



RELIANCE

Life Insurance



**the analyst**

**monthly Group fund  
factsheet for January 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	31th Dec 14	30th Nov 14	% Change
<sup>1</sup> \$ / Rs.	63.04	62.03	1.60
<sup>2</sup> CPI (YOY)	5.20	4.38	0.82
<sup>3</sup> Forex Reserves (\$ bn)	319.71	316.31	1.06
<sup>4</sup> Brent Crude Price (\$ per Barrel)	53.27	66.15	-24.18
<sup>5</sup> Gold (Rs. per 10gm)	26774	26140.	2.37

Indices	31th Dec 14	30th Nov 14	%Change
<sup>1</sup> BSE Sensex	27499	28694	-4.34
<sup>1</sup> S&P CNX Nifty	8283	8588	-3.69
<sup>1</sup> CNX Mid Cap	12584	12389	1.55
<sup>1</sup> BSE Small Cap	11087	11271	-1.66

Global Indices	31th Dec 14	30th Nov 14	%Change
<sup>1</sup> Dow Jones	17823	17828	-0.03
<sup>1</sup> FTSE 100	6566	6723	-2.38
<sup>1</sup> Hang Seng	23605	23987	-1.62
<sup>1</sup> Nikkei	17451	17460	-0.05

Sectoral Indices	31th Dec 14	30th Nov 14	% Change
<sup>1</sup> CNX Infrastructure	3040	3250	-6.90
<sup>1</sup> CNX Energy	8641	9465	-9.54
<sup>1</sup> BSE Capital Goods	15442	16372	-6.02
<sup>1</sup> BSE Bankex	21458	21212	1.15
<sup>1</sup> BSE Oil & Gas	9895	10914	-10.30
<sup>1</sup> BSE IT	10584	11207	-5.89

Fixed Income Indicators (%)	31th Dec 14	30th Nov 14	% Change
<sup>1</sup> NSE Mibor	8.71	8.71	0.00
<sup>1</sup> 91 Day T-Bill	8.31	8.21	0.10
<sup>1</sup> 182 Day T-Bill	8.36	8.33	0.03
<sup>1</sup> 1 year GOI Benchmark	8.16	8.25	-0.09
<sup>1</sup> 5 Year GOI Benchmark	8.02	8.11	-0.09
<sup>1</sup> 10 Year GOI Benchmark	7.86	8.09	-0.23
<sup>1</sup> 5 Year Corp Bond Benchmark	8.62	8.59	0.03
<sup>1</sup> 10 Year AAA Corp Bond Benchmark	8.51	8.58	-0.07
<sup>1</sup> 10 Year US Treasury	2.17	2.16	0.01

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

**Fixed Income Market**

Global events in the Russia as well as Greek were the key themes during the month, which has set the tone during the month. Steep fall in crude oil prices, which is five years low, as well as western sanction have put economic outlook of Russia under pressure. Ruble has touched all time low before recovering marginally after the central bank's intervention. Similarly, Greece is facing snap pool, where leftist party is expected to win. If this happens, then they could shun austerity plan, which is being adhered for bail out. All this has created uncertainty in the market across the world.

INR in the light of strengthening of USD across major currencies as well as global uncertainty, depreciated to 63.38 from 61.95 against USD despite better outlook on account of receding inflation and falling crude oil prices. 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.

The RBI has left all key policy rates unchanged. While acknowledging the deceleration in inflation, it highlighted that a change in monetary policy stance could be premature. However, it has guided, wherein, it mentioned that a change in stance is likely early next year including outside the policy review if inflationary trends and fiscal developments are encouraging.

Retail inflation (CPI) has eased further to 4.4% (YoY) in November 2014, against 5.5% (YoY) in October, 2014. While base effect and continued supply side measures helped food inflation ease to 3.5% (YoY), the decelerating trend in core CPI 5.5% (YoY) against 5.9%(YoY) reflects subdued demand side pressure and commodity tailwinds. It is expected that inflation to soften further due to season arrival of primary articles as well as sustained fall in industrial commodities.

Economic growth continues to be muted. Index of Industrial Production (IIP) decelerated at -4.2% (YoY) in Oct 2014 against 2.8% in the previous month. On the sectoral basis, manufacturing contracted 7.6% (YoY) while on a use-based classification, both consumer and capital goods were in the red at -18.6% (YoY) and -2.3% (YoY) respectively. It is expected that government recent initiatives like "Make in India" will help improve the manufacturing environment in the medium term. It is noteworthy to see the resolve of the government that they have passed eight important ordinances in the areas, like increase of FDI in Insurance sector, GST, land acquisition and Coal, which will help improve the business environment.

Banking liquidity is well managed by RBI through series of Term Repo auctions despite outflows on account of advance tax. Due to the lower demand of credit and decent deposit growth, banks have reduced deposit rates. It is expected that once RBI cut the policy rates, then, banks will start reducing lending rates as well.

**Fixed Income Outlook:**

Going forward, all eyes are now set on the fiscal consolidation during next financial year in the light of slow down in the collection of revenue due to sluggish economy in recent years. 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**

After the stellar performance through 2014, a final leg of Santa rally eluded Indian equities in December (-3.6%). Profit booking into the year-end following an impasse in the winter session of the Parliament and global EM pressure led by the likes of Russia and Greece saw Indian equities ending the year on a tepid note. There was sufficient cheer on the macro front however, as both CPI and WPI inflation continued to ease even as growth remained a bugbear. The government also did its bit to press ahead with reforms via a slew of ordinances after the disappointing end to the Parliamentary session.

Banks were outperformers as expectations of lower rates and improving credit started getting priced in. During the month, the Cabinet approved lowering government stake in state run banks to 52% and consequently allowing banks to raise capital from the markets. HDFC Bank was also in the news as the FIPB approved Rs100bn of capital raising by the bank.

IT stocks saw some correction in Dec following briefings by the companies wherein the likes of TCS and HCL Tech highlighted the possibility of cross currency impact in excess of 200bps during the quarter on account of USD strength. TCS also mentioned that areas like retail, manufacturing and hi-tech could see the impact of furloughs.

In the Autos space, Tata Motors saw a decline in JLR retails on account of continued production constraints and it also made headlines with its intent of focusing on corporate/fleet sales.

Among Consumer names, ITC was handed some relief after report that the government is putting the proposed ban on loose cigarettes on hold.

Among Industrials, Havells made the headlines following a cut in FY15 revenue guidance by the management from 17-18% to 13-14%.

Telecom names continued to underperform on expectations of higher spectrum price in the upcoming auctions, data rate cut for 4G by Bharti and concern on aggressive pricing by Reliance Jio. Media reports also later indicated that the DoT may consider increasing the spectrum availability using partly vacated 2100MHz band from Defence among others.

Energy turned out to be a big underperformer in Dec with profit booking in OMCs and continued weakness in upstream names as well as heavyweight Reliance. Early in the month, media reports indicated that the government may rework the subsidy sharing formula which led to expectations that the upstream burden would come off but no further clarity emerged on this issue during the month.

FII activity was very tepid in Dec and we saw net selling of \$129mn despite the \$805mn of inflows on the day of Infosys block. FIIs finished the year with net buying of \$16.1bn. DIIs meanwhile turned net buyers once again – buying \$855mn of equities in Dec which reduced their net sell tally for the year to \$5.1bn. Among the DIIs, mutual funds once again drove the buying with \$1.1bn of additional net buy which took their annual tally to an impressive \$3.8bn.

