



RELIANCE

Life Insurance



the analyst

**monthly Group fund
factsheet for February 2015**

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 Jan 15	31st Dec 14	% Change
¹ \$ / Rs.	61.87	63.04	-1.90
² CPI (YOY)	-0.39	5.20	-5.59
³ Forex Reserves (\$ bn)	327.88	319.71	0.13
⁴ Brent Crude Price (\$ per Barrel)	48.24	53.27	-10.43
⁵ Gold (Rs. per 10gm)	27630	26774	3.10

Indices	30th Jan 15	31st Dec 14	% Change
¹ BSE Sensex	29183	27499	5.77
¹ S&P CNX Nifty	8809	8283	5.97
¹ CNX Mid Cap	13124	12584	4.12
¹ BSE Small Cap	11329	11087	2.14

Global Indices	30th Jan 15	31st Dec 14	% Change
¹ Dow Jones	17165	17823	-3.83
¹ FTSE 100	6749	6566	2.72
¹ Hang Seng	24507	23605	3.68
¹ Nikkei	17674	17451	1.27

Sectoral Indices	30th Jan 15	31st Dec 14	% Change
¹ CNX Infrastructure	3294	3040	7.73
¹ CNX Energy	8921	8641	3.14
¹ BSE Capital Goods	17096	15442	9.67
¹ BSE Bankex	22716	21458	5.54
¹ BSE Oil & Gas	10143	9895	2.44
¹ BSE IT	11179	10584	5.32

Fixed Income Indicators (%)	30th Jan 15	31st Dec 14	bps Change
¹ NSE Mibor	8.69	8.71	-0.23
¹ 91 Day T-Bill	8.20	8.31	-0.11
¹ 182 Day T-Bill	8.10	8.36	-0.26
¹ 1 year GOI Benchmark	7.93	8.16	-0.23
¹ 5 Year GOI Benchmark	7.72	8.02	-0.30
¹ 10 Year GOI Benchmark	7.69	7.86	-0.17
¹ 5 Year Corp Bond Benchmark	8.25	8.62	-0.37
¹ 10 Year AAA Corp Bond Benchmark	8.35	8.51	-0.16
¹ 10 Year US Treasury	1.64	2.17	-0.53

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

Fixed Income Market

RBI in a surprise move chose to cut the policy rate by 25 bps in an intermeeting move. What has prompted this action was fall in CPI in line with the gliding path. CPI has registered at 5.10% (YoY) in December 2014. There was continued deceleration in core CPI along the year indicating subdued demand pressure. The inflationary outlook remains sanguine due to continued softer commodity prices as well as deceleration in rural wages. In terms of further reduction in rates, RBI has guided that it will depend upon the fiscal consolidation and disinflationary environment.

Index of Industrial Production (IIP) output has surprised positively at 3.8% (YoY), led by manufacturing, mining and electricity in November 2013. The government has announced revisions to the GDP viz. base year, methodology and move towards international standards. This has improved the GDP figures substantially. Trade deficit has narrowed to \$ 9.3 bn in December 2014 from \$16.9 bn the previous month. This was led by lower crude oil prices and normalization in gold imports. While both exports and imports fell in YoY terms, trends were positive after excluding crude and petro products. Cumulatively, the deficit now stands at \$110bn in FY15 vs \$107bn in FY14.

The government took a key step towards meeting its revenue targets with a big push on divestments by raising INR 22,000 Crores through stake sale in Coal India. In a major policy push, government has also gone ahead with the auction of the coal blocks. This will substantially improve the industrial sector activity. It is expected that government will follow the path of fiscal consolidation for this year as well as next year with the help of streamlining of the subsidies, as they are already doing in terms of petroleum products.

INR, despite the strength of the USD against all major currencies, appreciated from 63.38 in December 2014 to 62.00 in January 2015. This could be due to lower demand of USD on account of softening in commodity prices as well as portfolio inflows. It is expected that with better evolving Indian macro environment, USD/ INR will stabilize due to strong inflows though it will continue to be overvalued in terms of REER.

Banking liquidity is well managed by RBI through series of Term Repo auctions. Spread on Corporate Bonds over comparable maturity government bonds has been stable at around 40 bps. It is expected that once there would be more reduction in rates by RBI, then banks will be paring the lending rates.

Fixed Income Outlook:

Going forward, all eyes are now set on the expected fiscal consolidation during next financial year. Government has taken decision to reduce subsidies recently, which will help reduce fiscal deficit in the longer run. Interest rates are expected to be benign which will be very well supported by softening inflation and expected fiscal consolidation.

Equity Market

Indian equities arguably witnessed the January effect in 2015, getting off to one of the strongest starts in recent years (+6.4%). While we saw the macro improve in terms of both growth and inflation, it was really the "surprise" RBI rate cut which boosted sentiment during the month. There was also a fair bit of focus on the fiscal ahead of the Union Budget and the government showed its resolve by paving the way for the telecom auctions as well as spurring its divestment programmer by selling 10% stake in Coal India.

IT stocks had a mixed set of results albeit with a common theme - challenges in demand and margins not seeing commensurate benefits of a favorable currency. HCL Tech surprised positively with a solid quarter on all counts. Infosys had strong margins and volume growth while TCS missed on both revenue and operating profits. Wipro did well on revenue but its 4Q guidance was weaker than expected.

Banks had a strong start led by Axis, Yes and Kotak all reporting a good set of results – Axis had a broad-based growth amidst moderating asset pressure while Yes saw structural improvements to the business. However ICICI, along with PSBs like Bank of Baroda and Union Bank disappointed on asset quality and near term guidance, raising concerns for the banking sector ahead of the Apr 1 deadline for restructuring.

Autos were among the leaders led by Tata Motors which gained after the recent underperformance – it also announced the intent to raise up to Rs75bn via rights issue. Maruti had a headline miss but the underlying trends were good. Bajaj Auto once again lost market share on the domestic front but the export guidance was strong while Ashok Leyland saw its balance sheet improving amidst healthy operational performance.

Among Consumer names, ITC saw its woes continue as it witnessed a sharp decline in cigarette volumes during the quarter. Unilever also had a soft quarter with anemic volume growth but the stock outperformed in Jan with media reports speculating an open offer by the parent.

Cement stocks were among the biggest outperformers this month with prices being hiked across most regions by 20-30% over two months and further hikes expected. Ultratech reported an in-line quarter but showed strong market share gains. In the Oil & Gas space, RIL had an expectedly muted quarter with inventory impact in refining and weak sentiment affecting patched. Cairn had in-line results with the mgmt due to outline its production guidance in Apr.

FII activity got off to a strong start in CY15 with net inflows totalling\$1.9bn in equities – note, FIIs ended CY14 with \$16.1bn of buying. DIIs meanwhile continued to be on the opposite side of the trade, net selling\$1.3bn in equities after finishing CY14 with \$5.1bn of selling. Among the DIIs, mutual funds were again small buyers to the tune of \$39mn with the selling being driven mainly by the insurance companies.

