



RELIANCE

Life Insurance



**the analyst**

**monthly Group fund  
factsheet for August 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	31st Jul 14	30th Jun 14	% Change
<sup>1</sup> \$ / Rs.	60.56	60.19	0.62
<sup>2</sup> CPI (YOY)	7.96	7.31	0.50
<sup>3</sup> Forex Reserves (\$ bn)	317.85	315.78	0.65
<sup>1</sup> Brent Crude Price (\$ per Barrel)	106.02	105.37	0.61
<sup>1</sup> Gold (Rs. per 10gm)	27906	28093	-0.67

Indices	31st Jul 14	30th Jun 14	% Change
<sup>1</sup> BSE Sensex	25895	25414	1.86
<sup>1</sup> S&P CNX Nifty	7721	7611	1.42
<sup>1</sup> CNX Mid Cap	10838	11097	-2.39
<sup>1</sup> BSE Small Cap	9989	10203	-2.14

Global Indices	31st Jul 14	30th Jun 14	% Change
<sup>1</sup> Dow Jones	16563	16827	-1.59
<sup>1</sup> FTSE 100	6730	6744	-0.21
<sup>1</sup> Hang Seng	24757	23191	6.33
<sup>1</sup> Nikkei	15621	15162	2.94

Sectoral Indices	31st Jul 14	30th Jun 14	% Change
<sup>1</sup> CNX Infrastructure	3164	3373	-6.61
<sup>1</sup> CNX Energy	9511	9968	-4.82
<sup>1</sup> BSE Capital Goods	14652	16200	-10.57
<sup>1</sup> BSE Bankex	17486	17475	0.06
<sup>1</sup> BSE Oil & Gas	10750	11151	-3.73
<sup>1</sup> BSE IT	9742	9346	4.07

Fixed Income Indicators (%)	31st Jul 14	30th Jun 14	bps Change
<sup>1</sup> NSE Mibor	9.22	9.16	0.65
<sup>1</sup> 91 Day T-Bill	8.51	8.58	-0.06
<sup>1</sup> 182 Day T-Bill	8.70	8.63	0.07
<sup>1</sup> 1 year GOI Benchmark	8.32	8.40	-0.08
<sup>1</sup> 5 Year GOI Benchmark	8.53	8.60	-0.07
<sup>1</sup> 10 Year GOI Benchmark	8.50	8.75	-0.25
<sup>1</sup> 5 Year Corp Bond Benchmark	9.33	9.16	0.17
<sup>1</sup> 10 Year AAA Corp Bond Benchmark	8.99	8.89	0.10
<sup>1</sup> 10 Year US Treasury	2.56	2.53	0.03

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

**Fixed Income Market**

High expectations associated with maiden Union budget presented by the new government as well as recovery in the monsoon were the twin drivers during the last month.

As expected, government has choose to stick to the path of fiscal consolidation and announced a tall target for fiscal deficit at 4.1% of GDP for FY15. In fact, a lot depends upon how ambitious target of divestment will be met to help bridge the fiscal deficit target as lofty projection of revenue growth may not materialize while growth will take some time to pickup.

On the other hand, rains have picked up the pace after scanty rain fall during June 2014. The cumulative rainfall deficit in the country has reduced to 24% in July 2014 from 43% in the last month. This will also improve the area under cultivation and hopefully mitigate the adverse impact on inflation.

Interest rates remained firm during the month with hardly any appreciable movement. Money Market was also stable as RBI is committed to maintain sufficient liquidity by way of Term Repo auctions as when required. Some banks have reduced deposit rates during the month. INR has declined marginally against USD from 60.00 to 60.55.

Investments by FIIs in both equities and fixed income have got catalyzed further, after the onset of decisive government. In all, close to USD 25 billion (56% by Fixed Income investors) have been invested by FIIs in India in the current calendar year.

Indian economy looks like is bottoming out as indicated by the latest set of data points. Index of Industrial Production grew up by 4.7% (YoY) in May 2014 against 3.4% (YoY) in Apr'14 thanks to favorable base. The acceleration in growth was sharpest in manufacturing @ 4.8% (YoY). On a use-based classification, consumer goods recorded its first positive growth of 3.2% (YoY) since Nov 2012, while capital goods index rose by 4.5% (YoY).

Retail Inflation (CPI) has moderated to 7.3% (YoY) for the month of June'14 against 8.3% (YoY) in the previous month. Core CPI (inflation without food and fuel) also fell to 7.3% (YoY) against 7.7% (YoY). The major fall was due to higher base in the last year index. However, the core CPI was driven down due to moderation in its components. Going forward, recent moderation in the mineral oils and industrial commodities will help impart stability to the prices. However, if monsoons continue to be sub-par and if government efforts could not materialize as expected to improve the supply of food products, than inflation may inch up substantially.

Global uncertainty associated with the events in Ukraine and Iraq were also weighed in the markets through its adverse impact on the commodity and currency for emerging markets. US Federal Reserve was on course as it continues to reduce purchase of securities which is expected to wind down by October 2014.

**Fixed Income Outlook:**

Interest rates are expected to be range bounded while liquidity in the banking system will be actively supported by RBI.

**Equity Market**

Indian equities were on roller coaster ride during the month though it has ended with gain ig 1.44%. As dust settled around the budget, market focus once again turned towards corporate earnings. While it was raining results indoors, monsoon picked up pace outdoors and made up on a large part of the shortfall since June 2014.

The first Union Budget under the Modi regime appeared to take the safe path instead of being big bang. However credibility was established at the onset with the FM taking on the 4.1% fiscal deficit target as a challenge. In terms of hits, there was something for everyone viz – personal income tax breaks, thrust on infra spend and finance, FDI in insurance and defense, affordable housing, REITs, overhaul of oil & gas subsidy regime, fresh divestment push among others. However it missed in terms of any specifics on retrospective tax, date-lining GST, land and labour laws, mining and asset auctioning and government ownership limits.

Financials saw a lot of action this month with the RBI coming out with relaxed reserve requirements for infrastructure and affordable housing finance.

Pharmaceuticals with exposure to the Indian market were once again dealt a blow when the pricing authority (NPPA) decided to bring 50 new molecules under price control. Energy stocks underperformed with the likes of Reliance and Cairn reporting muted results.

IT stocks had mixed fortunes with TCS notching up another good growth quarter even as Wipro failed to deliver strongly on the revenue front. Among Industrial names, L&T reported a disappointing set of results with sales growth turning out to be a below par and margins dipping across most divisions.

Among Telecom companies Bharti reported a good set of results led by its India wireless business on improving voice realizations although Africa remained lackluster and Idea too saw an uptick in voice rev/min

Among Autos, Tata Motors saw a sharp correction after JLR announced price cuts in China while Maruti did well on volumes although discounting during the quarter was also aggressive.

FII inflows into India continued unabated in July 2014 with another \$1.9bn pouring in. FIIs have now brought in \$11.8bn YTD with ETF inflows totaling \$1.4bn. Domestic Institutions, meanwhile continued as marginal net sellers with an outflow of \$541mn during the month taking the YTD tally to \$5.6bn. Mutual funds once again net bought \$600mn in equities with the \$1.1bn of selling coming from Insurance funds.

