



RELIANCE

Life Insurance



**the analyst**

**monthly Group fund  
factsheet for July 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 Jun 14	30th May 14	% Change
<sup>1</sup> \$ / Rs.	60.19	59.10	1.80
<sup>2</sup> CPI (YOY)	7.31	8.28	-0.97
<sup>3</sup> Forex Reserves (\$ bn)	315.78	312.38	1.08
<sup>4</sup> Brent Crude Price (\$ per Barrel)	105.37	102.71	2.52
<sup>5</sup> Gold (Rs. per 10gm)	28093	26893	4.27

Indices	30th Jun 14	30th May 14	% Change
<sup>1</sup> BSE Sensex	25414	24217	4.71
<sup>1</sup> S&P CNX Nifty	7611	7230	5.01
<sup>1</sup> CNX Mid Cap	11097	10141	8.61
<sup>1</sup> BSE Small Cap	10203	9016	11.64

Global Indices	30th Jun 14	30th May 14	% Change
<sup>1</sup> Dow Jones	16827	16717	0.65
<sup>1</sup> FTSE 100	6744	6845	-1.49
<sup>1</sup> Hang Seng	23191	23082	0.47
<sup>1</sup> Nikkei	15162	14632	3.49

Sectoral Indices	30th Jun 14	30th May 14	% Change
<sup>1</sup> CNX Infrastructure	3373	3162	6.24
<sup>1</sup> CNX Energy	9968	9668	3.02
<sup>1</sup> BSE Capital Goods	16200	14717	9.16
<sup>1</sup> BSE Bankex	17475	16954	2.98
<sup>1</sup> BSE Oil & Gas	11151	10854	2.66
<sup>1</sup> BSE IT	9346	8455	9.53

Fixed Income Indicators (%)	30th Jun 14	30th May 14	bps Change
<sup>1</sup> NSE Mibor	9.16	9.08	0.87
<sup>1</sup> 91 Day T-Bill	8.58	8.50	0.07
<sup>1</sup> 182 Day T-Bill	8.63	8.59	0.04
<sup>1</sup> 1 year GOI Benchmark	8.40	8.28	0.11
<sup>1</sup> 5 Year GOI Benchmark	8.60	8.57	0.03
<sup>1</sup> 10 Year GOI Benchmark	8.75	8.65	0.10
<sup>1</sup> 5 Year Corp Bond Benchmark	9.16	9.32	-0.17
<sup>1</sup> 10 Year AAA Corp Bond Benchmark	8.89	8.95	-0.06
<sup>1</sup> 10 Year US Treasury	2.53	2.48	0.05

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

**Fixed Income Market**

There is hope in the air as new government expected to announce series of reforms as well as to take some bold measures to help revive the economy, contain fiscal deficit and moderate stubborn inflation. In fact, sensing below normal monsoon during the current month, government has taken measures like minimal increase in Minimum Support Price for various agricultural produce, open market sale of rice as well as announced minimum export price for Onion and Potatoes. They have also advised states to invoke Essential Commodities Act to stop hoarding of food products. These measures are expected to help reduce the speculation in food prices.

Foreign Institutional Investors were continues to be force to reckon with. They have invested close to USD 5 billion while fixed income contributed USD 3 billion during the month. RBI has been consistently buying foreign exchange in order to recoup the reserves. INR has depreciated against USD from 59.10 to 60.18 while yield on benchmark 10 year Government bond has inched up by 10 bps to 8.75%. Money Market liquidity remained stable on the back of support of the term repo.

Retail inflation, measured by CPI index has softened to 8.3% (YoY) in May 2014 against 8.6% (YoY) in April 2014 driven by lower food and core inflation. It is expected that food prices will remain firm due to the expectations of below normal monsoon going forward.

Industrial activity has picked up as reflected in the latest Index of Industrial Production (IIP) on the favorable base to 3.4% (YoY) in April 2014. Though on month on month basis, it is yet to recover. It is expected that forthcoming budget will be announcing measures to improve the business environment, which in turn will boost the economic activity.

Globally, uncertainly related to Iraq continue to be on the forefront. It has a direct impact on the crude oil prices due to disruption in supply. This stalemate is expected to be continues and thus uncertainty will be maintained. US Federal Reserve is on course to reduce purchases of the securities and it is expected to complete it by later this year. ECB has announced big bang program of asset purchase and liquidity infusion in order to thwart the threat of deflation.

**Fixed Income Outlook:**

Going forward, fiscal deficit consolidation, uncertainty on account of monsoon & its adverse impact on inflationary expectations will be the key themes for interest rate outlook. It is expected that interest rate will be moving in the narrow range.

**Equity Market**

India continued in Jun (up 5% for the month, 20% for the yr), from where it left off in May. There was some intra-month panic set in by a resumption of geo-political tension in the Middle East, this time in Iraq, and the subsequent spike in crude prices. The markets had a healthy consolidation post the euphoria in May. Foreign investors continued to pour in, more through the ETF route and through liquidity situations - both primary and secondary.

On Jun 3, the RBI held its first policy meeting after the change in government. As expected, they kept policy rates unchanged, but "tweaked" liquidity norms by cutting SLR from 23% to 22.5%. The undertone remained clearly dovish

The new government initiated certain reforms but it was a mixed bag though on that front - Positives: (a) Railway Fare hike - 14% for passenger, and 6% for freight, (b) Extension of excise duty cut for Autos announced in interim Budget, to 2HCY14, (c) Low MSP price increases for the 2nd consecutive year, (d) Speedy redressal of Orissa mining ban, (e) Talk of monthly price hikes in LPG and Kerosene (similar to Diesel), (f) 100% FDI in Defence. Negatives: Deferment of much awaited gas price hike

Banks had a quiet month - at the start there was a positive from the RBI in terms of a cut in SLR. But the upcoming supply of paper and the fact that more and more banks keep hitting the foreign ownership limit (latest was Kotak), kept the inflows into the sector in check

IT had an eventful month - for starters, the sector rallied back helped also by the weakness in INR. However the biggest talking point remained the management changes at Infosys - Vishal Sikka from SAP, taking over the CEO's role, and Narayana Murthy announcing his departure.

Pharma sector was also helped by the weaker INR. Ranbaxy's approval to launch Diovan was one of the key fundamental positives. Cigarette players like ITC, were hurt, with the Health Minister recommending the Finance Minister to double excise duties to curb down on cigarette consumption.

The momentum in Indian capital market transactions continued in Jun. We had deals totaling \$1.7bn - this included the \$800mn RCOM QIP, \$500mn IDEA QIP, \$250mn Bain Capital-stake sale in Hero Motocorp and \$100mn Ashok Leyland QIP.

India continued to attract flows with FIIs deploying a further \$2.0bn in India in June. YTD, FII net buying stands at an impressive \$10bn. DIIs on the other hand remained net sellers to the tune of \$775mn during the month - which took their YTD sell total to \$5.1bn. In the secondary market, FII flows saw some slowdown vis-à-vis Mar - inflows totaled \$1.2bn during the month taking the YTD number to \$5.3bn. DIIs continued to be on the other side of the trade, emerging net sellers to the tune of \$1.1bn in Apr - taking their YTD tally to \$3.5bn.