Equity Outlook:

All eyes will be on the first full Budget of the Modi government and the ability to deliver on the fiscal front as we head into Feb.

fund snapshot

gross return (CAGR*) (%) As on Jan 30, 2015

asset allocation	funds	Last 1 Year	Last 2 Year	Last 3 Year	Page No.
100% equity	Group Equity Fund 2	52.50%	25.76%	23.94%	4
100% equity	Group Equity Fund 3	49.66%	23.65%	22.30%	5
100% pure equity	Group Pure Equity Fund 1	45.11%	24.65%	20.00%	6
100% equity	Group Infrastructure Fund 1	58.60%	18.12%	11.82%	7
100% equity	Group Energy Fund 1	45.47%	14.48%	11.46%	8
100% equity	Group Midcap Fund 1	68.03%	31.49%	28.53%	9
40% equity, 60% debt	Group Growth Fund 1	28.91%	16.19%	15.73%	10
20% equity, 80% debt	Group Balanced Fund 1	22.69%	12.88%	12.70%	11
20% equity, 80% debt	Group Balanced Fund 2	23.18%	13.42%	13.29%	12
20% equity, 80% debt	Group Balanced Fund 4	-	-	-	13
100% bond instruments	Group Corporate Bond Fund 2	17.82%	11.15%	11.54%	14
100% debt Instruments	Group Corporate Bond Fund 3	-	-	-	15
100% debt Instruments	Group Pure Debt Fund 1	17.70%	11.81%	11.81%	16
100% money market	Group Capital Secure Fund 1	9.44%	9.67%	9.61%	17
100% govt. securities	Group Gilt Fund 2	19.61%	10.70%	11.08%	18
100% money market	Group Money Market Fund 2	9.34%	9.48%	9.73%	19

SFIN :

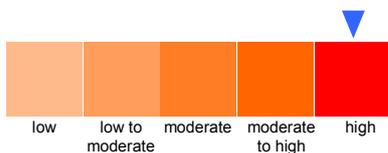
ULGF00724/10/07GEQUITYF01121

Inception Date : 30th Oct 2007

fund objective

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

fund risk profile



target asset allocation

Equity: 100%

benchmark construction

S&P CNX Nifty: 100%

Group Equity Fund 2

fund performance As on Jan 30, 2015

gross return					
fund name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Equity Fund 2	52.50%	25.76%	23.94%	15.86%	15.72%
Benchmark	44.66%	20.82%	19.21%	12.47%	12.53%

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

portfolio

security % total net assets

equity

INFOSYS LIMITED	8.10
DIVIS LABORATORIES LIMITED	7.61
HDFC BANK LTD.	7.09
LARSEN&TUBRO	7.06
ICICI BANK LTD.	6.13
RELIANCE INDUSTRIES LTD.	5.82
YES BANK LTD	4.99
ITC	4.36
TATA MOTORS LTD.	4.24
MARUTI UDYOG LTD.	4.00
ULTRATECH CEMCO LTD	3.89
STATE BANK OF INDIA	3.22
SUN PHARMACEUTICAL INDUSTRIES LTD.	3.21
TATA CONSULTANCY SERVICES LTD.	3.12
KIRLOSKAR CUMMINS	2.64
HCL TECHNOLOGIES LIMITED	2.44
INDIABULLS HOUSING FINANCE LTD	2.38
SML ISUZU LIMITED	2.03
BHARTI AIRTEL LIMITED	1.94
MOTHERSON SUMI SYSTEMS LTD.	1.92
ONGC	1.84
MAHINDRA & MAHINDRA LTD.	1.79
JSW STEEL LIMITED	1.75
ADITYA BIRLA NUVO LIMITED	1.38
WIPRO	1.26
INDIABULLS REAL ESTATE LIMITED	1.19
SESA STERLITE LIMITED	1.08
HERO MOTOCORP LIMITED	0.88
HT MEDIA LIMITED	0.13

total equity 97.49

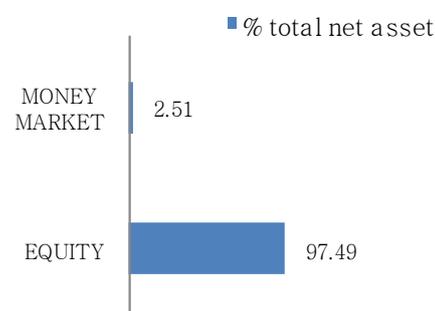
total money market 2.51

total net assets 100.00

fund characteristics

Fund Beta 1.00

asset allocation



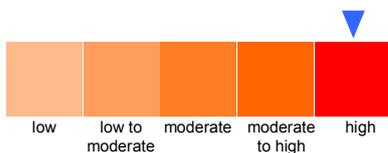
SFIN :
ULGF01808/06/09GEQUITYF03121

Inception Date : 8th Jun 2009

fund objective

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

fund risk profile



target asset allocation

Equity: 100%

benchmark construction

S&P CNX Nifty: 100%

Group Equity Fund 3

fund performance As on Jan 30, 2015

fund name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Equity Fund 3	49.66%	23.65%	22.30%	20.08%	19.12%
Benchmark	44.66%	20.82%	19.21%	12.47%	12.53%

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

portfolio

security % total net assets

equity

INFOSYS LIMITED	7.02
DIVIS LABORATORIES LIMITED	6.78
HDFC BANK LTD.	6.59
LARSEN&TUBRO	6.51
RELIANCE INDUSTRIES LTD.	5.21
ICICI BANK LTD.	5.14
YES BANK LTD	4.93
ITC	4.24
TATA MOTORS LTD.	4.21
STATE BANK OF INDIA	3.87
MARUTI UDYOG LTD.	3.81
GUJARAT FLUOROCEMICALS LTD.	3.59
ULTRATECH CEMCO LTD	3.12
SUN PHARMACEUTICAL INDUSTRIES LTD.	3.11
TATA CONSULTANCY SERVICES LTD.	2.94
KIRLOSKAR CUMMINS	2.48
INDIABULLS HOUSING FINANCE LTD	2.12
HCL TECHNOLOGIES LIMITED	1.95
MOTHERSON SUMI SYSTEMS LTD.	1.91
MAHINDRA & MAHINDRA LTD.	1.84
ONGC	1.77
BHARTI AIRTEL LIMITED	1.68
LUPIN LIMITED	1.60
SANOFI INDIA LIMITED	1.51
TECH MAHINDRA LIMITED	1.30
SESA STERLITE LIMITED	1.25
WIPRO	1.23
JSW STEEL LIMITED	1.21
HERO MOTOCORP LIMITED	1.20
PURAVANKARA PROJECTS LIMITED	0.80
JUBILANT FOODWORKS LIMITED	0.46
CROMPTON GREAVES LTD	0.44
IDFC LIMITED	0.42
D.B. CORP LIMITED	0.35
SHOPPERS STOP LIMITED	0.34
HT MEDIA LIMITED	0.22
OIL INDIA LIMITED	0.09

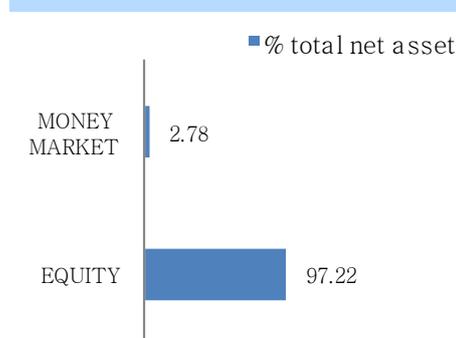
total money market 2.78

total net assets 100.00

fund characteristics

Fund Beta 1.00

asset allocation



SFIN :