**Equity Outlook:**

The ability of the Modi government to deliver and eventually revive economic growth will perhaps be the critical issue to watch out for in the year ahead.

# fund snapshot

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

asset allocation	funds	Last 1 Year	Last 2 Year	Last 3 Year	Page No.
100% equity	Group Equity Fund 2	40.11%	22.43%	25.48%	4
100% equity	Group Equity Fund 3	37.41%	20.63%	24.15%	5
100% equity	Group Equity Fund 4	-	-	-	6
100% pure equity	Group Pure Equity Fund 1	34.98%	21.45%	20.80%	7
100% equity	Group Infrastructure Fund 1	42.21%	13.77%	14.43%	8
100% equity	Group Energy Fund 1	33.50%	14.05%	13.38%	9
100% equity	Group Midcap Fund 1	56.14%	29.04%	33.81%	10
40% equity, 60% debt	Group Growth Fund 1	23.34%	14.73%	16.17%	11
20% equity, 80% debt	Group Balanced Fund 1	18.81%	11.79%	12.78%	12
20% equity, 80% debt	Group Balanced Fund 2	19.12%	12.45%	13.24%	13
20% equity, 80% debt	Group Balanced Fund 4	-	-	-	14
100% bond instruments	Group Corporate Bond Fund 2	15.63%	10.64%	10.92%	15
100% debt Instruments	Group Pure Debt Fund 1	15.75%	11.43%	11.42%	16
100% debt Instruments	Group Corporate Bond Fund 3	-	-	-	17
100% money market	Group Capital Secure Fund 1	9.50%	9.67%	9.62%	18
100% govt. securities	Group Gilt Fund 2	17.23%	10.53%	10.59%	19
100% money market	Group Money Market Fund 2	9.38%	9.52%	9.77%	20

### SFIN :

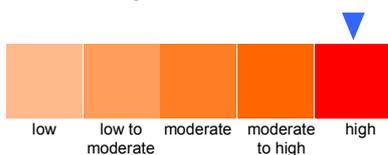
ULGF00724/10/07GEQUITYF01121

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 Dec 31, 2014

gross return					
fund name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Equity Fund 2	40.11%	22.43%	25.48%	11.33%	13.05%
<b>Benchmark</b>	<b>31.39%</b>	<b>18.43%</b>	<b>21.44%</b>	<b>7.79%</b>	<b>9.75%</b>

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

### portfolio

security % total net assets

### equity

INFOSYS LIMITED	7.99
DIVIS LABORATORIES LIMITED	7.52
LARSEN&TUBRO	6.97
HDFC BANK LTD.	6.21
RELIANCE INDUSTRIES LTD.	5.88
ICICI BANK LTD.	5.61
YES BANK LTD	5.07
ITC	4.78
TATA MOTORS LTD.	4.18
TATA CONSULTANCY SERVICES LTD.	3.87
MARUTI UDYOG LTD.	3.65
ULTRATECH CEMCO LTD	3.53
SUN PHARMACEUTICAL INDUSTRIES LTD.	2.89
STATE BANK OF INDIA	2.77
KIRLOSKAR CUMMINS	2.22
BHARTI AIRTEL LIMITED	2.00
MOTHERSON SUMI SYSTEMS LTD.	1.94
JSW STEEL LIMITED	1.88
INDIABULLS HOUSING FINANCE LTD	1.86
SML ISUZU LIMITED	1.81
ONGC	1.79
MAHINDRA & MAHINDRA LTD.	1.75
HCL TECHNOLOGIES LIMITED	1.51
ADITYA BIRLA NUVO LIMITED	1.30
WIPRO	1.15
SESA STERLITE LIMITED	1.14
HDFC LTD	0.96
HERO MOTOCORP LIMITED	0.95
INDIABULLS REAL ESTATE LIMITED	0.75
D.B. CORP LIMITED	0.70
CROMPTON GREAVES LTD	0.45
HT MEDIA LIMITED	0.44
OIL INDIA LIMITED	0.35
TECH MAHINDRA LIMITED	0.32

96.24

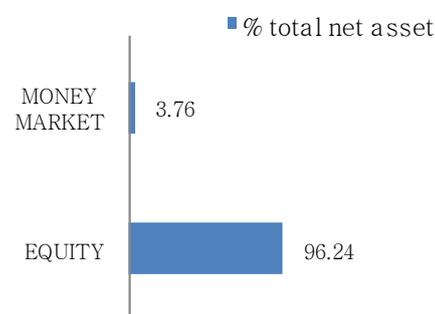
total money market 3.76

total net assets 100.00

### fund characteristics

Fund Beta 1.01

### asset allocation



### SFIN :

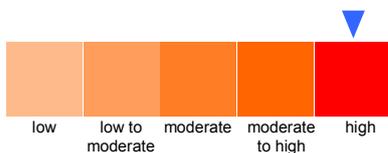
ULGF01808/06/09GEQUITYF03121

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 Dec 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	37.41%	20.63%	24.15%	15.60%	16.54%
<b>Benchmark</b>	<b>31.39%</b>	<b>18.43%</b>	<b>21.44%</b>	<b>7.79%</b>	<b>9.75%</b>

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

### portfolio

security % total net assets

### equity

LARSEN&TUBRO	7.49
HDFC BANK LTD.	7.15
ICICI BANK LTD.	6.39
RELIANCE INDUSTRIES LTD.	6.17
INFOSYS LIMITED	5.58
DIVIS LABORATORIES LIMITED	5.28
YES BANK LTD	5.20
ITC	5.04
TATA MOTORS LTD.	4.35
TATA CONSULTANCY SERVICES LTD.	4.02
MARUTI UDYOG LTD.	3.99
ULTRATECH CEMCO LTD	3.62
SUN PHARMACEUTICAL INDUSTRIES LTD.	2.98
STATE BANK OF INDIA	2.95
KIRLOSKAR CUMMINS	2.71
BHARTI AIRTEL LIMITED	2.12
JSW STEEL LIMITED	2.07
MOTHERSON SUMI SYSTEMS LTD.	2.05
SML ISUZU LIMITED	1.94
MAHINDRA & MAHINDRA LTD.	1.91
ONGC	1.82
INDIABULLS HOUSING FINANCE LTD	1.75
HCL TECHNOLOGIES LIMITED	1.60
SESA STERLITE LIMITED	1.40
ADITYA BIRLA NUVO LIMITED	1.32
WIPRO	1.20
HERO MOTOCORP LIMITED	1.04
HDFC LTD	0.98
INDIABULLS REAL ESTATE LIMITED	0.67
D.B. CORP LIMITED	0.58
CROMPTON GREAVES LTD	0.46
OIL INDIA LIMITED	0.43
HT MEDIA LIMITED	0.34
TECH MAHINDRA LIMITED	0.33