**Equity Outlook:**

The Union Budget on July 10 will be the new government's first big test. This, coupled with the truant rains and the upcoming supply of paper, remains the key overhang on India. As we head into July and the quarterly reporting season, corporate earnings will also be back in focus, to marry valuations with fundamentals.

# fund snapshot

gross return (CAGR\*) (%) As on Jun 30, 2014

asset allocation	funds	Last 1 Year	Last 2 Year	Last 3 Year	Page No.
100% equity	Group Equity Fund 2	40.90%	24.55%	13.86%	4
100% equity	Group Equity Fund 3	37.29%	22.43%	20.84%	5
100% pure equity	Group Pure Equity Fund 1	34.18%	19.51%	10.28%	6
100% equity	Group Infrastructure Fund 1	49.42%	14.75%	2.27%	7
100% equity	Group Energy Fund 1	39.68%	17.29%	7.80%	8
100% equity	Group Midcap Fund 1	64.09%	31.96%	18.64%	9
40% equity, 60% debt	Group Growth Fund 1	17.60%	14.46%	10.99%	10
20% equity, 80% debt	Group Balanced Fund 1	10.23%	10.83%	9.58%	11
20% equity, 80% debt	Group Balanced Fund 2	10.82%	11.45%	10.10%	12
20% equity, 80% debt	Group Balanced Fund 4	NA	NA	NA	13
100% bond instruments	Group Corporate Bond Fund 2	5.21%	9.25%	9.10%	14
100% debt Instruments	Group Pure Debt Fund 1	6.55%	9.68%	9.38%	15
100% debt Instruments	Group Corporate Bond Fund 3	NA	NA	NA	16
100% money market	Group Capital Secure Fund 1	10.05%	9.72%	9.62%	17
100% govt. securities	Group Gilt Fund 2	2.36%	8.03%	8.10%	18
100% money market	Group Money Market Fund 2	9.42%	9.69%	9.82%	19

### SFIN :

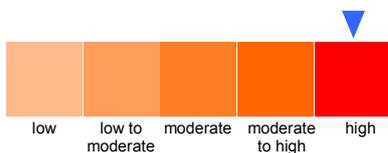
ULGF00724/10/07GEQUITYF01121

Inception Date : 30<sup>th</sup> Oct 2007

### fund objective

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

### fund risk profile



### target asset allocation

Equity: 100%

### benchmark construction

S&P CNX Nifty: 100%

# Group Equity Fund 2

## fund performance as on June 30, 2014

gross return					
fund name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Equity Fund 2	40.90%	24.55%	13.86%	12.29%	15.42%
<b>Benchmark</b>	<b>30.28%</b>	<b>20.08%</b>	<b>10.46%</b>	<b>9.41%</b>	<b>12.14%</b>

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

### portfolio As on Jun 30, 2014

security	% total net assets
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#### equity

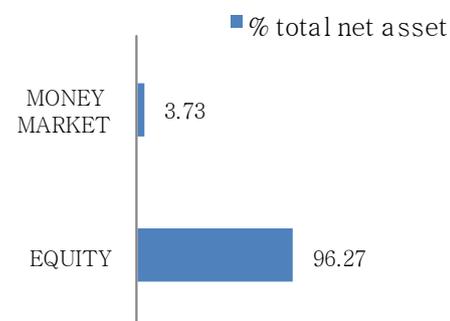
DIVIS LABORATORIES LIMITED	9.03
INFOSYS LIMITED	7.27
RELIANCE INDUSTRIES LTD.	6.82
ICICI BANK LTD.	6.78
HDFC BANK LTD.FV-2	6.50
LARSEN&TUBRO	6.30
ITC - FV 1	5.38
TATA CONSULTANCY SERVICES LTD.	4.15
YES BANK LTD	3.89
TATA MOTORS LTD.FV-2	3.20
ONGCFV-5	2.74
ULTRATECH CEMCO LTD	2.61
MARUTI UDYOG LTD.	2.58
STATE BANK OF INDIA	2.47
KIRLOSKAR CUMMINS	2.40
BHARTI AIRTEL LIMITED	2.20
INDIABULLS HOUSING FINANCE LTD	2.15
HDFC LTD FV 2	2.08
JSW STEEL LIMITED	1.90
SESA STERLITE LIMITED	1.79
MAHINDRA & MAHINDRA LTD.-FV5	1.68
MOTHERSON SUMI SYSTEMS LTD.	1.55
SUN PHARMACEUTICAL INDUSTRIES LTD.FV-1	1.50
SML ISUZU LIMITED	1.12
OIL INDIA LIMITED	0.94
INDIABULLS REAL ESTATE LIMITED	0.83
COAL INDIA LIMITED	0.82
WIPRO	0.81
HERO MOTOCORP LIMITED	0.72
HT MEDIA LIMITED	0.65
JINDAL STEEL & POWER LTD.	0.58
CROMPTON GREAVES LTD	0.57
ADITYA BIRLA NUVO LIMITED	0.57
AUROBINDO PHARMA LTD FV1	0.55
D.B. CORP LIMITED	0.44
BAJAJ AUTO LTD	0.41
ZEE ENTERTAINMENT ENTERPRISES LIMITED	0.32

<b>total equity</b>	<b>96.27</b>
<b>total money market</b>	<b>3.73</b>
<b>total net assets</b>	<b>100.00</b>

### fund characteristics as on Jun 30, 2014

Fund Beta 1.01

### asset allocation as on Jun 30, 2014



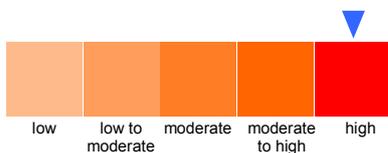
SFIN :  
ULGF01808/06/09GEQUITYF03121

Inception Date : 8<sup>th</sup> Jun 2009

### fund objective

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

### fund risk profile



### target asset allocation

Equity: 100%

### benchmark construction

S&P CNX Nifty: 100%

# Group Equity Fund 3

## fund performance as on Jun 30, 2014

fund name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Equity Fund 3	37.29%	22.43%	20.84%	16.58%	19.00%
<b>Benchmark</b>	<b>30.28%</b>	<b>20.08%</b>	<b>10.46%</b>	<b>9.41%</b>	<b>12.14%</b>