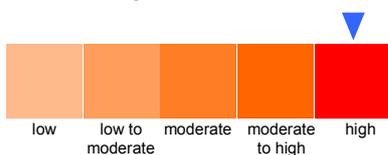
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Inception Date : 16th Dec 2008

fund objective

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

fund risk profile



target asset allocation

Pure Equity: 100%

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

benchmark construction

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

Group Pure Equity Fund 1

fund performance As on Jan 30, 2015

gross return					
Fund name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Pure Equity Fund 1	45.11%	24.65%	20.00%	12.71%	12.48%
Benchmark	32.07%	20.93%	17.11%	11.14%	10.32%

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

portfolio

security % total net assets

equity

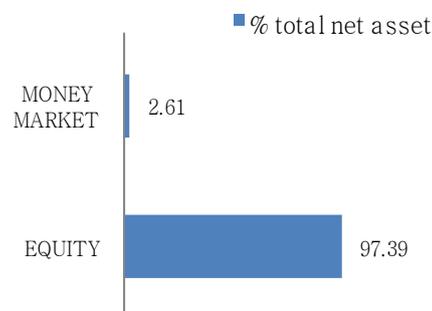
RELIANCE INDUSTRIES LTD.	9.07
TATA CONSULTANCY SERVICES LTD.	8.06
MARUTI UDYOG LTD.	6.93
BHARTI AIRTEL LIMITED	6.80
HCL TECHNOLOGIES LIMITED	6.07
HINDUSTAN LEVER LTD.	6.06
ASIAN PAINTS LIMITED	5.85
ULTRATECH CEMCO LTD	5.46
LUPIN LIMITED	5.13
TECH MAHINDRA LIMITED	4.96
DR. REDDY LABORATORIES	4.66
HERO MOTOCORP LIMITED	4.32
SUN PHARMACEUTICAL INDUSTRIES LTD.	3.23
ECLERX SERVICES LIMITED	3.15
JUBILANT FOODWORKS LIMITED	2.95
ACC LIMITED	2.70
TRENT LTD	2.47
MOTHERSON SUMI SYSTEMS LTD.	2.08
LARSEN&TUBRO	2.04
MAHINDRA & MAHINDRA LTD.	1.88
VOLTAS LTD	1.45
SANOFI INDIA LIMITED	1.07
GAS AUTHORITY OF INDIA LTD.	1.01

total equity	97.39
total money market	2.61
total net assets	100.00

fund characteristics

Fund Beta 0.90

asset allocation



SFIN :

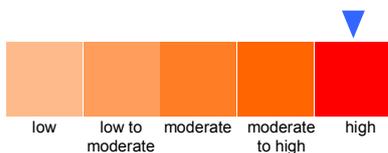
ULGF01908/06/09GINFRASF01121

Inception Date : 8th Jun 2009

fund objective

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

fund risk profile



target asset allocation

Equity: 100%

benchmark construction

CNX Infrastructure Index: 100%

Group Infrastructure Fund 1

fund performance As on Jan 30, 2015

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Infrastructure Fund 1	58.60%	18.12%	11.82%	3.71%	2.23%
Benchmark	45.99%	13.41%	9.19%	2.01%	-0.48%

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

portfolio

security % total net assets

equity

LARSEN&TUBRO	9.09
POWER GRID CORP OF INDIA LTD	8.95
BHARTI AIRTEL LIMITED	8.73
NTPC LIMITED	8.35
KIRLOSKAR CUMMINS	7.95
BHARAT HEAVY ELECTRICALS LTD.	7.50
CROMPTON GREAVES LTD	6.43
ACC LIMITED	6.27
MOTHERSON SUMI SYSTEMS LTD.	6.13
VOLTAS LTD	5.95
RELIANCE INDUSTRIES LTD.	5.66
IDEA CELLULAR LTD	4.92
TATA POWER CO. LTD.	4.02
INDRAPRASTHA GAS LIMITED	3.09
TEXMACO RAIL & ENGINEERING LIMITED	2.96
INDIAN METALS AND FERRO ALLOYS LIMITED	1.97

97.97

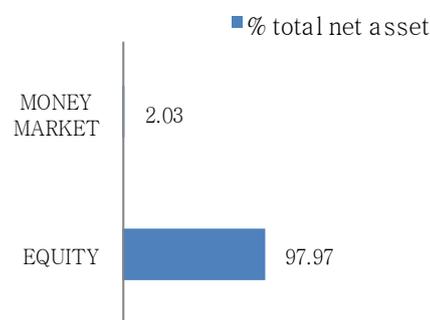
total money market 2.03

total net assets 100.00

fund characteristics

Fund Beta 0.90

asset allocation



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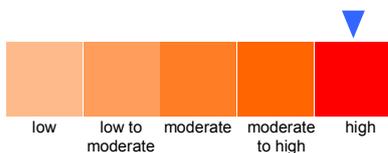
ULGF01428/11/08GENERGYF01121

Inception Date : 16th Dec 2008

fund objective

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

fund risk profile



target asset allocation

Equity: 100%

benchmark construction

CNX Energy Index: 100%

Group Energy Fund 1

fund performance As on Jan 30, 2015

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Energy Fund 1	45.47%	14.48%	11.46%	6.12%	5.69%
Benchmark	18.68%	2.55%	4.18%	0.38%	-0.01%

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

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

portfolio

security	% total net assets
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equity

POWER GRID CORP OF INDIA LTD	9.22
NTPC LIMITED	8.88
RELIANCE INDUSTRIES LTD.	8.79
ONGC	8.56
OIL INDIA LIMITED	8.52
GUJARAT STATE PETRONET LIMITED	7.74
INDRAPRASTHA GAS LIMITED	7.06
CAIRN INDIA LIMITED	5.56
BHARAT PETROLEUM CORP. LTD.	5.50
TATA POWER CO. LTD.	5.32
GAS AUTHORITY OF INDIA LTD.	4.59
VOLTAS LTD	3.19
KIRLOSKAR CUMMINS	3.11
TEXMACO RAIL & ENGINEERING LIMITED	2.98
CROMPTON GREAVES LTD	2.05
LARSEN&TUBRO	1.36

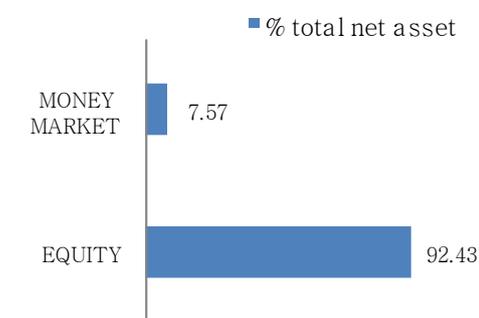
total money market 7.57

total net assets 100.00

fund characteristics

Fund Beta 0.90

asset allocation



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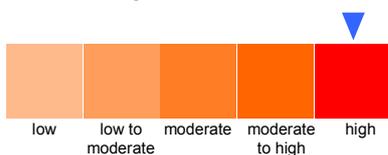
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Inception Date : 8th Jun 2009

fund objective

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

fund risk profile



target asset allocation

Equity: 100%

benchmark construction

Nifty Midcap 50: 100%

Group Midcap Fund 1

fund performance As on Jan 30, 2015

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Midcap Fund 1	68.03%	31.49%	28.53%	17.07%	14.52%
Benchmark	63.49%	22.42%	18.20%	8.08%	6.53%