**Equity Outlook:**

We expect that policy reforms as and when announced will be the key driver to sustain current valuations. In addition, rest of quarterly corporate earnings and pickup in monsoons would be the key catalyst to watch out in the near future.

# fund snapshot

gross return (CAGR\*) (%) As on Jul 31, 2014

asset allocation	funds	Last 1 Year	Last 2 Year	Last 3 Year	Page No.
100% equity	Group Equity Fund 2	47.16%	25.06%	14.98%	4
100% equity	Group Equity Fund 3	43.19%	22.97%	21.02%	5
100% pure equity	Group Pure Equity Fund 1	34.47%	21.04%	11.94%	6
100% equity	Group Infrastructure Fund 1	50.68%	14.58%	3.08%	7
100% equity	Group Energy Fund 1	41.81%	14.77%	7.29%	8
100% equity	Group Midcap Fund 1	75.85%	34.05%	18.62%	9
40% equity, 60% debt	Group Growth Fund 1	21.55%	14.55%	11.29%	10
20% equity, 80% debt	Group Balanced Fund 1	14.27%	10.94%	9.68%	11
20% equity, 80% debt	Group Balanced Fund 2	14.70%	11.43%	10.21%	12
20% equity, 80% debt	Group Balanced Fund 4	NA	NA	NA	13
100% bond instruments	Group Corporate Bond Fund 2	9.06%	9.09%	8.96%	14
100% debt Instruments	Group Pure Debt Fund 1	9.09%	9.65%	9.42%	15
100% debt Instruments	Group Corporate Bond Fund 3	NA	NA	NA	16
100% money market	Group Capital Secure Fund 1	10.08%	9.70%	9.64%	17
100% govt. securities	Group Gilt Fund 2	7.51%	8.23%	8.30%	18
100% money market	Group Money Market Fund 2	9.39%	9.65%	9.82%	19

### SFIN :

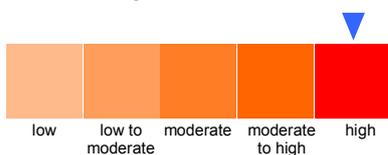
ULGF00724/10/07GEQUITYF01121

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	47.16%	25.06%	14.98%	11.98%	13.95%
<b>Benchmark</b>	<b>10.18%</b>	<b>8.92%</b>	<b>8.86%</b>	<b>8.49%</b>	<b>7.48%</b>

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

### portfolio As on Jul 31, 2014

security % total net assets

#### equity

DIVIS LABORATORIES LIMITED	8.88
INFOSYS LIMITED	7.94
RELIANCE INDUSTRIES LTD.	7.20
ICICI BANK LTD.	6.89
HDFC BANK LTD	6.67
LARSEN&TUBRO	5.98
ITC	5.14
TATA CONSULTANCY SERVICES LTD.	4.67
YES BANK LTD	3.66
TATA MOTORS LTD	3.45
MARUTI UDYOG LTD.	2.80
ONGC	2.57
ULTRATECH CEMCO LTD	2.56
INDIABULLS HOUSING FINANCE LTD	2.27
CUMMINS INDIA	2.22
STATE BANK OF INDIA	2.07
MAHINDRA & MAHINDRA LTD	1.98
HDFC LTD	1.98
MOTHERSON SUMI SYSTEMS LTD.	1.83
SUN PHARMACEUTICAL INDUSTRIES LTD	1.81
BHARTI AIRTEL LIMITED	1.81
SESA STERLITE LIMITED	1.76
JSW STEEL LIMITED	1.69
SML ISUZU LIMITED	1.08
ADITYA BIRLA NUVO LIMITED	1.01
OIL INDIA LIMITED	0.95
WIPRO	0.85
COAL INDIA LIMITED	0.82
HERO MOTOCORP LIMITED	0.75
INDIABULLS REAL ESTATE LIMITED	0.69
HT MEDIA LIMITED	0.58
CROMPTON GREAVES LTD	0.58
JINDAL STEEL & POWER LTD.	0.51
ABAN OFFSHORE LTD	0.49
D.B. CORP LIMITED	0.45
KOTAK MAHINDRA BANK LIMITED	0.41

total equity 97.00

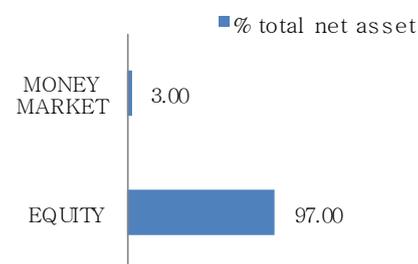
total money market 3.00

total net assets 100.00

### fund characteristics as on Jul 31, 2014

Fund Beta 1.00

### asset allocation as on Jul 31, 2014



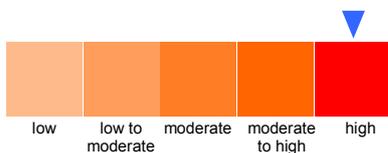
SFIN :  
ULGF01808/06/09GEQUITYF03121

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 Jul 31, 2014

fund name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Equity Fund 3	43.19%	22.97%	21.02%	16.29%	17.49%
<b>Benchmark</b>	<b>34.47%</b>	<b>21.52%</b>	<b>12.09%</b>	<b>9.52%</b>	<b>10.74%</b>

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

### portfolio As on Jul 31, 2014

security % total net assets

### equity

DIVIS LABORATORIES LIMITED	8.74
INFOSYS LIMITED	7.92
RELIANCE INDUSTRIES LTD.	7.18
ICICI BANK LTD.	6.88
HDFC BANK LTD	6.70
LARSEN&TUBRO	5.89
ITC	5.11
TATA CONSULTANCY SERVICES LTD.	4.61
YES BANK LTD	3.54
TATA MOTORS LTD	3.47
MARUTI UDYOG LTD.	2.76
ONGC	2.57
ULTRATECH CEMCO LTD	2.54
INDIABULLS HOUSING FINANCE LTD	2.34
CUMMINS INDIA	2.29
HDFC LTD	2.07
STATE BANK OF INDIA	2.06
MAHINDRA & MAHINDRA LTD	1.91
BHARTI AIRTEL LIMITED	1.81
MOTHERSON SUMI SYSTEMS LTD.	1.77
SUN PHARMACEUTICAL INDUSTRIES LTD	1.76
SESA STERLITE LIMITED	1.74
JSW STEEL LIMITED	1.62
SML ISUZU LIMITED	1.07
ADITYA BIRLA NUVO LIMITED	0.97
OIL INDIA LIMITED	0.90
WIPRO	0.84
COAL INDIA LIMITED	0.80
INDIABULLS REAL ESTATE LIMITED	0.64
HERO MOTOCORP LIMITED	0.60
JINDAL STEEL & POWER LTD.	0.51
HT MEDIA LIMITED	0.50
ABAN OFFSHORE LTD	0.49
CROMPTON GREAVES LTD	0.48
D.B. CORP LIMITED	0.42
KOTAK MAHINDRA BANK LIMITED	0.41