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

### portfolio As on Jun 30, 2014

security % total net assets

### equity

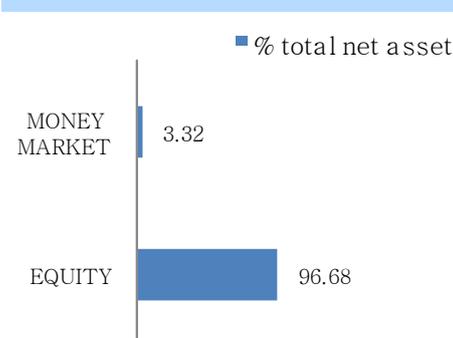
DIVIS LABORATORIES LIMITED	9.03
INFOSYS LIMITED	7.27
RELIANCE INDUSTRIES LTD.	6.88
ICICI BANK LTD.	6.87
HDFC BANK LTD.FV-2	6.48
LARSEN&TUBRO	6.31
ITC - FV 1	5.43
TATA CONSULTANCY SERVICES LTD.	4.14
YES BANK LTD	3.89
TATA MOTORS LTD.FV-2	3.11
ONGCFV-5	2.81
KIRLOSKAR CUMMINS	2.60
MARUTI UDYOG LTD.	2.57
ULTRATECH CEMCO LTD	2.53
STATE BANK OF INDIA	2.40
BHARTI AIRTEL LIMITED	2.21
INDIABULLS HOUSING FINANCE LTD	2.18
HDFC LTD FV 2	2.09
SESA STERLITE LIMITED	1.99
JSW STEEL LIMITED	1.89
MAHINDRA & MAHINDRA LTD.-FV5	1.72
SUN PHARMACEUTICAL INDUSTRIES LTD.FV-1	1.53
MOTHERSON SUMI SYSTEMS LTD.	1.47
SML ISUZU LIMITED	1.17
OIL INDIA LIMITED	0.94
WIPRO	0.85
COAL INDIA LIMITED	0.84
INDIABULLS REAL ESTATE LIMITED	0.82
HERO MOTOCORP LIMITED	0.61
JINDAL STEEL & POWER LTD.	0.61
HT MEDIA LIMITED	0.59
ADITYA BIRLA NUVO LIMITED	0.57
AUROBINDO PHARMA LTD FV1	0.55
CROMPTON GREAVES LTD	0.50
D.B. CORP LIMITED	0.44
BAJAJ AUTO LTD	0.41
ZEE ENTERTAINMENT ENTERPRISES LIMITED	0.38

<b>total equity</b>	<b>96.68</b>
<b>total money market</b>	<b>3.32</b>
<b>total net assets</b>	<b>100.00</b>

### fund characteristics as on Jun 30, 2014

Fund Beta 1.01

### asset allocation as on Jun 30, 2014



### SFIN :

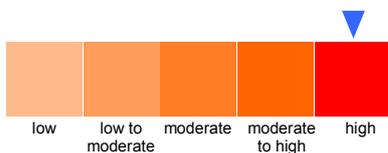
ULGF01528/11/08GPUREEQF01121

Inception Date : 16<sup>th</sup> Dec 2008

### fund objective

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

### fund risk profile



### target asset allocation

Pure Equity: 100%

(\*Investments only in sectors other than banks and non-banking financial companies, breweries, distilleries, alcohol based chemicals, cigarettes, tobacco, entertainment, leather, sugar and hatcheries.)

### benchmark construction

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

# Group Pure Equity Fund 1

## fund performance as on June 30, 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	34.18%	19.51%	10.28%	8.84%	11.79%
<b>Benchmark</b>	<b>31.50%</b>	<b>20.70%</b>	<b>10.95%</b>	<b>7.97%</b>	<b>10.25%</b>

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

### portfolio As on Jun 30, 2014

security % total net assets

### equity

TATA CONSULTANCY SERVICES LTD.	9.05
RELIANCE INDUSTRIES LTD.	8.71
INFOSYS LIMITED	6.60
BHARTI AIRTEL LIMITED	6.40
ULTRATECH CEMCO LTD	5.83
MARUTI UDYOG LTD.	5.81
HINDUSTAN LEVER LTD.	5.76
DR. REDDY LABORATORIES	4.68
HERO MOTOCORP LIMITED	4.52
LUPIN LIMITEDFV-2	4.09
BAJAJ AUTO LTD	3.97
WIPRO	3.53
ASIAN PAINTS LIMITEDFV-1	3.41
ONGCFV-5	3.09
GAS AUTHORITY OF INDIA LTD.	2.81
LARSEN&TUBRO	2.62
TRENT LTD	2.32
MOTHERSON SUMI SYSTEMS LTD.	2.27
DIVIS LABORATORIES LIMITED	2.13
VOLTAS LTD	1.81
EXIDE INDUSTRIES LTD	1.75
SANOFI INDIA LIMITED	1.58
GRASIM INDUSTRIES LTD.	1.34
PETRONET LNG LIMITED	1.31
ECLERX SERVICES LIMITED	1.25
OIL INDIA LIMITED	1.22

**total equity 97.85**

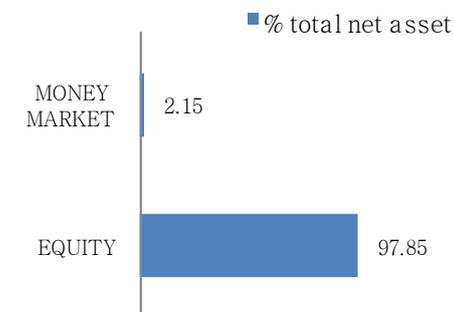
**total money market 2.15**

**total net assets 100.00**

### fund characteristics as on Jun 30, 2014

Fund Beta 0.91

### asset allocation as on Jun 30, 2014



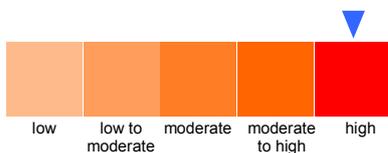
SFIN :  
ULGF01908/06/09GINFRASF01121

Inception Date : 8<sup>th</sup> Jun 2009

### fund objective

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

### fund risk profile



### target asset allocation

Equity: 100%

### benchmark construction

CNX Infrastructure Index: 100%

# Group Infrastructure Fund 1

## fund performance as on June 30, 2014

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Infrastructure Fund 1	49.42%	14.75%	2.27%	0.43%	0.93%
<b>Benchmark</b>	<b>49.55%</b>	<b>18.16%</b>	<b>2.66%</b>	<b>-0.18%</b>	<b>-0.93%</b>

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

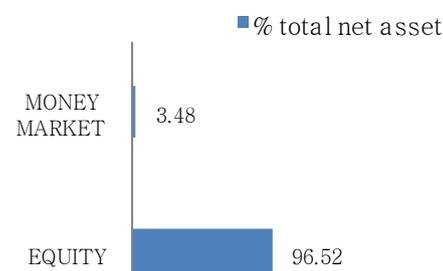
### portfolio As on Jun 30, 2014

security	% total net assets
<b>equity</b>	
NTPC LIMITED	9.06
POWER GRID CORP OF INDIA LTD	9.00
LARSEN&TUBRO	8.96
BHARTI AIRTEL LIMITED	8.90
RELIANCE INDUSTRIES LTD.	7.58
TATA POWER CO. LTD.FV-1	6.23
VOLTAS LTD	6.13
CROMPTON GREAVES LTD	6.04
BHARAT HEAVY ELECTRICALS LTD.FV-2	5.46
BHARAT FORGE	5.06
IDEA CELLULAR LTD	4.46
KIRLOSKAR CUMMINS	3.67
INDIAN METALS AND FERRO ALLOYS LIMITED	3.64
ONGCFV-5	3.07
ULTRATECH CEMCO LTD	2.94
INDRAPRASTHA GAS LIMITED	2.73
MOTHERSON SUMI SYSTEMS LTD.	2.59
PETRONET LNG LIMITED	1.00
<b>total equity</b>	<b>96.52</b>
<b>total money market</b>	<b>3.48</b>
<b>total net assets</b>	<b>100.00</b>

