target asset allocation

Debt.:	80%
Equity:	20%

benchmark construction

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

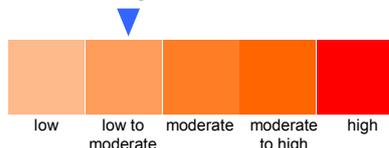
SFIN :
ULGF00210/10/03GBALANCE02121

Inception Date : 31th Jan 2007

fund objective

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

fund risk profile



Group Balanced Fund 2

fund performance As on Nov 28, 2014

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Balanced Fund 2	19.49%	12.64%	13.10%	10.16%	9.80%
Benchmark	18.38%	11.25%	11.44%	9.06%	8.65%

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

portfolio

security	% total net assets	rating
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bond

9.00% SAIL NCD 14-10-2024	8.37	AAA
9.25% RJIL NCD 16-06-2024 SR-PPD3	6.91	AAA
10.00% IHFL NCD 29-09-2019	4.90	AAA
9.25% TATA SONS NCD 19-06-2019	4.76	AAA
8.83% EXIM NCB 03-11-2029 R16 - 2029	3.31	AAA
9.81% PFC NCD 07-10-2018 SR109	2.41	AAA
8.80% PGCIL NCD 13-03-2023 XLII	2.35	AAA
9.22% LICHFL NCD 16-10-2024 TR230	2.30	AAA
9.70% TATA SONS NCD 25-07-2022	1.60	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	1.12	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	0.71	AAA
10.60% IRFC NCB 11-09-2018	0.62	AAA
8.97% TATA SONS NCD 15-07-2020	0.59	AAA
9.34% SBOT NCB 31-10-2016 I	0.59	AAA
9.34% REC NCD 25-08-2024 SR123 TR3	0.49	AAA
9.30% PGCIL NCD 04-09-2029 OPT III	0.12	AAA

total bond 41.15

gilts

8.83% GOI CG 25-11-2023	12.99
8.60% GOI CG 02-06-2028	6.44
8.30% GOI CG 31-12-2042	3.78
9.20% GOI CG 30-09-2030	3.78
9.23% GOI CG 23-12-2043	3.35
8.32% GOI CG 02-08-2032	3.23

total gilts 33.56

equity

HDFC BANK LTD.	1.60
DIVIS LABORATORIES LIMITED	1.53
INFOSYS LIMITED	1.47
RELIANCE INDUSTRIES LTD.	1.42
LARSEN&TUBRO	1.25
ICICI BANK LTD.	1.24
ITC	1.01
YES BANK LTD	0.93
TATA CONSULTANCY SERVICES LTD.	0.92
TATA MOTORS LTD.	0.73
STATE BANK OF INDIA	0.63
ULTRATECH CEMCO LTD	0.61
HDFC LTD	0.55
ONGC	0.53
MARUTI UDYOG LTD.	0.53
KIRLOSKAR CUMMINS	0.45
SUN PHARMACEUTICAL INDUSTRIES LTD.	0.44
JSW STEEL LIMITED	0.42
INDIABULLS HOUSING FINANCE LTD	0.39
BHARTI AIRTEL LIMITED	0.39
MAHINDRA & MAHINDRA LTD.	0.37
HERO MOTOCORP LIMITED	0.32
LUPIN LIMITED	0.32
MOTHERSON SUMI SYSTEMS LTD.	0.23
SESA STERLITE LIMITED	0.22
SANOFI INDIA LIMITED	0.20
WIPRO	0.18
HCL TECHNOLOGIES LIMITED	0.14

total equity 19.02

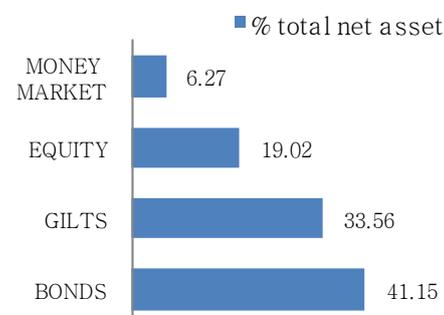
total money market 6.27

total net assets 100.00

fund characteristics

M. Duration of debt portfolio:	6.04 Years
YTM of debt portfolio:	8.35%
Fund Beta:	1.00

asset allocation



target asset allocation

Debt.:	80%
Equity:	20%

benchmark construction

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

SFIN :

