



RELIANCE

Life Insurance



the analyst

**monthly Group fund
factsheet for March 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	28th Feb 15	30th Jan 14	% Change
¹ \$ / Rs.	61.84	61.87	-0.05
² CPI (YOY)	5.37	5.24	0.13
³ Forex Reserves (\$ bn)	338.08	327.88	3.02
¹ Brent Crude Price (\$ per Barrel)	49.76	48.24	3.05
¹ Gold (Rs. per 10gm)	26309	27630	-5.02

Indices	28th Feb 15	30th Jan 14	%Change
¹ BSE Sensex	29220	29183	0.13
¹ S&P CNX Nifty	8845	8809	0.40
¹ CNX Mid Cap	13113	13124	-0.08
¹ BSE Small Cap	11320	11329	-0.09

Global Indices	28th Feb 15	30th Jan 14	%Change
¹ Dow Jones	18133	17165	5.34
¹ FTSE 100	6947	6749	2.84
¹ Hang Seng	24823	24507	1.27
¹ Nikkei	18798	17674	5.98

Sectoral Indices	28th Feb 15	30th Jan 14	% Change
¹ CNX Infrastructure	3327	3294	0.97
¹ CNX Energy	8661	8921	-3.00
¹ BSE Capital Goods	17825	17096	4.09
¹ BSE Bankex	21858	22716	-3.92
¹ BSE Oil & Gas	9602	10143	-5.64
¹ BSE IT	11879	11179	5.90

Fixed Income Indicators (%)	28th Feb 15	30th Jan 14	% Change
¹ NSE Mibor	8.65	8.69	-0.46
¹ 91 Day T-Bill	8.35	8.20	0.15
¹ 182 Day T-Bill	8.28	8.10	0.18
¹ 1 year GOI Benchmark	8.33	7.93	0.40
¹ 5 Year GOI Benchmark	7.77	7.72	0.05
¹ 10 Year GOI Benchmark	7.73	7.69	0.04
¹ 5 Year Corp Bond Benchmark	8.29	8.25	0.04
¹ 10 Year AAA Corp Bond Benchmark	8.54	8.35	0.19
¹ 10 Year US Treasury	1.99	1.64	0.35

Fixed Income Market

In a surprise move, RBI has decided to reduce the policy rates further by 25 bps after witnessing fiscal consolidation as well as continuation disinflationary trend. Nonetheless, government has opted for expansionary fiscal policy to help support the fledging economy in the annual budget. They have decided to incur more expenditure to fund infrastructure in the absence of private funds to kick start the economy. Government has projected the fiscal deficit at 3.9% of GDP for FY 16 while deferring the fiscal consolidation by another year.

There was profit taking after the reduction in policy rate in the bond market and yield went up marginally across the yield curve. In the absence of year end credit demand, banks were not seen looking for deposits. In fact, money market rates have started coming down due to good demand from investors and less issuance by banks. Banks are now expected to reduce its lending rates in the new financial year.

Government has continuously showing its commitment to improve the business environment and extending reforms. The first round of coal block e-auction saw companies bagging 18 mines with an extractable reserve of 90 mm tons, along with attached end-use infrastructure. This will fetch states Rs 100bn. It is expected that similar enthusiasm will also going to be seen at the spectrum auction.

Economic activity remained sluggish. Index for Industrial Production was recorded at 1.7% (YoY) compared to 3.8% (YoY) in November 2014. Similarly, HSBC manufacturing PMI decreased to 52.9 in January 2015 from 54.5 in December 2014, which is a 3 month low.

Retail inflation (CPI) has increased marginally to 5.1% (YoY) in January 2015 against 5% (YoY) in December 2014. Continuous softening in agricultures produce has witnessed which is reflected in sequential movements. It is expected that retail inflation will be range bounded in the absence of any catalyst in near term.

Globally, uncertainly on account of timing of increase in policy rates in the USA is now becoming more or less a certainty in CY 15. Elsewhere, in order to stave off the risk of deflation, both ECB and Japan is embarking on the massive quantitative easing program. This has led to fall in their currencies, which are touching multi years low against USD. Similarly US Dollar Index has touched 12 years high and this has putting pressure on the INR, which is overvalued in terms of REER, though remained stable due to large flow of foreign exchange.

Fixed Income Outlook:

Going forward, interest rates are expected to be range bounded due to stable inflationary outlook

Union Budget: The much awaited first "full budget" of the Modi government was presented in Feb – while it did tick many boxes, the absence of any big-bang announcements was noticeable. It extended the fiscal consolidation roadmap to 3 years from 2 years but this came with an effort to raise investment spend (+25%). There were incentives in store for corporates (staggered tax cut), market (FDI/FII ownership merger) and some minor tax breaks for consumers.

IT stocks had a strong month with sector rotation being seen out of most cyclicals – Cognizant reported good results with mgmt talking about strength in the demand environment going into CY15 and a pickup in deal activity.

In the Banking space, we saw SBI bucking the trend of PSU banks disappointing on asset quality as it held out on new deterioration / restructurings and managed strong profit growth. HDFC Bank completed its much awaited capital raise and reported a solid 20% growth quarter.

Among Auto names, Tata Motors had JLR delivering an in-line quarter albeit with a positive surprise on capex but the parent disappointed on all counts. Hero had a disappointing set of results with margins missing on higher overheads.

Consumer stocks began the month on a high note led by ITC which rallied into the budget – however it was dealt a blow with excise duty being hiked 15% across most segments which could impact volumes going forward.

Metals, Mining and Power stocks were in the limelight in Feb with the 1st round of 22 coal block auctions getting underway – Hindalco, Balco, JSP, CESC, Ultratech were among the winners.

Telecom names underperformed heading into the auctions and regulator TRAI also announced a cut in termination charges and proposed a cut in roaming tariffs – albeit the impact is expected to be marginal.

In the Oil & Gas space, upstream companies like ONGC and Oil India had extremely weak quarters with the subsidy burden biting hard despite the fall in crude prices.

Pharma had a mixed month – Lupin made headlines as it received 483s at its Indore facility however it announced approvals from the facility after the inspection implying that the observations were less critical. It also reported an in line set of numbers but mgmt commentary remained positive

Among Industrials, heavyweight Larsen reported during the month – while both sales and margins were below expectations, domestic order prospects looked up. BHEL disappointed on profits but cost control started showing through. FIIs and DIIs both turned out to be net buyers this month with inflows totaling \$1.1bn and \$394mn respectively. FIIs have now net bought \$4bn CYTD while DIIs have net sold \$892mn. Among DIIs, mutual funds continued to see inflows which aided net buying of \$537mn in equities even as insurance companies sold to the tune of \$143mn.

