



RELIANCE

Life Insurance



**the analyst**

**monthly Group fund  
factsheet for May 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 Apr 14	31st Mar 14	% Change
<sup>1</sup> Rs./\$	60.34	59.89	0.74
<sup>2</sup> WPI Inflation Index	5.20	5.70	-0.50
<sup>3</sup> Forex Reserves (\$ bn)	309.91	303.67	2.01
<sup>1</sup> Brent Crude Price (\$ per Barrel)	99.74	101.58	-1.84
<sup>1</sup> Gold (Rs. per 10gm)	29773	28619	3.88

Indices	30th Apr 14	31st Mar 14	% Change
<sup>1</sup> BSE Sensex	22418	22386	0.14
<sup>1</sup> S&P CNX Nifty	6696	6704	-0.12
<sup>1</sup> CNX Mid Cap	8784	8612	1.95
<sup>1</sup> BSE Small Cap	7490	7072	5.58

Global Indices	30th Apr 14	31st Mar 14	% Change
<sup>1</sup> Dow Jones	16581	16458	0.74
<sup>1</sup> FTSE 100	6780	6598	2.68
<sup>1</sup> Hang Seng	22134	22151	-0.08
<sup>1</sup> Nikkei	14304	14828	-3.66

Sectoral Indices	30th Apr 14	31st Mar 14	% Change
<sup>1</sup> CNX Infrastructure	2610	2615	-0.21
<sup>1</sup> CNX Energy	8311	8329	-0.22
<sup>1</sup> BSE Capital Goods	12118	12011	0.88
<sup>1</sup> BSE Bankex	14707	14572	0.91
<sup>1</sup> BSE Oil & Gas	9548	9486	0.66
<sup>1</sup> BSE IT	8752	8789	-0.43

Fixed Income Indicators (%)	30th Apr 14	31st Mar 14	bps Change
<sup>1</sup> NSE Mibor	9.00	8.91	1.00
<sup>1</sup> 91 Day T-Bill	8.86	8.83	0.03
<sup>1</sup> 182 Day T-Bill	8.90	8.83	0.08
<sup>1</sup> 1 year GOI Benchmark	8.61	8.60	0.02
<sup>1</sup> 5 Year GOI Benchmark	8.79	8.92	-0.13
<sup>1</sup> 10 Year GOI Benchmark	8.83	8.80	0.03
<sup>1</sup> 5 Year Corp Bond Benchmark	9.53	9.72	-0.18
<sup>1</sup> 10 Year AAA Corp Bond Benchmark	9.45	9.68	-0.23
<sup>1</sup> 10 Year US Benchmark	2.65	2.72	-0.07

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

**Indian Economy**

Uncertainty on account of commencement of the large borrowing program of Government has marked the onset of the new financial year. Though, RBI, as expected, has maintained the status quo on the policy rates in the bi-monthly monetary policy meeting, bond yield moved up by 30 bps in the first week of April 2014. However, later due to excellent demand from the banks to replenish the maturing government bonds as well as from long term investors like Provident Funds & Insurance Companies, bond yield retraced. Additionally, in order to improve the liquidity and better transmission of the monetary policy, RBI has reduced the amount available on Liquidity Adjustment Facility (LAF) while increased it commensurately at Term Repo through auction. This will prompt banks to plan liquidity in advance or else they will have to compete it in the auction and pay higher rates.

An interesting phenomenon was observed in the corporate bond market. Borrowers were struggling with the recent change in Company Law, which require them to maintain Debenture Redemption Reserve (DRR). In the absence of the clarity, there was hardly any issuance of the bonds during the month and this has led to narrowing of spreads over comparable Government bond. This stalemate is expected to be continue in near future though some borrowers have started issuing bonds.

Retail (CPI) inflation at 8.31% (YoY) was largely driven by food inflation which rebounded after noting disinflationary trends in past few months particularly led by correction in vegetable prices. This upward pressure on prices persists on account of the inclement weather condition that had damaged Rabi crops. Further, the likelihood of El-Nino has added to the concerns over possible resurgence of food prices spiral. Private meteorological agency Sky met recently forecasted that there exists a 40% probability of below average rainfall in 2014. Going forward, this presents a case for upside risks on the food inflation front. While the core CPI inflation appears to be headed in the right direction, the momentum of disinflation is particularly slow given the weak growth dynamics. Signs of meaningful moderation of the core CPI inflation are yet to firmly emerge. Core inflation gave up some stickiness and edged lower at 7.82% (YoY) marginally down from revised 7.84% (YoY) level in the previous month.

Economic data are pointing towards continuation of the moderation in the industrial growth. Industrial Production has registered growth at (1.9%) for February 2014. The trade deficit for the March 2014 has also widened to USD 10.5Bn from USD 8.1 bn in the previous month. External demand was also sluggish as witnessed in the recent trend in the export growth.

USD/ INR was stable during the month while forward premium came down marginally as foreign investors continue to invest in India. Foreign exchange reserves are also augmented.

Globally, US Federal Reserve has continued its stance in reduction in asset purchase program at steady pace of USd 10 Billion / meeting. It is expected to finish it in the current calendar year. However, interest rates are expected to be steady due to slack in economy which is reflected in the low inflation.

**Fixed Income Outlook:**

We expect that new union government will set the tone of the economic and financial reform adhere to the fiscal consolidation. In near term, inflation is expected to be well behaved on account of the stable pricing in domestic and external environment. We can get clearer picture about the possible impact of the El Nino on agriculture produce as we get along the monsoon period, which in turn, will be shaping the inflation outlook.

Liquidity in the banking segment will be improving due to the sluggish growth in the loans while deposit growth rate is maintained. This will help maintaining current interest rate environment in addition to stable inflationary outlook.

**Equity Market**

Indian equities had a month of consolidation in Apr with the benchmark indices closing flat despite hitting all-time highs intra-month as political banter gathered steam. The much awaited general elections finally kicked off with 7 of the 10 phases of polling taking place in Apr and overall turnout improving vis-à-vis the previous elections. On the macro front there was little to cheer with industrial production remaining subdued, inflation trends turning slightly unfavorable and noise around an impending El Niño intensifying. Amidst all this activity, corporate earnings for the final quarter of FY14 remained firmly rooted on the investor radar. Secondary flow in terms of FII money kept pouring in albeit at a slower pace than March.

Banks continued to make headlines this month starting with the awarding of the much awaited licenses. IDFC and Bandhan Financial were the two entities that made the cut. The month also saw private banks like ICICI, Axis, Yes and HDFC Bank report their quarterly numbers. While the earnings turned out to be in-line in most cases, ICICI stood out by talking about moderation in the pace of asset deterioration in FY15.