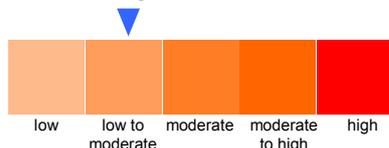
ULGF02105/06/13GBALANCE04121

Inception Date : 17th Dec 2013

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



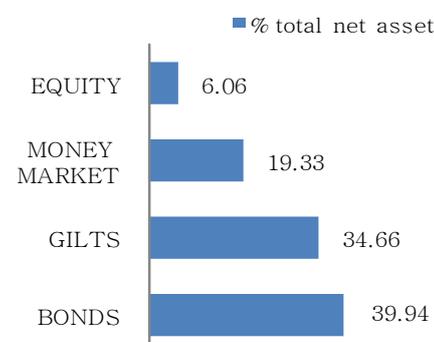
Group Balanced Fund 4

portfolio		
security	% total net assets	rating
bond		
9.25% RJIL NCD 16-06-2024 SR-PPD3	8.40	AAA
9.00% SAIL NCD 14-10-2024	7.46	AAA
9.51% LICHFL NCD 24-07-2019	4.16	AAA
9.30% PGCIL NCB 04-09-2019 OPTION I	4.13	AAA
9.22% LICHFL NCD 16-10-2024 TR230	3.36	AAA
8.83% EXIM NCB 03-11-2029 R16 - 2029	3.28	AAA
9.81% PFC NCD 07-10-2018 SR109	2.51	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	2.45	AAA
9.25% TATA SONS NCD 19-06-2019	1.65	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	0.86	AAA
9.30% PGCIL NCD 04-09-2029 OPT III	0.85	AAA
9.32% PFC NCD 17-09-2019 119-B	0.83	AAA
total bond	39.94	
gilts		
8.83% GOI CG 25-11-2023	9.76	
8.60% GOI CG 02-06-2028	8.05	
9.20% GOI CG 30-09-2030	6.62	
8.30% GOI CG 31-12-2042	3.68	
9.23% GOI CG 23-12-2043	3.42	
8.32% GOI CG 02-08-2032	3.13	
total gilts	34.66	
Equity		
HDFC BANK LTD.	1.64	
DIVIS LABORATORIES LIMITED	1.58	
INFOSYS LIMITED	1.47	
RELIANCE INDUSTRIES LTD.	1.44	
ICICI BANK LTD.	1.31	
LARSEN&TUBRO	1.28	
ITC	1.03	
TATA CONSULTANCY SERVICES LTD.	0.92	
YES BANK LTD	0.91	
TATA MOTORS LTD.	0.74	
STATE BANK OF INDIA	0.63	
ULTRATECH CEMCO LTD	0.62	
MARUTI UDYOG LTD.	0.57	
HDFC LTD	0.55	
ONGC	0.54	
SUN PHARMACEUTICAL INDUSTRIES LTD.	0.45	
JSW STEEL LIMITED	0.43	
KIRLOSKAR CUMMINS	0.42	
INDIABULLS HOUSING FINANCE LTD	0.41	
BHARTI AIRTEL LIMITED	0.40	
MAHINDRA & MAHINDRA LTD.	0.38	
LUPIN LIMITED	0.33	
HERO MOTOCORP LIMITED	0.32	
MOTHERSON SUMI SYSTEMS LTD.	0.23	
SESA STERLITE LIMITED	0.23	
HCL TECHNOLOGIES LIMITED	0.19	
WIPRO	0.18	
SANOFI INDIA LIMITED	0.13	
COAL INDIA LIMITED	0.02	
total equity	19.33	
total money market	6.06	
total net assets	100.00	