Equity Outlook:

Markets would keenly watch how if the government is able to get key legislations like Land Bill and Insurance Bill passed in the parliament

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

fund snapshot

gross return (CAGR*) (%) As on Feb 28, 2015

asset allocation	funds	Last 1 Year	Last 2 Year	Last 3 Year	Page No.
100% equity	Group Equity Fund 2	48.23%	30.20%	22.73%	4
100% equity	Group Equity Fund 3	45.61%	28.07%	21.17%	5
100% pure equity	Group Pure Equity Fund 1	44.49%	28.21%	18.99%	6
100% equity	Group Infrastructure Fund 1	53.47%	23.02%	9.93%	7
100% equity	Group Energy Fund 1	40.15%	17.71%	9.48%	8
100% equity	Group Midcap Fund 1	68.55%	37.11%	26.54%	9
40% equity, 60% debt	Group Growth Fund 1	28.05%	17.93%	15.26%	10
20% equity, 80% debt	Group Balanced Fund 1	22.47%	13.75%	12.39%	11
20% equity, 80% debt	Group Balanced Fund 2	22.99%	14.34%	13.04%	12
20% equity, 80% debt	Group Balanced Fund 4	-	-	-	13
100% bond instruments	Group Corporate Bond Fund 2	18.04%	11.16%	11.45%	14
100% debt Instruments	Group Corporate Bond Fund 3	-	-	-	15
100% debt Instruments	Group Pure Debt Fund 1	17.98%	11.85%	11.70%	16
100% money market	Group Capital Secure Fund 1	9.39%	9.65%	9.60%	17
100% govt. securities	Group Gilt Fund 2	20.05%	10.66%	10.97%	18
100% money market	Group Money Market Fund 2	9.30%	9.43%	9.70%	19

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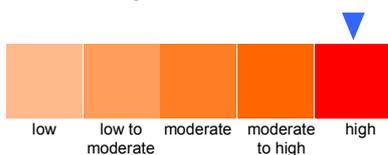
ULGF00724/10/07GEQUITYF01121

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 Feb 28, 2015

gross return					
fund name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Equity Fund 2	48.23%	30.20%	22.73%	17.07%	15.81%
Benchmark	41.82%	25.05%	18.24%	13.66%	12.58%

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

portfolio

security % total net assets

equity

INFOSYS LIMITED	8.05
HDFC BANK LTD.	7.77
DIVIS LABORATORIES LIMITED	7.76
LARSEN&TUBRO	7.25
ICICI BANK LTD.	6.30
RELIANCE INDUSTRIES LTD.	5.03
YES BANK LTD	4.72
ITC	4.42
MARUTI UDYOG LTD.	4.11
TATA MOTORS LTD.	3.94
ULTRATECH CEMCO LTD	3.85
TATA CONSULTANCY SERVICES LTD.	3.47
STATE BANK OF INDIA	3.24
SUN PHARMACEUTICAL INDUSTRIES LTD.	3.01
HCL TECHNOLOGIES LIMITED	2.85
KIRLOSKAR CUMMINS	2.74
INDIABULLS HOUSING FINANCE LTD	2.60
SML ISUZU LIMITED	2.17
MAHINDRA & MAHINDRA LTD.	2.14
MOTHERSON SUMI SYSTEMS LTD.	1.98
BHARTI AIRTEL LIMITED	1.91
JSW STEEL LIMITED	1.87
ONGC	1.47
SESA STERLITE LIMITED	1.41
WIPRO	1.41
ADITYA BIRLA NUVO LIMITED	1.37
INDIABULLS REAL ESTATE LIMITED	1.18
HERO MOTOCORP LIMITED	0.86

total equity 98.90

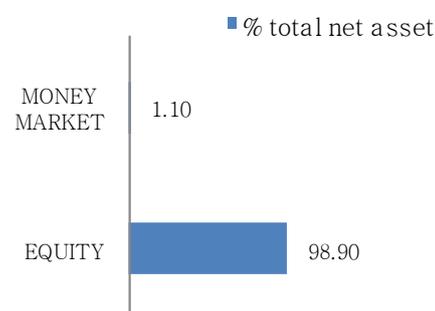
total money market 1.10

total net assets 100.00

fund characteristics

Fund Beta 0.99

asset allocation



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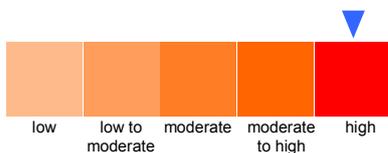
ULGF01808/06/09GEQUITYF03121

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 Feb 28, 2015

fund name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Equity Fund 3	45.61%	28.07%	21.17%	21.41%	19.26%
Benchmark	41.82%	25.05%	18.24%	13.66%	12.58%

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

portfolio

security % total net assets

equity

HDFC BANK LTD.	7.18
INFOSYS LIMITED	6.87
DIVIS LABORATORIES LIMITED	6.71
LARSEN&TUBRO	6.53
ICICI BANK LTD.	5.63
RELIANCE INDUSTRIES LTD.	4.76
YES BANK LTD	4.61
ITC	4.17
TATA MOTORS LTD.	3.92
STATE BANK OF INDIA	3.79
GUJARAT FLUOROCEMICALS LTD.	3.74
MARUTI UDYOG LTD.	3.39
TATA CONSULTANCY SERVICES LTD.	3.18
ULTRATECH CEMCO LTD	2.82
KIRLOSKAR CUMMINS	2.50
INDIABULLS HOUSING FINANCE LTD	2.24
HCL TECHNOLOGIES LIMITED	2.21
SUN PHARMACEUTICAL INDUSTRIES LTD.	1.92
MOTHERSON SUMI SYSTEMS LTD.	1.91
MAHINDRA & MAHINDRA LTD.	1.88
LUPIN LIMITED	1.76
ONGC	1.64
HERO MOTOCORP LIMITED	1.58
SANOFI INDIA LIMITED	1.52
SESA STERLITE LIMITED	1.34
JSW STEEL LIMITED	1.26
WIPRO	1.10
TECH MAHINDRA LIMITED	1.10
PURAVANKARA PROJECTS LIMITED	0.97
BHARTI AIRTEL LIMITED	0.78
JUBILANT FOODWORKS LIMITED	0.71
IDEA CELLULAR LTD	0.69
SHREE CEMENTS LIMITED	0.50
IDFC LIMITED	0.43
CROMPTON GREAVES LTD	0.37
D.B. CORP LIMITED	0.36
SHOPPERS STOP LIMITED	0.35
HT MEDIA LIMITED	0.22
HAVELLS INDIA LIMITED	0.19
OIL INDIA LIMITED	0.09

total equity 96.90

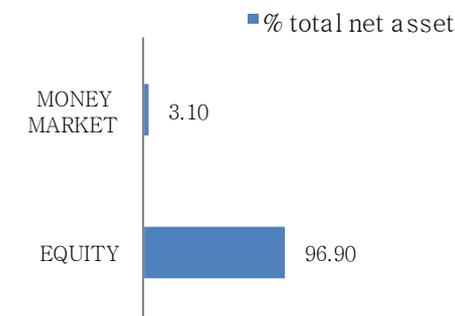
total money market 3.10

total net assets 100.00

fund characteristics

Fund Beta 0.97

asset allocation



SFIN :