### fund characteristics as on Jun 30, 2014

Fund Beta 0.87

### asset allocation as on Jun 30, 2014



### SFIN :

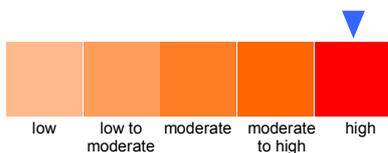
ULGF01428/11/08GENERGYF01121

Inception Date : 16<sup>th</sup> Dec 2008

### fund objective

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

### fund risk profile



### target asset allocation

Equity: 100%

### benchmark construction

CNX Energy Index: 100%

# Group Energy Fund 1

## fund performance as on June 30, 2014

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Energy Fund 1	39.68%	17.29%	7.80%	4.81%	6.95%
<b>Benchmark</b>	<b>24.63%</b>	<b>14.95%</b>	<b>4.98%</b>	<b>0.55%</b>	<b>3.56%</b>

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

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

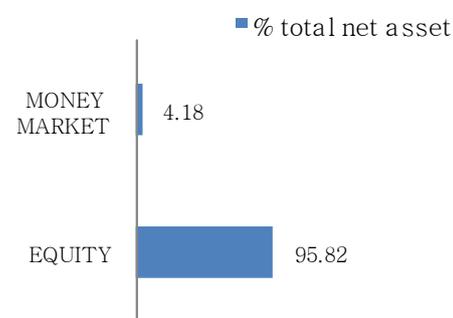
### portfolio As on Jun 30, 2014

security	% total net assets
<b>equity</b>	
LARSEN&TUBRO	9.06
POWER GRID CORP OF INDIA LTD	8.94
ONGCFV-5	8.85
OIL INDIA LIMITED	8.83
NTPC LIMITED	8.72
RELIANCE INDUSTRIES LTD.	8.61
TATA POWER CO. LTD.FV-1	5.49
GAS AUTHORITY OF INDIA LTD.	5.18
BHARAT PETROLEUM CORP. LTD.	5.12
INDRAPRASTHA GAS LIMITED	4.95
CAIRN INDIA LIMITED	4.86
KIRLOSKAR CUMMINS	4.18
GUJARAT STATE PETRONET LIMITED	3.81
PETRONET LNG LIMITED	3.21
VOLTAS LTD	3.11
EXIDE INDUSTRIES LTD	1.49
COAL INDIA LIMITED	1.42
<b>total equity</b>	<b>95.82</b>
<b>total money market</b>	<b>4.18</b>
<b>total net assets</b>	<b>100.00</b>

### fund characteristics as on Jun 30, 2014

Fund Beta 0.88

### asset allocation as on Jun 30, 2014



### SFIN :

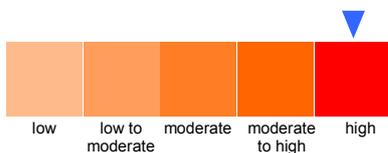
ULGF02008/06/09GMIDCAPF01121

Inception Date : 8<sup>th</sup> Jun 2009

### fund objective

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

### fund risk profile



### target asset allocation

Equity: 100%

### benchmark construction

Nifty Midcap 50: 100%

# Group Midcap Fund 1

## fund performance as on June 30, 2014

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Midcap Fund 1	64.09%	31.96%	18.64%	12.15%	16.21%
<b>Benchmark</b>	<b>78.69%</b>	<b>25.77%</b>	<b>11.80%</b>	<b>5.14%</b>	<b>10.41%</b>

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

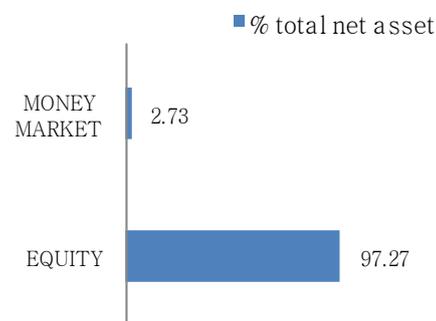
### portfolio As on Jun 30, 2014

security	% total net assets
<b>equity</b>	
INDIABULLS HOUSING FINANCE LTD	7.58
YES BANK LTD	7.17
DIVIS LABORATORIES LIMITED	6.11
CROMPTON GREAVES LTD	5.13
PURAVANKARA PROJECTS LIMITED	4.95
STATE BANK OF INDIA	3.90
INDIAN METALS AND FERRO ALLOYS LIMITED	3.66
ADITYA BIRLA NUVO LIMITED	3.45
IDEA CELLULAR LTD	3.30
FUTURE CONSUMER ENTERPRISE LIMITED	3.24
JSW STEEL LIMITED	3.04
INDRAPRASTHA GAS LIMITED	2.88
BHARAT FORGE	2.84
VOLTAS LTD	2.81
D.B. CORP LIMITED	2.74
JINDAL SAW LIMITED FV2	2.68
TRENT LTD	2.67
EXIDE INDUSTRIES LTD	2.60
TATA CHEMICALS LTD.	2.59
HT MEDIA LIMITED	2.53
PETRONET LNG LIMITED	2.47
TATA GLOBAL BEVERAGES LIMITED	2.43
SHOPPERS STOP LIMITED	2.35
RADICO KHAITAN LIMITED	2.31
GUJARAT FLUORO CHEMICALS LTD.	2.26
THE FEDERAL BANK LIMITED	2.21
ZEE ENTERTAINMENT ENTERPRISES LIMITED	2.14
OIL INDIA LIMITED	1.52
CENTURY TEXTILES & INDUSTRIES LIMITED	1.40
AUROBINDO PHARMA LTD FV1	1.24
UNITED PHOSPHOROUS LTD	1.08
<b>total equity</b>	<b>97.27</b>
<b>total money market</b>	<b>2.73</b>
<b>total net assets</b>	<b>100.00</b>

### fund characteristics as on Jun 30, 2014

Fund Beta 0.89

### asset allocation as on Jun 30, 2014



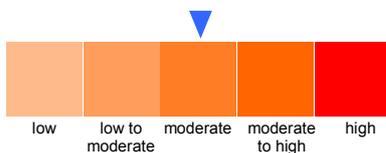
SFIN :  
ULGF00310/10/03GGROWTHF01121

Inception Date : 31<sup>st</sup> Jan 2007

### fund objective

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

### fund risk profile



### target asset allocation

Debt: 60%  
Equity: 40%

### benchmark construction

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

# Group Growth Fund 1

## fund performance as on June 30, 2014

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Growth Fund 1	17.60%	14.46%	10.99%	9.49%	10.28%
<b>Benchmark</b>	<b>14.56%</b>	<b>12.72%</b>	<b>9.33%</b>	<b>8.55%</b>	<b>9.36%</b>

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

### portfolio As on Jun 30, 2014

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

#### bond/ncd

9.95% FCI NCD 07-03-2022 SR-VI	7.38	AAA
9.28% REC NCD 15-02-2017 106TH	5.34	AAA
8.64% PGCIL NCD 08-07-2017 XXXIII D	4.39	AAA
10.60% IRFC NCB 11-09-2018	1.88	AAA
9.70% PFC NCD 15-12-2018 SR 82-C	1.81	AAA
9.38% REC NCD 06-11-2018 117th	1.79	AAA

**total bond/cd 22.58**

#### gilts

7.16% GOI CG 20-05-2023	5.17
8.28% GOI CG 21-09-2027	4.22
8.32% GOI CG 02-08-2032	3.04
8.35% GOI 2022	2.95
8.12% GOI CG 10-12-2020	1.83
7.28% GOI CG 03-06-2019	1.55
7.80% GOI 2020	1.02