IT had a mixed month with Infosys kicking off the season with a surprise on the FY15 \$ revenue guidance and stepping up of dividend. Wipro on the other hand disappointed on its Q1 guidance. TCS and HCL Tech pretty much continued on their steady growth path with optimistic commentary by the management.

In the Metals space, we saw the Goa mining ban finally being lifted. On the other hand, a new overhang emerged on Odisha mining with the SC reserving its order and talks of a possible interim ban on 40 mining leases including those of Tata Steel & SAIL.

In the Energy space, Cairn suffered a setback to production growth in its Rajasthan block and consequently saw some downgrades across the street. Reliance reported an operationally strong quarter, with GRMs well ahead of expectations but petchem and E&P segments turned out to be weaker for the company.

In the Pharma sector, the big eye catcher of the month was the acquisition of Ranbaxy by Sun Pharma in a \$3.2bn all stock transaction. The exchange ratio was set at 0.8 shares of Sun Pharma for each share of Ranbaxy.

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. Among the domestics, mutual funds net sold to the tune of \$480mn while insurance companies sold \$660mn.

**Equity Outlook:**

In May, all eyes will be on the election results and how the political dynamics pan out in the country.

# fund snapshot

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

asset allocation	funds	Last 1 Year	Last 2 Year	Last 3 Year	Page No.
100% equity	Group Equity Fund 2	19.02%	16.63%	8.06%	4
100% equity	Group Equity Fund 3	17.46%	15.46%	14.93%	5
100% pure equity	Group Pure Equity Fund 1	17.08%	12.37%	5.19%	6
100% equity	Group Infrastructure Fund 1	8.81%	1.54%	-5.75%	7
100% equity	Group Energy Fund 1	5.63%	5.46%	-1.00%	8
100% equity	Group Midcap Fund 1	24.25%	15.55%	9.26%	9
40% equity, 60% debt	Group Growth Fund 1	10.34%	11.55%	8.40%	10
20% equity, 80% debt	Group Balanced Fund 1	6.55%	9.20%	8.01%	11
20% equity, 80% debt	Group Balanced Fund 2	7.32%	9.89%	8.49%	12
100% bond instruments	Group Corporate Bond Fund 2	4.62%	8.76%	8.44%	13
100% debt Instruments	Group Pure Debt Fund 1	5.95%	9.26%	8.75%	14
100% money market	Group Capital Secure Fund 1	9.92%	9.72%	9.61%	15
100% govt. securities	Group Gilt Fund 2	2.09%	7.74%	7.47%	16
100% money market	Group Money Market Fund 2	9.45%	9.77%	9.83%	17

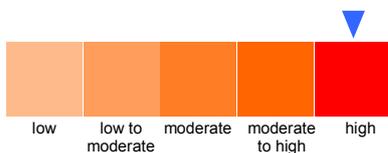
SFIN :  
ULGF00724/10/07GEQUITYF01121

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

### fund objective

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

### fund risk profile



### target asset allocation

Equity: 100%

### benchmark construction

S&P CNX Nifty: 100%

# Group Equity Fund 2

## fund performance as on Apr 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	19.02%	16.63%	8.06%	8.85%	17.32%
<b>Benchmark</b>	<b>12.92%</b>	<b>12.96%</b>	<b>5.21%</b>	<b>6.13%</b>	<b>14.03%</b>

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

### portfolio As on Apr 30, 2014

security % total net assets

#### equity

INFOSYS LTD	8.01
RELIANCE INDUSTRIES LTD.	7.00
ITC	6.41
ICICI BANK LTD.	6.24
LARSEN & TUBRO	6.08
HDFC BANK LTD	5.92
DIVIS LABORATORIES LTD	4.67
TATA CONSULTANCY SERVICES LTD.	4.24
YES BANK LTD	3.74
HDFC LTD	3.51
TATA MOTORS LTD	3.43
JSW STEEL LTD	3.00
KIRLOSKAR CUMMINS	3.00
STATE BANK OF INDIA	2.87
BHARTI AIRTEL LTD	2.76
MAHINDRA & MAHINDRA LTD	2.64
AUROBINDO PHARMA LTD	2.49
MOTHERSON SUMI SYSTEMS LTD.	2.34
ONGC	2.24
ULTRATECH CEMCO LTD	2.13
MARUTI UDYOG LTD.	2.02
INDIABULLS HOUSING FINANCE LTD	1.84
SUN PHARMACEUTICAL INDUSTRIES LTD	1.69
SESA STERLITE LTD	1.49
HT MEDIA LTD	1.03
SML ISUZU LTD	0.94
WIPRO	0.83
OIL INDIA LTD	0.81
BAJAJ AUTO LTD	0.77
RANBAXY	0.66
HERO MOTOCORP LTD	0.64
CROMPTON GREAVES LTD	0.64
ZEE ENTERTAINMENT ENTERPRISES LTD	0.62
D.B. CORP LTD	0.54
TECH MAHINDRA LTD	0.43
RADICO KHAITAN LTD	0.12
ZEE ENTERTAINMENT PREFERENCE SHARE	0.11

total equity 97.91

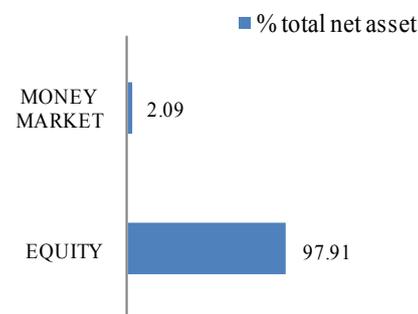
total money market 2.09

total net assets 100.00

### fund characteristics as on Apr 30, 2014

Fund Beta 1.00

### asset allocation as on Apr 30, 2014



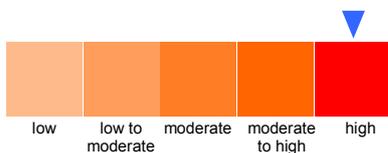
SFIN :  
ULGF01808/06/09GEQUITYF03121

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 Apr 30, 2014

fund name	gross return			
	12 month returns*	24 month returns*	36 month returns*	48 month returns*
Group Equity Fund 3	17.46%	15.46%	14.93%	13.38%
<b>Benchmark</b>	<b>12.92%</b>	<b>12.96%</b>	<b>5.21%</b>	<b>6.13%</b>