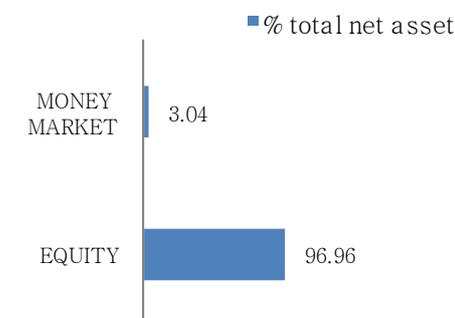
total money market 3.04

total net assets 100.00

### fund characteristics

Fund Beta 1.03

### asset allocation



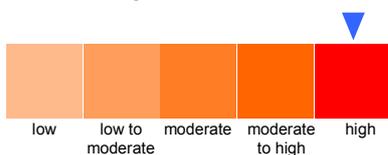
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ULGF02205/06/13GEQUITYF04121

Inception Date : 30<sup>th</sup> Dec 214

### 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 4

fund performance As on Dec 31, 2014

### portfolio

security % total net assets

### equity

INFOSYS LIMITED	6.87
HDFC BANK LTD.	6.31
LARSEN&TUBRO	5.96
RELIANCE INDUSTRIES LTD.	5.35
ICICI BANK LTD.	5.33
YES BANK LTD	4.83
ITC	4.57
STATE BANK OF INDIA	4.15
GUJARAT FLUOROchemicals LTD.	4.02
DIVIS LABORATORIES LIMITED	3.53
MARUTI UDYOG LTD.	3.48
TATA CONSULTANCY SERVICES LTD.	3.26
TATA MOTORS LTD.	3.12
ULTRATECH CEMCO LTD	2.68
KIRLOSKAR CUMMINS	2.58
ONGC	2.01
MOTHERSON SUMI SYSTEMS LTD.	1.82
SUN PHARMACEUTICAL INDUSTRIES LTD.	1.82
INDIABULLS HOUSING FINANCE LTD	1.79
MAHINDRA & MAHINDRA LTD.	1.75
BHARTI AIRTEL LIMITED	1.75
SANOFI INDIA LIMITED	1.73
HCL TECHNOLOGIES LIMITED	1.62
LUPIN LIMITED	1.53
TECH MAHINDRA LIMITED	1.39
JSW STEEL LIMITED	1.38
HERO MOTOCORP LIMITED	1.38
WIPRO	1.21
HDFC LTD	1.03
SESA STERLITE LIMITED	0.92
HT MEDIA LIMITED	0.57
SHREE CEMENTS LIMITED	0.53
JUBILANT FOODWORKS LIMITED	0.46
SHOPPERS STOP LIMITED	0.39
IDFC LIMITED	0.36
INDIABULLS REAL ESTATE LIMITED	0.17

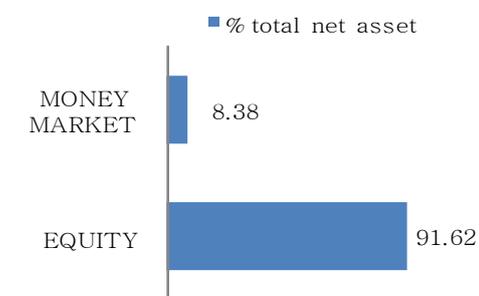
total money market 8.38

total net assets 100.00

### fund characteristics

Fund Beta 0.99

### asset allocation



### SFIN :

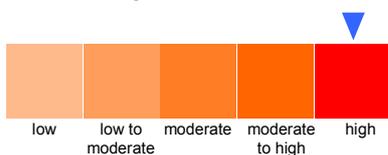
ULGF01528/11/08GPUREEQF01121

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 Dec 31, 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	34.98%	21.45%	20.80%	8.83%	9.94%
<b>Benchmark</b>	<b>23.55%</b>	<b>20.81%</b>	<b>17.56%</b>	<b>6.78%</b>	<b>7.72%</b>

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

### portfolio

security % total net assets

### equity

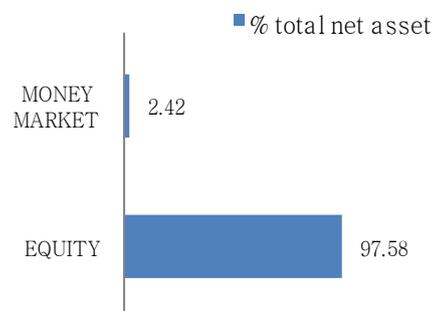
TATA CONSULTANCY SERVICES LTD.	8.87
RELIANCE INDUSTRIES LTD.	8.66
BHARTI AIRTEL LIMITED	6.78
MARUTI UDYOG LTD.	6.68
ASIAN PAINTS LIMITED	5.42
HINDUSTAN LEVER LTD.	5.22
HCL TECHNOLOGIES LIMITED	5.13
ULTRATECH CEMCO LTD	5.06
HERO MOTOCORP LIMITED	4.92
LUPIN LIMITED	4.87
TECH MAHINDRA LIMITED	4.73
DR. REDDY LABORATORIES	4.03
ECLERX SERVICES LIMITED	3.38
JUBILANT FOODWORKS LIMITED	3.08
SUN PHARMACEUTICAL INDUSTRIES LTD.	3.07
LARSEN&TUBRO	2.81
GAS AUTHORITY OF INDIA LTD.	2.66
TRENT LTD	2.60
ACC LIMITED	2.55
MOTHERSON SUMI SYSTEMS LTD.	2.23
SANOFI INDIA LIMITED	1.80
BAJAJ AUTO LTD	1.64
VOLTAS LTD	1.38

<b>total equity</b>	<b>97.58</b>
<b>total money market</b>	<b>2.42</b>
<b>total net assets</b>	<b>100.00</b>

### fund characteristics

Fund Beta 0.91

### asset allocation



### SFIN :

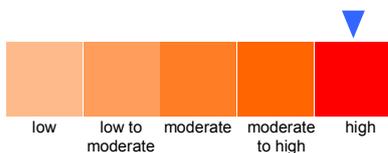
ULGF01908/06/09GINFRASF01121

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

### fund objective

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

### fund risk profile



### target asset allocation

Equity: 100%

### benchmark construction

CNX Infrastructure Index: 100%

# Group Infrastructure Fund 1

## fund performance As on Dec 31, 2014

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Infrastructure Fund 1	42.21%	13.77%	14.43%	-0.12%	-0.09%
<b>Benchmark</b>	<b>22.71%</b>	<b>8.44%</b>	<b>12.68%</b>	<b>-3.17%</b>	<b>-3.34%</b>

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

### portfolio

security % total net assets

### equity

LARSEN&TUBRO	8.84
BHARTI AIRTEL LIMITED	8.63
KIRLOSKAR CUMMINS	8.41
NTPC LIMITED	8.29
POWER GRID CORP OF INDIA LTD	8.24
CROMPTON GREAVES LTD	6.97
BHARAT HEAVY ELECTRICALS LTD.	6.92
MOTHERSON SUMI SYSTEMS LTD.	6.31
ACC LIMITED	5.71
RELIANCE INDUSTRIES LTD.	5.48
VOLTAS LTD	5.46
IDEA CELLULAR LTD	5.10
INDRAPRASTHA GAS LIMITED	3.93
TATA POWER CO. LTD.	3.71
TEXMACO RAIL & ENGINEERING LIMITED	2.62
INDIAN METALS AND FERRO ALLOYS LIMITED	2.03