**total gilts 19.78**

#### equity

DIVIS LABORATORIES LIMITED	3.21
ICICI BANK LTD.	3.07
HDFC BANK LTD.FV-2	3.07
INFOSYS LIMITED	3.01
RELIANCE INDUSTRIES LTD.	2.79
LARSEN&TUBRO	2.40
ITC - FV 1	2.16
TATA CONSULTANCY SERVICES LTD.	1.74
YES BANK LTD	1.71
ONGCFV-5	1.39
STATE BANK OF INDIA	1.26
TATA MOTORS LTD.FV-2	1.25
HDFC LTD FV 2	1.25
ULTRATECH CEMCO LTD	1.14
BHARTI AIRTEL LIMITED	0.99
JSW STEEL LIMITED	0.83
KIRLOSKAR CUMMINS	0.83
MARUTI UDYOG LTD.	0.82
INDIABULLS HOUSING FINANCE LTD	0.70
SANOFI INDIA LIMITED	0.68
WIPRO	0.68
MAHINDRA & MAHINDRA LTD.-FV5	0.67
SUN PHARMACEUTICAL INDUSTRIES LTD.FV-1	0.63
SESA STERLITE LIMITED	0.59
MOTHERSON SUMI SYSTEMS LTD.	0.46
SML ISUZU LIMITED	0.46
COAL INDIA LIMITED	0.32
LUPIN LIMITEDFV-2	0.31
BAJAJ AUTO LTD	0.26
TECH MAHINDRA LIMITED	0.20

**total equity 38.91**

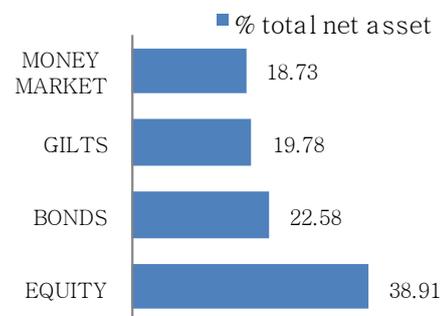
**total money market 18.73**

**total net assets 100.00**

### fund characteristics as on Jun 30, 2014

M. Duration of debt portfolio: 3.56 Years  
YTM of debt portfolio: 8.98%  
Fund Beta: 1.01

### asset allocation as on Jun 30, 2014



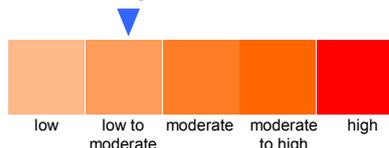
SFIN :  
ULGF00110/10/03GBALANCE01121

Inception Date : 29<sup>th</sup> Jan 2007

### fund objective

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

### fund risk profile



# Group Balanced Fund 1

## fund performance as on June 30, 2014

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Balanced Fund 1	10.23%	10.83%	9.58%	8.40%	8.76%
<b>Benchmark</b>	<b>9.53%</b>	<b>10.18%</b>	<b>8.72%</b>	<b>8.02%</b>	<b>8.17%</b>

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

### portfolio As on Jun 30, 2014

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

#### bond/ncd

9.95% FCI NCD 07-03-2022 SR-VI	8.90	AAA
8.95% PFC NCD 11-03-2018 101-A	7.56	AAA
8.64% PGCIL NCD 08-07-2017 XXXIII D	7.04	AAA
9.63% REC NCD 05-02-2019 SR-119	3.86	AAA
9.57% LICHL NCD 07-09-2017	3.85	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	3.76	AAA
8.70% REC NCD 01-02-2018 112	3.75	AAA
0.00% HDFC ZCB 23-10-2017 J-041	3.31	AAA
8.80% PGCIL NCD 13-03-2023 XLII	1.86	AAA
10.60% IRFC NCB 11-09-2018	1.00	AAA

**total bond/cd 44.90**

#### gilts

7.16% GOI CG 20-05-2023	6.91
8.28% GOI CG 21-09-2027	5.65
8.32% GOI CG 02-08-2032	4.07
8.35% GOI 2022	3.90
8.12% GOI CG 10-12-2020	2.48
7.28% GOI CG 03-06-2019	2.18
7.80% GOI 2020	1.37

**total gilts 26.57**

#### equity

BHARTI AIRTEL LIMITED	2.02
ICICI BANK LTD.	1.52
INFOSYS LIMITED	1.50
LARSEN&TUBRO	1.45
HDFC BANK LTD.FV-2	1.45
RELIANCE INDUSTRIES LTD.	1.25
ITC - FV 1	1.14
ONGCFV-5	1.05
TATA CONSULTANCY SERVICES LTD.	1.01
YES BANK LTD	0.67
TATA MOTORS LTD.FV-2	0.62
KIRLOSKAR CUMMINS	0.53
JSW STEEL LIMITED	0.45
HDFC LTD FV 2	0.42
ULTRATECH CEMCO LTD	0.41
WIPRO	0.38
TECH MAHINDRA LIMITED	0.38
SUN PHARMACEUTICAL INDUSTRIES LTD.FV-1	0.36
INDIABULLS HOUSING FINANCE LTD	0.30
MARUTI UDYOG LTD.	0.30
STATE BANK OF INDIA	0.28
DIVIS LABORATORIES LIMITED	0.27
MAHINDRA & MAHINDRA LTD.-FV5	0.26
SANOFI INDIA LIMITED	0.21
COAL INDIA LIMITED	0.18
SESA STERLITE LIMITED	0.17
BAJAJ AUTO LTD	0.14
AUROBINDO PHARMA LTD FV1	0.03
LUPIN LIMITEDFV-2	0.02

**total equity 18.76**

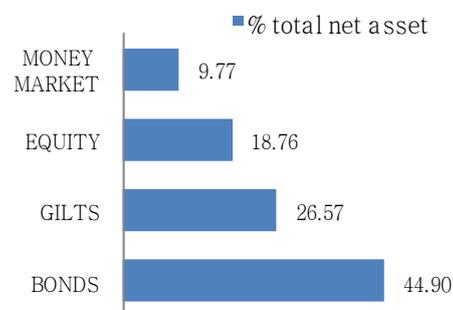
**total money market 9.77**

**total net assets 100.00**

### fund characteristics as on Jun 30, 2014

M. Duration of debt portfolio:	4.27 Years
YTM of debt portfolio:	9.03%
Fund Beta:	1.04

### asset allocation as on Jun 30, 2014



### target asset allocation

Debt:	80%
Equity:	20%

### benchmark construction

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

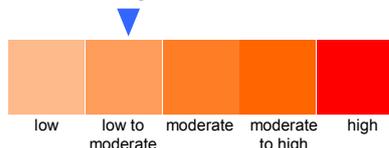
SFIN :  
ULGF00210/10/03GBALANCE02121

Inception Date : 31<sup>th</sup> Jan 2007

### fund objective

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

### fund risk profile



### 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 June 30, 2014

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Balanced Fund 2	10.82%	11.45%	10.10%	8.83%	9.14%
<b>Benchmark</b>	<b>9.53%</b>	<b>10.18%</b>	<b>8.72%</b>	<b>8.02%</b>	<b>8.17%</b>