fund characteristics

M. Duration of debt portfolio:	6.20 Years
YTM of debt portfolio:	8.34%
Fund Beta:	1.00

asset allocation



target asset allocation

Debt.:	80%
Equity:	20%

benchmark construction

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

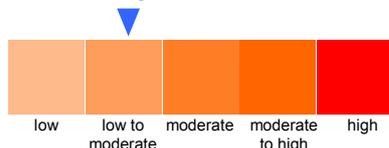
SFIN :
ULGF01213/10/08GCBOND02121

Inception Date : 13th Oct 2008

fund objective

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

fund risk profile



target asset allocation

Bond Instruments: 100%

benchmark construction

CRISIL Composite Bond Index: 100%

Group Corporate Bond Fund 2

fund performance As on Nov 28, 2014

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Corporate Bond Fund 2	14.15%	10.42%	10.71%	9.51%	9.09%
Benchmark	13.54%	8.74%	9.01%	8.30%	7.54%

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

portfolio

security % total rating net assets

bond

9.25% RJIL NCD 16-06-2024 SR-PPD3	8.82	AAA
9.00% SAIL NCD 14-10-2024	8.75	AAA
9.44% LICHFL NCD 30-08-2019 TR228	4.36	AAA
9.32% PFC NCD 17-09-2019 119-B	4.35	AAA
9.04% REC NCD 12-10-2019	4.30	AAA
8.83% EXIM NCB 03-11-2029 R16 - 2029	2.58	AAA
9.30% PGCIL NCD 04-09-2029 OPT III	2.33	AAA
9.34% REC NCD 25-08-2024 SR123 TR3	2.22	AAA
9.30% PGCIL NCB 04-09-2024 OPTION II	2.22	AAA
9.30% PGCIL NCB 04-09-2019 OPTION I	2.17	AAA
8.93% PGCIL NCD 20-10-2025 STRPP H	2.17	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	1.72	AAA
8.75% RIL NCD 07-05-2020	0.85	AAA
8.80% PGCIL NCD 13-03-2023 XLII	0.51	AAA
10.00% IHFL NCD 29-09-2019	0.45	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	0.27	AAA
9.90% TATA SONS NCD 18-03-2016	0.13	AAA

total bond 48.21

Gilts

8.60% GOI CG 02-06-2028	13.34
8.83% GOI CG 25-11-2023	10.14
9.20% GOI CG 30-09-2030	8.55
8.30% GOI CG 31-12-2042	6.50
9.23% GOI CG 23-12-2043	3.47
8.32% GOI CG 02-08-2032	2.91