96.65

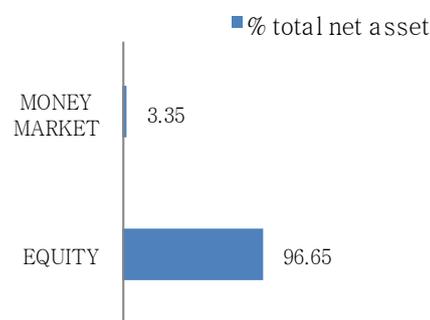
total money market 3.35

total net assets 100.00

### fund characteristics

Fund Beta 0.90

### asset allocation



### SFIN :

ULGF01428/11/08GENERGYF01121

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

### fund objective

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

### fund risk profile



### target asset allocation

Equity: 100%

### benchmark construction

CNX Energy Index: 100%

# Group Energy Fund 1

## fund performance As on Dec 31, 2014

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Energy Fund 1	33.50%	14.05%	13.38%	3.53%	3.78%
<b>Benchmark</b>	<b>8.54%</b>	<b>4.40%</b>	<b>7.44%</b>	<b>-3.04%</b>	<b>-1.78%</b>

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

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

### portfolio

security % total net assets

### equity

NTPC LIMITED	8.84
RELIANCE INDUSTRIES LTD.	8.78
ONGC	8.53
OIL INDIA LIMITED	8.29
POWER GRID CORP OF INDIA LTD	8.23
GUJARAT STATE PETRONET LIMITED	8.02
LARSEN&TUBRO	7.57
INDRAPRASTHA GAS LIMITED	7.28
GAS AUTHORITY OF INDIA LTD.	6.04
TATA POWER CO. LTD.	4.78
BHARAT PETROLEUM CORP. LTD.	4.65
CAIRN INDIA LIMITED	4.20
VOLTAS LTD	3.26
KIRLOSKAR CUMMINS	2.97
CROMPTON GREAVES LTD	2.78
TEXMACO RAIL & ENGINEERING LIMITED	2.56

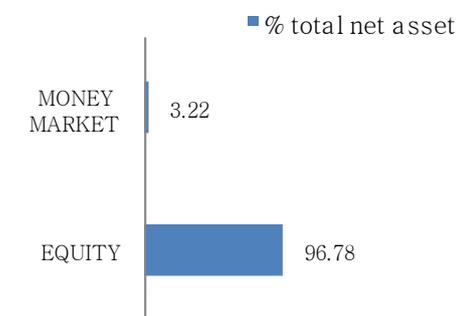
total money market 3.22

total net assets 100.00

### fund characteristics

Fund Beta 0.90

### asset allocation



### SFIN :

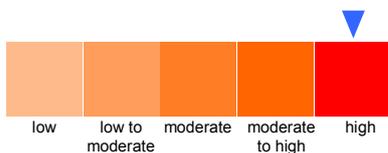
ULGF02008/06/09GMIDCAPF01121

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 Dec 31, 2014

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Midcap Fund 1	56.14%	29.04%	33.81%	13.56%	13.16%
<b>Benchmark</b>	<b>46.06%</b>	<b>19.14%</b>	<b>24.25%</b>	<b>3.62%</b>	<b>4.95%</b>

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

### portfolio

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

#### equity

YES BANK LTD	8.08
STATE BANK OF INDIA	6.82
DIVIS LABORATORIES LIMITED	6.36
INDIABULLS HOUSING FINANCE LTD	4.95
ADITYA BIRLA NUVO LIMITED	4.93
VOLTAS LTD	4.64
CROMPTON GREAVES LTD	3.96
GUJARAT FLUORO CHEMICALS LTD.	3.81
FUTURE CONSUMER ENTERPRISE LIMITED	3.59
JUBILANT FOODWORKS LIMITED	3.47
D.B. CORP LIMITED	3.46
PURAVANKARA PROJECTS LIMITED	3.29
TRENT LTD	3.29
IDEA CELLULAR LTD	3.16
ECLERX SERVICES LIMITED	3.08
SHOPPERS STOP LIMITED	2.81
INDRAPRASTHA GAS LIMITED	2.65
PETRONET LNG LIMITED	2.54
TATA CHEMICALS LTD.	2.46
JSW STEEL LIMITED	2.34
JINDAL SAW LIMITED	2.27
KPIT TECHNOLOGIES LIMITED	2.25
MOTHERSON SUMI SYSTEMS LTD.	2.21
HT MEDIA LIMITED	2.04
HINDUSTAN ZINC LIMITED	1.82
RADICO KHAITAN LIMITED	1.82
INDIAN METALS AND FERRO ALLOYS LIMITED	1.77
OIL INDIA LIMITED	1.32

**total equity 95.21**

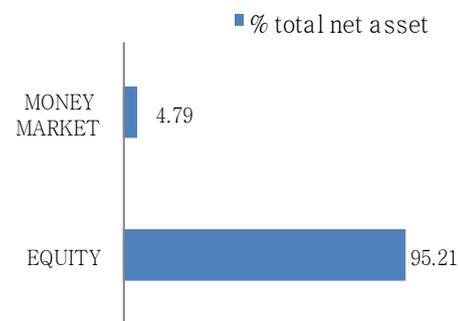
**total money market 4.79**

**total net assets 100.00**

### fund characteristics

Fund Beta 0.80

### asset allocation



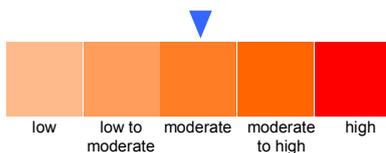
SFIN :  
ULGF00310/10/03GGROWTHF01121

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 Dec 31, 2014

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Growth Fund 1	23.34%	14.73%	16.17%	10.25%	10.31%
<b>Benchmark</b>	<b>21.07%</b>	<b>12.92%</b>	<b>14.15%</b>	<b>8.72%</b>	<b>9.01%</b>

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

### portfolio

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

#### bond

9.22% LICHFL NCD 16-10-2024 TR230	6.64	AAA
9.25% RJIL NCD 16-06-2024 SR-PPD3	6.64	AAA
9.81% PFC NCD 07-10-2018 SR109	4.41	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	2.27	AAA
9.30% PGCIL NCD 04-09-2029 OPT III	2.25	AAA
10.00% IHFL NCD 29-09-2019	2.24	AAA
9.70% PFC NCD 15-12-2018 SR 82-C	2.20	AAA

**total bond 26.64**

#### gilts

8.83% GOI CG 25-11-2023	7.46
8.60% GOI CG 02-06-2028	7.17
9.20% GOI CG 30-09-2030	4.77
8.30% GOI CG 31-12-2042	4.68
9.23% GOI CG 23-12-2043	3.09
8.32% GOI CG 02-08-2032	2.90

**total gilts 30.07**

#### equity

HDFC BANK LTD.	2.89
INFOSYS LIMITED	2.73
DIVIS LABORATORIES LIMITED	2.70
LARSEN&TUBRO	2.55
ICICI BANK LTD.	2.50
RELIANCE INDUSTRIES LTD.	2.25
ITC	2.17
YES BANK LTD	1.94
TATA CONSULTANCY SERVICES LTD.	1.88
TATA MOTORS LTD.	1.55
STATE BANK OF INDIA	1.52
ULTRATECH CEMCO LTD	1.47
MARUTI UDYOG LTD.	1.23
SUN PHARMACEUTICAL INDUSTRIES LTD.	1.21
HDFC LTD	1.08
ONGC	1.06
KIRLOSKAR CUMMINS	0.94
BHARTI AIRTEL LIMITED	0.80
JSW STEEL LIMITED	0.79
MAHINDRA & MAHINDRA LTD.	0.78
HERO MOTOCORP LIMITED	0.71
LUPIN LIMITED	0.69
HCL TECHNOLOGIES LIMITED	0.68
INDIABULLS HOUSING FINANCE LTD	0.60
MOTHERSON SUMI SYSTEMS LTD.	0.55
SESA STERLITE LIMITED	0.43
JUBILANT FOODWORKS LIMITED	0.42
WIPRO	0.38
SANOFI INDIA LIMITED	0.37