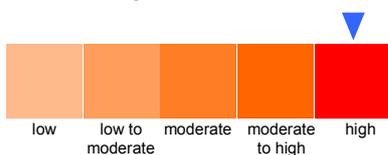
ULGF01528/11/08GPUREEQF01121

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 Feb 28, 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	44.49%	28.21%	18.99%	14.55%	12.89%
Benchmark	29.99%	22.23%	15.19%	11.86%	9.97%

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

portfolio

security % total net assets

equity

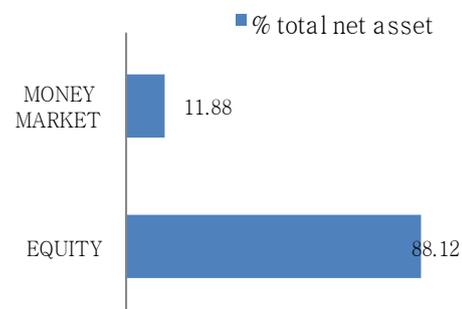
MARUTI UDYOG LTD.	6.95
HCL TECHNOLOGIES LIMITED	6.68
RELIANCE INDUSTRIES LTD.	6.51
BHARTI AIRTEL LIMITED	6.47
ASIAN PAINTS LIMITED	5.93
HINDUSTAN LEVER LTD.	5.60
ULTRATECH CEMCO LTD	5.56
LUPIN LIMITED	5.23
HERO MOTOCORP LIMITED	4.50
DR. REDDY LABORATORIES	3.92
JUBILANT FOODWORKS LIMITED	3.51
LARSEN&TUBRO	3.48
ECLERX SERVICES LIMITED	3.28
TECH MAHINDRA LIMITED	3.22
ACC LIMITED	2.95
TRENT LTD	2.53
DIVIS LABORATORIES LIMITED	2.10
MOTHERSON SUMI SYSTEMS LTD.	2.09
MAHINDRA & MAHINDRA LTD.	1.93
TATA CONSULTANCY SERVICES LTD.	1.70
SUN PHARMACEUTICAL INDUSTRIES LTD.	1.41
VOLTAS LTD	1.37
SANOFI INDIA LIMITED	1.19

total equity	88.12
total money market	11.88
total net assets	100.00

fund characteristics

Fund Beta 0.90

asset allocation



SFIN :

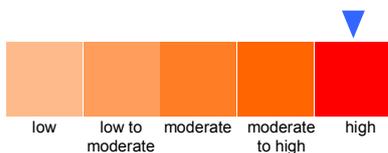
ULGF01908/06/09GINFRASF01121

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 Feb 28, 2015

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Infrastructure Fund 1	53.47%	23.02%	9.93%	5.21%	2.56%
Benchmark	43.17%	19.91%	7.96%	4.15%	0.34%

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

portfolio

security % total net assets

equity

LARSEN&TUBRO	8.95
POWER GRID CORP OF INDIA LTD	8.78
NTPC LIMITED	8.71
BHARTI AIRTEL LIMITED	8.64
KIRLOSKAR CUMMINS	7.92
ACC LIMITED	6.69
MOTHERSON SUMI SYSTEMS LTD.	6.09
BHARAT HEAVY ELECTRICALS LTD.	5.85
VOLTAS LTD	5.22
IDEA CELLULAR LTD	4.82
RELIANCE INDUSTRIES LTD.	4.62
HAVELLS INDIA LIMITED	4.48
TATA POWER CO. LTD.	3.83
TEXMACO RAIL & ENGINEERING LIMITED	2.73
CROMPTON GREAVES LTD	2.41
INDIAN METALS AND FERRO ALLOYS LIMITED	1.95
INDRAPRASTHA GAS LIMITED	1.92
GUJARAT STATE PETRONET LIMITED	0.74

total equity 94.34

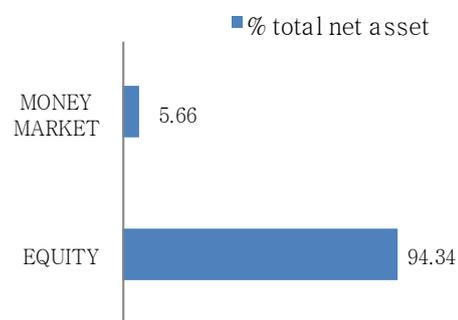
total money market 5.66

total net assets 100.00

fund characteristics

Fund Beta 0.86

asset allocation



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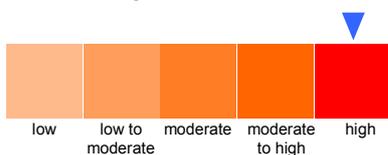
ULGF01428/11/08GENERGYF01121

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 Feb 28, 2015

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Energy Fund 1	40.15%	17.71%	9.48%	7.05%	6.10%
Benchmark	17.13%	5.39%	2.05%	0.05%	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

equity

POWER GRID CORP OF INDIA LTD	8.64
NTPC LIMITED	8.51
GUJARAT STATE PETRONET LIMITED	7.84
OIL INDIA LIMITED	7.65
RELIANCE INDUSTRIES LTD.	7.60
ONGC	7.39
LARSEN&TUBRO	7.26
INDRAPRASTHA GAS LIMITED	6.81
BHARAT PETROLEUM CORP. LTD.	5.60
TATA POWER CO. LTD.	5.24
CAIRN INDIA LIMITED	5.22
GAS AUTHORITY OF INDIA LTD.	3.31
KIRLOSKAR CUMMINS	3.18
VOLTAS LTD	3.09
TEXMACO RAIL & ENGINEERING LIMITED	2.84
CROMPTON GREAVES LTD	1.97
HAVELLS INDIA LIMITED	1.03

total equity 93.20

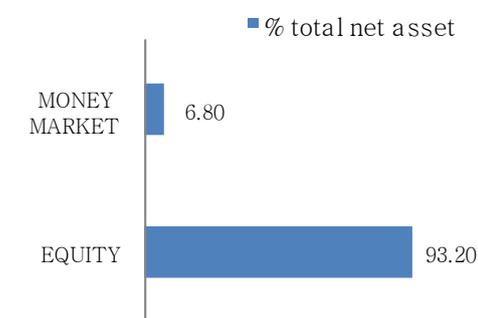
total money market 6.80

total net assets 100.00

fund characteristics

Fund Beta 0.89

asset allocation



SFIN :