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

### portfolio As on Apr 30, 2014

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

#### equity

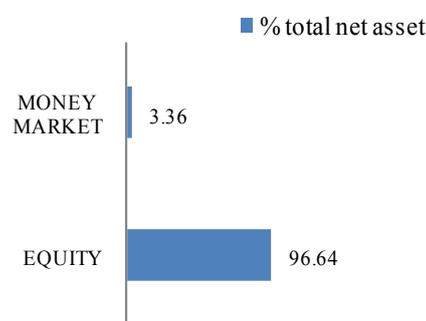
DIVIS LABORATORIES LTD	9.06
INFOSYS LTD	7.74
ITC	7.36
RELIANCE INDUSTRIES LTD.	6.88
ICICI BANK LTD.	6.20
HDFC BANK LTD	5.82
LARSEN & TUBRO	4.82
TATA CONSULTANCY SERVICES LTD.	3.97
HDFC LTD	3.76
YES BANK LTD	3.63
TATA MOTORS LTD	3.51
BHARTI AIRTEL LTD	2.72
KIRLOSKAR CUMMINS	2.29
STATE BANK OF INDIA	2.25
AUROBINDO PHARMA LTD	2.19
ONGC	2.14
JSW STEEL LTD	2.10
ULTRATECH CEMCO LTD	2.10
INDIABULLS HOUSING FINANCE LTD	2.08
MARUTI UDYOG LTD.	2.07
MOTHERSON SUMI SYSTEMS LTD.	1.93
MAHINDRA & MAHINDRA LTD	1.90
SUN PHARMACEUTICAL INDUSTRIES LTD	1.65
SESA STERLITE LTD	1.54
WIPRO	0.80
HT MEDIA LTD	0.80
BAJAJ AUTO LTD	0.79
OIL INDIA LTD	0.76
CROMPTON GREAVES LTD	0.68
SML ISUZU LTD	0.67
ZEE ENTERTAINMENT ENTERPRISES LTD	0.52
RANBAXY	0.52
HERO MOTOCORP LTD	0.51
TECH MAHINDRA LTD	0.41
D.B. CORP LTD	0.37
RADICO KHAITAN LTD	0.08
ZEE ENTERTAINMENT PREFERENCE SHARE	0.03

<b>total equity</b>	<b>96.64</b>
<b>total money market</b>	<b>3.36</b>
<b>total net assets</b>	<b>100.00</b>

### fund characteristics as on Apr 30, 2014

Fund Beta 0.98

### asset allocation as on Apr 30, 2014



### SFIN :

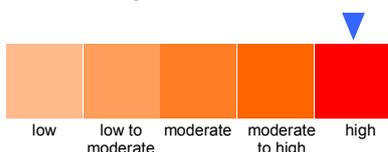
ULGF01528/11/08GPUREEQF01121

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 Apr 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	17.08%	12.37%	5.19%	5.80%	13.45%
<b>Benchmark</b>	<b>20.72%</b>	<b>14.28%</b>	<b>6.19%</b>	<b>5.49%</b>	<b>12.45%</b>

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

### portfolio As on Apr 30, 2014

security % total net assets

### equity

BHARTI AIRTEL LTD	9.06
RELIANCE INDUSTRIES LTD.	8.93
TATA CONSULTANCY SERVICES LTD.	8.68
INFOSYS LTD	7.79
HINDUSTAN LEVER LTD.	5.77
DR. REDDY LABORATORIES	5.35
MARUTI UDYOG LTD.	5.15
ULTRATECH CEMCO LTD	5.09
HERO MOTOCORP LTD	4.51
ASIAN PAINTS LTD	4.31
BAJAJ AUTO LTD	4.13
LUPIN LTD	3.54
GAS AUTHORITY OF INDIA LTD.	2.53
VOLTAS LTD	2.22
WIPRO	2.01
MOTHERSON SUMI SYSTEMS LTD.	2.00
PETRONET LNG LTD	1.95
DIVIS LABORATORIES LTD	1.88
ONGC	1.71
SANOFI INDIA LTD	1.62
LARSEN & TUBRO	1.43
TRENT LTD	1.31
TATA GLOBAL BEVERAGES LTD	1.22
GRASIM INDUSTRIES LTD.	1.11
KIRLOSKAR CUMMINS	1.00
EXIDE INDUSTRIES LTD	0.83

### total equity

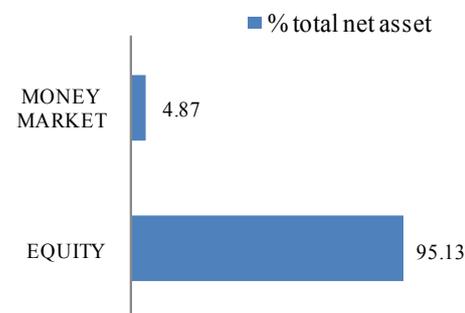
total money market 4.87

total net assets 100.00

### fund characteristics as on Apr 30, 2014

Fund Beta 0.91

### asset allocation as on Apr 30, 2014



### SFIN :

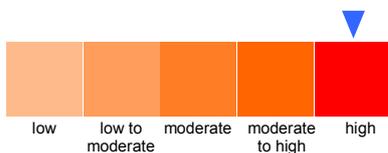
ULGF01908/06/09GINFRASF01121

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 Apr 30, 2014

fund Name	gross return			
	12 month returns*	24 month returns*	36 month returns*	48 month returns*
Group Infrastructure Fund 1	8.81%	1.54%	-5.75%	-6.34%
<b>Benchmark</b>	<b>7.42%</b>	<b>5.09%</b>	<b>-4.78%</b>	<b>-6.77%</b>

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

### portfolio As on Apr 30, 2014

security % total net assets

#### equity

POWER GRID CORP OF INDIA LTD	9.36
NTPC LTD	9.02
BHARTI AIRTEL LTD	8.95
LARSEN & TUBRO	8.90
RELIANCE INDUSTRIES LTD.	8.27
BHARAT FORGE	6.05
VOLTAS LTD	5.88
TATA POWER CO. LTD	5.76
IDEA CELLULAR LTD	4.88
BHARAT HEAVY ELECTRICALS LTD	4.18
ONGC	4.14
INDIAN METALS AND FERRO ALLOYS LTD	3.55
KIRLOSKAR CUMMINS	3.33
ULTRATECH CEMCO LTD	3.27
CROMPTON GREAVES LTD	3.20
PETRONET LNG LTD	2.89
MOTHERSON SUMI SYSTEMS LTD.	2.57
INDRAPRASTHA GAS LTD	2.45
CENTURY TEXTILES & INDUSTRIES LTD	0.80