**total equity 38.86**

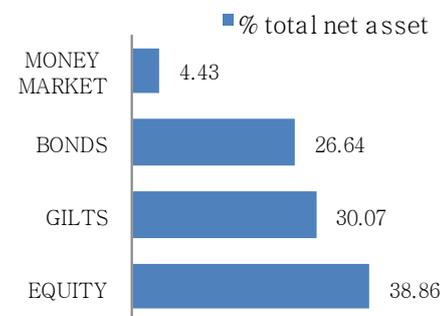
**total money market 4.43**

**total net assets 100.00**

### fund characteristics

M. Duration of debt portfolio: 6.73 Years  
YTM of debt portfolio: 8.29%  
Fund Beta: 1.00

### asset allocation



### SFIN :

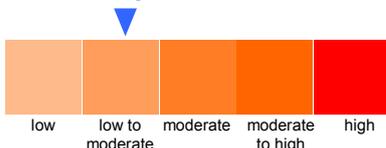
ULGF00110/10/03GBALANCE01121

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



### 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 Dec 31, 2014

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Balanced Fund 1	18.81%	11.79%	12.78%	9.61%	9.38%
<b>Benchmark</b>	<b>17.67%</b>	<b>10.95%</b>	<b>11.62%</b>	<b>8.79%</b>	<b>8.52%</b>

\*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	6.24	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	6.08	AAA
9.22% LICHFL NCD 16-10-2024 TR230	4.68	AAA
9.25% TATA SONS NCD 19-06-2019	4.60	AAA
8.83% EXIM NCB 03-11-2029 R16 - 2029	3.05	AAA
8.80% PGCIL NCD 13-03-2023 XLII	3.03	AAA
8.48% PFC NCD 09-12-2024 OPT 124C	2.98	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	1.60	AAA
9.30% PGCIL NCD 04-09-2029 OPT III	1.59	AAA
9.81% PFC NCD 07-10-2018 SR109	1.55	AAA
9.00% SAIL NCD 14-10-2024	1.54	AAA

**total bond 36.92**

#### gilts

9.23% GOI CG 23-12-2043	10.55
8.60% GOI CG 02-06-2028	7.42
9.20% GOI CG 30-09-2030	6.50
8.83% GOI CG 25-11-2023	5.01
8.30% GOI CG 31-12-2042	4.30
8.32% GOI CG 02-08-2032	2.78

**total gilts 36.55**

#### equity

INFOSYS LIMITED	1.50
DIVIS LABORATORIES LIMITED	1.50
HDFC BANK LTD.	1.45
ICICI BANK LTD.	1.25
LARSEN&TUBRO	1.21
ITC	1.09
YES BANK LTD	1.05
RELIANCE INDUSTRIES LTD.	1.03
TATA MOTORS LTD.	0.87
ULTRATECH CEMCO LTD	0.85
STATE BANK OF INDIA	0.72
MARUTI UDYOG LTD.	0.72
ONGC	0.61
SUN PHARMACEUTICAL INDUSTRIES LTD.	0.60
HDFC LTD	0.56
BHARTI AIRTEL LIMITED	0.47
MAHINDRA & MAHINDRA LTD.	0.45
HERO MOTOCORP LIMITED	0.42
JSW STEEL LIMITED	0.40
LUPIN LIMITED	0.40
HCL TECHNOLOGIES LIMITED	0.37
MOTHERSON SUMI SYSTEMS LTD.	0.32
INDIABULLS HOUSING FINANCE LTD	0.30
SESA STERLITE LIMITED	0.26
TATA CONSULTANCY SERVICES LTD.	0.23
WIPRO	0.23
JUBILANT FOODWORKS LIMITED	0.21
SANOFI INDIA LIMITED	0.19
KIRLOSKAR CUMMINS	0.10

**total equity 19.37**

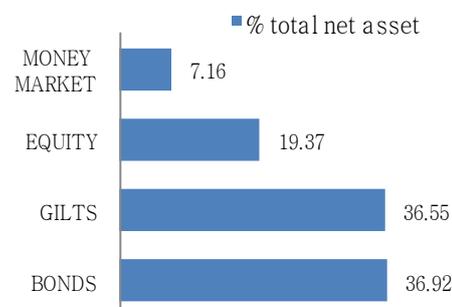
**total money market 7.16**

**total net assets 100.00**

### fund characteristics

M. Duration of debt portfolio:	6.87 Years
YTM of debt portfolio:	8.31%
Fund Beta:	1.01

### asset allocation



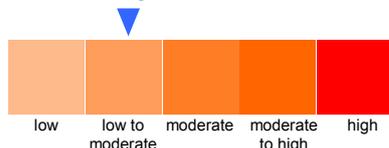
SFIN :  
ULGF00210/10/03GBALANCE02121

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 Dec 31, 2014

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Balanced Fund 2	19.12%	12.45%	13.24%	10.11%	9.80%
<b>Benchmark</b>	<b>17.67%</b>	<b>10.95%</b>	<b>11.62%</b>	<b>8.79%</b>	<b>8.52%</b>

\*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	8.81	AAA
9.25% RJIL NCD 16-06-2024 SR-PPD3	6.79	AAA
8.40% NPCIL NCD 28-11-2028 XXIX D	5.03	AAA
10.00% IHFL NCD 29-09-2019	4.81	AAA
9.25% TATA SONS NCD 19-06-2019	4.68	AAA
8.83% EXIM NCB 03-11-2029 R16 - 2029	3.27	AAA
9.81% PFC NCD 07-10-2018 SR109	2.37	AAA
8.80% PGCIL NCD 13-03-2023 XLII	2.31	AAA
9.22% LICHL NCD 16-10-2024 TR230	2.26	AAA
8.40% NPCIL NCD 28-11-2027 XXIX C	2.17	AAA
9.70% TATA SONS NCD 25-07-2022	1.58	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	1.10	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
9.34% REC NCD 25-08-2024 SR123 TR3	0.48	AAA
9.30% PGCIL NCD 04-09-2029 OPT III	0.12	AAA

#### gilts

8.60% GOI CG 02-06-2028	7.06
8.83% GOI CG 25-11-2023	6.56
8.30% GOI CG 31-12-2042	3.81
9.20% GOI CG 30-09-2030	3.78
8.32% GOI CG 02-08-2032	3.42
9.23% GOI CG 23-12-2043	3.36