ULGF02008/06/09GMIDCAPF01121

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 Feb 28, 2015

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Midcap Fund 1	68.55%	37.11%	26.54%	20.25%	15.35%
Benchmark	58.57%	30.74%	13.57%	10.44%	6.45%

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

portfolio

security	% total net assets
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equity

STATE BANK OF INDIA	7.30
DIVIS LABORATORIES LIMITED	7.12
YES BANK LTD	6.88
INDIABULLS HOUSING FINANCE LTD	5.63
ADITYA BIRLA NUVO LIMITED	5.20
FUTURE CONSUMER ENTERPRISE LIMITED	3.94
HAVELLS INDIA LIMITED	3.88
VOLTAS LTD	3.81
GUJARAT FLUORO CHEMICALS LTD.	3.80
JUBILANT FOODWORKS LIMITED	3.80
TRENT LTD	3.54
D.B. CORP LIMITED	3.38
ECLERX SERVICES LIMITED	3.27
PURAVANKARA PROJECTS LIMITED	3.11
CROMPTON GREAVES LTD	2.95
SHOPPERS STOP LIMITED	2.72
INDRAPRASTHA GAS LIMITED	2.60
KPIT TECHNOLOGIES LIMITED	2.37
JSW STEEL LIMITED	2.33
MOTHERSON SUMI SYSTEMS LTD.	2.23
PETRONET LNG LIMITED	2.21
IDEA CELLULAR LTD	2.15
JINDAL SAW LIMITED	1.91
HINDUSTAN ZINC LIMITED	1.90
HT MEDIA LIMITED	1.83
RADICO KHAITAN LIMITED	1.83
INDIAN METALS AND FERRO ALLOYS LIMITED	1.77
KAVERI SEED COMPANY LIMITED	1.54
OIL INDIA LIMITED	1.48

total equity 96.51

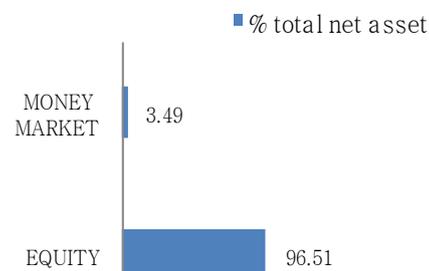
total money market 3.49

total net assets 100.00

fund characteristics

Fund Beta 0.77

asset allocation



SFIN :

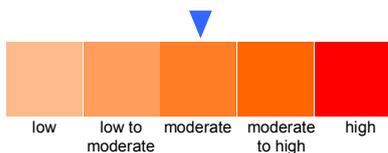
ULGF00310/10/03GGROWTHF01121

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 Feb 28, 2015

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Growth Fund 1	28.05%	17.93%	15.26%	12.80%	11.63%
Benchmark	25.65%	15.63%	13.07%	11.26%	10.32%

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

portfolio

security	% total net assets	rating
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bond

9.22% LICHFL NCD 16-10-2024 TR230	6.85	AAA
9.25% RJIL NCD 16-06-2024 SR-PPD3	6.83	AAA
8.27% REC NCD 06-02-2025 SR-130	6.47	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	2.35	AAA
9.30% PGCIL NCD 04-09-2029 OPT III	2.34	AAA
10.00% IHFL NCD 29-09-2019	2.29	AAA
8.57% REC NCD 21-12-2024 SR-128	2.20	AAA

total bond 29.32

gilts

8.83% GOI CG 25-11-2023	7.65
9.20% GOI CG 30-09-2030	4.92
8.30% GOI CG 31-12-2042	4.86
8.60% GOI CG 02-06-2028	4.15
8.32% GOI CG 02-08-2032	2.99
8.17% GOI CG 01-12-2044	1.09

total gilts 25.66

equity

INFOSYS LIMITED	3.13
HDFC BANK LTD.	2.84
DIVIS LABORATORIES LIMITED	2.71
ICICI BANK LTD.	2.56
LARSEN&TUBRO	2.48
RELIANCE INDUSTRIES LTD.	2.09
ITC	1.92
TATA CONSULTANCY SERVICES LTD.	1.89
YES BANK LTD	1.81
TATA MOTORS LTD.	1.78
ULTRATECH CEMCO LTD	1.57
STATE BANK OF INDIA	1.41
SUN PHARMACEUTICAL INDUSTRIES LTD.	1.28
MARUTI UDYOG LTD.	1.18
KIRLOSKAR CUMMINS	0.92
MAHINDRA & MAHINDRA LTD.	0.90
HCL TECHNOLOGIES LIMITED	0.83
LUPIN LIMITED	0.82
HDFC LTD	0.80
INDIABULLS HOUSING FINANCE LTD	0.80
ONGC	0.78
JUBILANT FOODWORKS LIMITED	0.78
JSW STEEL LIMITED	0.73
BHARTI AIRTEL LIMITED	0.64
HERO MOTOCORP LIMITED	0.59
MOTHERSON SUMI SYSTEMS LTD.	0.52
WIPRO	0.43
SESA STERLITE LIMITED	0.42
SANOFI INDIA LIMITED	0.29

total equity 38.90

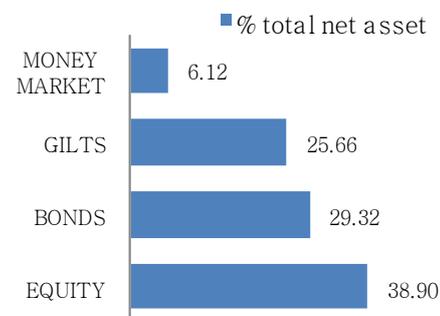
total money market 6.12

total net assets 100.00

fund characteristics

M. Duration of debt portfolio: 6.62 Years
YTM of debt portfolio: 7.96%
Fund Beta: 0.98

asset allocation



SFIN :

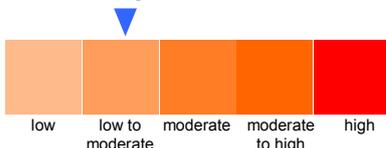
ULGF00110/10/03GBALANCE01121

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 Feb 28, 2015

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Balanced Fund 1	22.47%	13.75%	12.39%	11.18%	10.24%
Benchmark	20.53%	12.45%	11.21%	10.24%	9.35%