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

portfolio

security	% total net assets
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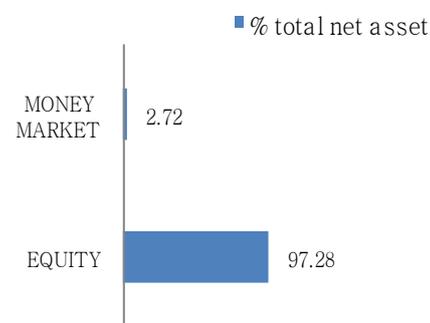
equity

YES BANK LTD	7.82
DIVIS LABORATORIES LIMITED	7.19
STATE BANK OF INDIA	6.76
INDIABULLS HOUSING FINANCE LTD	5.46
ADITYA BIRLA NUVO LIMITED	5.38
VOLTAS LTD	5.17
CROMPTON GREAVES LTD	4.03
GUJARAT FLUORO CHEMICALS LTD.	3.64
JUBILANT FOODWORKS LIMITED	3.61
TRENT LTD	3.46
FUTURE CONSUMER ENTERPRISE LIMITED	3.43
D.B. CORP LIMITED	3.27
PURAVANKARA PROJECTS LIMITED	3.22
ECLERX SERVICES LIMITED	3.14
INDRAPRASTHA GAS LIMITED	2.76
SHOPPERS STOP LIMITED	2.68
TATA CHEMICALS LTD.	2.63
KPIT TECHNOLOGIES LIMITED	2.32
JSW STEEL LIMITED	2.22
MOTHERSON SUMI SYSTEMS LTD.	2.22
PETRONET LNG LIMITED	2.21
RADICO KHAITAN LIMITED	2.01
KAVERI SEED COMPANY LIMITED	1.97
JINDAL SAW LIMITED	1.97
OIL INDIA LIMITED	1.94
HINDUSTAN ZINC LIMITED	1.89
HT MEDIA LIMITED	1.85
INDIAN METALS AND FERRO ALLOYS LIMITED	1.77
IDEA CELLULAR LTD	1.27
97.28	
total money market	2.72
total net assets	100.00

fund characteristics

Fund Beta 0.80

asset allocation



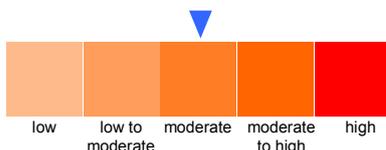
SFIN :
ULGF00310/10/03GGROWTHF01121

Inception Date : 31st Jan 2007

fund objective

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

fund risk profile



target asset allocation

Debt: 60%
Equity: 40%

benchmark construction

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

Group Growth Fund 1

fund performance As on Jan 30, 2015

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Growth Fund 1	28.91%	16.19%	15.73%	12.36%	11.51%
Benchmark	26.54%	14.06%	13.51%	10.81%	10.26%

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

portfolio

security % total rating net assets

bond

9.22% LICHL NCD 16-10-2024 TR230	6.95	AAA
9.25% RJIL NCD 16-06-2024 SR-PPD3	6.93	AAA
9.81% PFC NCD 07-10-2018 SR109	4.56	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	2.39	AAA
9.30% PGCIL NCD 04-09-2029 OPT III	2.37	AAA
10.00% IHFL NCD 29-09-2019	2.32	AAA
9.70% PFC NCD 15-12-2018 SR 82-C	2.28	AAA
8.57% REC NCD 21-12-2024 SR-128	2.23	AAA

total bond 30.03

gilts

8.83% GOI CG 25-11-2023	7.76
9.20% GOI CG 30-09-2030	4.99
8.30% GOI CG 31-12-2042	4.93
8.60% GOI CG 02-06-2028	4.20
8.32% GOI CG 02-08-2032	3.03
8.17% GOI CG 01-12-2044	1.10

total gilts 26.01

equity

HDFC BANK LTD.	2.94
INFOSYS LIMITED	2.88
DIVIS LABORATORIES LIMITED	2.77
ICICI BANK LTD.	2.45
LARSEN&TUBRO	2.41
RELIANCE INDUSTRIES LTD.	2.24
ITC	2.10
YES BANK LTD	1.96
TATA MOTORS LTD.	1.77
TATA CONSULTANCY SERVICES LTD.	1.77
ULTRATECH CEMCO LTD	1.59
STATE BANK OF INDIA	1.46
SUN PHARMACEUTICAL INDUSTRIES LTD.	1.30
MARUTI UDYOG LTD.	1.21
KIRLOSKAR CUMMINS	0.93
ONGC	0.86
JUBILANT FOODWORKS LIMITED	0.83
MAHINDRA & MAHINDRA LTD.	0.77
HDFC LTD	0.77
LUPIN LIMITED	0.75
HCL TECHNOLOGIES LIMITED	0.74
JSW STEEL LIMITED	0.72
INDIABULLS HOUSING FINANCE LTD	0.68
BHARTI AIRTEL LIMITED	0.68
HERO MOTOCORP LIMITED	0.64
MOTHERSON SUMI SYSTEMS LTD.	0.52
WIPRO	0.40
SESA STERLITE LIMITED	0.40
SANOFI INDIA LIMITED	0.30

total equity 38.83

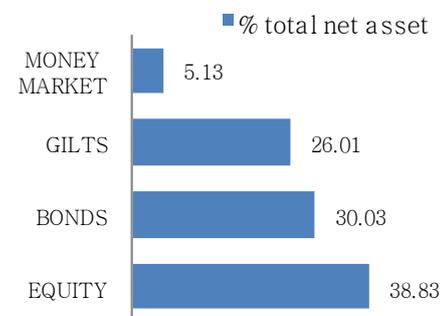
total money market 5.13

total net assets 100.00

fund characteristics

M. Duration of debt portfolio: 6.45 Years
YTM of debt portfolio: 7.99%
Fund Beta: 1.00

asset allocation



SFIN :

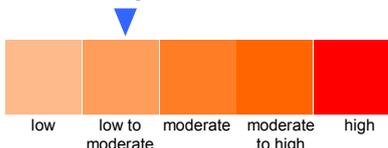
ULGF00110/10/03GBALANCE01121

Inception Date : 29th Jan 2007

fund objective

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

fund risk profile



target asset allocation

Debt.: 80%
Equity: 20%

benchmark construction

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

Group Balanced Fund 1

fund performance As on Jan 30, 2015

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Balanced Fund 1	22.69%	12.88%	12.70%	11.00%	10.15%
Benchmark	20.87%	11.69%	11.47%	10.03%	9.28%