total gilts 44.92

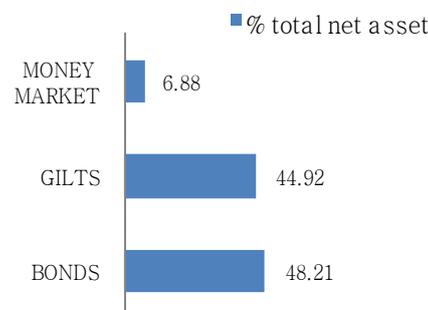
total money market 6.88

total net assets 100.00

fund characteristics

M. Duration of debt portfolio: 6.14 Years
YTM of debt portfolio: 8.36%

asset allocation



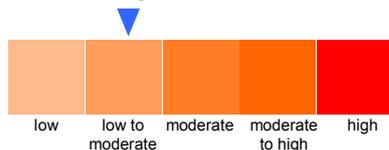
SFIN :
ULGF02305/06/13GCBOND03121

Inception Date : 31st Dec 2013

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%

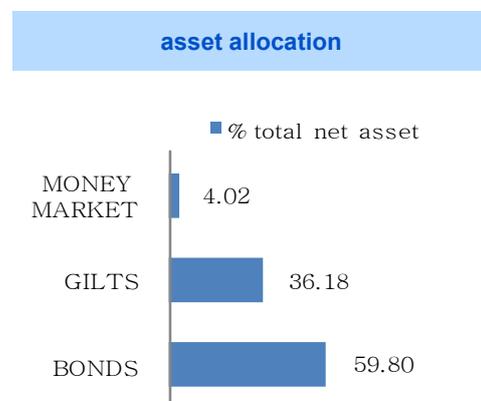
benchmark construction

CRISIL Composite Bond Index: 100%

Group Corporate Bond Fund 3

portfolio		
security	% total net assets	rating
bond		
9.39% PFC NCD 27-08-2029 SR118B-III	15.24	AAA
10.00% IHFL NCD 29-09-2019	15.02	AAA
9.25% RJIL NCD 16-06-2024 SR-PPD3	14.87	AAA
9.00% SAIL NCD 14-10-2024	14.67	AAA
	59.80	
Gilts		
8.83% GOI CG 25-11-2023	13.34	
8.60% GOI CG 02-06-2028	9.15	
9.20% GOI CG 30-09-2030	4.37	
8.32% GOI CG 02-08-2032	4.33	
8.30% GOI CG 31-12-2042	4.04	
9.23% GOI CG 23-12-2043	0.95	
total gilts	36.18	
total money market	4.02	
total net assets	100.00	

fund characteristics	
M. Duration of debt portfolio:	6.52 Years
YTM of debt portfolio:	8.42%



SFIN :

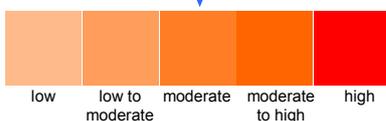
ULGF01030/09/08GPUREDEB01121

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



Group Pure Debt Fund 1

fund performance As on Nov 28, 2014

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Pure Debt Fund 1	14.03%	10.08%	10.69%	9.33%	8.92%
Benchmark	13.54%	8.74%	9.01%	8.30%	7.54%

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

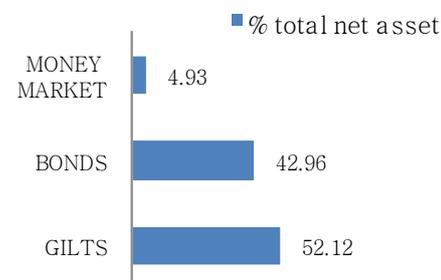
portfolio

security	% total assets	rating
bond		
9.30% PGCIL NCD 04-09-2029 OPT III	7.27	AAA
10.00% IHFL NCD 29-09-2019	7.23	AAA
9.38% IDFC NCD 12-09-2024 PP 7/2015	7.22	LAAA
9.25% RJIL NCD 16-06-2024 SR-PPD3	7.15	AAA
9.00% SAIL NCD 14-10-2024	7.06	AAA
9.25% TATA SONS NCD 19-06-2019	7.03	AAA
total bond	42.96	
gilts		
8.83% GOI CG 25-11-2023	19.25	
8.30% GOI CG 31-12-2042	11.46	
8.60% GOI CG 02-06-2028	9.94	
9.20% GOI CG 30-09-2030	6.47	
8.32% GOI CG 02-08-2032	4.08	
9.23% GOI CG 23-12-2043	0.92	
total gilts	52.12	
total money market	4.93	
total net assets	100.00	

fund characteristics

M .Duration of debt portfolio: 6.61 Years
YTM of debt portfolio: 8.32%

asset allocation



target asset allocation

Debt Instruments: 100%

benchmark construction

CRISIL Composite Bond Index: 100%

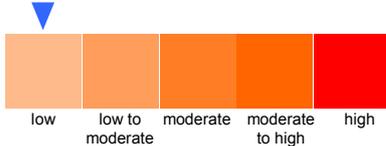
SFIN :
ULGF00431/01/07GCAPISEC01121

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 Nov 28, 2014

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Capital Secure Fund 1	9.56%	9.55%	9.62%	9.46%	8.92%
Benchmark	8.91%	8.18%	8.28%	8.05%	7.43%

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

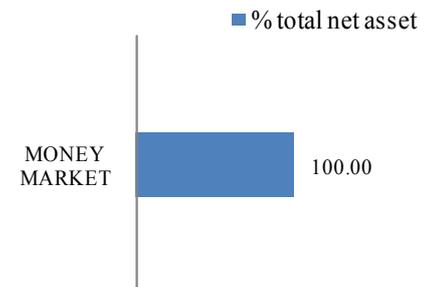
portfolio

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

fund characteristics

M .Duration of debt portfolio: 0.09 Years
YTM of debt portfolio: 8.27%

asset allocation



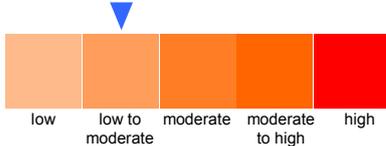
SFIN :
ULGF01610/12/08GGILTFUN02121

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 Nov 28, 2014

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Gilt Fund 2	14.37%	10.01%	10.35%	9.17%	8.69%
Benchmark	14.33%	8.42%	9.88%	8.36%	7.63%