*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	6.37	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	6.18	AAA
9.22% LICHFL NCD 16-10-2024 TR230	4.79	AAA
9.25% TATA SONS NCD 19-06-2019	4.67	AAA
8.83% EXIM NCB 03-11-2029 R16 - 2029	3.15	AAA
8.80% PGCIL NCD 13-03-2023 XLII	3.09	AAA
8.48% PFC NCD 09-12-2024 OPT 124C	3.05	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	1.65	AAA
9.30% PGCIL NCD 04-09-2029 OPT III	1.63	AAA
9.00% SAIL NCD 14-10-2024	1.58	AAA

total bond 36.17

gilts

8.83% GOI CG 25-11-2023	10.06
9.20% GOI CG 30-09-2030	8.35
8.30% GOI CG 31-12-2042	4.44
8.60% GOI CG 02-06-2028	4.03
8.17% GOI CG 01-12-2044	3.34
8.32% GOI CG 02-08-2032	2.85

total gilts 33.06

equity

INFOSYS LIMITED	1.56
HDFC BANK LTD.	1.46
DIVIS LABORATORIES LIMITED	1.38
ICICI BANK LTD.	1.28
LARSEN&TUBRO	1.26
RELIANCE INDUSTRIES LTD.	1.03
TATA CONSULTANCY SERVICES LTD.	0.93
ITC	0.93
YES BANK LTD	0.92
TATA MOTORS LTD.	0.92
ULTRATECH CEMCO LTD	0.80
STATE BANK OF INDIA	0.69
SUN PHARMACEUTICAL INDUSTRIES LTD.	0.66
MARUTI UDYOG LTD.	0.59
LUPIN LIMITED	0.49
KIRLOSKAR CUMMINS	0.49
MAHINDRA & MAHINDRA LTD.	0.47
HCL TECHNOLOGIES LIMITED	0.46
INDIABULLS HOUSING FINANCE LTD	0.41
HDFC LTD	0.41
ONGC	0.40
JUBILANT FOODWORKS LIMITED	0.39
JSW STEEL LIMITED	0.39
BHARTI AIRTEL LIMITED	0.33
HERO MOTOCORP LIMITED	0.29
WIPRO	0.27
SESA STERLITE LIMITED	0.26
MOTHERSON SUMI SYSTEMS LTD.	0.24
SANOFI INDIA LIMITED	0.13

total equity 19.82

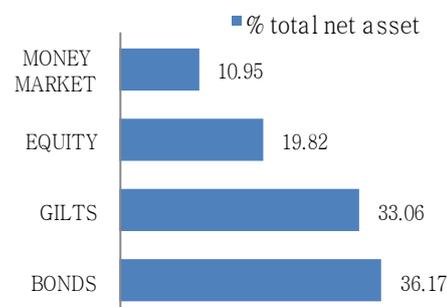
total money market 10.95

total net assets 100.00

fund characteristics

M. Duration of debt portfolio:	6.17 Years
YTM of debt portfolio:	7.87%
Fund Beta:	0.98

asset allocation



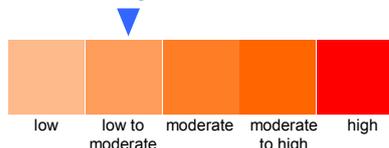
SFIN :
ULGF00210/10/03GBALANCE02121

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 Feb 28, 2015

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Balanced Fund 2	22.99%	14.34%	13.04%	11.72%	10.69%
Benchmark	20.53%	12.45%	11.21%	10.24%	9.35%

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

portfolio

security	% total assets	rating net
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bond

9.00% SAIL NCD 14-10-2024	8.89	AAA
9.25% RJIL NCD 16-06-2024 SR-PPD3	6.82	AAA
8.40% NPCIL NCD 28-11-2028 XXIX D	5.10	AAA
10.00% IHFL NCD 29-09-2019	4.81	AAA
8.83% EXIM NCB 03-11-2029 R16 - 2029	3.32	AAA
9.25% TATA SONS NCD 19-06-2019	2.34	AAA
8.80% PGCIL NCD 13-03-2023 XLII	2.32	AAA
9.22% LICHFL NCD 16-10-2024 TR230	2.28	AAA
8.40% NPCIL NCD 28-11-2027 XXIX C	2.20	AAA
9.70% TATA SONS NCD 25-07-2022	1.58	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	1.11	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	0.57	AAA
9.30% PGCIL NCD 04-09-2029 OPT III	0.12	AAA

total bond 43.37

gilts

8.83% GOI CG 25-11-2023	9.19
8.60% GOI CG 02-06-2028	5.55
9.20% GOI CG 30-09-2030	4.45
8.30% GOI CG 31-12-2042	3.87
8.32% GOI CG 02-08-2032	3.45
8.17% GOI CG 01-12-2044	3.09

total gilts 29.60

equity

INFOSYS LIMITED	1.57
HDFC BANK LTD.	1.44
DIVIS LABORATORIES LIMITED	1.36
ICICI BANK LTD.	1.29
LARSEN&TUBRO	1.25
RELIANCE INDUSTRIES LTD.	1.03
ITC	0.96
TATA CONSULTANCY SERVICES LTD.	0.92
YES BANK LTD	0.92
TATA MOTORS LTD.	0.91
ULTRATECH CEMCO LTD	0.80
STATE BANK OF INDIA	0.69
SUN PHARMACEUTICAL INDUSTRIES LTD.	0.66
MARUTI UDYOG LTD.	0.59
KIRLOSKAR CUMMINS	0.48
HCL TECHNOLOGIES LIMITED	0.46
MAHINDRA & MAHINDRA LTD.	0.45
HDFC LTD	0.41
ONGC	0.41
INDIABULLS HOUSING FINANCE LTD	0.40
LUPIN LIMITED	0.39
JUBILANT FOODWORKS LIMITED	0.39
JSW STEEL LIMITED	0.37
BHARTI AIRTEL LIMITED	0.33
HERO MOTOCORP LIMITED	0.28
MOTHERSON SUMI SYSTEMS LTD.	0.25
SESA STERLITE LIMITED	0.22
WIPRO	0.21
SANOFI INDIA LIMITED	0.14

total equity 19.58

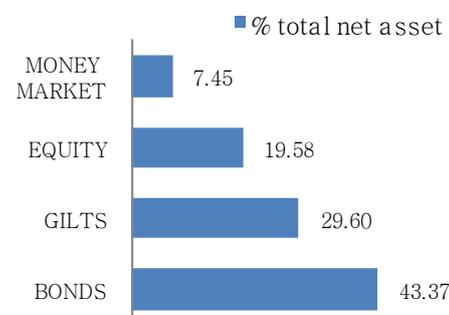
total money market 7.45

total net assets 100.00

fund characteristics

M. Duration of debt portfolio: 6.42 Years
YTM of debt portfolio: 8.03%
Fund Beta: 0.98

asset allocation



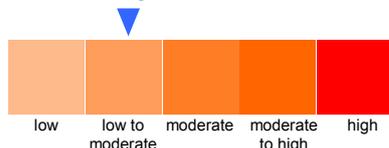
SFIN :
ULGF02105/06/13GBALANCE04121

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

Fund Performance as on Feb 28, 2015

gross return	
fund Name	12 month returns*
Group Balanced Fund 4	13.60%
Benchmark	20.53%

