



RELIANCE

Life Insurance



**the analyst**

**monthly Group fund  
factsheet for January 2016**

### Fixed Income Market

In a historic move, US Federal Reserve has raised the policy rate by 25 bps in order to normalize the interest rate in the economy. Continuous improvement in the employment data and steady state of the economy has prompted this move. However, we have yet to witness any hint of inflationary pressure and probably this will allow gradual increase in the policy rate in future. Global markets were remains calm afterward as this was the widely accepted event.

As RBI has already preemptively reduced the policy rates in September 2015, they choose to stay put this time while maintaining the accommodative stance. Going forward, if there is further disinflation than the projected glide path, than only we can expect further reduction in policy rates.

Devaluation of the Chinese Renminbi (RMB) continued since August 2015 and this is putting pressure on other regional currencies including Indian INR. China's objective is to reflect the fundamental value in its currency before it get included in the IMF basket of reserve currency.

Index of Industrial Production (IIP) surged sharply to a 5 year high at 9.8% (YoY) in October 2015 against 3.6% (YoY) in September 2015 due to one-off from shift in festival season this year and favorable lower base. Capital goods and consumer durables were the main contributors. However, it is expected that industrial production would be sluggish due to lower external and internal demand.

Trade deficit has narrowed marginally to \$9.7bn in November 2015 against \$9.8bn in October 2015 aided by drop in value of oil imports. Exports fell for the 12<sup>th</sup> consecutive month to \$20bn led by global slowdown and lower commodity prices. Imports also contracted to \$30bn (-30% YoY) led by 63% YoY decline in fertilizer imports. Gold imports were at \$3.54bn against \$5.57bn last year. In addition, 2QFY16 BOP turned marginally negative (<US\$1bn) for the first time after September 2013, as CAD inched up to US\$8.2bn (6.1b in 1Q) and outflow of US\$6.4bn on account of sale by foreign investors.

Retail inflation (CPI) rose to a 14-month high in November 2015 at 5.4% (YoY) against 5% (YoY) in October 2015 led by pulses (up 3.6%MoM) and new pressure points from edible oil (up 2.7%) and sugar (up 3.2%) as well as lower base. It is expected that with good harvest of vegetable in the ensuing winter months will help moderate the inflation. In addition, prices of pulses are also expected to stabilize at higher level as government has taken steps to import and put curbs on hoarding.

The Government had cut its divestment revenue target by 57% for the current fiscal as strategic sales have failed to take off. Government has been indicating its resolve to adhering to its fiscal deficit target in FY 16. There are concerns on the 7<sup>th</sup> Pay Commission expenditure and increase in pension to military, which would make it challenging to stick to its path to fiscal prudence in the absence of buoyancy in revenues. Though government is increasing excise duties on gasoline off late to take advantage of plunging prices to help mobilize additional resources to bridge the fiscal deficit as well as to spend on the developmental activities.

There is a continuous softening of the prices of the commodities. This has made the middle-east and other commodity exporting countries vulnerable where fiscal deficit is widening to high levels. This along with difficulties associated with high debt in the Chinese economy would put pressure on the global economic growth.

Money Market was tight considerably on account of advance tax outflow and thus rates went up marginally by 10-15 bps across the yield curve. Banks were the major issuers of bonds to shore up capital adequacy.

### Fixed Income Outlook:

Going forward, government intention of easy fiscal policy to help support the growth and, on the other hand, stable inflationary outlook will keep a lid on the further monetary easing. Thus, it is expected that bond yield will remain firm.

### Equity Market

### Equity Outlook:

Indian markets were flattish (0.1%) in Dec as early losses were recovered in the latter half of the month after uncertainty over the Fed liftoff eased. On the macro front, food inflation pressures persisted and RBI left policy rates unchanged. Pinning expectations on the GST bill proved to be a disappointment as winter session of Parliament ended amid controversies and protests. Pharma, Metals and Energy were the notable outperformers in the month while Infra, Banks and Autos were the key laggards. Deal activity picked up albeit for small ticket sizes – dominated by the primary market.