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

portfolio

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

bond

9.25% RJIL NCD 16-06-2024 SR-PPD3	6.35	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	6.16	AAA
9.22% LICHL NCD 16-10-2024 TR230	4.77	AAA
9.25% TATA SONS NCD 19-06-2019	4.65	AAA
8.83% EXIM NCB 03-11-2029 R16 - 2029	3.14	AAA
8.80% PGCIL NCD 13-03-2023 XLII	3.08	AAA
8.48% PFC NCD 09-12-2024 OPT 124C	3.04	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	1.64	AAA
9.30% PGCIL NCD 04-09-2029 OPT III	1.63	AAA
9.00% SAIL NCD 14-10-2024	1.57	AAA
9.81% PFC NCD 07-10-2018 SR109	1.57	AAA

total bond 37.59

gilts

8.83% GOI CG 25-11-2023	10.02
9.20% GOI CG 30-09-2030	8.31
8.30% GOI CG 31-12-2042	4.42
8.60% GOI CG 02-06-2028	4.01
8.17% GOI CG 01-12-2044	3.31
8.32% GOI CG 02-08-2032	2.83

total gilts 32.92

equity

INFOSYS LIMITED	1.45
HDFC BANK LTD.	1.44
DIVIS LABORATORIES LIMITED	1.38
ICICI BANK LTD.	1.22
LARSEN&TUBRO	1.20
RELIANCE INDUSTRIES LTD.	1.09
ITC	1.07
YES BANK LTD	0.98
TATA MOTORS LTD.	0.90
ULTRATECH CEMCO LTD	0.80
STATE BANK OF INDIA	0.70
SUN PHARMACEUTICAL INDUSTRIES LTD.	0.66
MARUTI UDYOG LTD.	0.59
KIRLOSKAR CUMMINS	0.48
MAHINDRA & MAHINDRA LTD.	0.45
LUPIN LIMITED	0.44
ONGC	0.43
JUBILANT FOODWORKS LIMITED	0.41
HCL TECHNOLOGIES LIMITED	0.41
HERO MOTOCORP LIMITED	0.39
HDFC LTD	0.38
JSW STEEL LIMITED	0.37
BHARTI AIRTEL LIMITED	0.34
INDIABULLS HOUSING FINANCE LTD	0.33
MOTHERSON SUMI SYSTEMS LTD.	0.31
WIPRO	0.24
SESA STERLITE LIMITED	0.24
TATA CONSULTANCY SERVICES LTD.	0.22
SANOFI INDIA LIMITED	0.13

total equity 19.07

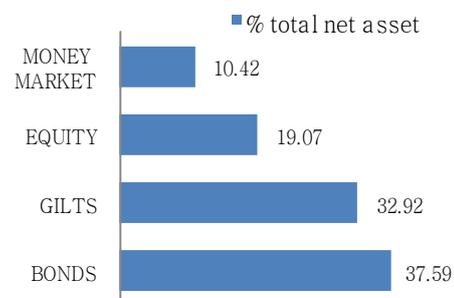
total money market 10.42

total net assets 100.00

fund characteristics

M. Duration of debt portfolio:	6.06 Years
YTM of debt portfolio:	7.96%
Fund Beta:	1.00

asset allocation



SFIN :

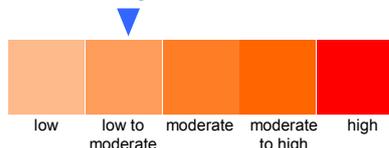
ULGF00210/10/03GBALANCE02121

Inception Date : 31th Jan 2007

fund objective

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

fund risk profile



target asset allocation

Debt.: 80%
Equity: 20%

benchmark construction

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

Group Balanced Fund 2

fund performance As on Jan 30, 2015

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Balanced Fund 2	23.18%	13.42%	13.29%	11.52%	10.59%
Benchmark	20.87%	11.69%	11.47%	10.03%	9.28%

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

portfolio

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

bond

9.00% SAIL NCD 14-10-2024	8.92	AAA
9.25% RJIL NCD 16-06-2024 SR-PPD3	6.86	AAA
8.40% NPCIL NCD 28-11-2028 XXIX D	5.12	AAA
10.00% IHFL NCD 29-09-2019	4.83	AAA
8.83% EXIM NCB 03-11-2029 R16 - 2029	3.33	AAA
9.81% PFC NCD 07-10-2018 SR109	2.37	AAA
9.25% TATA SONS NCD 19-06-2019	2.35	AAA
8.80% PGCIL NCD 13-03-2023 XLII	2.33	AAA
9.22% LICHL NCD 16-10-2024 TR230	2.29	AAA
8.40% NPCIL NCD 28-11-2027 XXIX C	2.21	AAA
9.70% TATA SONS NCD 25-07-2022	1.59	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	1.12	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	0.70	AAA
10.60% IRFC NCB 11-09-2018	0.61	AAA
8.97% TATA SONS NCD 15-07-2020	0.58	AAA
9.34% SBOT NCB 31-10-2016 I	0.58	AAA
9.30% PGCIL NCD 04-09-2029 OPT III	0.12	AAA

total bond 45.91

gilts

8.83% GOI CG 25-11-2023	9.24
8.60% GOI CG 02-06-2028	5.57
9.20% GOI CG 30-09-2030	4.46
8.30% GOI CG 31-12-2042	3.89
8.32% GOI CG 02-08-2032	3.46
8.17% GOI CG 01-12-2044	3.09

total gilts 29.71

equity

INFOSYS LIMITED	1.47
HDFC BANK LTD.	1.44
DIVIS LABORATORIES LIMITED	1.38
ICICI BANK LTD.	1.22
LARSEN&TUBRO	1.20
RELIANCE INDUSTRIES LTD.	1.09
ITC	1.06
YES BANK LTD	0.98
TATA MOTORS LTD.	0.90
TATA CONSULTANCY SERVICES LTD.	0.86
ULTRATECH CEMCO LTD	0.80
STATE BANK OF INDIA	0.71
SUN PHARMACEUTICAL INDUSTRIES LTD.	0.67
MARUTI UDYOG LTD.	0.60
KIRLOSKAR CUMMINS	0.48
ONGC	0.44
HCL TECHNOLOGIES LIMITED	0.41
JUBILANT FOODWORKS LIMITED	0.40
HDFC LTD	0.38
INDIABULLS HOUSING FINANCE LTD	0.38
MAHINDRA & MAHINDRA LTD.	0.37
LUPIN LIMITED	0.36
JSW STEEL LIMITED	0.36
BHARTI AIRTEL LIMITED	0.35
HERO MOTOCORP LIMITED	0.30
MOTHERSON SUMI SYSTEMS LTD.	0.25
SESA STERLITE LIMITED	0.20
WIPRO	0.20
SANOFI INDIA LIMITED	0.14