**total gilts 28.00**

#### equity

DIVIS LABORATORIES LIMITED	1.52
INFOSYS LIMITED	1.51
HDFC BANK LTD.	1.46
ICICI BANK LTD.	1.25
LARSEN&TUBRO	1.22
ITC	1.07
RELIANCE INDUSTRIES LTD.	1.07
YES BANK LTD	1.06
TATA CONSULTANCY SERVICES LTD.	0.93
STATE BANK OF INDIA	0.72
TATA MOTORS LTD.	0.71
ULTRATECH CEMCO LTD	0.69
SUN PHARMACEUTICAL INDUSTRIES LTD.	0.60
HDFC LTD	0.56
MARUTI UDYOG LTD.	0.55
ONGC	0.50
KIRLOSKAR CUMMINS	0.47
JSW STEEL LIMITED	0.38
BHARTI AIRTEL LIMITED	0.38
HCL TECHNOLOGIES LIMITED	0.37
MAHINDRA & MAHINDRA LTD.	0.36
HERO MOTOCORP LIMITED	0.33
LUPIN LIMITED	0.32
INDIABULLS HOUSING FINANCE LTD	0.30
MOTHERSON SUMI SYSTEMS LTD.	0.26
SESA STERLITE LIMITED	0.22
JUBILANT FOODWORKS LIMITED	0.21
SANOFI INDIA LIMITED	0.18
WIPRO	0.18

**total equity 19.40**

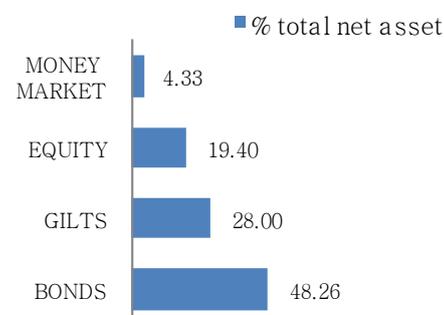
**total money market 4.33**

**total net assets 100.00**

### fund characteristics

M. Duration of debt portfolio: 6.52 Years  
YTM of debt portfolio: 8.37%  
Fund Beta: 0.99

### asset allocation



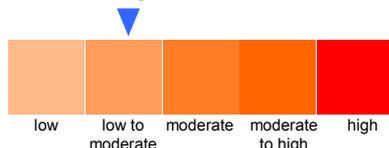
SFIN :  
ULGF02105/06/13GBALANCE04121

Inception Date : 17<sup>th</sup> Dec 2013

### fund objective

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

### fund risk profile



### target asset allocation

Debt: 80%  
Equity: 20%

### benchmark construction

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

# Group Balanced Fund 4

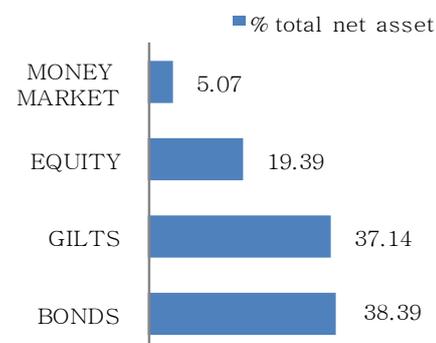
### portfolio

security	% total net assets	rating
<b>bond</b>		
9.25% RJIL NCD 16-06-2024 SR-PPD3	7.49	AAA
8.40% NPCIL NCD 28-11-2027 XXIX C	7.19	AAA
9.00% SAIL NCD 14-10-2024	6.65	AAA
9.51% LICHFL NCD 24-07-2019	3.71	AAA
9.22% LICHFL NCD 16-10-2024 TR230	3.00	AAA
8.83% EXIM NCB 03-11-2029 R16 - 2029	2.93	AAA
9.81% PFC NCD 07-10-2018 SR109	2.24	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	2.19	AAA
9.25% TATA SONS NCD 19-06-2019	1.47	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
<b>total bond</b>	<b>38.39</b>	
<b>gilts</b>		
8.83% GOI CG 25-11-2023	9.57	
9.23% GOI CG 23-12-2043	8.02	
8.60% GOI CG 02-06-2028	7.32	
9.20% GOI CG 30-09-2030	6.02	
8.30% GOI CG 31-12-2042	3.36	
8.32% GOI CG 02-08-2032	2.85	
<b>total gilts</b>	<b>37.14</b>	
<b>Equity</b>		
DIVIS LABORATORIES LIMITED	1.52	
INFOSYS LIMITED	1.51	
HDFC BANK LTD.	1.45	
ICICI BANK LTD.	1.25	
LARSEN&TUBRO	1.22	
ITC	1.09	
RELIANCE INDUSTRIES LTD.	1.07	
YES BANK LTD	1.04	
TATA CONSULTANCY SERVICES LTD.	0.93	
STATE BANK OF INDIA	0.72	
TATA MOTORS LTD.	0.72	
ULTRATECH CEMCO LTD	0.70	
SUN PHARMACEUTICAL INDUSTRIES LTD.	0.60	
MARUTI UDYOG LTD.	0.59	
HDFC LTD	0.56	
ONGC	0.51	
KIRLOSKAR CUMMINS	0.45	
JSW STEEL LIMITED	0.39	
BHARTI AIRTEL LIMITED	0.38	
HCL TECHNOLOGIES LIMITED	0.37	
MAHINDRA & MAHINDRA LTD.	0.37	
HERO MOTOCORP LIMITED	0.33	
LUPIN LIMITED	0.33	
INDIABULLS HOUSING FINANCE LTD	0.30	
MOTHERSON SUMI SYSTEMS LTD.	0.26	
SESA STERLITE LIMITED	0.22	
JUBILANT FOODWORKS LIMITED	0.21	
WIPRO	0.18	
SANOFI INDIA LIMITED	0.13	
<b>total equity</b>	<b>19.39</b>	
<b>total money market</b>	<b>5.07</b>	
<b>total net assets</b>	<b>100.00</b>	

### fund characteristics

M. Duration of debt portfolio: 6.93 Years  
YTM of debt portfolio: 8.30%  
Fund Beta: 0.99

### asset allocation



### SFIN :

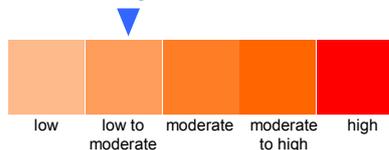
ULGF01213/10/08GCORBOND02121

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



# Group Corporate Bond Fund 2

## fund performance As on Dec 31, 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	15.63%	10.64%	10.92%	9.83%	9.34%
<b>Benchmark</b>	<b>14.31%</b>	<b>8.92%</b>	<b>9.07%</b>	<b>8.53%</b>	<b>7.80%</b>

\*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	9.12	AAA
8.29% MTNL NCD 28-11-2024 IV-D 2014	6.52	AAA
9.00% SAIL NCD 14-10-2024	3.73	AAA
9.44% LICHFL NCD 30-08-2019 TR228	3.43	AAA
9.30% PGCIL NCB 04-09-2024 OPTION II	2.29	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	2.19	AAA
8.93% NTPC NCB 19-01-2021 XXXVII	1.78	AAA
8.48% PFC NCD 09-12-2024 OPT 124C	1.70	AAA
9.30% PGCIL NCD 04-09-2029 OPT III	1.48	AAA
9.34% REC NCD 25-08-2024 SR123 TR3	1.33	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	0.46	AAA
8.83% EXIM NCB 03-11-2029 R16 - 2029	0.45	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	0.28	AAA
9.81% PFC NCD 07-10-2018 SR109	0.14	AAA
9.90% TATA SONS NCD 18-03-2016	0.13	AAA