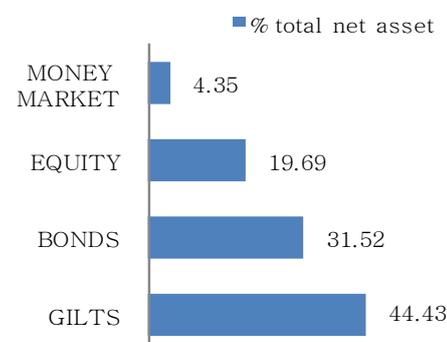
portfolio

security	% total net assets	rating
bond		
9.25% RJIL NCD 16-06-2024 SR-PPD3	6.51	AAA
8.40% NPCIL NCD 28-11-2027 XXIX C	6.30	AAA
9.00% SAIL NCD 14-10-2024	5.80	AAA
9.51% LICHFL NCD 24-07-2019	3.21	AAA
9.22% LICHFL NCD 16-10-2024 TR230	2.61	AAA
8.83% EXIM NCB 03-11-2029 R16 - 2029	2.58	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	1.90	AAA
9.25% TATA SONS NCD 19-06-2019	1.27	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	0.67	AAA
9.30% PGCIL NCD 04-09-2029 OPT III	0.67	AAA
total bond	31.52	
gilts		
8.60% GOI CG 02-06-2028	17.95	
9.20% GOI CG 30-09-2030	8.70	
8.83% GOI CG 25-11-2023	8.55	
8.17% GOI CG 01-12-2044	3.78	
8.30% GOI CG 31-12-2042	2.96	
8.32% GOI CG 02-08-2032	2.49	
total gilts	44.43	
Equity		
INFOSYS LIMITED	1.59	
HDFC BANK LTD.	1.46	
DIVIS LABORATORIES LIMITED	1.37	
ICICI BANK LTD.	1.29	
LARSEN&TUBRO	1.26	
RELIANCE INDUSTRIES LTD.	1.07	
TATA CONSULTANCY SERVICES LTD.	0.95	
ITC	0.93	
YES BANK LTD	0.92	
TATA MOTORS LTD.	0.92	
ULTRATECH CEMCO LTD	0.80	
STATE BANK OF INDIA	0.68	
SUN PHARMACEUTICAL INDUSTRIES LTD.	0.65	
MARUTI UDYOG LTD.	0.63	
KIRLOSKAR CUMMINS	0.49	
HCL TECHNOLOGIES LIMITED	0.46	
MAHINDRA & MAHINDRA LTD.	0.46	
HDFC LTD	0.41	
JUBILANT FOODWORKS LIMITED	0.40	
ONGC	0.40	
INDIABULLS HOUSING FINANCE LTD	0.40	
LUPIN LIMITED	0.39	
JSW STEEL LIMITED	0.37	
BHARTI AIRTEL LIMITED	0.33	
HERO MOTOCORP LIMITED	0.28	
MOTHERSON SUMI SYSTEMS LTD.	0.25	
SESA STERLITE LIMITED	0.22	
WIPRO	0.21	
SANOFI INDIA LIMITED	0.10	
total equity	19.69	
total money market	4.35	
total net assets	100.00	

fund characteristics

M. Duration of debt portfolio: 6.93 Years
YTM of debt portfolio: 7.96%
Fund Beta: 0.98

asset allocation



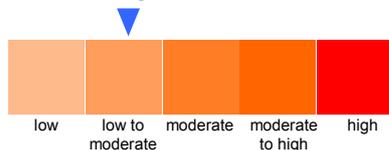
SFIN :
ULGF01213/10/08GCBOND02121

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 Feb 28, 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	18.04%	11.16%	11.45%	10.48%	9.81%
Benchmark	15.54%	9.26%	9.19%	8.96%	8.16%

*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	9.20	AAA
9.00% SAIL NCD 14-10-2024	4.05	AAA
9.44% LICHL NCD 30-08-2019 TR228	3.67	AAA
8.57% REC NCD 21-12-2024 SR-128	3.42	AAA
8.23% REC NCD 23-01-2025 SR-129	2.82	AAA
9.30% PGCIL NCB 04-09-2024 OPTION II	2.32	AAA
8.93% PGCIL NCD 20-10-2025 STRPP H	2.27	AAA
8.40% NPCIL NCD 28-11-2026 XXIX B	2.22	AAA
8.40% NPCIL NCD 28-11-2025 XXIX A	2.22	AAA
8.83% EXIM NCB 03-11-2029 R16 - 2029	2.05	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	1.79	AAA
9.30% PGCIL NCD 04-09-2029 OPT III	1.75	AAA
8.48% PFC NCD 09-12-2024 OPT 124C	1.72	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	1.47	AAA
8.65% PFC NCD 28-12-2024 SR-125	0.80	AAA
8.80% PGCIL NCD 13-03-2023 XLII	0.54	AAA
8.40% NPCIL NCD 28-11-2029 XXIX E	0.49	AAA
10.00% IHFL NCD 29-09-2019	0.46	AAA
9.90% TATA SONS NCD 18-03-2016	0.13	AAA

total bond 43.41

Gilts

8.83% GOI CG 25-11-2023	14.86
9.20% GOI CG 30-09-2030	9.35
8.60% GOI CG 02-06-2028	7.82
8.30% GOI CG 31-12-2042	7.03
8.17% GOI CG 01-12-2044	5.04
8.32% GOI CG 02-08-2032	3.11
8.27% GOI CG 09-06-2020	2.49

total gilts 49.70

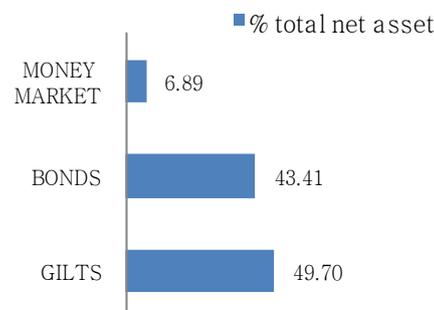
total money market 6.89

total net assets 100.00

fund characteristics

M. Duration of debt portfolio: 6.93 Years
YTM of debt portfolio: 8.02%

asset allocation



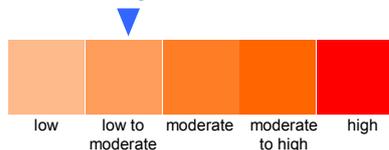
SFIN :
ULGF02305/06/13GCORBOND03121

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



target asset allocation

Bond Instruments: 100%

benchmark construction

CRISIL Composite Bond Index: 100%

Group Corporate Bond Fund 3

Fund Performance as on Feb 28,

gross return	
fund Name	12 month returns*
Group Corporate Bond Fund 3	18.02%
Benchmark	15.54%