total equity 95.90

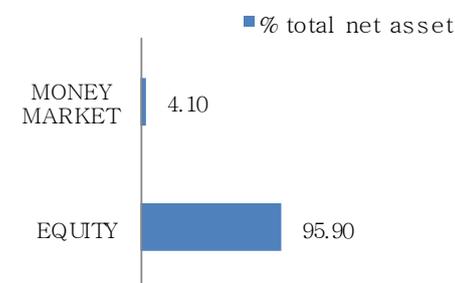
total money market 4.10

total net assets 100.00

### fund characteristics as on Jul 31, 2014

Fund Beta 1.00

### asset allocation as on Jul 31, 2014



### SFIN :

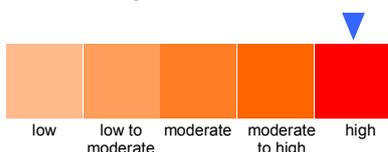
ULGF01528/11/08GPUREEQF01121

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	34.47%	21.04%	11.94%	9.38%	10.74%
<b>Benchmark</b>	<b>28.70%</b>	<b>23.61%</b>	<b>12.91%</b>	<b>9.02%</b>	<b>9.39%</b>

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

### portfolio As on Jul 31, 2014

security % total net assets

#### equity

TATA CONSULTANCY SERVICES LTD.	8.81
RELIANCE INDUSTRIES LTD.	8.69
INFOSYS LIMITED	6.93
BHARTI AIRTEL LIMITED	6.84
HINDUSTAN LEVER LTD.	5.85
MARUTI UDYOG LTD.	5.84
ULTRATECH CEMCO LTD	5.33
DR. REDDY LABORATORIES	4.58
LUPIN LIMITED	4.46
HERO MOTOCORP LIMITED	4.35
BAJAJ AUTO LTD	3.82
ASIAN PAINTS LIMITED	3.50
ONGC	3.25
WIPRO	3.03
GAS AUTHORITY OF INDIA LTD.	2.56
MOTHERSON SUMI SYSTEMS LTD.	2.47
LARSEN&TUBRO	2.25
TRENT LTD	2.19
DIVIS LABORATORIES LIMITED	2.10
ECLERX SERVICES LIMITED	1.99
VOLTAS LTD	1.95
SANOFI INDIA LIMITED	1.46
EXIDE INDUSTRIES LTD	1.44
OIL INDIA LIMITED	1.14
PETRONET LNG LIMITED	1.01

**total equity** **95.82**

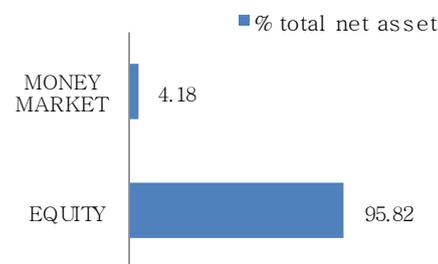
**total money market** **4.18**

**total net assets** **100.00**

### fund characteristics as on Jul 31, 2014

Fund Beta 0.90

### asset allocation as on Jul 31, 2014



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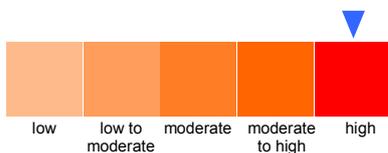
ULGF01908/06/09GINFRASF01121

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	50.68%	14.58%	3.08%	-0.64%	-0.49%
<b>Benchmark</b>	<b>45.18%</b>	<b>16.04%</b>	<b>1.46%</b>	<b>-2.02%</b>	<b>-3.16%</b>

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

### portfolio As on Jul 31, 2014

security % total net assets

#### equity

BHARTI AIRTEL LIMITED	9.06
LARSEN&TUBRO	8.95
POWER GRID CORP OF INDIA LTD	8.93
NTPC LIMITED	8.72
RELIANCE INDUSTRIES LTD.	8.56
CUMMINS INDIA	7.57
CROMPTON GREAVES LTD	7.19
VOLTAS LTD	6.03
BHARAT FORGE	5.19
BHARAT HEAVY ELECTRICALS LTD	5.17
IDEA CELLULAR LTD	5.14
TATA POWER CO. LTD	4.88
INDIAN METALS AND FERRO ALLOYS LIMITED	3.37
MOTHERSON SUMI SYSTEMS LTD.	2.94
ONGC	2.92
INDRAPRASTHA GAS LIMITED	2.55

total equity 97.19

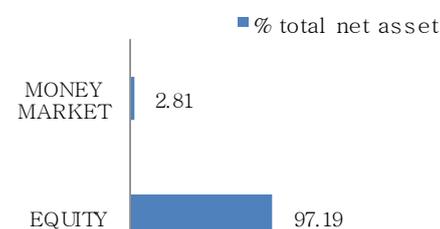
total money market 2.81

total net assets 100.00

### fund characteristics as on Jul 31, 2014

Fund Beta 0.87

### asset allocation as on Jul 31, 2014



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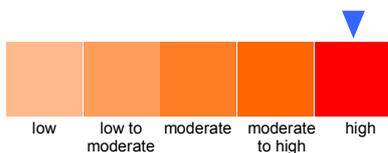
ULGF01428/11/08GENERGYF01121

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	41.81%	14.77%	7.29%	4.17%	5.18%
<b>Benchmark</b>	<b>23.25%</b>	<b>12.10%</b>	<b>5.10%</b>	<b>0.61%</b>	<b>1.71%</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 Jul 31, 2014

security % total net assets

### equity

ONGC	9.01
POWER GRID CORP OF INDIA LTD	8.98
NTPC LIMITED	8.97
RELIANCE INDUSTRIES LTD.	8.97
LARSEN&TUBRO	8.95
OIL INDIA LIMITED	8.92
GAS AUTHORITY OF INDIA LTD.	5.40
INDRAPRASTHA GAS LIMITED	5.27
CAIRN INDIA LIMITED	5.22
TATA POWER CO. LTD	5.10
BHARAT PETROLEUM CORP. LTD.	4.83
GUJARAT STATE PETRONET LIMITED	4.27
CUMMINS INDIA	3.55
PETRONET LNG LIMITED	3.42
COAL INDIA LIMITED	3.06
VOLTAS LTD	2.81

**total equity 96.73**

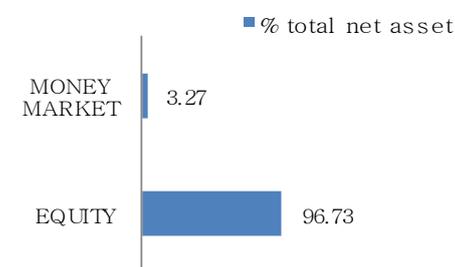
**total money market 3.27**

**total net assets 100.00**

### fund characteristics as on Jul 31, 2014

Fund Beta 0.89

### asset allocation as on Jul 31, 2014



SFIN :