total equity 19.39

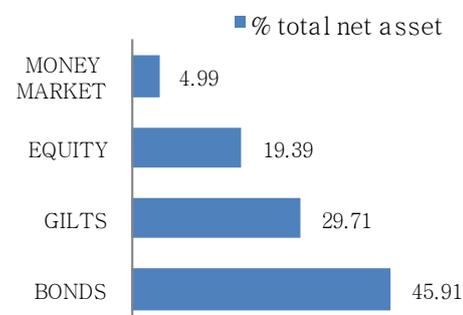
total money market 4.99

total net assets 100.00

fund characteristics

M. Duration of debt portfolio: 6.52 Years
YTM of debt portfolio: 8.03%
Fund Beta: 1.00

asset allocation



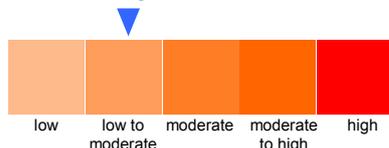
SFIN :
ULGF02105/06/13GBALANCE04121

Inception Date : 17th Dec 2013

fund objective

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

fund risk profile



target asset allocation

Debt: 80%
Equity: 20%

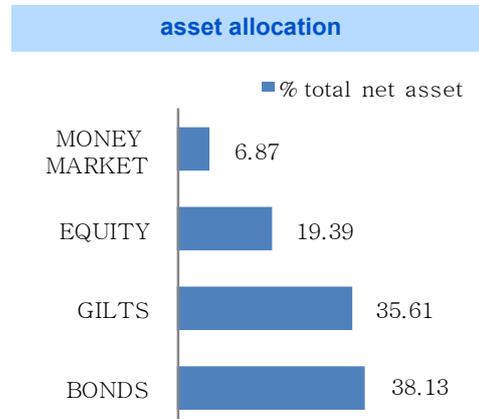
benchmark construction

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

Group Balanced Fund 4

portfolio		
security	% total net assets	rating
bond		
9.25% RJIL NCD 16-06-2024 SR-PPD3	7.43	AAA
8.40% NPCIL NCD 28-11-2027 XXIX C	7.18	AAA
9.00% SAIL NCD 14-10-2024	6.61	AAA
9.51% LICHFL NCD 24-07-2019	3.66	AAA
9.22% LICHFL NCD 16-10-2024 TR230	2.98	AAA
8.83% EXIM NCB 03-11-2029 R16 - 2029	2.93	AAA
9.81% PFC NCD 07-10-2018 SR109	2.20	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	2.16	AAA
9.25% TATA SONS NCD 19-06-2019	1.45	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	0.77	AAA
9.30% PGCIL NCD 04-09-2029 OPT III	0.76	AAA
total bond	38.13	
gilts		
9.20% GOI CG 30-09-2030	9.92	
8.83% GOI CG 25-11-2023	9.75	
8.60% GOI CG 02-06-2028	5.44	
8.17% GOI CG 01-12-2044	4.30	
8.30% GOI CG 31-12-2042	3.37	
8.32% GOI CG 02-08-2032	2.83	
total gilts	35.61	
Equity		
INFOSYS LIMITED	1.47	
HDFC BANK LTD.	1.44	
DIVIS LABORATORIES LIMITED	1.38	
ICICI BANK LTD.	1.22	
LARSEN&TUBRO	1.20	
RELIANCE INDUSTRIES LTD.	1.12	
ITC	1.06	
YES BANK LTD	0.98	
TATA MOTORS LTD.	0.90	
TATA CONSULTANCY SERVICES LTD.	0.88	
ULTRATECH CEMCO LTD	0.80	
STATE BANK OF INDIA	0.70	
SUN PHARMACEUTICAL INDUSTRIES LTD.	0.65	
MARUTI UDYOG LTD.	0.63	
KIRLOSKAR CUMMINS	0.48	
ONGC	0.43	
HCL TECHNOLOGIES LIMITED	0.40	
JUBILANT FOODWORKS LIMITED	0.40	
HDFC LTD	0.38	
INDIABULLS HOUSING FINANCE LTD	0.38	
MAHINDRA & MAHINDRA LTD.	0.37	
JSW STEEL LIMITED	0.36	
LUPIN LIMITED	0.35	
BHARTI AIRTEL LIMITED	0.34	
HERO MOTOCORP LIMITED	0.30	
MOTHERSON SUMI SYSTEMS LTD.	0.25	
SESA STERLITE LIMITED	0.20	
WIPRO	0.19	
SANOFI INDIA LIMITED	0.12	
total equity	19.39	
total money market	6.87	
total net assets	100.00	

fund characteristics	
M. Duration of debt portfolio:	6.38 Years
YTM of debt portfolio:	7.98%
Fund Beta:	1.00



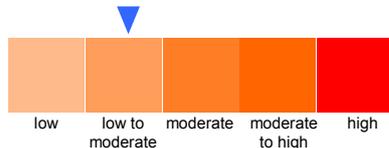
SFIN :
ULGF01213/10/08GCBOND02121

Inception Date : 13th Oct 2008

fund objective

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

fund risk profile



target asset allocation

Bond Instruments: 100%

benchmark construction

CRISIL Composite Bond Index: 100%

Group Corporate Bond Fund 2

fund performance As on Jan 30, 2015

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Corporate Bond Fund 2	17.82%	11.15%	11.54%	10.53%	9.71%
Benchmark	15.38%	9.28%	9.31%	9.01%	8.05%

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

portfolio

security	% total net assets	rating
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bond

9.25% RJIL NCD 16-06-2024 SR-PPD3	9.05	AAA
9.00% SAIL NCD 14-10-2024	3.94	AAA
9.44% LICHFL NCD 30-08-2019 TR228	3.61	AAA
8.57% REC NCD 21-12-2024 SR-128	2.88	AAA
9.30% PGCIL NCB 04-09-2024 OPTION II	2.28	AAA
8.93% PGCIL NCD 20-10-2025 STRPP H	2.24	AAA
8.40% NPCIL NCD 28-11-2026 XXIX B	2.19	AAA
8.40% NPCIL NCD 28-11-2025 XXIX A	2.18	AAA
8.83% EXIM NCB 03-11-2029 R16 - 2029	2.01	AAA
9.04% REC NCD 12-10-2019	1.98	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	1.76	AAA
9.30% PGCIL NCD 04-09-2029 OPT III	1.72	AAA
8.48% PFC NCD 09-12-2024 OPT 124C	1.69	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	1.45	AAA
8.80% PGCIL NCD 13-03-2023 XLII	0.53	AAA
8.40% NPCIL NCD 28-11-2029 XXIX E	0.48	AAA
10.00% IHFL NCD 29-09-2019	0.45	AAA
9.81% PFC NCD 07-10-2018 SR109	0.13	AAA
9.90% TATA SONS NCD 18-03-2016	0.13	AAA

40.70

Gilts

8.83% GOI CG 25-11-2023	18.95
9.20% GOI CG 30-09-2030	9.19
8.60% GOI CG 02-06-2028	7.69
8.30% GOI CG 31-12-2042	6.91
8.17% GOI CG 01-12-2044	4.94
8.32% GOI CG 02-08-2032	3.05
8.27% GOI CG 09-06-2020	2.45