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

### portfolio As on Jun 30, 2014

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

#### bond/ncd

8.70% REC NCD 01-02-2018 112	8.94	AAA
9.95% FCI NCD 07-03-2022 SR-VI	8.91	AAA
8.80% PGCIL NCD 29-09-2017 E	6.06	AAA
0.00% HDFC ZCB 23-10-2017 J-041	3.56	AAA
8.95% PFC NCD 11-03-2018 101-A	3.28	AAA
9.81% PFC NCD 07-10-2018 SR109	3.25	AAA
8.80% PGCIL NCD 13-03-2023 XLII	2.39	AAA
9.70% TATA SONS NCD 25-07-2022	1.64	AAA
9.75% SRTRANSFIN NCD 01-06-2025	0.98	AA
8.93% NTPC NCB 19-01-2021 XXXVII.	0.73	AAA
10.60% IRFC NCB 11-09-2018	0.65	AAA
9.34% SBOT NCB 31-10-2016 I	0.61	AAA
8.97% TATA SONS NCD 15-07-2020	0.61	AAA
9.70% UNITEDPHOSPHORUS NCD 09-04-2017 A	0.49	AA+

**total bond/cd 42.09**

#### gilts

7.16% GOI CG 20-05-2023	8.08
8.28% GOI CG 21-09-2027	6.32
8.32% GOI CG 02-08-2032	4.61
8.35% GOI 2022	4.44
8.12% GOI CG 10-12-2020	2.86
7.28% GOI CG 03-06-2019	2.46
7.80% GOI 2020	1.57

**total gilts 30.34**

#### equity

ICICI BANK LTD.	1.58
HDFC BANK LTD.FV-2	1.58
DIVIS LABORATORIES LIMITED	1.57
INFOSYS LIMITED	1.57
RELIANCE INDUSTRIES LTD.	1.31
LARSEN&TUBRO	1.29
ITC - FV 1	1.02
TATA CONSULTANCY SERVICES LTD.	0.90
YES BANK LTD	0.88
ONGCFV-5	0.64
TATA MOTORS LTD.FV-2	0.64
BHARTI AIRTEL LIMITED	0.63
HDFC LTD FV 2	0.63
STATE BANK OF INDIA	0.62
ULTRATECH CEMCO LTD	0.58
KIRLOSKAR CUMMINS	0.48
MARUTI UDYOG LTD.	0.48
JSW STEEL LIMITED	0.44
SANOFI INDIA LIMITED	0.38
MAHINDRA & MAHINDRA LTD.-FV5	0.37
INDIABULLS HOUSING FINANCE LTD	0.36
WIPRO	0.34
SESA STERLITE LIMITED	0.33
SUN PHARMACEUTICAL INDUSTRIES LTD.FV-1	0.32
MOTHERSON SUMI SYSTEMS LTD.	0.26
TECH MAHINDRA LIMITED	0.21
LUPIN LIMITEDFV-2	0.21
SML ISUZU LIMITED	0.18
COAL INDIA LIMITED	0.17
BAJAJ AUTO LTD	0.13

**total equity 20.12**

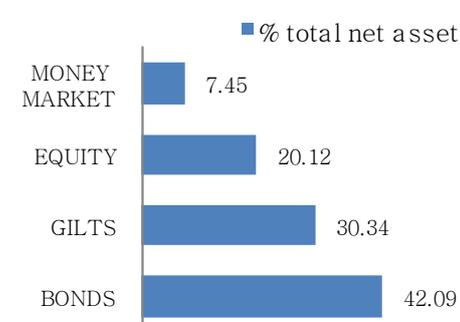
**total money market 7.45**

**total net assets 100.00**

### fund characteristics as on Jun 30, 2014

M. Duration of debt portfolio: 4.64 Years  
YTM of debt portfolio: 9.01%  
Fund Beta: 1.00

### asset allocation as on Jun 30, 2014



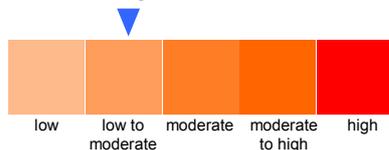
SFIN :  
ULGF02105/06/13GBALANCE04121

Inception Date : 17<sup>th</sup> 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



### target asset allocation

Debt.: 80%  
Equity: 20%

### benchmark construction

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

# Group Balanced Fund 4

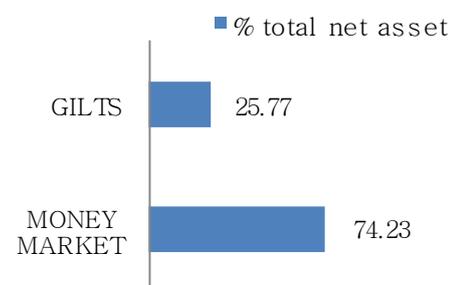
### portfolio As on Jun 30, 2014

security	% total net assets
<b>gilts</b>	
7.16% GOI CG 20-05-2023	6.67
8.35% GOI 2022	6.03
8.28% GOI CG 21-09-2027	5.93
8.12% GOI CG 10-12-2020	4.80
7.28% GOI CG 03-06-2019	2.34
<b>total gilts</b>	<b>25.77</b>
<b>total money market</b>	<b>74.23</b>
<b>total net assets</b>	<b>100.00</b>

### fund characteristics as on Jun 30, 2014

M. Duration of debt portfolio: 2.17 Years  
YTM of debt portfolio: 10.67%

### asset allocation as on Jun 30, 2014



### SFIN :

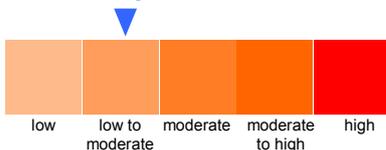
ULGF01213/10/08GCBOND02121

Inception Date : 13<sup>th</sup> Oct 2008

### fund objective

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

### fund risk profile



### target asset allocation

Bond Instruments: 100%

### benchmark construction

CRISIL Composite Bond Index: 100%

# Group Corporate Bond Fund 2

## fund performance as on June 30, 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	5.21%	9.25%	9.10%	8.17%	8.25%
<b>Benchmark</b>	<b>4.60%</b>	<b>7.61%</b>	<b>7.97%</b>	<b>7.11%</b>	<b>6.63%</b>

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

### portfolio As on Jun 30, 2014

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

#### bond/ncd

8.93% NTPC NCB 19-01-2021 XXXVII.	9.05	AAA
9.95% FCI NCD 07-03-2022 SR-VI	8.81	AAA
9.38% REC NCD 06-11-2018 117th	7.38	AAA
9.57% LICHFL NCD 07-09-2017	6.26	AAA
8.75% RIL NCD 07-05-2020	4.49	AAA
9.27% PFC NCD 21-08-2017 92-B	4.14	AAA
8.80% PGCIL NCD 13-03-2023 XLII	2.68	AAA
9.25% HDFC NCD 11-03-2018 K-018	2.30	AAA
9.24% REC NCD 17-10-2018 116THOPTII	1.61	AAA
0.00% HDFC ZCB 23-10-2017 J-041	1.07	AAA
9.90% TATA SONS NCD 18-03-2016	0.70	AAA

**total bond/ncd 48.49**

#### Gilts

7.16% GOI CG 20-05-2023	9.02
8.28% GOI CG 21-09-2027	6.98
8.32% GOI CG 02-08-2032	5.34
8.35% GOI 2022	5.21
8.12% GOI CG 10-12-2020	3.14
7.28% GOI CG 03-06-2019	2.52
7.80% GOI 2020	1.72