**total equity 97.44**

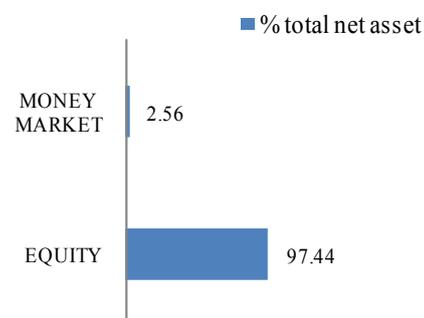
**total money market 2.56**

**total net assets 100.00**

### fund characteristics as on Apr 30, 2014

Fund Beta 0.82

### asset allocation as on Apr 30, 2014



### SFIN :

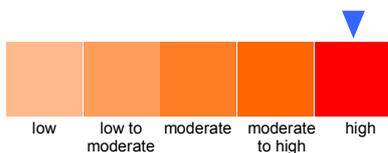
ULGF01428/11/08GENERGYF01121

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 Apr 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	5.63%	5.46%	-1.00%	0.71%	6.13%
<b>Benchmark</b>	<b>4.73%</b>	<b>5.24%</b>	<b>-3.38%</b>	<b>-1.70%</b>	<b>2.73%</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 Apr 30, 2014

**security** % total net assets

#### equity

ONGC	9.34
POWER GRID CORP OF INDIA LTD	9.26
LARSEN & TUBRO	9.08
NTPC LTD	9.03
RELIANCE INDUSTRIES LTD.	9.00
OIL INDIA LTD	8.90
KIRLOSKAR CUMMINS	6.49
GAS AUTHORITY OF INDIA LTD.	5.80
TATA POWER CO. LTD	5.46
BHARAT PETROLEUM CORP. LTD.	5.03
CAIRN INDIA LTD	4.95
INDRAPRASTHA GAS LTD	4.80
VOLTAS LTD	4.10
PETRONET LNG LTD	3.67
GUJARAT STATE PETRONET LTD	2.15
EXIDE INDUSTRIES LTD	0.97

**total equity** 98.02

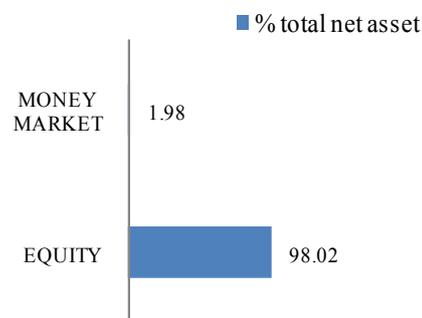
**total money market** 1.98

**total net assets** 100.00

### fund characteristics as on Apr 30, 2014

Fund Beta 0.85

### asset allocation as on Apr 30, 2014



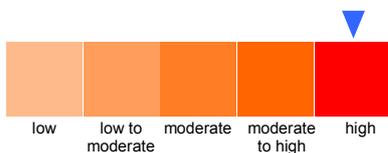
SFIN :  
ULGF02008/06/09GMIDCAPF01121

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 Apr 30, 2014

fund Name	gross return			
	12 month returns*	24 month returns*	36 month returns*	48 month returns*
Group Midcap Fund 1	24.25%	15.55%	9.26%	5.52%
<b>Benchmark</b>	<b>20.88%</b>	<b>6.98%</b>	<b>-0.26%</b>	<b>-2.88%</b>

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

### portfolio As on Apr 30, 2014

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

#### equity

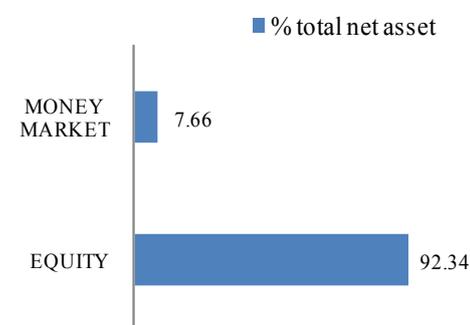
DIVIS LABORATORIES LTD	6.88
INDIABULLS HOUSING FINANCE LTD	6.42
IDEA CELLULAR LTD	5.67
AUROBINDO PHARMA LTD	5.15
ADITYA BIRLA NUVO LTD	4.23
PURAVANKARA PROJECTS LTD	4.09
JSW STEEL LTD	4.07
RADICO KHAITAN LTD	3.77
PETRONET LNG LTD	3.74
STATE BANK OF INDIA	3.38
TATA GLOBAL BEVERAGES LTD	3.30
D.B. CORP LTD	3.18
ZEE ENTERTAINMENT ENTERPRISES LTD	3.12
CROMPTON GREAVES LTD	2.98
FUTURE CONSUMER ENTERPRISE LTD	2.90
TATA CHEMICALS LTD.	2.81
VOLTAS LTD	2.67
BHARAT FORGE	2.64
HT MEDIA LTD	2.59
SHOPPERS STOP LTD	2.57
MINDTREE LTD	2.45
INDRAPRASTHA GAS LTD	2.26
JINDAL SAW LTD	2.15
GUJARAT FLUORO CHEMICALS LTD.	2.13
TRENT LTD	2.02
UNITED PHOSPHOROUS LTD	1.71
CENTURY TEXTILES & INDUSTRIES LTD	1.10
JUST DIAL LTD	0.99
EXIDE INDUSTRIES LTD	0.98
ZEE ENTERTAINMENT PREFERENCE SHARE	0.38

<b>total equity</b>	<b>92.34</b>
<b>total money market</b>	<b>7.66</b>
<b>total net assets</b>	<b>100.00</b>

### fund characteristics as on Apr 30, 2014

Fund Beta 0.81

### asset allocation as on Apr 30, 2014



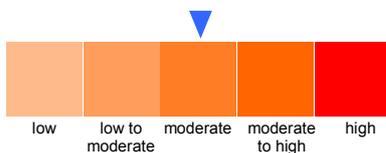
SFIN :  
ULGF00310/10/03GGROWTHF01121

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 Apr 30, 2014

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Growth Fund 1	10.34%	11.55%	8.40%	7.87%	10.72%
<b>Benchmark</b>	<b>7.30%</b>	<b>9.55%</b>	<b>6.91%</b>	<b>6.92%</b>	<b>9.90%</b>

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

### portfolio As on Apr 30, 2014

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

#### bond/ncd

9.95% FCI NCD 07-03-2022 SR-VI	5.86	AAA
9.28% REC NCD 15-02-2017 106TH	5.72	AAA
8.64% PGCIL NCD 08-07-2017 XXXIII D	4.68	AAA
10.60% IRFC NCB 11-09-2018	2.00	AAA
9.81% PFC NCD 07-10-2018 SR109	1.93	AAA
9.70% PFC NCD 15-12-2018 SR 82-C	1.92	AAA
9.38% REC NCD 06-11-2018 117th	1.90	AAA