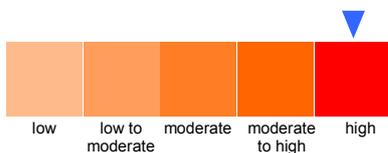
ULGF02008/06/09GMIDCAPF01121

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	75.85%	34.05%	18.62%	11.52%	14.37%
<b>Benchmark</b>	<b>72.16%</b>	<b>23.70%</b>	<b>9.35%</b>	<b>3.03%</b>	<b>7.14%</b>

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

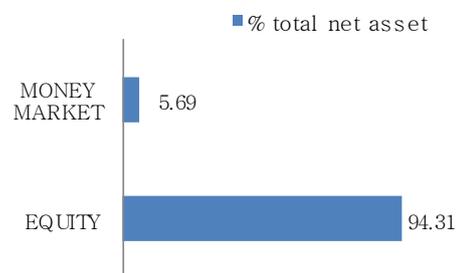
### portfolio As on Jul 31, 2014

security	% total net assets
<b>equity</b>	
INDIABULLS HOUSING FINANCE LTD	7.54
YES BANK LTD	6.71
DIVIS LABORATORIES LIMITED	5.85
ADITYA BIRLA NUVO LIMITED	4.71
CROMPTON GREAVES LTD	4.67
PURAVANKARA PROJECTS LIMITED	4.60
FUTURE CONSUMER ENTERPRISE LIMITED	3.81
IDEA CELLULAR LTD	3.68
INDIAN METALS AND FERRO ALLOYS LIMITED	3.22
BHARAT FORGE	3.11
JSW STEEL LIMITED	2.98
GUJARAT FLUORO CHEMICALS LTD.	2.89
TRENT LTD	2.86
EXIDE INDUSTRIES LTD	2.77
INDRAPRASTHA GAS LIMITED	2.61
D.B. CORP LIMITED	2.48
TATA CHEMICALS LTD.	2.47
VOLTAS LTD	2.34
JINDAL SAW LIMITED	2.33
ABAN OFFSHORE LTD	2.25
PETRONET LNG LIMITED	2.21
SHOPPERS STOP LIMITED	2.18
THE FEDERAL BANK LIMITED	2.15
TATA GLOBAL BEVERAGES LIMITED	2.04
STATE BANK OF INDIA	1.94
RADICO KHAITAN LIMITED	1.86
HT MEDIA LIMITED	1.79
ZEE ENTERTAINMENT ENTERPRISES LIMITED	1.79
KOTAK MAHINDRA BANK LIMITED	1.72
OIL INDIA LIMITED	1.39
CENTURY TEXTILES & INDUSTRIES LIMITED	1.36
<b>total equity</b>	<b>94.31</b>
<b>total money market</b>	<b>5.69</b>
<b>total net assets</b>	<b>100.00</b>

### fund characteristics as on Jul 31, 2014

Fund Beta 0.86

### asset allocation as on Jul 31, 2014



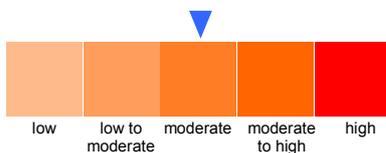
SFIN :  
ULGF00310/10/03GGROWTHF01121

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	21.55%	14.55%	11.29%	9.45%	9.83%
<b>Benchmark</b>	<b>19.50%</b>	<b>13.23%</b>	<b>9.97%</b>	<b>8.71%</b>	<b>8.82%</b>

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

### portfolio As on Jul 31, 2014

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

#### bond/ncd

9.95% FCI NCD 07-03-2022 SR-VI	7.30	AAA
9.81% PFC NCD 07-10-2018 SR109	5.37	AAA
9.28% REC NCD 15-02-2017 106TH	5.29	AAA
8.64% PGCIL NCD 08-07-2017 XXXIII D	4.34	AAA
10.60% IRFC NCB 11-09-2018	1.85	AAA
9.70% PFC NCD 15-12-2018 SR 82-C	1.78	AAA
9.38% REC NCD 06-11-2018 117th	1.76	AAA

**total bond/cd 27.70**

#### gilts

7.16% GOI CG 20-05-2023	5.15
8.28% GOI CG 21-09-2027	4.20
8.32% GOI CG 02-08-2032	3.02
8.27% GOI CG 09-06-2020	2.84
8.35% GOI 2022	2.67
7.28% GOI CG 03-06-2019	1.55
8.30% GOI CG 31-12-2042	0.67
8.12% GOI CG 10-12-2020	0.22

**total gilts 20.34**

#### equity

DIVIS LABORATORIES LIMITED	3.22
ICICI BANK LTD.	3.09
INFOSYS LIMITED	3.09
HDFC BANK LTD	2.95
RELIANCE INDUSTRIES LTD.	2.74
LARSEN&TUBRO	2.34
ITC	2.28
TATA CONSULTANCY SERVICES LTD.	1.84
YES BANK LTD	1.62
HDFC LTD	1.33
ONGC	1.29
TATA MOTORS LTD	1.29
ULTRATECH CEMCO LTD	1.16
STATE BANK OF INDIA	1.07
BHARTI AIRTEL LIMITED	0.98
CUMMINS INDIA	0.88
MARUTI UDYOG LTD.	0.84
JSW STEEL LIMITED	0.79
INDIABULLS HOUSING FINANCE LTD	0.75
WIPRO	0.72
SUN PHARMACEUTICAL INDUSTRIES LTD	0.72
MAHINDRA & MAHINDRA LTD	0.70
SANOFI INDIA LIMITED	0.59
SESA STERLITE LIMITED	0.58
MOTHERSON SUMI SYSTEMS LTD.	0.51
LUPIN LIMITED	0.40
COAL INDIA LIMITED	0.36
HERO MOTOCORP LIMITED	0.36
SML ISUZU LIMITED	0.35
TECH MAHINDRA LIMITED	0.20

**total equity 39.04**

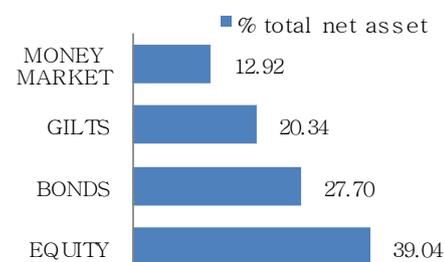
**total money market 12.92**

**total net assets 100.00**

### fund characteristics as on Jul 31, 2014

M. Duration of debt portfolio: 3.81 Years  
YTM of debt portfolio: 8.84%  
Fund Beta: 1.00

### asset allocation as on Jul 31, 2014



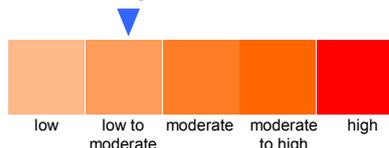
SFIN :  
ULGF00110/10/03GBALANCE01121

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	14.27%	10.94%	9.68%	8.46%	8.56%
<b>Benchmark</b>	<b>14.66%</b>	<b>10.40%</b>	<b>9.02%</b>	<b>8.19%</b>	<b>7.93%</b>