**total gilts 33.93**

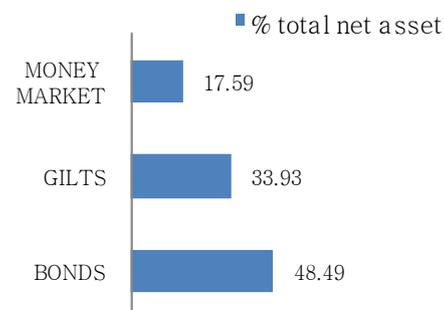
**total money market 17.59**

**total net assets 100.00**

### fund characteristics as on Jun 30, 2014

M. Duration of debt portfolio: 4.32 Years  
YTM of debt portfolio: 9.09%

### asset allocation as on Jun 30, 2014



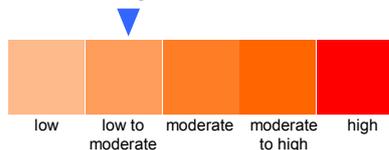
**SFIN :**  
ULGF02305/06/13GCBOND03121

**Inception Date : 31<sup>st</sup> 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

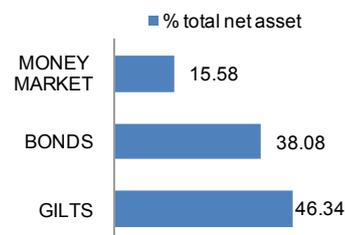
### portfolio As on Jun 30, 2014

security	% total net assets	rating
<b>bond/ncd</b>		
8.70% REC NCD 01-02-2018 112	38.08	AAA
<b>total bond/ncd</b>	<b>38.08</b>	
<b>Gilts</b>		
7.16% GOI CG 20-05-2023	28.46	
8.12% GOI CG 10-12-2020	5.24	
8.28% GOI CG 21-09-2027	4.07	
8.35% GOI 2022	3.77	
8.32% GOI CG 02-08-2032	3.71	
7.28% GOI CG 03-06-2019	1.10	
<b>total gilts</b>	<b>46.34</b>	
<b>total money market</b>	<b>15.58</b>	
<b>total net assets</b>	<b>100.00</b>	

### fund characteristics as on Jun 30, 2014

M. Duration of debt portfolio: 4.29 Years  
YTM of debt portfolio: 9.25%

### asset allocation as on Jun 30, 2014



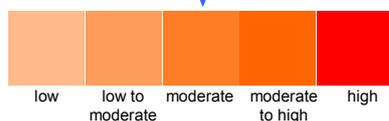
SFIN :  
ULGF01030/09/08GPUREDEB01121

Inception Date : 30<sup>th</sup> Sep 2008

### fund objective

Provide steady investment returns achieved through 100% investment in debt securities, while maintaining moderate probability of negative returns in the short-term. The risk appetite is defined as 'moderate'.

### fund risk profile



### target asset allocation

Debt Instruments: 100%

### benchmark construction

CRISIL Composite Bond Index: 100%

# Group Pure Debt Fund 1

## fund performance as on June 30, 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	6.55%	9.68%	9.38%	8.38%	8.39%
<b>Benchmark</b>	<b>4.60%</b>	<b>7.61%</b>	<b>7.97%</b>	<b>7.11%</b>	<b>6.63%</b>

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

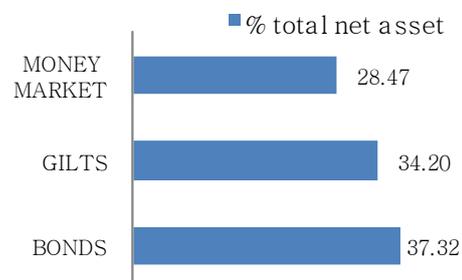
### portfolio As on Jun 30, 2014

security	% total net assets	rating
<b>bond/ncd</b>		
9.95% FCI NCD 07-03-2022 SR-VI	14.58	AAA
8.64% PGCIL NCD 08-07-2017 XXXIII D	8.66	AAA
9.63% REC NCD 05-02-2019 SR-119	7.12	AAA
8.95% PFC NCD 11-03-2018 101-A	6.97	AAA
<b>total bond/ncd</b>	<b>37.32</b>	
<b>gilts</b>		
7.16% GOI CG 20-05-2023	8.83	
8.28% GOI CG 21-09-2027	6.86	
8.35% GOI 2022	5.68	
8.32% GOI CG 02-08-2032	5.31	
8.12% GOI CG 10-12-2020	3.06	
7.28% GOI CG 03-06-2019	2.66	
7.80% GOI 2020	1.81	
<b>total gilts</b>	<b>34.20</b>	
<b>total money market</b>	<b>28.47</b>	
<b>total net assets</b>	<b>100.00</b>	

### fund characteristics as on Jun 30, 2014

M .Duration of debt portfolio: 3.66 Years  
YTM of debt portfolio: 8.96%

### asset allocation as on Jun 30, 2014



### SFIN :

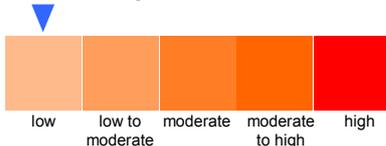
ULGF00431/01/07GCAPISEC01121

**Inception Date : 31<sup>st</sup> Jan 2007**

### fund objective

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

### fund risk profile



### target asset allocation

Money market : 100%

### benchmark construction

Yield on 182-day T.Bills : 100%

# Group Capital Secure Fund 1

## fund performance as on June 30, 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	10.05%	9.72%	9.62%	9.24%	8.80%
<b>Benchmark</b>	<b>7.96%</b>	<b>8.05%</b>	<b>8.12%</b>	<b>7.66%</b>	<b>7.07%</b>

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

### portfolio As on Jun 30, 2014

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

### fund characteristics as on Jun 30, 2014

M .Duration of debt portfolio: 0.16 Years  
YTM of debt portfolio: 9.09%

### asset allocation as on Jun 30, 2014

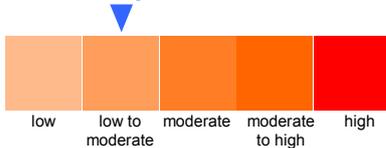
SFIN :  
ULGF01610/12/08GGILTFUN02121

Inception Date : 10<sup>th</sup> Dec 2008

### fund objective

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

### fund risk profile



### target asset allocation

Government Securities: 100%

### benchmark construction

I-Sec Composite Sovereign Bond Index:100%

# Group Gilt Fund 2

## fund performance as on June 30, 2014

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Gilt Fund 2	2.36%	8.03%	8.10%	7.60%	7.23%
<b>Benchmark</b>	<b>0.74%</b>	<b>7.09%</b>	<b>7.77%</b>	<b>6.86%</b>	<b>6.15%</b>

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

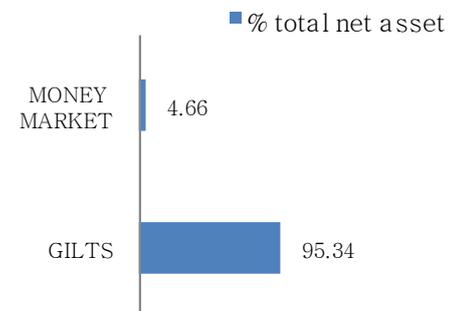
### portfolio As on Jun 30, 2014

security	% total net assets
<b>gilts</b>	
7.16% GOI CG 20-05-2023	25.98
8.35% GOI 2022	21.24
8.28% GOI CG 21-09-2027	19.99
8.32% GOI CG 02-08-2032	15.37
8.12% GOI CG 10-12-2020	8.14
7.80% GOI 2020	4.62
<b>total gilts</b>	<b>95.34</b>
<b>total money market</b>	<b>4.66</b>
<b>total net assets</b>	<b>100.00</b>