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

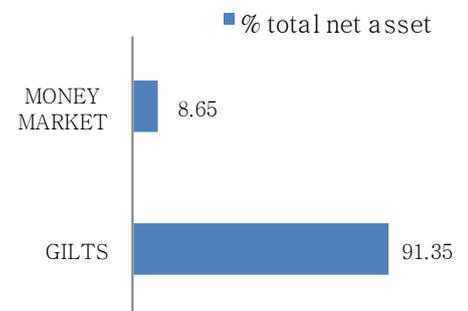
portfolio

security	% total net assets
gilts	
8.30% GOI CG 31-12-2042	40.15
8.83% GOI CG 25-11-2023	30.99
8.60% GOI CG 02-06-2028	20.21
total gilts	91.35
total money market	8.65
total net assets	100.00

fund characteristics

M. Duration of debt portfolio: 8.02 Years
YTM of debt portfolio: 8.16%

asset allocation



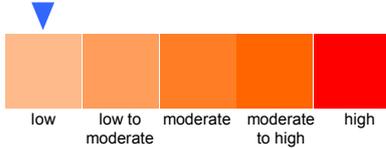
SFIN :
ULGF00930/09/08GMONMRKT02121

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 Nov 28, 2014

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Money Market Fund 2	9.36%	9.52%	9.76%	9.69%	9.21%
Benchmark	9.26%	9.07%	8.91%	8.70%	7.89%