total gilts 53.17

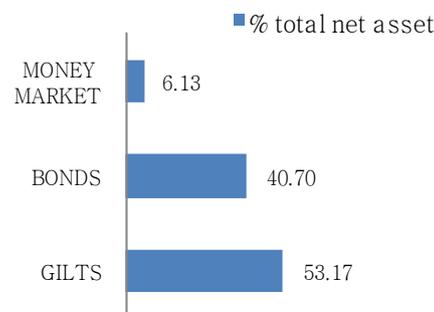
total money market 6.13

total net assets 100.00

fund characteristics

M. Duration of debt portfolio: 6.90 Years
YTM of debt portfolio: 7.98%

asset allocation



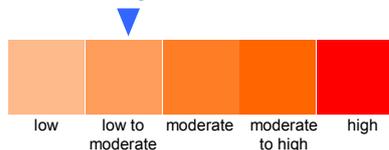
SFIN :
ULGF02305/06/13GCORBOND03121

Inception Date : 31st Dec 2013

fund objective

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

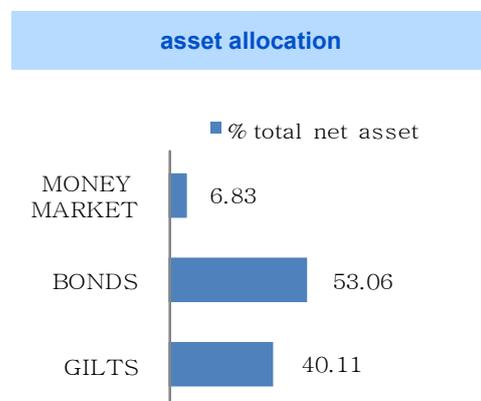
fund risk profile



Group Corporate Bond Fund 3

portfolio		
security	% total net assets	rating
bond		
9.25% TATA SONS NCD 19-06-2019	8.64	AAA
8.75% RIL NCD 07-05-2020	8.11	AAA
9.00% SAIL NCD 14-10-2024	7.92	AAA
9.44% LICHFL NCD 30-08-2019 TR228	7.88	AAA
8.57% REC NCD 21-12-2024 SR-128	6.51	AAA
9.30% PGCIL NCD 04-09-2029 OPT III	6.49	AAA
8.83% EXIM NCB 03-11-2029 R16 - 2029	6.24	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	0.44	AAA
10.00% IHFL NCD 29-09-2019	0.42	AAA
9.25% RJIL NCD 16-06-2024 SR-PPD3	0.42	AAA
total bond	53.06	
Gilts		
8.83% GOI CG 25-11-2023	14.11	
8.17% GOI CG 01-12-2044	7.27	
8.60% GOI CG 02-06-2028	6.74	
9.20% GOI CG 30-09-2030	4.60	
8.30% GOI CG 31-12-2042	4.53	
8.27% GOI CG 09-06-2020	2.73	
8.32% GOI CG 02-08-2032	0.13	
total gilts	40.11	
total money market	6.83	
total net assets	100.00	

fund characteristics	
M. Duration of debt portfolio:	6.01 Years
YTM of debt portfolio:	7.94%



target asset allocation

Bond Instruments: 100%

benchmark construction

CRISIL Composite Bond Index: 100%

SFIN :

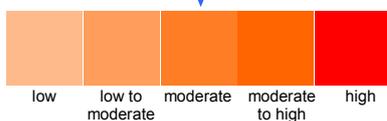
ULGF01030/09/08GPUREDEB01121

Inception Date : 30th Sep 2008

fund objective

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

fund risk profile



target asset allocation

Debt Instruments: 100%

benchmark construction

CRISIL Composite Bond Index: 100%

Group Pure Debt Fund 1

fund performance As on Jan 30, 2015

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Pure Debt Fund 1	17.70%	11.81%	11.81%	10.78%	9.88%
Benchmark	15.38%	9.28%	9.31%	9.01%	8.05%

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

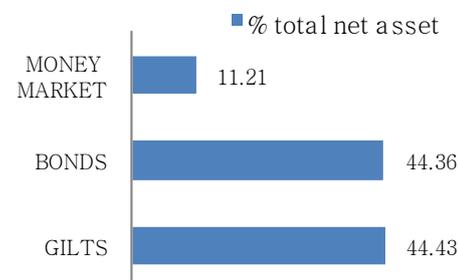
portfolio

security	% total net assets	rating
bond		
9.30% PGCIL NCD 04-09-2029 OPT III	7.66	AAA
10.00% IHFL NCD 29-09-2019	7.49	AAA
9.25% RJIL NCD 16-06-2024 SR-PPD3	7.47	LAAA
9.00% SAIL NCD 14-10-2024	7.39	AAA
8.57% REC NCD 21-12-2024 SR-128	7.20	AAA
8.48% PFC NCD 09-12-2024 OPT 124C	7.15	AAA
total bond	44.36	
gilts		
8.30% GOI CG 31-12-2042	13.52	
8.83% GOI CG 25-11-2023	12.01	
9.20% GOI CG 30-09-2030	6.88	
8.60% GOI CG 02-06-2028	6.79	
8.32% GOI CG 02-08-2032	4.36	
8.27% GOI CG 09-06-2020	0.87	
total gilts	44.43	
total money market	11.21	
total net assets	100.00	

fund characteristics

M .Duration of debt portfolio: 6.61 Years
YTM of debt portfolio: 7.92%

asset allocation



SFIN :

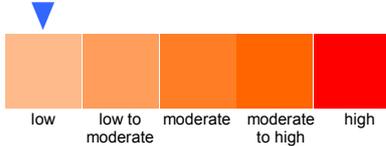
ULGF00431/01/07GCAPISEC01121

Inception Date : 31st Jan 2007

fund objective

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

fund risk profile



target asset allocation

Money market : 100%

benchmark construction

Yield on 182-day T.Bills : 100%

Group Capital Secure Fund 1

fund performance As on Jan 30, 2015

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Capital Secure Fund 1	9.44%	9.67%	9.61%	9.51%	9.05%
Benchmark	8.80%	8.13%	8.24%	8.11%	7.58%

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

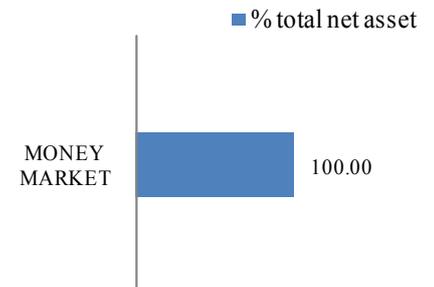
portfolio

security	% total net as-sets
other money market Instrument	100.00
total net assets	100.00

fund characteristics

M .Duration of debt portfolio: 0.26 Years
YTM of debt portfolio: 8.05%

asset allocation



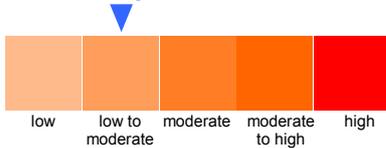
SFIN :
ULGF01610/12/08GGILTFUN02121

Inception Date : 10th Dec 2008

fund objective

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

fund risk profile



target asset allocation

Government Securities: 100%

benchmark construction

I-Sec Composite Sovereign Bond Index:100%

Group Gilt Fund 2

fund performance As on Jan 30, 2015

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Gilt Fund 2	19.61%	10.70%	11.08%	10.31%	9.59%
Benchmark	17.95%	8.85%	9.82%	9.34%	8.43%

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

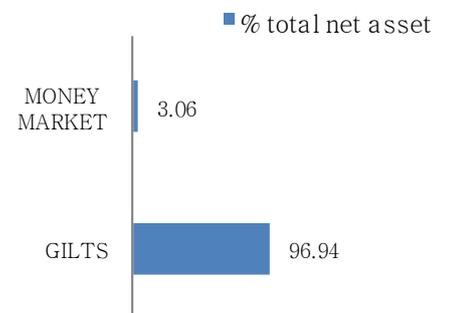
portfolio

security	% total net assets
gilts	
8.30% GOI CG 31-12-2042	47.93
8.83% GOI CG 25-11-2023	24.91
8.60% GOI CG 02-06-2028	24.10
total gilts	96.94
total money market	3.06
total net assets	100.00

fund characteristics

M. Duration of debt portfolio: 8.87 Years
YTM of debt portfolio: 7.71%

asset allocation



SFIN :