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

### portfolio As on Jul 31, 2014

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

#### bond/ncd

9.95% FCI NCD 07-03-2022 SR-VI	8.90	AAA
8.64% PGCIL NCD 08-07-2017 XXXIII D	7.06	AAA
8.95% PFC NCD 11-03-2018 101-A	5.68	AAA
9.63% REC NCD 05-02-2019 SR-119	3.86	AAA
9.57% LICHL NCD 07-09-2017	3.85	AAA
9.51% LICHL NCD 24-07-2019	3.85	AAA
8.93% NTPC NCB 19-01-2021 XXXVII D	3.76	AAA
8.70% REC NCD 01-02-2018 112	3.76	AAA
0.00% HDFC ZCB 23-10-2017 J-041	3.34	AAA
9.25% TATA SONS NCD 19-06-2019	2.86	AAA
8.80% PGCIL NCD 13-03-2023 XLII	1.86	AAA
10.60% IRFC NCB 11-09-2018	1.00	AAA
9.81% PFC NCD 07-10-2018 SR109	0.97	AAA

**total bond/cd 50.74**

#### gilts

7.16% GOI CG 20-05-2023	6.96
8.28% GOI CG 21-09-2027	5.69
8.32% GOI CG 02-08-2032	4.10
8.27% GOI CG 09-06-2020	3.68
8.35% GOI 2022	3.58
7.28% GOI CG 03-06-2019	2.20
8.30% GOI CG 31-12-2042	0.82
8.12% GOI CG 10-12-2020	0.29

**total gilts 27.32**

#### equity

DIVIS LABORATORIES LIMITED	2.02
INFOSYS LIMITED	1.52
ICICI BANK LTD.	1.50
HDFC BANK LTD	1.45
RELIANCE INDUSTRIES LTD.	1.45
LARSEN&TUBRO	1.25
ITC	1.14
TATA CONSULTANCY SERVICES LTD.	1.05
YES BANK LTD	1.01
HDFC LTD	0.67
TATA MOTORS LTD	0.62
ONGC	0.53
ULTRATECH CEMCO LTD	0.45
STATE BANK OF INDIA	0.42
BHARTI AIRTEL LIMITED	0.41
CUMMINS INDIA	0.38
MARUTI UDYOG LTD.	0.38
JSW STEEL LIMITED	0.36
SUN PHARMACEUTICAL INDUSTRIES LTD	0.30
WIPRO	0.30
INDIABULLS HOUSING FINANCE LTD	0.28
MAHINDRA & MAHINDRA LTD	0.27
SANOFI INDIA LIMITED	0.26
SESA STERLITE LIMITED	0.21
MOTHERSON SUMI SYSTEMS LTD.	0.18
LUPIN LIMITED	0.17
COAL INDIA LIMITED	0.14
HERO MOTOCORP LIMITED	0.03
TECH MAHINDRA LIMITED	0.02

**total equity 19.24**

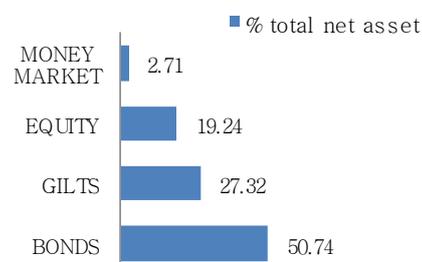
**total money market 2.71**

**total net assets 100.00**

### fund characteristics as on Jul 31, 2014

M. Duration of debt portfolio:	4.55 Years
YTM of debt portfolio:	9.05%
Fund Beta:	1.00

### asset allocation as on Jul 31, 2014



### target asset allocation

Debt.:	80%
Equity:	20%

### benchmark construction

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

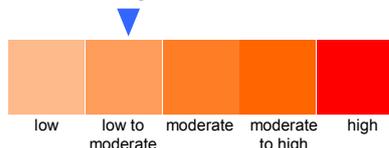
SFIN :  
ULGF00210/10/03GBALANCE02121

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	14.70%	11.43%	10.21%	8.92%	8.95%
<b>Benchmark</b>	<b>14.66%</b>	<b>10.40%</b>	<b>9.02%</b>	<b>8.19%</b>	<b>7.93%</b>

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

### portfolio As on Jul 31, 2014

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

#### bond/ncd

9.95% FCI NCD 07-03-2022 SR-VI	8.84	AAA
8.70% REC NCD 01-02-2018 112	8.77	AAA
9.25% TATA SONS NCD 19-06-2019	6.09	AAA
8.80% PGCIL NCD 29-09-2017 E	6.03	AAA
9.81% PFC NCD 07-10-2018 SR109	5.70	AAA
0.00% HDFC ZCB 23-10-2017 J-041	3.56	AAA
8.95% PFC NCD 11-03-2018 101-A	2.66	AAA
8.80% PGCIL NCD 13-03-2023 XLII	2.37	AAA
9.70% TATA SONS NCD 25-07-2022	1.62	AA
8.93% NTPC NCB 19-01-2021 XXXVII.	0.72	AAA
10.60% IRFC NCB 11-09-2018	0.64	AAA
9.34% SBOT NCB 31-10-2016 I	0.61	AAA
8.97% TATA SONS NCD 15-07-2020	0.60	AAA
9.70% UNITEDPHOSPHORUS NCD 09-04-2017 A	0.49	AA+

**total bond/cd 48.72**

#### gilts

7.16% GOI CG 20-05-2023	8.02
8.28% GOI CG 21-09-2027	6.08
8.32% GOI CG 02-08-2032	4.38
8.27% GOI CG 09-06-2020	3.70
8.35% GOI 2022	3.57
7.28% GOI CG 03-06-2019	2.47
8.12% GOI CG 10-12-2020	0.28

**total gilts 28.50**

#### equity

DIVIS LABORATORIES LIMITED	1.61
INFOSYS LIMITED	1.54
ICICI BANK LTD.	1.54
HDFC BANK LTD	1.47
RELIANCE INDUSTRIES LTD.	1.36
LARSEN&TUBRO	1.18
ITC	1.14
TATA CONSULTANCY SERVICES LTD.	0.94
YES BANK LTD	0.81
HDFC LTD	0.66
TATA MOTORS LTD	0.65
ONGC	0.64
ULTRATECH CEMCO LTD	0.59
STATE BANK OF INDIA	0.54
BHARTI AIRTEL LIMITED	0.49
CUMMINS INDIA	0.43
MARUTI UDYOG LTD.	0.42
JSW STEEL LIMITED	0.41
INDIABULLS HOUSING FINANCE LTD	0.38
SUN PHARMACEUTICAL INDUSTRIES LTD	0.36
WIPRO	0.36
MAHINDRA & MAHINDRA LTD	0.35
SESA STERLITE LIMITED	0.30
SANOFI INDIA LIMITED	0.30
MOTHERSON SUMI SYSTEMS LTD.	0.26
LUPIN LIMITED	0.20
HERO MOTOCORP LIMITED	0.18
COAL INDIA LIMITED	0.18
SML ISUZU LIMITED	0.16
TECH MAHINDRA LIMITED	0.10