**Banks** were notable underperformers in this month as uncertainty of Fed rate hike and new base rate system weighed on the stocks for the first half of the month before recovering slightly. RBI unveiled new system for base rates with marginal cost of funds to guide lending rates going forward. On UDAY reforms, states are expected to issue Rs 1000bn bonds in next 3 months while banks await for finer details.

**IT** stocks saw only a slight uptick as concerns on Chennai rains and H-1B visa program took the spotlight. TCS issued a revenue warning as Chennai hosts one of company's largest delivery locations post heavy rains. Wipro announced acquisitions of Cellent AG in Europe and US firm Viteos as it focuses on closing its portfolio gaps. Accenture 1Q results reiterate the outsourcing and growth challenges in the sector. In addition, H-1B visa fee hike raised concerns as it was termed as discriminatory to the Indian IT companies.

**Pharma** stocks bounced back from their poor performance last month on revival of approvals pace. Lupin announced approval for generic Femhrt tablets bringing their YTD tally to 19. Sun Pharma's much awaited Gleevec approval was followed by WL on its Halol plant. Aurobindo Pharma continued its robust approval pace with US FDA nods on anti-allergic generic and oral contraceptive drugs among others. Cadilla Healthcare received Warning Letters from US FDA on its Moraiya & Ahmedabad facilities.

Amongst **Autos**, temporary registration ban on diesel vehicles above 2000cc in NCR by Supreme Court and introduction of odd even rule in Delhi affected 4W's performance. In addition, MM along with TechM announced acquisition of Italian design firm Pininfarina.

In **Consumer space**, Nestle India which relaunched Maggi last month, is still not out of the woods as retesting appeals continue. Marico surged to a lifetime high prior to its 1:1 bonus issue record date in the month. Hindustan Unilever acquired Indulekha and marked its return to the hair oil segment.

Among **Industrials & Infra**, Havells sold its Sylvania business as it prioritized domestic business for topline growth. On the railways front, India & Japan signed a MoU for the high speed rail project. Progress is also underway for the 400 stations redevelopment plan via PPP.

In **Metals & Mining**, Govt unveiled quality control guidelines for steel products to check import of sub-standard items. Tata Steel signed Letter of intent to sell Longs Business in UK. On mining front, Govt cancelled fourth round of coal block auctions amid low interest. In Cement space, Competition Appellate Tribunal (COMPAT) remanded the case of alleged cartelization by cement companies back to CCI. On pricing trends, there was correction in North & West while South remains resilient.

Amongst **Energy stocks**, Govt has introduced income cap on LPG subsidies, a positive sign for oil marketing companies. On PLNG, Qatar agreed to lower gas price as it waived the \$1.5bn penalty.

In **Utilities** space, UDAY reforms unveiled by the Govt last month has seen commitment from 12 states so far. IGL stood out as a beneficiary as odd even rule implemented in Delhi exempted CNG vehicles. CESC ventured into cricket and bought IPL team rights through a subsidiary.

Amongst **Telecom** stocks, Idea launched 4G services in 4 circles and plans to scale up by next quarter. Reliance Jio had a soft launch in Dec for its employees as it plans a commercial rollout in 2016.

FII's were marginal net buyers in the month and posted a net buying tally of \$3.3bn for the complete year, DIIs remained net buyers in Dec with robust net inflows for the full year at \$10.3bn led by Mutual funds. Come Jan, watch out for the Q3 earnings season to commence.

### Equity Outlook:

Come Jan, watch out for the Q3 earnings season to commence

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### investment philosophy

Reliance Life Insurance seeks consistent and superior long-term returns with a well-defined and disciplined investment approach symbolizing integrity and transparency to benefit all stakeholders.