**total bond/cd 24.00**

#### gilts

7.28% GOI CG 03-06-2019	3.80
7.16% GOI CG 20-05-2023	3.78
8.28% GOI CG 21-09-2027	3.36
8.12% GOI CG 10-12-2020	2.49
8.32% GOI CG 02-08-2032	2.45
8.83% GOI CG 25-11-2023	1.72
8.35% GOI 2022	1.29

**total gilts 18.89**

#### equity

INFOSYS LTD	3.16
DIVIS LABORATORIES LTD	3.07
ITC	2.99
RELIANCE INDUSTRIES LTD.	2.86
HDFC BANK LTD	2.82
ICICI BANK LTD.	2.66
LARSEN & TUBRO	1.91
HDFC LTD	1.68
TATA CONSULTANCY SERVICES LTD.	1.64
TATA MOTORS LTD	1.36
BHARTI AIRTEL LTD	1.28
YES BANK LTD	1.21
ONGC	0.95
ULTRATECH CEMCO LTD	0.92
JSW STEEL LTD	0.84
MAHINDRA & MAHINDRA LTD	0.82
SANOFI INDIA LTD	0.77
MARUTI UDYOG LTD.	0.76
KIRLOSKAR CUMMINS	0.74
SUN PHARMACEUTICAL INDUSTRIES LTD	0.73
WIPRO	0.68
INDIABULLS HOUSING FINANCE LTD	0.65
AUROBINDO PHARMA LTD	0.65
UNITED SPIRITS LTD	0.53
LUPIN LTD	0.53
SESA STERLITE LTD	0.43
MOTHERSON SUMI SYSTEMS LTD.	0.43
BAJAJ AUTO LTD	0.41
SML ISUZU LTD	0.28
STATE BANK OF INDIA	0.26

**total equity 38.00**

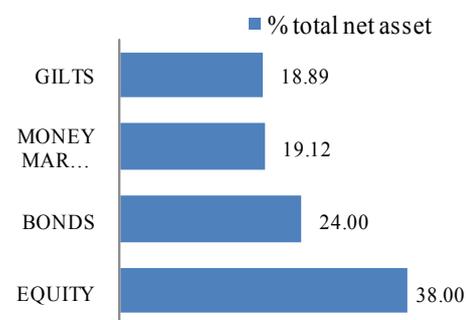
**total money market 19.12**

**total net assets 100.00**

### fund characteristics as on Apr 30, 2014

M. Duration of debt portfolio: 3.27 Years  
YTM of debt portfolio: 9.08%  
Fund Beta: 0.97

### asset allocation as on Apr 30, 2014



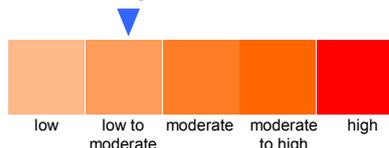
SFIN :  
ULGF00110/10/03GBALANCE01121

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 Apr 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	6.55%	9.20%	8.01%	7.44%	8.76%
<b>Benchmark</b>	<b>5.26%</b>	<b>8.24%</b>	<b>7.24%</b>	<b>6.94%</b>	<b>8.22%</b>

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

### portfolio As on Apr 30, 2014

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

#### bond/ncd

8.95% PFC NCD 11-03-2018 101-A	7.70	AAA
8.64% PGCIL NCD 08-07-2017 XXXIII D	7.21	AAA
9.95% FCI NCD 07-03-2022 SR-VI	4.01	AAA
9.57% LICHFL NCD 07-09-2017	3.94	AAA
9.63% REC NCD 05-02-2019 SR-119	3.93	AAA
8.70% REC NCD 01-02-2018 112	3.83	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	3.81	AAA
0.00% HDFC ZCB 23-10-2017 J-041	3.33	AAA
8.68% NCRPB NCB 18-08-2019	2.90	AAA
10.60% IRFC NCB 11-09-2018	1.02	AAA
9.81% PFC NCD 07-10-2018 SR109	0.99	AAA

**total bond/cd 42.67**

#### gilts

7.16% GOI CG 20-05-2023	5.09
7.28% GOI CG 03-06-2019	4.80
8.28% GOI CG 21-09-2027	4.40
8.12% GOI CG 10-12-2020	3.38
8.32% GOI CG 02-08-2032	3.24
8.83% GOI CG 25-11-2023	2.35
8.35% GOI 2022	1.61

**total gilts 24.88**

#### equity

INFOSYS LTD	1.56
DIVIS LABORATORIES LTD	1.53
ITC	1.48
RELIANCE INDUSTRIES LTD.	1.41
HDFC BANK LTD	1.39
ICICI BANK LTD.	1.32
LARSEN & TUBRO	1.00
HDFC LTD	0.84
TATA CONSULTANCY SERVICES LTD.	0.82
TATA MOTORS LTD	0.68
BHARTI AIRTEL LTD	0.64
YES BANK LTD	0.60
ONGC	0.47
ULTRATECH CEMCO LTD	0.47
JSW STEEL LTD	0.42
MARUTI UDYOG LTD.	0.40
SANOFI INDIA LTD	0.39
MAHINDRA & MAHINDRA LTD	0.39
KIRLOSKAR CUMMINS	0.38
SUN PHARMACEUTICAL INDUSTRIES LTD	0.36
WIPRO	0.33
AUROBINDO PHARMA LTD	0.32
INDIABULLS HOUSING FINANCE LTD	0.30
UNITED SPIRITS LTD	0.27
LUPIN LTD	0.27
SESA STERLITE LTD	0.21
MOTHERSON SUMI SYSTEMS LTD.	0.21
BAJAJ AUTO LTD	0.18
STATE BANK OF INDIA	0.13
SML ISUZU LTD	0.11

**total equity 18.86**

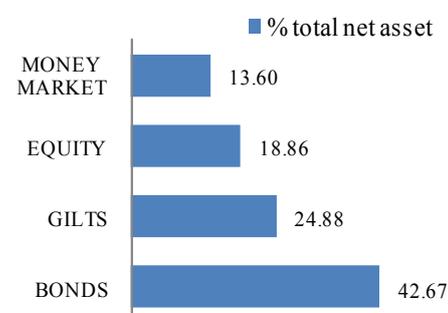
**total money market 13.60**

**total net assets 100.00**

### fund characteristics as on Apr 30, 2014

M. Duration of debt portfolio:	3.71 Years
YTM of debt portfolio:	9.20%
Fund Beta:	0.98

### asset allocation as on Apr 30, 2014



### target asset allocation

Debt.:	80%
Equity:	20%

### benchmark construction

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

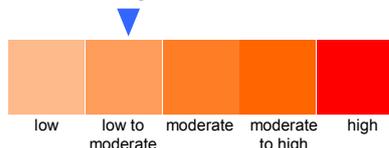
SFIN :  
ULGF00210/10/03GBALANCE02121

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 Apr 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	7.32%	9.89%	8.49%	7.85%	9.13%
<b>Benchmark</b>	<b>5.26%</b>	<b>8.24%</b>	<b>7.24%</b>	<b>6.94%</b>	<b>8.22%</b>