**total equity 19.55**

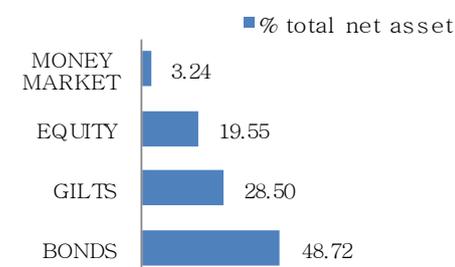
**total money market 3.24**

**total net assets 100.00**

### fund characteristics as on Jul 31, 2014

M. Duration of debt portfolio: 4.57 Years  
YTM of debt portfolio: 9.02%  
Fund Beta: 1.00

### asset allocation as on Jul 31, 2014



### SFIN :

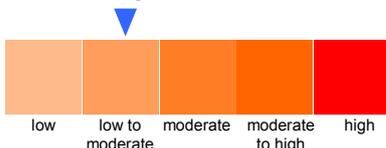
ULGF02105/06/13GBALANCE04121

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



# Group Balanced Fund 4

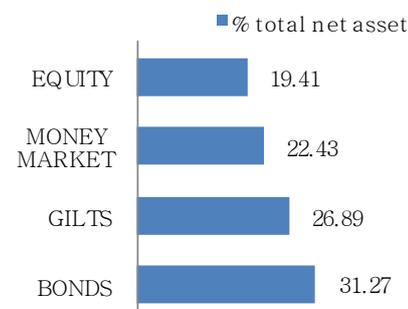
### portfolio As on Jul 31, 2014

security	% total net assets	rating
<b>bond/ncd</b>		
9.95% FCI NCD 07-03-2022 SR-VI	8.44	AAA
8.70% REC NCD 01-02-2018 112	8.02	AAA
9.81% PFC NCD 07-10-2018 SR109	6.21	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	3.01	AAA
8.73% PGCIL NCD 11-10-2018 STRPP-I	2.49	AAA
9.25% TATA SONS NCD 19-06-2019	2.03	AAA
10.60% IRFC NCB 11-09-2018	1.07	AAA
<b>total bond/ncd</b>	<b>31.27</b>	
<b>gilts</b>		
7.16% GOI CG 20-05-2023	7.04	
8.28% GOI CG 21-09-2027	5.43	
8.32% GOI CG 02-08-2032	4.12	
8.27% GOI CG 09-06-2020	3.79	
8.35% GOI 2022	3.57	
7.28% GOI CG 03-06-2019	1.86	
8.30% GOI CG 31-12-2042	0.78	
8.12% GOI CG 10-12-2020	0.30	
<b>total gilts</b>	<b>26.89</b>	
<b>Equity</b>		
DIVIS LABORATORIES LIMITED	1.61	
INFOSYS LIMITED	1.55	
ICICI BANK LTD.	1.54	
HDFC BANK LTD	1.47	
RELIANCE INDUSTRIES LTD.	1.35	
LARSEN&TUBRO	1.18	
ITC	1.13	
TATA CONSULTANCY SERVICES LTD.	0.89	
YES BANK LTD	0.82	
HDFC LTD	0.67	
TATA MOTORS LTD	0.66	
ONGC	0.64	
ULTRATECH CEMCO LTD	0.58	
STATE BANK OF INDIA	0.54	
BHARTI AIRTEL LIMITED	0.49	
MARUTI UDYOG LTD.	0.42	
JSW STEEL LIMITED	0.41	
CUMMINS INDIA	0.39	
WIPRO	0.36	
INDIABULLS HOUSING FINANCE LTD	0.35	
MAHINDRA & MAHINDRA LTD	0.35	
SUN PHARMACEUTICAL INDUSTRIES LTD	0.35	
SESA STERLITE LIMITED	0.30	
SANOFI INDIA LIMITED	0.28	
MOTHERSON SUMI SYSTEMS LTD.	0.25	
LUPIN LIMITED	0.20	
COAL INDIA LIMITED	0.18	
SML ISUZU LIMITED	0.18	
HERO MOTOCORP LIMITED	0.17	
TECH MAHINDRA LIMITED	0.09	
<b>total equity</b>	<b>19.41</b>	
<b>total money market</b>	<b>22.43</b>	
<b>total net assets</b>	<b>100.00</b>	

### fund characteristics as on Jul 31, 2014

M. Duration of debt portfolio:	3.43 Years
YTM of debt portfolio:	7.90%

### asset allocation as on Jul 31, 2014



### target asset allocation

Debt:	80%
Equity:	20%

### benchmark construction

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

### SFIN :

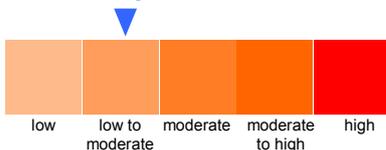
ULGF01213/10/08GCORBOND02121

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

### fund objective

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

### fund risk profile



### target asset allocation

Bond Instruments: 100%

### benchmark construction

CRISIL Composite Bond Index: 100%

# Group Corporate Bond Fund 2

## fund performance as on 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	9.06%	9.09%	8.96%	8.35%	8.31%
<b>Benchmark</b>	<b>9.91%</b>	<b>7.56%</b>	<b>7.96%</b>	<b>7.32%</b>	<b>6.76%</b>

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

### portfolio As on Jul 31, 2014

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

#### bond/ncd

8.93% NTPC NCB 19-01-2021 XXXVII.	8.99	AAA
9.95% FCI NCD 07-03-2022 SR-VI	7.56	AAA
9.38% REC NCD 06-11-2018 117th	7.31	AAA
8.75% RIL NCD 07-05-2020	4.46	AAA
9.27% PFC NCD 21-08-2017 92-B	4.11	AAA
8.80% PGCIL NCD 13-03-2023 XLII	2.66	AAA
9.81% PFC NCD 07-10-2018 SR109	2.32	AAA
9.25% HDFC NCD 11-03-2018 K-018	2.28	AAA
9.24% REC NCD 17-10-2018 116THOPTII	1.59	AAA
0.00% HDFC ZCB 23-10-2017 J-041	1.07	AAA
9.90% TATA SONS NCD 18-03-2016	0.69	AAA
8.95% PFC NCD 11-03-2018 101-A	0.23	AAA

**total bond/ncd 43.26**

#### Gilts

7.16% GOI CG 20-05-2023	9.01
8.28% GOI CG 21-09-2027	6.97
8.35% GOI 2022	6.71
8.32% GOI CG 02-08-2032	5.33
8.27% GOI CG 09-06-2020	4.53
7.28% GOI CG 03-06-2019	2.52
8.30% GOI CG 31-12-2042	1.00
8.12% GOI CG 10-12-2020	0.34