Economy Indicators	31st Dec 15	30th Nov 15	% Change
<sup>1</sup> \$ / Rs.	66.15	65.59	-0.78
CPI Inflation	5.61	5.41	0.20
<sup>2</sup> Forex Reserves (\$ bn)	350.37	351.62	-0.36
<sup>3</sup> Brent Crude Price (\$ per Barrel)	37.04	45.09	-12.45
<sup>4</sup> Gold (Rs. per 10gm)	24994	25979	-0.22

Indices	31st Dec 15	30th Nov 15	%Change
<sup>1</sup> BSE Sensex	26118	26155	-0.11
<sup>2</sup> S&P CNX Nifty	7946	7949	0.14
<sup>3</sup> CNX Mid Cap	13397	12985	1.10
<sup>4</sup> BSE Small Cap	11837	11021	1.69

Global Indices	31st Dec 15	30th Nov 15	%Change
<sup>1</sup> Dow Jones	17425	16285	-1.69
<sup>2</sup> FTSE 100	6242	6062	-1.82
<sup>3</sup> Hang Seng	21914	20846	-0.37
<sup>4</sup> Nikkei	19034	17388	-3.75

Sectoral Indices	31st Dec 15	30th Nov 15	% Change
<sup>1</sup> CNX Infrastructure	2769	2825	-0.08
<sup>2</sup> CNX Energy	8584	7641	3.98
<sup>3</sup> BSE Capital Goods	14128	15111	-3.25
<sup>4</sup> BSE Bankex	19329	19682	-3.04
<sup>5</sup> BSE Oil & Gas	9556	8695	2.38
<sup>6</sup> BSE IT	11061	11578	1.01

Fixed Income Indicators (%)	31st Dec 15	30th Nov 15	% Change
<sup>1</sup> 91 Day T-Bill	7.15	7.06	0.09
<sup>2</sup> 182 Day T-Bill	7.21	7.18	0.03
<sup>3</sup> 1 year GOI Benchmark	7.29	7.21	0.05
<sup>4</sup> 5 Year GOI Benchmark	7.78	7.70	-0.04
<sup>5</sup> 10 Year GOI Benchmark	7.76	7.54	-0.02
<sup>6</sup> 5 Year Corp Bond Benchmark	8.30	8.35	0.15
<sup>7</sup> 10 Year AAA Corp Bond Benchmark	8.03	8.04	0.22
<sup>8</sup> 10 Year US Treasury	2.27	2.04	0.06

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

# fund snapshot

gross return (CAGR\*) (%) As on Dec 31, 2015

asset allocation	funds	Last 1 Year	Last 2 Year	Last 3 Year	Page No.
100% equity	Group Equity Fund 2	4.66%	21.08%	16.19%	4
100% equity	Group Equity Fund 3	1.79%	18.25%	13.99%	5
100% equity	Group Equity Fund 4	2.49%	-	-	6
100% pure equity	Group Pure Equity Fund 1	12.62%	23.29%	18.43%	7
100% equity	Group Infrastructure Fund 1	5.47%	22.46%	10.93%	8
100% equity	Group Energy Fund 1	5.43%	18.63%	11.10%	9
100% equity	Group Midcap Fund 1	7.19%	29.36%	21.30%	10
40% equity, 60% debt	Group Growth Fund 1	5.66%	14.16%	11.63%	11
20% equity, 80% debt	Group Balanced Fund 1	7.04%	12.77%	10.18%	12
20% equity, 80% debt	Group Balanced Fund 2	7.28%	13.04%	10.70%	13
20% equity, 80% debt	Group Balanced Fund 4	-	-	-	14
100% bond instruments	Group Corporate Bond Fund 2	8.79%	12.16%	10.02%	15
100% debt Instruments	Group Corporate Bond Fund 3	-	-	-	16
100% debt Instruments	Group Pure Debt Fund 1	8.29%	11.96%	10.37%	17
100% money market	Group Capital Secure Fund 1	8.45%	8.97%	9.26%	18
100% govt. securities	Group Gilt Fund 2	8.02%	12.53%	9.69%	19
100% money market	Group Money Market Fund 2	8.65%	9.01%	9.23%	20

### SFIN :

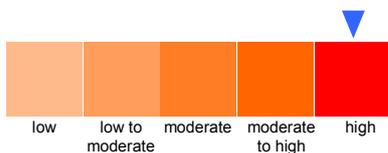
ULGF00724/10/07GEQUITYF01121

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, 2015

fund name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Equity Fund 2	4.66%	21.08%	16.19%	19.91%	9.96%
<b>Benchmark</b>	<b>-4.06%</b>	<b>12.27%</b>	<b>10.40%</b>	<b>14.49%</b>	<b>5.31%</b>