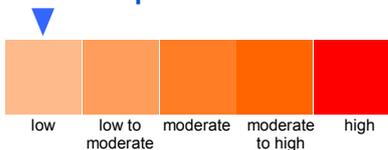
ULGF00930/09/08GMONMRKT02121

Inception Date : 30th Sep 2008

fund objective

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

fund risk profile



target asset allocation

Money market : 100%

benchmark construction

CRISIL Liquid Bond Index: 100%

Group Money Market Fund 2

fund performance As on Jan 30, 2015

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Money Market Fund 2	9.34%	9.48%	9.73%	9.71%	9.29%
Benchmark	9.21%	9.15%	8.91%	8.75%	8.10%

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

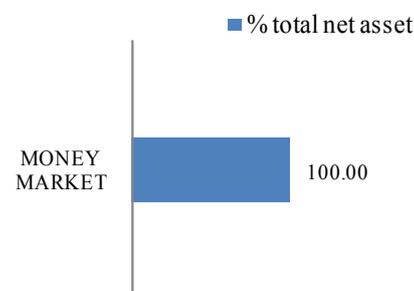
portfolio

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

fund characteristics

M. Duration of debt portfolio: 0.30 Years
YTM of debt portfolio: 8.36%

asset allocation



Life Insurance

SFIN	Plan Name	Fund Name	NAV
ULGF00431/01/07GCAPISEC01121	Reliance Group Gratuity Plan	Group Capital Secure Fund 1	18.9579
ULGF00210/10/03GBALANCE02121	Reliance Group Gratuity Plan	Group Balanced Fund 2	20.2274
ULGF00110/10/03GBALANCE01121	Reliance Group Gratuity Plan	Group Balanced Fund 1	23.9815
ULGF01213/10/08GCORBOND02121	Reliance Group Gratuity Plan	Group Corporate Bond Fund 2	17.9977
ULGF01808/06/09GEQUITYF03121	Reliance Group Gratuity Plan	Group Equity Fund 3	27.0677
ULGF01610/12/08GGILTFUN02121	Reliance Group Gratuity Plan	Group Gilt Fund 2	15.7582
ULGF00930/09/08GMONMRKT02121	Reliance Group Gratuity Plan	Group Money Market Fund 2	17.0528
ULGF00310/10/03GGROWTHF01121	Reliance Group Gratuity Plan	Group Growth Fund 1	20.2
ULGF01908/06/09GINFRASF01121	Reliance Group Gratuity Plan	Group Infrastructure Fund 1	10.812
ULGF02008/06/09GMIDCAPF01121	Reliance Group Gratuity Plan	Group Midcap Fund 1	23.9871
ULGF01030/09/08GPUREDEB01121	Reliance Group Gratuity Plan	Group Pure Debt Fund 1	18.1094
ULGF00110/10/03GBALANCE01121	Reliance Group Superannuation Plan	Group Balanced Fund 1	23.9815
ULGF00431/01/07GCAPISEC01121	Reliance Group Superannuation Plan	Group Capital Secure Fund 1	18.9579
ULGF01213/10/08GCORBOND02121	Reliance Group Superannuation Plan	Group Corporate Bond Fund 2	17.9977
ULGF01808/06/09GEQUITYF03121	Reliance Group Superannuation Plan	Group Equity Fund 3	27.0677
ULGF01610/12/08GGILTFUN02121	Reliance Group Superannuation Plan	Group Gilt Fund 2	15.7582
ULGF00310/10/03GGROWTHF01121	Reliance Group Superannuation Plan	Group Growth Fund 1	20.2
ULGF00930/09/08GMONMRKT02121	Reliance Group Superannuation Plan	Group Money Market Fund 2	17.0528
ULGF01030/09/08GPUREDEB01121	Reliance Group Superannuation Plan	Group Pure Debt Fund 1	18.1094
ULGF00210/10/03GBALANCE02121	Reliance Group Savings Linked Insurance Plan	Group Balanced Fund 2	20.2274
ULGF01213/10/08GCORBOND02121	Reliance Group Savings Linked Insurance Plan	Group Corporate Bond Fund 2	17.9977
ULGF01428/11/08GENERGF01121	Reliance Group Savings Linked Insurance Plan	Group Energy Fund 1	18.611
ULGF01328/11/08GEQUITYF02121	Reliance Group Savings Linked Insurance Plan	Group Equity Fund 2	32.9625
ULGF01610/12/08GGILTFUN02121	Reliance Group Savings Linked Insurance Plan	Group Gilt Fund 2	15.7582
ULGF01908/06/09GINFRASF01121	Reliance Group Savings Linked Insurance Plan	Group Infrastructure Fund 1	10.812
ULGF02008/06/09GMIDCAPF01121	Reliance Group Savings Linked Insurance Plan	Group Midcap Fund 1	23.9871
ULGF00930/09/08GMONMRKT02121	Reliance Group Savings Linked Insurance Plan	Group Money Market Fund 2	17.0528
ULGF01030/09/08GPUREDEB01121	Reliance Group Savings Linked Insurance Plan	Group Pure Debt Fund 1	18.1094
ULGF01528/11/08GPUREEQF01121	Reliance Group Savings Linked Insurance Plan	Group Pure Equity Fund 1	28.7745
ULGF00210/10/03GBALANCE02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Balanced Fund 2	20.2274
ULGF00930/09/08GMONMRKT02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Money Market Fund 2	17.0528
ULGF01213/10/08GCORBOND02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Corporate Bond Fund 2	17.9977
ULGF01610/12/08GGILTFUN02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Gilt Fund 2	15.7582
ULGF01808/06/09GEQUITYF03121	Reliance Life Insurance Group Gratuity Plus Plan	Group Equity Fund 3	27.0677
ULGF00930/09/08GMONMRKT02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Money Market Fund 2	17.0528
ULGF01213/10/08GCORBOND02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Corporate Bond Fund 2	17.9977
ULGF01610/12/08GGILTFUN02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Gilt Fund 2	15.7582
ULGF01808/06/09GEQUITYF03121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Equity Fund 3	27.0677
ULGF00210/10/03GBALANCE02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Balanced Fund 2	20.2274
ULGF02205/06/13GEQUITYF04121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Equity Fund 4	10.5805

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

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

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

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

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

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

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

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

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

Gross Fund Return

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

We shall highlight this with the help of an example.

Reliance Life Insurance

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

XYZ Insurance Company

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

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

Benchmark Return

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

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

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

Fund Standard Deviation

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

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

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

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

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

Fund Sharpe Ratio

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

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

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

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

✓ Gross Fund Return

✓ Benchmark Return

✓ Fund Standard Deviation

✓ Fund Sharpe Ratio

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

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

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

Benchmark Sharpe Ratio

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

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

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

Modified Duration of Debt Portfolio

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

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

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

Fund Beta

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

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

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

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

✓ **Benchmark Sharpe Ratio**

✓ **Modified Duration Of Debt Profile**

✓ **Fund Beta**

Disclaimer

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