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

### portfolio As on Apr 30, 2014

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

#### bond/ncd

8.70% REC NCD 01-02-2018 112	8.61	AAA
9.81% PFC NCD 07-10-2018 SR109	6.04	AAA
8.80% PGCIL NCD 29-09-2017 E	5.56	AAA
9.95% FCI NCD 07-03-2022 SR-VI	3.70	AAA
0.00% HDFC ZCB 23-10-2017 J-041	3.20	AAA
8.95% PFC NCD 11-03-2018 101-A	3.00	AAA
10.20% RELIANCE POWER LTD NCD 12-06-2014	2.93	A1
9.75% SRTRANSFIN NCD 01-06-2015	2.71	AA
9.70% TATA SONS NCD 25-07-2022	1.48	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	0.66	AAA
10.60% IRFC NCB 11-09-2018	0.59	AAA
9.34% SBOT NCB 31-10-2016 I	0.56	AAA
8.97% TATA SONS NCD 15-07-2020	0.55	AAA
9.70% UNITEDPHOSPHORUS NCD 09-04-2017 A	0.45	AA+
8.68% NCRPB NCB 18-08-2019	0.22	AAA

**total bond/cd 40.26**

#### gilts

7.16% GOI CG 20-05-2023	5.05
7.28% GOI CG 03-06-2019	4.88
8.28% GOI CG 21-09-2027	4.43
8.12% GOI CG 10-12-2020	3.32
8.32% GOI CG 02-08-2032	3.31
8.83% GOI CG 25-11-2023	2.35
8.35% GOI 2022	1.68

**total gilts 25.01**

#### equity

INFOSYS LTD	1.57
DIVIS LABORATORIES LTD	1.54
ITC	1.49
RELIANCE INDUSTRIES LTD.	1.42
HDFC BANK LTD	1.40
ICICI BANK LTD.	1.33
LARSEN & TUBRO	1.00
HDFC LTD	0.84
TATA CONSULTANCY SERVICES LTD.	0.82
TATA MOTORS LTD	0.69
BHARTI AIRTEL LTD	0.64
YES BANK LTD	0.60
ONGC	0.54
ULTRATECH CEMCO LTD	0.48
JSW STEEL LTD	0.42
MAHINDRA & MAHINDRA LTD	0.41
SANOFI INDIA LTD	0.40
KIRLOSKAR CUMMINS	0.38
MARUTI UDYOG LTD.	0.37
SUN PHARMACEUTICAL INDUSTRIES LTD	0.36
WIPRO	0.33
AUROBINDO PHARMA LTD	0.33
INDIABULLS HOUSING FINANCE LTD	0.31
LUPIN LTD	0.27
UNITED SPIRITS LTD	0.27
SESA STERLITE LTD	0.21
MOTHERSON SUMI SYSTEMS LTD.	0.21
BAJAJ AUTO LTD	0.18
STATE BANK OF INDIA	0.13
SML ISUZU LTD	0.11

**total equity 19.03**

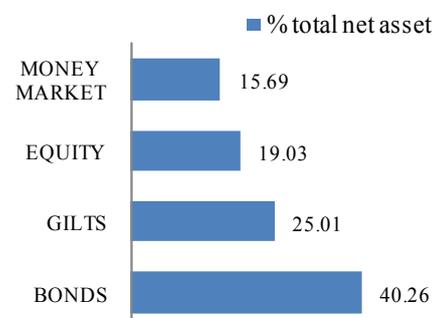
**total money market 15.69**

**total net assets 100.00**

### fund characteristics as on Apr 30, 2014

M. Duration of debt portfolio: 3.46 Years  
YTM of debt portfolio: 9.25%  
Fund Beta: 0.98

### asset allocation as on Apr 30, 2014



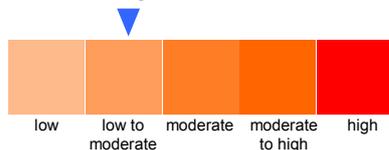
SFIN :  
ULGF01213/10/08GCBOND02121

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 Apr 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	4.62%	8.76%	8.44%	7.79%	7.90%
<b>Benchmark</b>	<b>3.15%</b>	<b>6.86%</b>	<b>7.31%</b>	<b>6.61%</b>	<b>5.94%</b>

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

### portfolio As on Apr 30, 2014

**security** % total net assets

#### bond/ncd

8.93% NTPC NCB 19-01-2021 XXXVII.	8.76	AAA
9.38% REC NCD 06-11-2018 117th	7.18	AAA
9.57% LICHFL NCD 07-09-2017	6.12	AAA
9.81% PFC NCD 07-10-2018 SR109	4.55	AAA
8.75% RIL NCD 07-05-2020	4.35	AAA
9.27% PFC NCD 21-08-2017 92-B	4.05	AAA
9.25% HDFC NCD 11-03-2018 K-018	2.24	AAA
9.24% REC NCD 17-10-2018 116THOPTII	1.56	AAA
0.00% HDFC ZCB 23-10-2017 J-041	1.02	AAA
9.90% TATA SONS NCD 18-03-2016	0.68	AAA

**total bond/ncd** 40.51

#### Gilts

8.32% GOI CG 02-08-2032	8.41
7.16% GOI CG 20-05-2023	6.29
7.28% GOI CG 03-06-2019	5.97
8.28% GOI CG 21-09-2027	5.48
8.35% GOI 2022	4.12
8.83% GOI CG 25-11-2023	2.95
8.12% GOI CG 10-12-2020	1.62