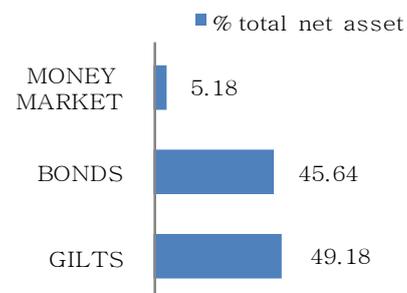
portfolio

security	% total net assets	rating
bond		
8.65% PFC NCD 28-12-2024 SR-125	8.05	AAA
9.25% TATA SONS NCD 19-06-2019	5.91	AAA
8.57% REC NCD 21-12-2024 SR-128	5.83	AAA
9.30% PGCIL NCD 04-09-2029 OPT III	5.81	AAA
8.83% EXIM NCB 03-11-2029 R16 - 2029	5.60	AAA
8.75% RIL NCD 07-05-2020	5.46	AAA
9.44% LICHFL NCD 30-08-2019 TR228	5.21	AAA
9.00% SAIL NCD 14-10-2024	2.62	AAA
9.39% PFC NCD 27-08-2029 SR118B-III	0.39	AAA
10.00% IHFL NCD 29-09-2019	0.38	AAA
9.25% RJIL NCD 16-06-2024 SR-PPD3	0.38	AAA
total bond	45.64	
Gilts		
8.32% GOI CG 02-08-2032	11.39	
8.83% GOI CG 25-11-2023	10.75	
8.60% GOI CG 02-06-2028	9.86	
8.17% GOI CG 01-12-2044	6.54	
9.20% GOI CG 30-09-2030	4.13	
8.30% GOI CG 31-12-2042	4.06	
8.27% GOI CG 09-06-2020	2.44	
total gilts	49.18	
total money market	5.18	
total net assets	100.00	

fund characteristics

M. Duration of debt portfolio: 6.90 Years
YTM of debt portfolio: 7.95%

asset allocation



SFIN :

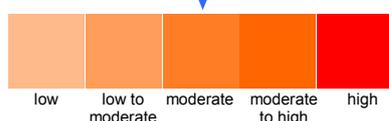
ULGF01030/09/08GPUREDEB01121

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 Feb 28, 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	17.98%	11.85%	11.70%	10.74%	9.98%
Benchmark	15.54%	9.26%	9.19%	8.96%	8.16%

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

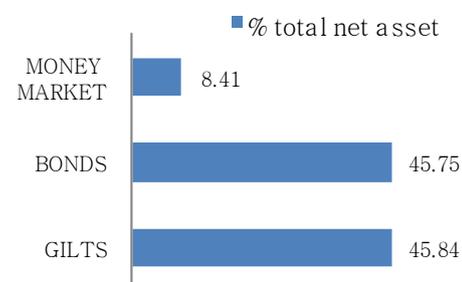
portfolio

security	% total assets	rating
bond		
9.30% PGCIL NCD 04-09-2029 OPT III	7.90	AAA
10.00% IHFL NCD 29-09-2019	7.73	AAA
9.25% RJIL NCD 16-06-2024 SR-PPD3	7.70	LAAA
9.00% SAIL NCD 14-10-2024	7.62	AAA
8.57% REC NCD 21-12-2024 SR-128	7.43	AAA
8.48% PFC NCD 09-12-2024 OPT 124C	7.38	AAA
total bond	45.75	
gilts		
8.30% GOI CG 31-12-2042	13.95	
8.83% GOI CG 25-11-2023	12.38	
9.20% GOI CG 30-09-2030	7.10	
8.60% GOI CG 02-06-2028	7.01	
8.32% GOI CG 02-08-2032	4.51	
8.27% GOI CG 09-06-2020	0.89	
total gilts	45.84	
total money market	8.41	
total net assets	100.00	

fund characteristics

M .Duration of debt portfolio: 6.83 Years
YTM of debt portfolio: 7.99%

asset allocation



SFIN :

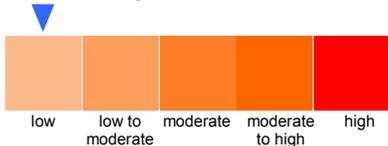
ULGF00431/01/07GCAPISEC01121

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 Feb 28, 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	9.39%	9.65%	9.60%	9.51%	9.09%
Benchmark	8.77%	8.17%	8.26%	8.11%	7.63%

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

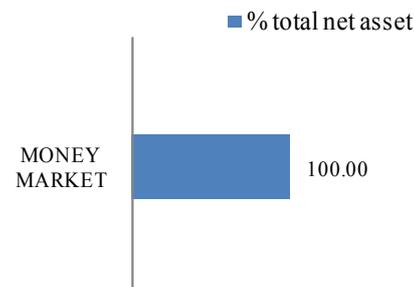
portfolio

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

fund characteristics

M .Duration of debt portfolio: 0.21 Years
YTM of debt portfolio: 8.05%

asset allocation



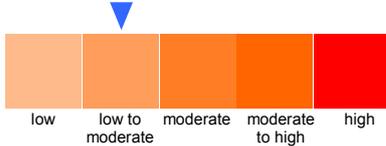
SFIN :
ULGF01610/12/08GGILTFUN02121

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 Feb 28, 2015

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Gilt Fund 2	20.05%	10.66%	10.97%	10.22%	9.65%
Benchmark	18.34%	8.67%	9.66%	9.14%	8.61%