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

### portfolio

security % total net assets

### equity

INFOSYS LIMITED	8.07
DIVIS LABORATORIES LIMITED	7.09
HDFC BANK LTD.	6.61
RELIANCE INDUSTRIES LTD.	5.84
LARSEN&TUBRO	5.02
ICICI BANK LTD.	4.76
YES BANK LTD	4.67
TATA MOTORS LTD.	4.63
ITC	4.54
MARUTI UDYOG LTD.	4.29
SUN PHARMACEUTICAL INDUSTRIES LTD.	3.98
ULTRATECH CEMCO LTD	3.73
HCL TECHNOLOGIES LIMITED	3.41
KIRLOSKAR CUMMINS	3.23
AXIS BANK LIMITED	2.60
INDIABULLS HOUSING FINANCE LTD	2.49
STATE BANK OF INDIA	2.43
MOTHERSON SUMI SYSTEMS LTD.	2.37
TECH MAHINDRA LIMITED	2.27
TATA CONSULTANCY SERVICES LTD.	2.14
ADITYA BIRLA NUVO LIMITED	2.01
THE INDIAN HOTELS CO LTD	1.69
JUBILANT FOODWORKS LIMITED	1.36
SML ISUZU LIMITED	1.26
HERO MOTOCORP LIMITED	1.22
STRIDES SHASUN LIMITED	1.08
VEDANTA LIMITED	1.04
ONGC	0.90
PVR LIMITED	0.67
GUJARAT FLUOROCEMICALS LTD.	0.36
LUPIN LIMITED	0.02

total equity 95.79

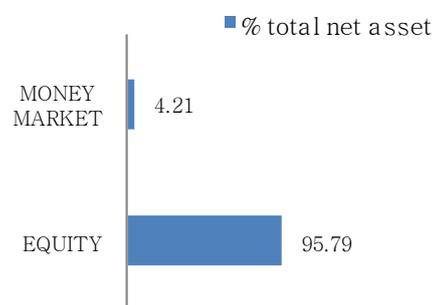
total money market 4.21

total net assets 100.00

### fund characteristics

Fund Beta 1.01

### asset allocation



### SFIN :

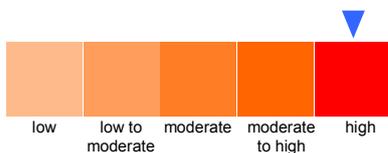
ULGF01808/06/09GEQUITYF03121

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, 2015

fund name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Equity Fund 3	1.79%	18.25%	13.99%	18.13%	12.69%
<b>Benchmark</b>	<b>-4.06%</b>	<b>12.27%</b>	<b>10.40%</b>	<b>14.49%</b>	<b>5.31%</b>

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

### portfolio

security % total net assets

### equity

INFOSYS LIMITED	8.17
DIVIS LABORATORIES LIMITED	7.16
HDFC BANK LTD.	6.76
RELIANCE INDUSTRIES LTD.	5.77
LARSEN&TUBRO	4.95
ICICI BANK LTD.	4.86
YES BANK LTD	4.43
TATA MOTORS LTD.	4.40
MARUTI UDYOG LTD.	4.31
ITC	4.00
HCL TECHNOLOGIES LIMITED	3.29
SUN PHARMACEUTICAL INDUSTRIES LTD.	3.25
KIRLOSKAR CUMMINS	3.01
ULTRATECH CEMCO LTD	3.01
GUJARAT FLUOROCEMICALS LTD.	2.92
STATE BANK OF INDIA	2.76
SANOFI INDIA LIMITED	2.46
INOX WIND LIMITED	2.43
INDIABULLS HOUSING FINANCE LTD	2.36
TATA CONSULTANCY SERVICES LTD.	2.08
MOTHERSON SUMI SYSTEMS LTD.	1.94
JUBILANT FOODWORKS LIMITED	1.66
TECH MAHINDRA LIMITED	1.48
AXIS BANK LIMITED	1.16
COFFEE DAY ENTERPRISES LIMITED	1.16
D.B. CORP LIMITED	1.11
IDFC LIMITED	1.02
HERO MOTOCORP LIMITED	1.02
ONGC	1.01
VEDANTA LIMITED	0.91
OBEROI REALTY LIMITED	0.89
PURAVANKARA PROJECTS LIMITED	0.87
SHOPPERS STOP LIMITED	0.75
THE INDIAN HOTELS CO LTD	0.62