**total gilts 36.42**

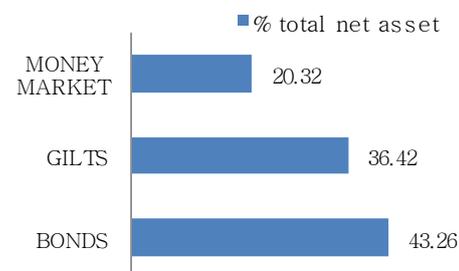
**total money market 20.32**

**total net assets 100.00**

### fund characteristics as on Jul 31, 2014

M. Duration of debt portfolio: 4.29 Years  
YTM of debt portfolio: 9.01%

### asset allocation as on Jul 31, 2014



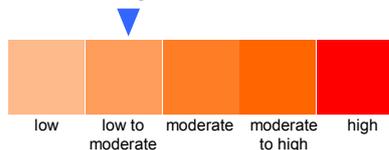
SFIN :  
ULGF02305/06/13GCBOND03121

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

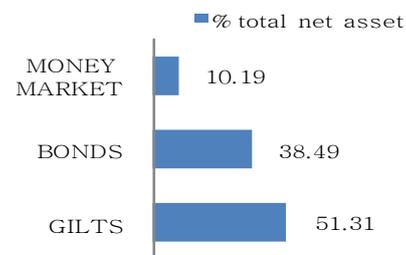
### portfolio As on Jul 31, 2014

security	% total net assets	rating
<b>bond/ncd</b>		
8.70% REC NCD 01-02-2018 112	38.49	AAA
<b>total bond/ncd</b>		
	<b>38.49</b>	
<b>Gilts</b>		
7.16% GOI CG 20-05-2023	28.94	
8.27% GOI CG 09-06-2020	4.64	
8.35% GOI 2022	4.21	
8.28% GOI CG 21-09-2027	4.13	
8.32% GOI CG 02-08-2032	3.77	
8.30% GOI CG 31-12-2042	3.74	
7.28% GOI CG 03-06-2019	1.12	
8.12% GOI CG 10-12-2020	0.76	
<b>total gilts</b>		<b>51.31</b>
<b>total money market</b>		<b>10.19</b>
<b>total net assets</b>		<b>100.00</b>

### fund characteristics as on Jul 31, 2014

M. Duration of debt portfolio: 4.87 Years  
YTM of debt portfolio: 9.17%

### asset allocation as on Jul 31, 2014



### SFIN :

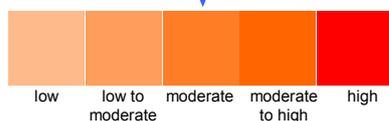
ULGF01030/09/08GPUREDEB01121

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	9.09%	9.65%	9.42%	8.62%	8.53%
<b>Benchmark</b>	<b>9.91%</b>	<b>7.56%</b>	<b>7.96%</b>	<b>7.32%</b>	<b>6.76%</b>

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

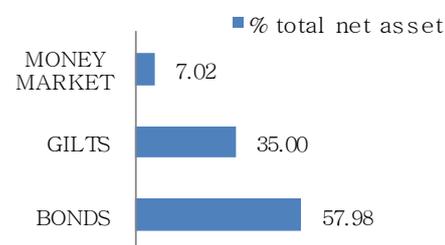
### portfolio As on Jul 31, 2014

security	% total assets	rating
<b>bond/ncd</b>		
9.95% FCI NCD 07-03-2022 SR-VI	14.46	AAA
8.95% PFC NCD 11-03-2018 101-A	13.85	AAA
8.64% PGCIL NCD 08-07-2017 XXXIII D	8.60	AAA
9.63% REC NCD 05-02-2019 SR-119	7.05	AAA
9.51% LICHFL NCD 24-07-2019	7.04	AAA
9.25% TATA SONS NCD 19-06-2019	6.97	AAA
<b>total bond/ncd</b>	<b>57.98</b>	
<b>gilts</b>		
7.16% GOI CG 20-05-2023	8.82	
8.28% GOI CG 21-09-2027	6.85	
8.32% GOI CG 02-08-2032	5.30	
8.35% GOI 2022	5.13	
8.27% GOI CG 09-06-2020	4.49	
7.28% GOI CG 03-06-2019	2.66	
8.30% GOI CG 31-12-2042	1.34	
8.12% GOI CG 10-12-2020	0.41	
<b>total gilts</b>	<b>35.00</b>	
<b>total money market</b>	<b>7.02</b>	
<b>total net assets</b>	<b>100.00</b>	

### fund characteristics as on Jul 31, 2014

M .Duration of debt portfolio: 4.49 Years  
YTM of debt portfolio: 8.95%

### asset allocation as on Jul 31, 2014



### SFIN :

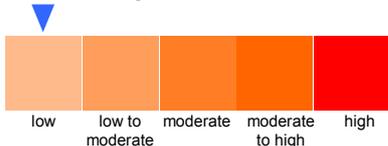
ULGF00431/01/07GCAPISEC01121

**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	10.08%	9.70%	9.64%	9.29%	8.82%
<b>Benchmark</b>	<b>9.37%</b>	<b>8.02%</b>	<b>8.17%</b>	<b>7.72%</b>	<b>7.15%</b>

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

### portfolio As on Jul 31, 2014

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

### fund characteristics as on Jul 31, 2014

M .Duration of debt portfolio: 0.06 Years  
YTM of debt portfolio: 9.00%

### asset allocation as on Jul 31, 2014

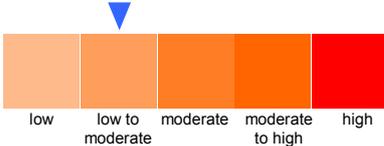
SFIN :  
ULGF01610/12/08GGILTFUN02121

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	7.51%	8.23%	8.30%	7.85%	7.48%
<b>Benchmark</b>	<b>7.75%</b>	<b>7.31%</b>	<b>8.11%</b>	<b>7.22%</b>	<b>6.39%</b>

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

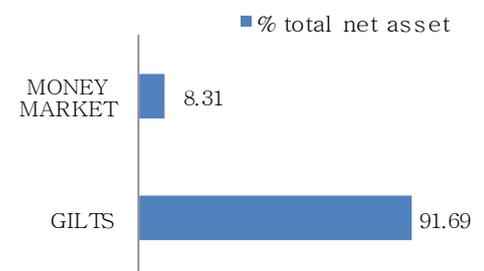
### portfolio As on Jul 31, 2014

security	% total net assets
<b>gilts</b>	
7.16% GOI CG 20-05-2023	22.84
8.28% GOI CG 21-09-2027	19.97
8.35% GOI 2022	18.01
8.32% GOI CG 02-08-2032	14.43
8.27% GOI CG 09-06-2020	12.75
8.30% GOI CG 31-12-2042	2.67
8.12% GOI CG 10-12-2020	1.02
<b>total gilts</b>	<b>91.69</b>
<b>total money market</b>	<b>8.31</b>
<b>total net assets</b>	<b>100.00</b>