**40.50**

#### Gilts

8.83% GOI CG 25-11-2023	11.57
9.20% GOI CG 30-09-2030	9.05
8.60% GOI CG 02-06-2028	8.76
9.23% GOI CG 23-12-2043	8.26
8.30% GOI CG 31-12-2042	6.90
8.32% GOI CG 02-08-2032	3.07
8.30% GOI 2040	2.27

**total gilts 49.88**

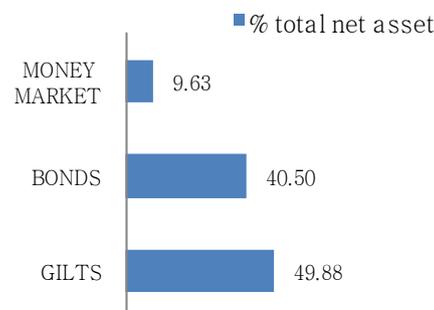
**total money market 9.63**

**total net assets 100.00**

### fund characteristics

M. Duration of debt portfolio:	7.16 Years
YTM of debt portfolio:	8.28%

### asset allocation



### target asset allocation

Bond Instruments: 100%

### benchmark construction

CRISIL Composite Bond Index: 100%

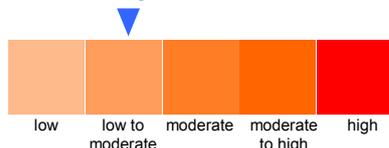
SFIN :  
ULGF02305/06/13GCORBOND03121

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%

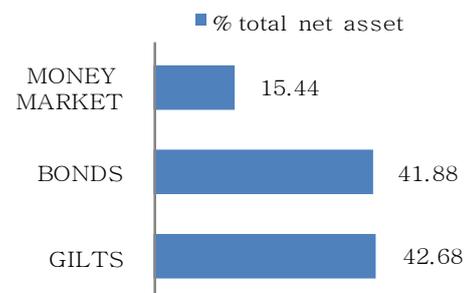
# Group Corporate Bond Fund 3

portfolio		
security	% total net assets	rating
<b>bond</b>		
9.34% REC NCD 25-08-2024 SR123 TR3	8.78	AAA
9.44% LICHFL NCD 30-08-2019 TR228	8.63	AAA
9.00% SAIL NCD 14-10-2024	8.60	AAA
9.30% PGCIL NCD 04-09-2029 OPT III	7.39	AAA
8.75% RIL NCD 07-05-2020	7.02	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	0.37	AAA
10.00% IHFL NCD 29-09-2019	0.37	AAA
9.25% RJIL NCD 16-06-2024 SR-PPD3	0.36	AAA
9.25% TATA SONS NCD 19-06-2019	0.36	AAA
<b>total bond</b>	<b>41.88</b>	
<b>Gilts</b>		
8.60% GOI CG 02-06-2028	28.93	
9.23% GOI CG 23-12-2043	13.11	
8.30% GOI CG 31-12-2042	0.25	
8.83% GOI CG 25-11-2023	0.18	
9.20% GOI CG 30-09-2030	0.11	
8.32% GOI CG 02-08-2032	0.11	
<b>total gilts</b>	<b>42.68</b>	
<b>total money market</b>	<b>15.44</b>	
<b>total net assets</b>	<b>100.00</b>	

### fund characteristics

M. Duration of debt portfolio: 6.23 Years  
YTM of debt portfolio: 8.24%

### asset allocation



### SFIN :

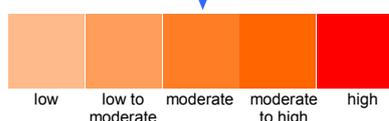
ULGF01030/09/08GPUREDEB01121

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



# Group Pure Debt Fund 1

## fund performance As on Dec 31, 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	15.75%	11.43%	11.42%	10.12%	9.58%
<b>Benchmark</b>	<b>14.31%</b>	<b>8.92%</b>	<b>9.07%</b>	<b>8.53%</b>	<b>7.80%</b>

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

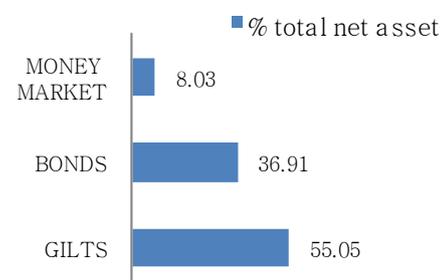
### portfolio

security	% total net assets	rating
<b>bond</b>		
9.30% PGCIL NCD 04-09-2029 OPT III	7.56	AAA
10.00% IHFL NCD 29-09-2019	7.50	AAA
9.25% RJIL NCD 16-06-2024 SR-PPD3	7.43	AAA
9.00% SAIL NCD 14-10-2024	7.33	AAA
8.48% PFC NCD 09-12-2024 OPT 124C	7.09	AAA
<b>total bond</b>	<b>36.91</b>	
<b>gilts</b>		
8.30% GOI CG 31-12-2042	19.62	
8.83% GOI CG 25-11-2023	12.75	
8.60% GOI CG 02-06-2028	10.53	
9.20% GOI CG 30-09-2030	6.84	
8.32% GOI CG 02-08-2032	4.33	
9.23% GOI CG 23-12-2043	0.97	
<b>total gilts</b>	<b>55.05</b>	
<b>total money market</b>	<b>8.03</b>	
<b>total net assets</b>	<b>100.00</b>	

### fund characteristics

M .Duration of debt portfolio: 7.17 Years  
YTM of debt portfolio: 8.20%

### asset allocation



### target asset allocation

Debt Instruments: 100%

### benchmark construction

CRISIL Composite Bond Index: 100%

### SFIN :

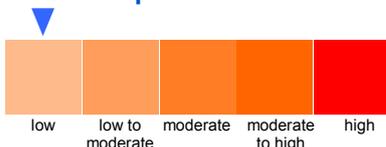
ULGF00431/01/07GCAPISEC01121

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 Dec 31, 2014

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Capital Secure Fund 1	9.50%	9.67%	9.62%	9.50%	8.99%
<b>Benchmark</b>	<b>8.82%</b>	<b>8.20%</b>	<b>8.25%</b>	<b>8.10%</b>	<b>7.52%</b>

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

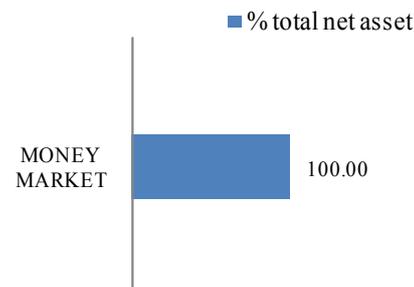
### portfolio

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

### fund characteristics

M .Duration of debt portfolio: 0.30 Years  
YTM of debt portfolio: 8.97%

### asset allocation



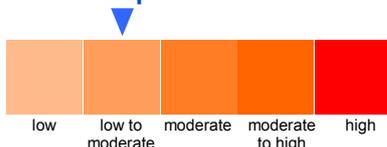
SFIN :  
ULGF01610/12/08GGILTFUN02121

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 Dec 31, 2014

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Gilt Fund 2	17.23%	10.53%	10.59%	9.57%	9.11%
<b>Benchmark</b>	<b>16.52%</b>	<b>8.73%</b>	<b>9.80%</b>	<b>8.60%</b>	<b>8.11%</b>