total equity 97.97

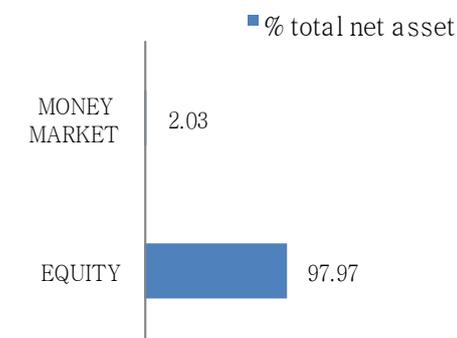
total money market 2.03

total net assets 100.00

### fund characteristics

Fund Beta 0.98

### asset allocation



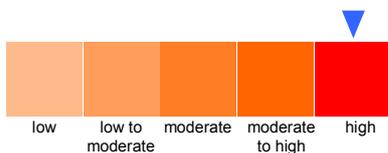
SFIN :  
ULGF01808/06/09GEQUITYF03121

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 4

## Fund Performance As on Dec 31, 2015

gross return	
fund Name	12 month returns*
Group Equity fund 4	2.49%
<b>Benchmark</b>	<b>-4.66%</b>

### portfolio

security % total net assets

### equity

INFOSYS LIMITED	8.18
DIVIS LABORATORIES LIMITED	7.16
HDFC BANK LTD.	6.78
RELIANCE INDUSTRIES LTD.	5.75
LARSEN&TUBRO	5.06
ICICI BANK LTD.	4.86
YES BANK LTD	4.51
TATA MOTORS LTD.	4.45
MARUTI UDYOG LTD.	4.31
ITC	4.04
HCL TECHNOLOGIES LIMITED	3.33
SUN PHARMACEUTICAL INDUSTRIES LTD.	3.28
KIRLOSKAR CUMMINS	3.08
GUJARAT FLUOROchemicals LTD.	3.03
ULTRATECH CEMCO LTD	3.02
STATE BANK OF INDIA	2.77
SANOFI INDIA LIMITED	2.49
INDIABULLS HOUSING FINANCE LTD	2.36
MOTHERSON SUMI SYSTEMS LTD.	2.11
TATA CONSULTANCY SERVICES LTD.	2.10
INOX WIND LIMITED	1.88
JUBILANT FOODWORKS LIMITED	1.75
TECH MAHINDRA LIMITED	1.48
AXIS BANK LIMITED	1.21
D.B. CORP LIMITED	1.12
COFFEE DAY ENTERPRISES LIMITED	1.06
HERO MOTOCORP LIMITED	1.05
ONGC	1.05
IDFC LIMITED	1.02
VEDANTA LIMITED	0.91
OBEROI REALTY LIMITED	0.88
SHOPPERS STOP LIMITED	0.76
THE INDIAN HOTELS CO LTD	0.74
PURAVANKARA PROJECTS LIMITED	0.57

**total equity** **98.13**

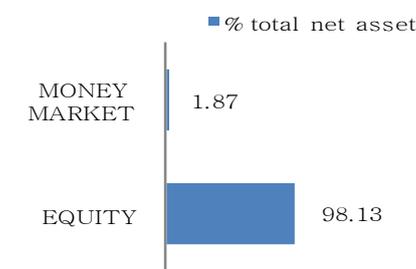
**total money market** **1.87**

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

### fund characteristics

Fund Beta 0.98

### asset allocation



### SFIN :

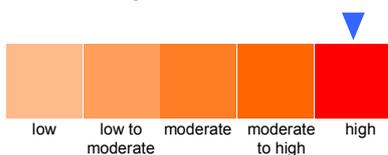
ULGF01528/11/08GPUREEQF01121

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, 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	12.62%	23.29%	18.43%	18.70%	9.58%
<b>Benchmark</b>	<b>2.23%</b>	<b>12.39%</b>	<b>14.27%</b>	<b>13.52%</b>	<b>5.85%</b>