### fund characteristics as on Jul 31, 2014

M. Duration of debt portfolio: 6.19 Years  
YTM of debt portfolio: 8.65%

### asset allocation as on Jul 31, 2014



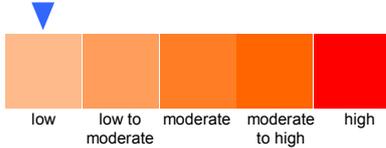
SFIN :  
ULGF00930/09/08GMONMRKT02121

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	9.39%	9.65%	9.82%	9.53%	9.12%
<b>Benchmark</b>	<b>10.18%</b>	<b>8.92%</b>	<b>8.86%</b>	<b>8.49%</b>	<b>7.48%</b>

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

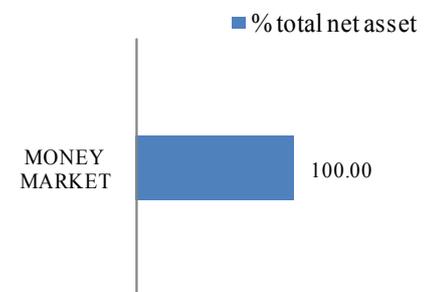
### portfolio As on Jul 31, 2014

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

### fund characteristics as on Jul 31, 2014

M. Duration of debt portfolio: 0.50 Years  
YTM of debt portfolio: 8.89%

### asset allocation as on Jul 31, 2014



## Life Insurance

SFIN	Plan Name	Fund Name	NAV
ULGF00431/01/07GCAPISEC01121	Reliance Group Gratuity Plan	Group Capital Secure Fund 1	18.1906
ULGF00210/10/03GBALANCE02121	Reliance Group Gratuity Plan	Group Balanced Fund 2	18.1124
ULGF00110/10/03GBALANCE01121	Reliance Group Gratuity Plan	Group Balanced Fund 1	21.5935
ULGF01213/10/08GCORBOND02121	Reliance Group Gratuity Plan	Group Corporate Bond Fund 2	16.2484
ULGF01808/06/09GEQUITYF03121	Reliance Group Gratuity Plan	Group Equity Fund 3	23.2967
ULGF01610/12/08GGILTFUN02121	Reliance Group Gratuity Plan	Group Gilt Fund 2	14.0308
ULGF00930/09/08GMONMRKT02121	Reliance Group Gratuity Plan	Group Money Market Fund 2	16.3569
ULGF00310/10/03GGROWTHF01121	Reliance Group Gratuity Plan	Group Growth Fund 1	17.9061
ULGF01908/06/09GINFRASF01121	Reliance Group Gratuity Plan	Group Infrastructure Fund 1	9.6932
ULGF02008/06/09GMIDCAPF01121	Reliance Group Gratuity Plan	Group Midcap Fund 1	20.4802
ULGF01030/09/08GPUREDEB01121	Reliance Group Gratuity Plan	Group Pure Debt Fund 1	16.3661
ULGF00110/10/03GBALANCE01121	Reliance Group Superannuation Plan	Group Balanced Fund 1	21.5935
ULGF00431/01/07GCAPISEC01121	Reliance Group Superannuation Plan	Group Capital Secure Fund 1	18.1906
ULGF01213/10/08GCORBOND02121	Reliance Group Superannuation Plan	Group Corporate Bond Fund 2	16.2484
ULGF01808/06/09GEQUITYF03121	Reliance Group Superannuation Plan	Group Equity Fund 3	23.2967
ULGF01610/12/08GGILTFUN02121	Reliance Group Superannuation Plan	Group Gilt Fund 2	14.0308
ULGF00310/10/03GGROWTHF01121	Reliance Group Superannuation Plan	Group Growth Fund 1	17.9061
ULGF00930/09/08GMONMRKT02121	Reliance Group Superannuation Plan	Group Money Market Fund 2	16.3569
ULGF01030/09/08GPUREDEB01121	Reliance Group Superannuation Plan	Group Pure Debt Fund 1	16.3661
ULGF00210/10/03GBALANCE02121	Reliance Group Savings Linked Insurance Plan	Group Balanced Fund 2	18.1124
ULGF01213/10/08GCORBOND02121	Reliance Group Savings Linked Insurance Plan	Group Corporate Bond Fund 2	16.2484
ULGF01428/11/08GENERGYF01121	Reliance Group Savings Linked Insurance Plan	Group Energy Fund 1	17.5686
ULGF01328/11/08GEQUITYF02121	Reliance Group Savings Linked Insurance Plan	Group Equity Fund 2	28.2391
ULGF01610/12/08GGILTFUN02121	Reliance Group Savings Linked Insurance Plan	Group Gilt Fund 2	14.0308
ULGF01908/06/09GINFRASF01121	Reliance Group Savings Linked Insurance Plan	Group Infrastructure Fund 1	9.6932
ULGF02008/06/09GMIDCAPF01121	Reliance Group Savings Linked Insurance Plan	Group Midcap Fund 1	20.4802
ULGF00930/09/08GMONMRKT02121	Reliance Group Savings Linked Insurance Plan	Group Money Market Fund 2	16.3569
ULGF01030/09/08GPUREDEB01121	Reliance Group Savings Linked Insurance Plan	Group Pure Debt Fund 1	16.3661
ULGF01528/11/08GPUREEQF01121	Reliance Group Savings Linked Insurance Plan	Group Pure Equity Fund 1	24.6900
ULGF00210/10/03GBALANCE02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Balanced Fund 2	18.1124
ULGF00930/09/08GMONMRKT02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Money Market Fund 2	16.3569
ULGF01213/10/08GCORBOND02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Corporate Bond Fund 2	16.2484
ULGF01610/12/08GGILTFUN02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Gilt Fund 2	14.0308
ULGF01808/06/09GEQUITYF03121	Reliance Life Insurance Group Gratuity Plus Plan	Group Equity Fund 3	23.2967
ULGF00930/09/08GMONMRKT02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Money Market Fund 2	16.3569
ULGF01213/10/08GCORBOND02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Corporate Bond Fund 2	16.2484
ULGF01610/12/08GGILTFUN02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Gilt Fund 2	14.0308
ULGF01808/06/09GEQUITYF03121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Equity Fund 3	23.2967
ULGF00210/10/03GBALANCE02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Balanced Fund 2	18.1124

- √ 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's and mutual funds. For analyzing the debt markets, yield curve movements and changes in its shape are also studied.

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

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

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

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

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

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

### Gross Fund Return

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

**We shall highlight this with the help of an example.**

#### Reliance Life Insurance

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

#### XYZ Insurance Company

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

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

### Benchmark Return

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

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

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

### Fund Standard Deviation

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

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

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

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

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

### Fund Sharpe Ratio

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

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

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

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

✓ Gross Fund Return

✓ Benchmark Return

✓ Fund Standard Deviation

✓ Fund Sharpe Ratio

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

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

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

### Benchmark Sharpe Ratio

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

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

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

### Modified Duration of Debt Portfolio

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

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

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

### Fund Beta

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

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

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

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

✓ Benchmark Sharpe Ratio

✓ Modified Duration Of Debt Profile

✓ Fund Beta

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