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

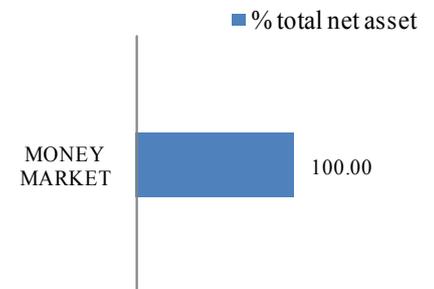
portfolio

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

fund characteristics

M. Duration of debt portfolio: 0.46 Years
YTM of debt portfolio: 8.77%

asset allocation



Life Insurance

SFIN	Plan Name	Fund Name	NAV
ULGF00431/01/07GCAPISEC01121	Reliance Group Gratuity Plan	Group Capital Secure Fund 1	18.6957
ULGF00210/10/03GBALANCE02121	Reliance Group Gratuity Plan	Group Balanced Fund 2	19.5061
ULGF00110/10/03GBALANCE01121	Reliance Group Gratuity Plan	Group Balanced Fund 1	23.1635
ULGF01213/10/08GCORBOND02121	Reliance Group Gratuity Plan	Group Corporate Bond Fund 2	17.3001
ULGF01808/06/09GEQUITYF03121	Reliance Group Gratuity Plan	Group Equity Fund 3	26.2894
ULGF01610/12/08GGILTFUN02121	Reliance Group Gratuity Plan	Group Gilt Fund 2	14.9715
ULGF00930/09/08GMONMRKT02121	Reliance Group Gratuity Plan	Group Money Market Fund 2	16.8167
ULGF00310/10/03GGROWTHF01121	Reliance Group Gratuity Plan	Group Growth Fund 1	19.5295
ULGF01908/06/09GINFRASF01121	Reliance Group Gratuity Plan	Group Infrastructure Fund 1	10.6283
ULGF02008/06/09GMIDCAPF01121	Reliance Group Gratuity Plan	Group Midcap Fund 1	23.2001
ULGF01030/09/08GPUREDEB01121	Reliance Group Gratuity Plan	Group Pure Debt Fund 1	17.4511
ULGF00110/10/03GBALANCE01121	Reliance Group Superannuation Plan	Group Balanced Fund 1	23.1635
ULGF00431/01/07GCAPISEC01121	Reliance Group Superannuation Plan	Group Capital Secure Fund 1	18.6957
ULGF01213/10/08GCORBOND02121	Reliance Group Superannuation Plan	Group Corporate Bond Fund 2	17.3001
ULGF01808/06/09GEQUITYF03121	Reliance Group Superannuation Plan	Group Equity Fund 3	26.2894
ULGF01610/12/08GGILTFUN02121	Reliance Group Superannuation Plan	Group Gilt Fund 2	14.9715
ULGF00310/10/03GGROWTHF01121	Reliance Group Superannuation Plan	Group Growth Fund 1	19.5295
ULGF00930/09/08GMONMRKT02121	Reliance Group Superannuation Plan	Group Money Market Fund 2	16.8167
ULGF01030/09/08GPUREDEB01121	Reliance Group Superannuation Plan	Group Pure Debt Fund 1	17.4511
ULGF00210/10/03GBALANCE02121	Reliance Group Savings Linked Insurance Plan	Group Balanced Fund 2	19.5061
ULGF01213/10/08GCORBOND02121	Reliance Group Savings Linked Insurance Plan	Group Corporate Bond Fund 2	17.3001
ULGF01428/11/08GENERGF01121	Reliance Group Savings Linked Insurance Plan	Group Energy Fund 1	18.8887
ULGF01328/11/08GEQUITYF02121	Reliance Group Savings Linked Insurance Plan	Group Equity Fund 2	31.8294
ULGF01610/12/08GGILTFUN02121	Reliance Group Savings Linked Insurance Plan	Group Gilt Fund 2	14.9715
ULGF01908/06/09GINFRASF01121	Reliance Group Savings Linked Insurance Plan	Group Infrastructure Fund 1	10.6283
ULGF02008/06/09GMIDCAPF01121	Reliance Group Savings Linked Insurance Plan	Group Midcap Fund 1	23.2001
ULGF00930/09/08GMONMRKT02121	Reliance Group Savings Linked Insurance Plan	Group Money Market Fund 2	16.8167
ULGF01030/09/08GPUREDEB01121	Reliance Group Savings Linked Insurance Plan	Group Pure Debt Fund 1	17.4511
ULGF01528/11/08GPUREEQF01121	Reliance Group Savings Linked Insurance Plan	Group Pure Equity Fund 1	28.1621
ULGF00210/10/03GBALANCE02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Balanced Fund 2	19.5061
ULGF00930/09/08GMONMRKT02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Money Market Fund 2	16.8167
ULGF01213/10/08GCORBOND02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Corporate Bond Fund 2	17.3001
ULGF01610/12/08GGILTFUN02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Gilt Fund 2	14.9715
ULGF01808/06/09GEQUITYF03121	Reliance Life Insurance Group Gratuity Plus Plan	Group Equity Fund 3	26.2894
ULGF00930/09/08GMONMRKT02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Money Market Fund 2	16.8167
ULGF01213/10/08GCORBOND02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Corporate Bond Fund 2	17.3001
ULGF01610/12/08GGILTFUN02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Gilt Fund 2	14.9715
ULGF01808/06/09GEQUITYF03121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Equity Fund 3	26.2894
ULGF00210/10/03GBALANCE02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Balanced Fund 2	19.5061

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

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

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

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

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

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

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

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

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

Gross Fund Return

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

We shall highlight this with the help of an example.

Reliance Life Insurance

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

XYZ Insurance Company

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

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

Benchmark Return

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

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

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

Fund Standard Deviation

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

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

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

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

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

Fund Sharpe Ratio

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

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

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

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

✓ Gross Fund Return

✓ Benchmark Return

✓ Fund Standard Deviation

✓ Fund Sharpe Ratio

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

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

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

Benchmark Sharpe Ratio

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

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

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

Modified Duration of Debt Portfolio

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

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

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

Fund Beta

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

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

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

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

✓ **Benchmark Sharpe Ratio**

✓ **Modified Duration Of Debt Profile**

✓ **Fund Beta**

Disclaimer

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