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

### portfolio

security % total net assets

### equity

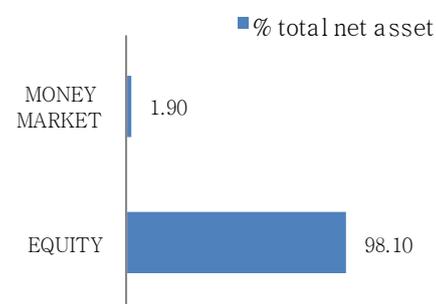
RELIANCE INDUSTRIES LTD.	8.95
MARUTI UDYOG LTD.	7.95
HCL TECHNOLOGIES LIMITED	7.88
ULTRATECH CEMCO LTD	6.56
HINDUSTAN LEVER LTD.	6.56
TATA CONSULTANCY SERVICES LTD.	6.14
BHARTI AIRTEL LIMITED	5.97
SUN PHARMACEUTICAL INDUSTRIES LTD.	5.30
ASIAN PAINTS LIMITED	5.07
INFOSYS LIMITED	4.64
LUPIN LIMITED	4.37
LARSEN&TUBRO	4.31
HERO MOTOCORP LIMITED	4.26
ECLERX SERVICES LIMITED	4.21
TATA MOTORS LTD.	3.56
TRENT LTD	3.22
JUBILANT FOODWORKS LIMITED	2.85
MOTHERSON SUMI SYSTEMS LTD.	2.03
SANOFI INDIA LIMITED	1.75
BATA INDIA LIMITED	1.51
DR. REDDY LABORATORIES	0.99

<b>total equity</b>	<b>98.10</b>
<b>total money market</b>	<b>1.90</b>
<b>total net assets</b>	<b>100.00</b>

### fund characteristics

Fund Beta 0.94

### asset allocation



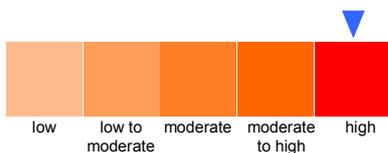
SFIN :  
ULGF01908/06/09GINFRASF01121

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, 2015

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Infrastructure Fund 1	5.47%	22.46%	10.93%	12.12%	0.97%
<b>Benchmark</b>	<b>-8.91%</b>	<b>5.72%</b>	<b>2.32%</b>	<b>6.84%</b>	<b>-4.34%</b>

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

### portfolio

equity % total net assets

#### equity

BHARTI AIRTEL LIMITED	8.91
POWER GRID CORP OF INDIA LTD	8.79
KIRLOSKAR CUMMINS	8.61
LARSEN&TUBRO	8.21
NTPC LIMITED	7.53
ULTRATECH CEMCO LTD	7.22
ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED	6.95
THE INDIAN HOTELS CO LTD	5.45
MOTHERSON SUMI SYSTEMS LTD.	4.38
VOLTAS LTD	4.25
TATA MOTORS LTD.	4.18
BHARAT HEAVY ELECTRICALS LTD.	4.15
CESC LTD	3.32
BHARAT FORGE	3.20
TEXMACO RAIL & ENGINEERING LIMITED	3.09
INOX WIND LIMITED	1.54
INDIAN METALS AND FERRO ALLOYS LIMITED	1.01
GUJARAT STATE PETRONET LIMITED	

**total equity** **96.23**

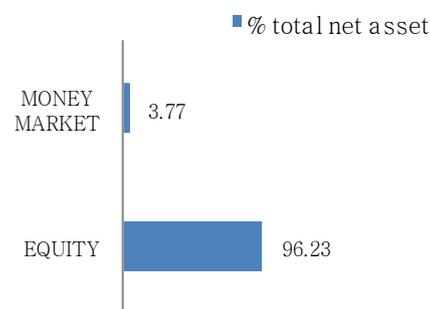
**total money market** **3.77**

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

### fund characteristics

Fund Beta 0.88

### 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, 2015

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Energy Fund 1	5.43%	18.63%	11.10%	11.33%	3.90%
<b>Benchmark</b>	<b>-0.66%</b>	<b>3.84%</b>	<b>2.69%</b>	<b>5.35%</b>	<b>-2.57%</b>