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

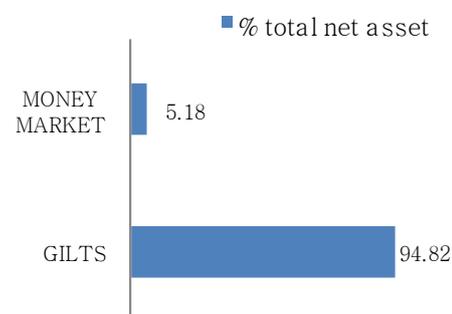
### portfolio

security	% total net assets
<b>gilts</b>	
8.30% GOI CG 31-12-2042	61.11
8.60% GOI CG 02-06-2028	23.75
8.83% GOI CG 25-11-2023	9.96
<b>total gilts</b>	<b>94.82</b>
<b>total money market</b>	<b>5.18</b>
<b>total net assets</b>	<b>100.00</b>

### fund characteristics

M. Duration of debt portfolio:	9.35 Years
YTM of debt portfolio:	8.02%

### asset allocation



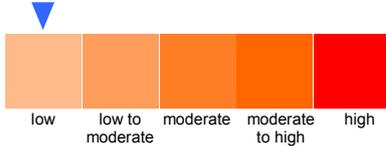
SFIN :  
ULGF00930/09/08GMONMRKT02121

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 Dec 31, 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	9.38%	9.52%	9.77%	9.72%	9.25%
<b>Benchmark</b>	<b>9.21%</b>	<b>9.12%</b>	<b>8.92%</b>	<b>8.73%</b>	<b>8.00%</b>

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

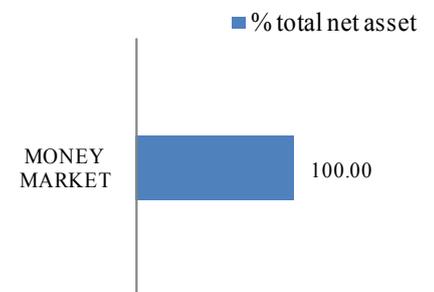
### portfolio

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

### fund characteristics

M. Duration of debt portfolio: 0.49 Years  
YTM of debt portfolio: 8.77%

### asset allocation



## Life Insurance

SFIN	Plan Name	Fund Name	NAV
ULGF00431/01/07GCAPISEC01121	Reliance Group Gratuity Plan	Group Capital Secure Fund 1	18.827
ULGF00210/10/03GBALANCE02121	Reliance Group Gratuity Plan	Group Balanced Fund 2	19.6044
ULGF00110/10/03GBALANCE01121	Reliance Group Gratuity Plan	Group Balanced Fund 1	23.2688
ULGF01213/10/08GCORBOND02121	Reliance Group Gratuity Plan	Group Corporate Bond Fund 2	17.5521
ULGF01808/06/09GEQUITYF03121	Reliance Group Gratuity Plan	Group Equity Fund 3	25.5063
ULGF01610/12/08GGILTFUN02121	Reliance Group Gratuity Plan	Group Gilt Fund 2	15.3481
ULGF00930/09/08GMONMRKT02121	Reliance Group Gratuity Plan	Group Money Market Fund 2	16.9414
ULGF00310/10/03GGROWTHF01121	Reliance Group Gratuity Plan	Group Growth Fund 1	19.4504
ULGF01908/06/09GINFRASF01121	Reliance Group Gratuity Plan	Group Infrastructure Fund 1	10.2677
ULGF02008/06/09GMIDCAPF01121	Reliance Group Gratuity Plan	Group Midcap Fund 1	23.4126
ULGF01030/09/08GPUREDEB01121	Reliance Group Gratuity Plan	Group Pure Debt Fund 1	17.7169
ULGF00110/10/03GBALANCE01121	Reliance Group Superannuation Plan	Group Balanced Fund 1	23.2688
ULGF00431/01/07GCAPISEC01121	Reliance Group Superannuation Plan	Group Capital Secure Fund 1	18.827
ULGF01213/10/08GCORBOND02121	Reliance Group Superannuation Plan	Group Corporate Bond Fund 2	17.5521
ULGF01808/06/09GEQUITYF03121	Reliance Group Superannuation Plan	Group Equity Fund 3	25.5063
ULGF01610/12/08GGILTFUN02121	Reliance Group Superannuation Plan	Group Gilt Fund 2	15.3481
ULGF00310/10/03GGROWTHF01121	Reliance Group Superannuation Plan	Group Growth Fund 1	19.4504
ULGF00930/09/08GMONMRKT02121	Reliance Group Superannuation Plan	Group Money Market Fund 2	16.9414
ULGF01030/09/08GPUREDEB01121	Reliance Group Superannuation Plan	Group Pure Debt Fund 1	17.7169
ULGF00210/10/03GBALANCE02121	Reliance Group Savings Linked Insurance Plan	Group Balanced Fund 2	19.6044
ULGF01213/10/08GCORBOND02121	Reliance Group Savings Linked Insurance Plan	Group Corporate Bond Fund 2	17.5521
ULGF01428/11/08GENERGF01121	Reliance Group Savings Linked Insurance Plan	Group Energy Fund 1	17.968
ULGF01328/11/08GEQUITYF02121	Reliance Group Savings Linked Insurance Plan	Group Equity Fund 2	30.8313
ULGF01610/12/08GGILTFUN02121	Reliance Group Savings Linked Insurance Plan	Group Gilt Fund 2	15.3481
ULGF01908/06/09GINFRASF01121	Reliance Group Savings Linked Insurance Plan	Group Infrastructure Fund 1	10.2677
ULGF02008/06/09GMIDCAPF01121	Reliance Group Savings Linked Insurance Plan	Group Midcap Fund 1	23.4126
ULGF00930/09/08GMONMRKT02121	Reliance Group Savings Linked Insurance Plan	Group Money Market Fund 2	16.9414
ULGF01030/09/08GPUREDEB01121	Reliance Group Savings Linked Insurance Plan	Group Pure Debt Fund 1	17.7169
ULGF01528/11/08GPUREEQF01121	Reliance Group Savings Linked Insurance Plan	Group Pure Equity Fund 1	27.1912
ULGF00210/10/03GBALANCE02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Balanced Fund 2	19.6044
ULGF00930/09/08GMONMRKT02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Money Market Fund 2	16.9414
ULGF01213/10/08GCORBOND02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Corporate Bond Fund 2	17.5521
ULGF01610/12/08GGILTFUN02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Gilt Fund 2	15.3481
ULGF01808/06/09GEQUITYF03121	Reliance Life Insurance Group Gratuity Plus Plan	Group Equity Fund 3	25.5063
ULGF00930/09/08GMONMRKT02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Money Market Fund 2	16.9414
ULGF01213/10/08GCORBOND02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Corporate Bond Fund 2	17.5521
ULGF01610/12/08GGILTFUN02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Gilt Fund 2	15.3481
ULGF01808/06/09GEQUITYF03121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Equity Fund 3	25.5063
ULGF00210/10/03GBALANCE02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Balanced Fund 2	19.6044
ULGF02205/06/13GEQUITYF04121	Reliance Life Insurance Group Gratuity Plus Plan	Group Equity Fund 4	10.0151

- ✓ 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**

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