**total gilts** 34.83

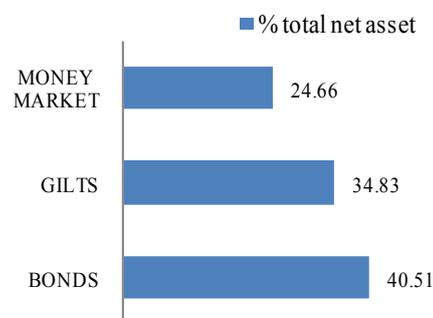
**total money market** 24.66

**total net assets** 100.00

### fund characteristics as on Apr 30, 2014

M. Duration of debt portfolio: 3.94 Years  
YTM of debt portfolio: 9.25%

### asset allocation as on Apr 30, 2014



### SFIN :

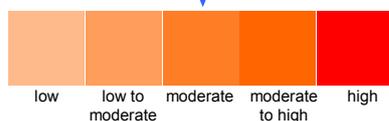
ULGF01030/09/08GPUREDEB01121

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 Apr 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	5.95%	9.26%	8.75%	8.01%	7.98%
<b>Benchmark</b>	<b>3.15%</b>	<b>6.86%</b>	<b>7.31%</b>	<b>6.61%</b>	<b>5.94%</b>

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

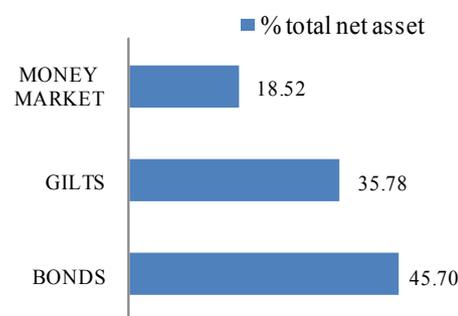
### portfolio As on Apr 30, 2014

security	% total net assets	rating
<b>bond/ncd</b>		
8.64% PGCIL NCD 08-07-2017 XXXIII D	8.98	AAA
9.95% FCI NCD 07-03-2022 SR-VI	7.49	AAA
9.68% TATA SONS NCD 10-01-2017	7.38	AAA
9.63% REC NCD 05-02-2019 SR-119	7.35	AAA
9.28% REC NCD 15-02-2017 106TH	7.31	AAA
8.95% PFC NCD 11-03-2018 101-A	7.19	AAA
<b>total bond/ncd</b>	<b>45.70</b>	
<b>gilts</b>		
8.32% GOI CG 02-08-2032	8.78	
7.16% GOI CG 20-05-2023	6.47	
7.28% GOI CG 03-06-2019	6.18	
8.28% GOI CG 21-09-2027	5.62	
8.35% GOI 2022	4.25	
8.83% GOI CG 25-11-2023	2.93	
8.12% GOI CG 10-12-2020	1.55	
<b>total gilts</b>	<b>35.78</b>	
<b>total money market</b>	<b>18.52</b>	
<b>total net assets</b>	<b>100.00</b>	

### fund characteristics as on Apr 30, 2014

M .Duration of debt portfolio: 3.91 Years  
YTM of debt portfolio: 9.12%

### asset allocation as on Apr 30, 2014



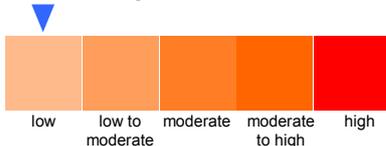
SFIN :  
ULGF00431/01/07GCAPISEC01121

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 Apr 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	9.92%	9.72%	9.61%	9.13%	8.80%
<b>Benchmark</b>	<b>7.65%</b>	<b>7.98%</b>	<b>7.99%</b>	<b>7.49%</b>	<b>6.94%</b>

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

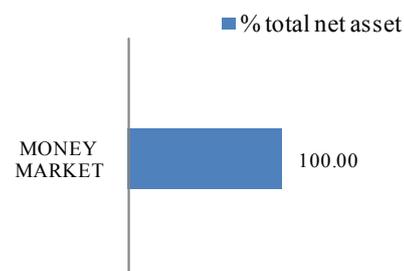
### portfolio As on Apr 30, 2014

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

### fund characteristics as on Apr 30, 2014

M .Duration of debt portfolio: 0.31 Years  
YTM of debt portfolio: 9.44%

### asset allocation as on Apr 30, 2014



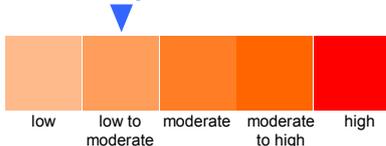
SFIN :  
ULGF01610/12/08GGILTFUN02121

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 Apr 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	2.09%	7.74%	7.47%	7.33%	6.40%
<b>Benchmark</b>	<b>-0.55%</b>	<b>7.35%</b>	<b>6.90%</b>	<b>6.55%</b>	<b>5.03%</b>

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

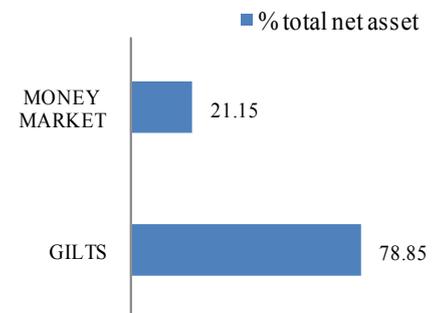
### portfolio As on Apr 30, 2014

security	% total net assets
<b>gilts</b>	
7.16% GOI CG 20-05-2023	15.19
8.32% GOI CG 02-08-2032	15.07
8.28% GOI CG 21-09-2027	13.10
7.28% GOI CG 03-06-2019	12.08
8.35% GOI 2022	10.95
8.83% GOI CG 25-11-2023	7.78
8.12% GOI CG 10-12-2020	4.68
<b>total gilts</b>	<b>78.85</b>
<b>total money market</b>	<b>21.15</b>
<b>total net assets</b>	<b>100.00</b>

### fund characteristics as on Apr 30, 2014

M. Duration of debt portfolio: 5.20 Years  
YTM of debt portfolio: 8.93%

### asset allocation as on Apr 30, 2014



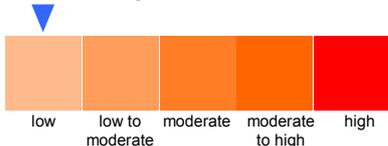
SFIN :  
ULGF00930/09/08GMONMRKT02121

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 Apr 30, 2014

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Money Market Fund 2	9.45%	9.77%	9.83%	9.39%	9.13%
<b>Benchmark</b>	<b>9.47%</b>	<b>8.82%</b>	<b>8.75%</b>	<b>8.19%</b>	<b>7.17%</b>