### fund characteristics as on Jun 30, 2014

M. Duration of debt portfolio: 6.38 Years  
YTM of debt portfolio: 8.76%

### asset allocation as on Jun 30, 2014



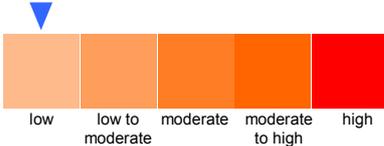
SFIN :  
ULGF00930/09/08GMONMRKT02121

Inception Date : 30<sup>th</sup> Sep 2008

### fund objective

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

### fund risk profile



### target asset allocation

Money market : 100%

### benchmark construction

CRISIL Liquid Bond Index: 100%

# Group Money Market Fund 2

## fund performance as on June 30, 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	9.42%	9.69%	9.82%	9.48%	9.12%
<b>Benchmark</b>	<b>9.68%</b>	<b>8.89%</b>	<b>8.83%</b>	<b>8.41%</b>	<b>7.37%</b>

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

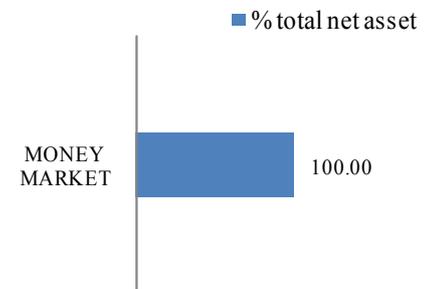
### portfolio As on Jun 30, 2014

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

### fund characteristics as on Jun 30, 2014

M. Duration of debt portfolio: 0.46 Years  
YTM of debt portfolio: 8.99%

### asset allocation as on Jun 30, 2014



## Life Insurance

SFIN	Plan Name	Fund Name	NAV
ULGF00431/01/07GCAPISEC01121	Reliance Group Gratuity Plan	Group Capital Secure Fund 1	18.0625
ULGF00210/10/03GBALANCE02121	Reliance Group Gratuity Plan	Group Balanced Fund 2	17.9598
ULGF00110/10/03GBALANCE01121	Reliance Group Gratuity Plan	Group Balanced Fund 1	21.4480
ULGF01213/10/08GCORBOND02121	Reliance Group Gratuity Plan	Group Corporate Bond Fund 2	16.1490
ULGF01808/06/09GEQUITYF03121	Reliance Group Gratuity Plan	Group Equity Fund 3	23.0594
ULGF01610/12/08GGILTFUN02121	Reliance Group Gratuity Plan	Group Gilt Fund 2	13.9062
ULGF00930/09/08GMONMRKT02121	Reliance Group Gratuity Plan	Group Money Market Fund 2	16.2425
ULGF00310/10/03GGROWTHF01121	Reliance Group Gratuity Plan	Group Growth Fund 1	17.7488
ULGF01908/06/09GINFRASF01121	Reliance Group Gratuity Plan	Group Infrastructure Fund 1	9.9049
ULGF02008/06/09GMIDCAPF01121	Reliance Group Gratuity Plan	Group Midcap Fund 1	20.2731
ULGF01030/09/08GPUREDEB01121	Reliance Group Gratuity Plan	Group Pure Debt Fund 1	16.2443
ULGF00110/10/03GBALANCE01121	Reliance Group Superannuation Plan	Group Balanced Fund 1	21.4480
ULGF00431/01/07GCAPISEC01121	Reliance Group Superannuation Plan	Group Capital Secure Fund 1	18.0625
ULGF01213/10/08GCORBOND02121	Reliance Group Superannuation Plan	Group Corporate Bond Fund 2	16.1490
ULGF01808/06/09GEQUITYF03121	Reliance Group Superannuation Plan	Group Equity Fund 3	23.0594
ULGF01610/12/08GGILTFUN02121	Reliance Group Superannuation Plan	Group Gilt Fund 2	13.9062
ULGF00310/10/03GGROWTHF01121	Reliance Group Superannuation Plan	Group Growth Fund 1	17.7488
ULGF00930/09/08GMONMRKT02121	Reliance Group Superannuation Plan	Group Money Market Fund 2	16.2425
ULGF01030/09/08GPUREDEB01121	Reliance Group Superannuation Plan	Group Pure Debt Fund 1	16.2443
ULGF00210/10/03GBALANCE02121	Reliance Group Savings Linked Insurance Plan	Group Balanced Fund 2	17.9598
ULGF01213/10/08GCORBOND02121	Reliance Group Savings Linked Insurance Plan	Group Corporate Bond Fund 2	16.1490
ULGF01428/11/08GENERGF01121	Reliance Group Savings Linked Insurance Plan	Group Energy Fund 1	18.4344
ULGF01328/11/08GEQUITYF02121	Reliance Group Savings Linked Insurance Plan	Group Equity Fund 2	27.9986
ULGF01610/12/08GGILTFUN02121	Reliance Group Savings Linked Insurance Plan	Group Gilt Fund 2	13.9062
ULGF01908/06/09GINFRASF01121	Reliance Group Savings Linked Insurance Plan	Group Infrastructure Fund 1	9.9049
ULGF02008/06/09GMIDCAPF01121	Reliance Group Savings Linked Insurance Plan	Group Midcap Fund 1	20.2731
ULGF00930/09/08GMONMRKT02121	Reliance Group Savings Linked Insurance Plan	Group Money Market Fund 2	16.2425
ULGF01030/09/08GPUREDEB01121	Reliance Group Savings Linked Insurance Plan	Group Pure Debt Fund 1	16.2443
ULGF01528/11/08GPUREEQF01121	Reliance Group Savings Linked Insurance Plan	Group Pure Equity Fund 1	24.1259
ULGF00210/10/03GBALANCE02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Balanced Fund 2	17.9598
ULGF00930/09/08GMONMRKT02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Money Market Fund 2	16.2425
ULGF01213/10/08GCORBOND02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Corporate Bond Fund 2	16.1490
ULGF01610/12/08GGILTFUN02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Gilt Fund 2	13.9062
ULGF01808/06/09GEQUITYF03121	Reliance Life Insurance Group Gratuity Plus Plan	Group Equity Fund 3	23.0594
ULGF00930/09/08GMONMRKT02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Money Market Fund 2	16.2425
ULGF01213/10/08GCORBOND02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Corporate Bond Fund 2	16.1490
ULGF01610/12/08GGILTFUN02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Gilt Fund 2	13.9062
ULGF01808/06/09GEQUITYF03121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Equity Fund 3	23.0594
ULGF00210/10/03GBALANCE02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Balanced Fund 2	17.9598

- √ 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.  $1.2 \times 10\%$ ). Similarly, a low beta stock has given lower returns compared to what the market has delivered for a particular time period. For e.g. for a stock with beta of 0.80, if the Nifty gives returns of 10%, the stock is likely to give returns of only half of that, i.e. 8%. (i.e.  $0.80 \times 10\%$ )

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

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

✓ Benchmark Sharpe Ratio

✓ Modified Duration Of Debt Profile

✓ Fund Beta

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