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

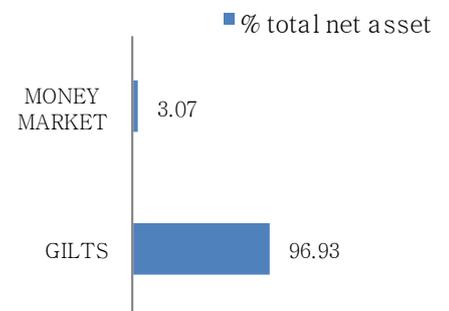
portfolio

security	% total net assets
gilts	
8.30% GOI CG 31-12-2042	47.94
8.83% GOI CG 25-11-2023	24.88
8.60% GOI CG 02-06-2028	24.11
total gilts	96.93
total money market	3.07
total net assets	100.00

fund characteristics

M. Duration of debt portfolio: 8.89 Years
YTM of debt portfolio: 7.75%

asset allocation



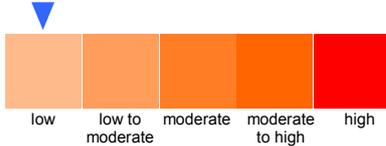
SFIN :
ULGF00930/09/08GMONMRKT02121

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 Feb 28, 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	9.30%	9.43%	9.70%	9.70%	9.31%
Benchmark	9.17%	9.16%	8.89%	8.76%	8.17%

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

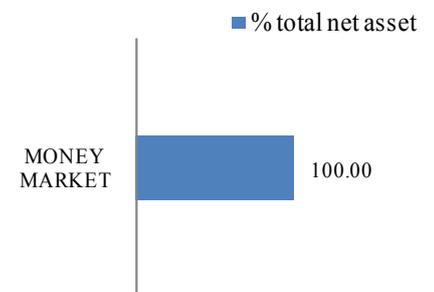
portfolio

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

fund characteristics

M. Duration of debt portfolio: 0.52 Years
YTM of debt portfolio: 8.60%

asset allocation



Life Insurance

SFIN	Plan Name	Fund Name	NAV
ULGF00431/01/07GCAPISEC01121	Reliance Group Gratuity Plan	Group Capital Secure Fund 1	19.0731
ULGF00210/10/03GBALANCE02121	Reliance Group Gratuity Plan	Group Balanced Fund 2	20.3458
ULGF00110/10/03GBALANCE01121	Reliance Group Gratuity Plan	Group Balanced Fund 1	24.0948
ULGF01213/10/08GCORBOND02121	Reliance Group Gratuity Plan	Group Corporate Bond Fund 2	18.0709
ULGF01808/06/09GEQUITYF03121	Reliance Group Gratuity Plan	Group Equity Fund 3	27.3158
ULGF01610/12/08GGILTFUN02121	Reliance Group Gratuity Plan	Group Gilt Fund 2	15.8219
ULGF00930/09/08GMONMRKT02121	Reliance Group Gratuity Plan	Group Money Market Fund 2	17.1535
ULGF00310/10/03GGROWTHF01121	Reliance Group Gratuity Plan	Group Growth Fund 1	20.3485
ULGF01908/06/09GINFRASF01121	Reliance Group Gratuity Plan	Group Infrastructure Fund 1	10.7845
ULGF02008/06/09GMIDCAPF01121	Reliance Group Gratuity Plan	Group Midcap Fund 1	24.1939
ULGF01030/09/08GPUREDEB01121	Reliance Group Gratuity Plan	Group Pure Debt Fund 1	18.1824
ULGF00110/10/03GBALANCE01121	Reliance Group Superannuation Plan	Group Balanced Fund 1	24.0948
ULGF00431/01/07GCAPISEC01121	Reliance Group Superannuation Plan	Group Capital Secure Fund 1	19.0731
ULGF01213/10/08GCORBOND02121	Reliance Group Superannuation Plan	Group Corporate Bond Fund 2	18.0709
ULGF01808/06/09GEQUITYF03121	Reliance Group Superannuation Plan	Group Equity Fund 3	27.3158
ULGF01610/12/08GGILTFUN02121	Reliance Group Superannuation Plan	Group Gilt Fund 2	15.8219
ULGF00310/10/03GGROWTHF01121	Reliance Group Superannuation Plan	Group Growth Fund 1	20.3485
ULGF00930/09/08GMONMRKT02121	Reliance Group Superannuation Plan	Group Money Market Fund 2	17.1535
ULGF01030/09/08GPUREDEB01121	Reliance Group Superannuation Plan	Group Pure Debt Fund 1	18.1824
ULGF00210/10/03GBALANCE02121	Reliance Group Savings Linked Insurance Plan	Group Balanced Fund 2	20.3458
ULGF01213/10/08GCORBOND02121	Reliance Group Savings Linked Insurance Plan	Group Corporate Bond Fund 2	18.0709
ULGF01428/11/08GENERGF01121	Reliance Group Savings Linked Insurance Plan	Group Energy Fund 1	18.4495
ULGF01328/11/08GEQUITYF02121	Reliance Group Savings Linked Insurance Plan	Group Equity Fund 2	33.1819
ULGF01610/12/08GGILTFUN02121	Reliance Group Savings Linked Insurance Plan	Group Gilt Fund 2	15.8219
ULGF01908/06/09GINFRASF01121	Reliance Group Savings Linked Insurance Plan	Group Infrastructure Fund 1	10.7845
ULGF02008/06/09GMIDCAPF01121	Reliance Group Savings Linked Insurance Plan	Group Midcap Fund 1	24.1939
ULGF00930/09/08GMONMRKT02121	Reliance Group Savings Linked Insurance Plan	Group Money Market Fund 2	17.1535
ULGF01030/09/08GPUREDEB01121	Reliance Group Savings Linked Insurance Plan	Group Pure Debt Fund 1	18.1824
ULGF01528/11/08GPUREEQF01121	Reliance Group Savings Linked Insurance Plan	Group Pure Equity Fund 1	29.2172
ULGF00210/10/03GBALANCE02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Balanced Fund 2	20.3458
ULGF00930/09/08GMONMRKT02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Money Market Fund 2	17.1535
ULGF01213/10/08GCORBOND02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Corporate Bond Fund 2	18.0709
ULGF01610/12/08GGILTFUN02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Gilt Fund 2	15.8219
ULGF01808/06/09GEQUITYF03121	Reliance Life Insurance Group Gratuity Plus Plan	Group Equity Fund 3	27.3158
ULGF00930/09/08GMONMRKT02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Money Market Fund 2	17.1535
ULGF01213/10/08GCORBOND02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Corporate Bond Fund 2	18.0709
ULGF01610/12/08GGILTFUN02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Gilt Fund 2	15.8219
ULGF01808/06/09GEQUITYF03121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Equity Fund 3	27.3158
ULGF00210/10/03GBALANCE02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Balanced Fund 2	20.3458
ULGF02205/06/13GEQUITYF04121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Equity Fund 4	10.7021

- √ 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.

✓ Gross Fund Return

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.

✓ Benchmark Return

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.

✓ Fund Standard Deviation

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.

✓ Fund Sharpe Ratio

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%.

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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