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

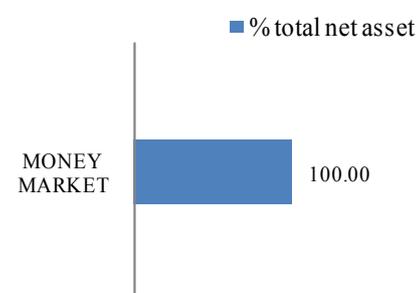
### portfolio As on Apr 30, 2014

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

### fund characteristics as on Apr 30, 2014

M. Duration of debt portfolio: 0.46 Years  
YTM of debt portfolio: 9.02%

### asset allocation as on Apr 30, 2014



## Life Insurance

SFIN	Plan Name	Fund Name	NAV
ULGF00431/01/07GCAPISEC01121	Reliance Group Gratuity Plan	Group Capital Secure Fund 1	17.8092
ULGF00210/10/03GBALANCE02121	Reliance Group Gratuity Plan	Group Balanced Fund 2	17.1799
ULGF00110/10/03GBALANCE01121	Reliance Group Gratuity Plan	Group Balanced Fund 1	20.5569
ULGF01213/10/08GCORBOND02121	Reliance Group Gratuity Plan	Group Corporate Bond Fund 2	15.7550
ULGF01808/06/09GEQUITYF03121	Reliance Group Gratuity Plan	Group Equity Fund 3	20.2215
ULGF01610/12/08GGILTFUN02121	Reliance Group Gratuity Plan	Group Gilt Fund 2	13.5535
ULGF00930/09/08GMONMRKT02121	Reliance Group Gratuity Plan	Group Money Market Fund 2	16.0188
ULGF00310/10/03GGROWTHF01121	Reliance Group Gratuity Plan	Group Growth Fund 1	16.6377
ULGF01908/06/09GINFRASF01121	Reliance Group Gratuity Plan	Group Infrastructure Fund 1	7.8602
ULGF02008/06/09GMIDCAPF01121	Reliance Group Gratuity Plan	Group Midcap Fund 1	16.3837
ULGF01030/09/08GPUREDEB01121	Reliance Group Gratuity Plan	Group Pure Debt Fund 1	15.8574
ULGF00110/10/03GBALANCE01121	Reliance Group Superannuation Plan	Group Balanced Fund 1	20.5569
ULGF00431/01/07GCAPISEC01121	Reliance Group Superannuation Plan	Group Capital Secure Fund 1	17.8092
ULGF01213/10/08GCORBOND02121	Reliance Group Superannuation Plan	Group Corporate Bond Fund 2	15.7550
ULGF01808/06/09GEQUITYF03121	Reliance Group Superannuation Plan	Group Equity Fund 3	20.2215
ULGF01610/12/08GGILTFUN02121	Reliance Group Superannuation Plan	Group Gilt Fund 2	13.5535
ULGF00310/10/03GGROWTHF01121	Reliance Group Superannuation Plan	Group Growth Fund 1	16.6377
ULGF00930/09/08GMONMRKT02121	Reliance Group Superannuation Plan	Group Money Market Fund 2	16.0188
ULGF01030/09/08GPUREDEB01121	Reliance Group Superannuation Plan	Group Pure Debt Fund 1	15.8574
ULGF00210/10/03GBALANCE02121	Reliance Group Savings Linked Insurance Plan	Group Balanced Fund 2	17.1799
ULGF01213/10/08GCORBOND02121	Reliance Group Savings Linked Insurance Plan	Group Corporate Bond Fund 2	15.7550
ULGF01428/11/08GENERGF01121	Reliance Group Savings Linked Insurance Plan	Group Energy Fund 1	14.7137
ULGF01328/11/08GEQUITYF02121	Reliance Group Savings Linked Insurance Plan	Group Equity Fund 2	24.2478
ULGF01610/12/08GGILTFUN02121	Reliance Group Savings Linked Insurance Plan	Group Gilt Fund 2	13.5535
ULGF01908/06/09GINFRASF01121	Reliance Group Savings Linked Insurance Plan	Group Infrastructure Fund 1	7.8602
ULGF02008/06/09GMIDCAPF01121	Reliance Group Savings Linked Insurance Plan	Group Midcap Fund 1	16.3837
ULGF00930/09/08GMONMRKT02121	Reliance Group Savings Linked Insurance Plan	Group Money Market Fund 2	16.0188
ULGF01030/09/08GPUREDEB01121	Reliance Group Savings Linked Insurance Plan	Group Pure Debt Fund 1	15.8574
ULGF01528/11/08GPUREEQF01121	Reliance Group Savings Linked Insurance Plan	Group Pure Equity Fund 1	21.1843
ULGF00210/10/03GBALANCE02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Balanced Fund 2	17.1799
ULGF00930/09/08GMONMRKT02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Money Market Fund 2	16.0188
ULGF01213/10/08GCORBOND02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Corporate Bond Fund 2	15.7550
ULGF01610/12/08GGILTFUN02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Gilt Fund 2	13.5535
ULGF01808/06/09GEQUITYF03121	Reliance Life Insurance Group Gratuity Plus Plan	Group Equity Fund 3	20.2215
ULGF00930/09/08GMONMRKT02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Money Market Fund 2	16.0188
ULGF01213/10/08GCORBOND02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Corporate Bond Fund 2	15.7550
ULGF01610/12/08GGILTFUN02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Gilt Fund 2	13.5535
ULGF01808/06/09GEQUITYF03121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Equity Fund 3	20.2215
ULGF00210/10/03GBALANCE02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Balanced Fund 2	17.1799

- √ 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

## Disclaimer

“While every care has been taken in the preparation of this document, Reliance Life Insurance company Ltd makes no representation or warranty about the accuracy or completeness of any statement in it including, without limitation, any forecasts. Past performance is not a reliable indicator of future performance. This document has been prepared for the purpose of providing general information, without taking account of any particular investor's objectives, financial situation or needs. An investor should, before making any investment decisions, consider the appropriateness of the investor's objectives, financial situation and needs. This document is solely for the use of the party to whom it is provided.”

“Unit Link Life Insurance Products are different from the traditional insurance products and are subject to the risk factors.”

“The premium paid in Unit Linked Life Insurance policies are subject to investment risks associated with capital markets and the NAV's of the units may go up or down based on the performance of fund and factors influencing the capital market and the insured is responsible for his/her decisions.”

“Reliance Life Insurance company Limited is only the name of the Insurance company and the specified Unit Linked funds do not in any way indicate the quality of the contract, its future prospects or returns.”

“For more details on RLIC products and respective risk factors, terms and conditions please read respective sales brochure documents carefully before concluding a sale. The respective sales brochure documents for various products are published in the website “[www.reliancelife.com](http://www.reliancelife.com)”

“Insurance is the subject matter of solicitation. Reliance Life Fund Insurance company Limited is a licensed life fund Insurance company registered with the Insurance Regulatory and Development Authority (Registration No: 121) in accordance with the provisions of the Insurance Act 1938.”