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

### portfolio

security % total net assets

### equity

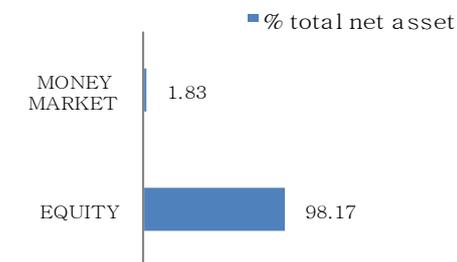
POWER GRID CORP OF INDIA LTD	8.56
GUJARAT STATE PETRONET LIMITED	8.45
NTPC LIMITED	8.44
OIL INDIA LIMITED	8.32
LARSEN&TUBRO	7.89
KIRLOSKAR CUMMINS	7.17
RELIANCE INDUSTRIES LTD.	6.71
ONGC	5.29
VOLTAS LTD	4.85
GAS AUTHORITY OF INDIA LTD.	4.80
PETRONET LNG LIMITED	4.73
INDRAPRASTHA GAS LIMITED	4.54
INDIAN OIL CORPORATION LIMITED	3.83
MANGALORE REFINERY AND PETROCHEMICALS LIMITED	3.67
TEXMACO RAIL & ENGINEERING LIMITED	3.58
INOX WIND LIMITED	3.18
VEDANTA LIMITED	1.96
MOTHERSON SUMI SYSTEMS LTD.	1.18
COAL INDIA LIMITED	1.02

<b>total equity</b>	<b>98.17</b>
<b>total money market</b>	<b>1.83</b>
<b>total net assets</b>	<b>100.00</b>

### fund characteristics

Fund Beta 0.81

### asset allocation



SFIN :

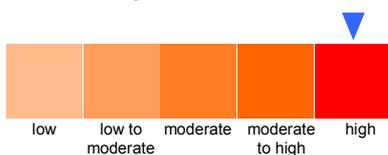
ULGF02008/06/09GMIDCAPF01121

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, 2015

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Midcap Fund 1	7.19%	29.36%	21.30%	26.59%	12.25%
<b>Benchmark</b>	<b>1.54%</b>	<b>21.78%</b>	<b>12.96%</b>	<b>18.14%</b>	<b>3.20%</b>

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

### portfolio

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

#### equity

YES BANK LTD	6.80
STATE BANK OF INDIA	5.29
DIVIS LABORATORIES LIMITED	4.98
ECLERX SERVICES LIMITED	4.86
TRENT LTD	4.30
IDFC LIMITED	4.12
THE INDIAN HOTELS CO LTD	4.08
INDIABULLS HOUSING FINANCE LTD	3.99
D.B. CORP LIMITED	3.89
PETRONET LNG LIMITED	3.78
JUBILANT FOODWORKS LIMITED	3.75
ADITYA BIRLA NUVO LIMITED	3.24
INDIAN OIL CORPORATION LIMITED	3.24
GUJARAT FLUOROCEMICALS LTD.	3.20
VOLTAS LTD	3.06
DR. LAL PATHLABS LIMITED	2.78
PURAVANKARA PROJECTS LIMITED	2.68
MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED	2.67
TATA MOTORS LTD.	2.63
MOTHERSON SUMI SYSTEMS LTD.	2.61
SHOPPERS STOP LIMITED	2.57
CESC LTD	2.56
HEXAWARE TECHNOLOGIES LIMITED	2.56
RELIANCE COMMUNICATION LTD	2.29
BATA INDIA LIMITED	2.14
ADANI PORTS AND SPECIAL ECONOMIC ZONE LTD	2.02
STRIDES SHASUN LIMITED	1.97
BHARAT FORGE	1.94
SHARDA CROPCHEM LIMITED	1.82
INDRAPRASTHA GAS LIMITED	1.55
OIL INDIA LIMITED	0.80

**total equity 98.20**

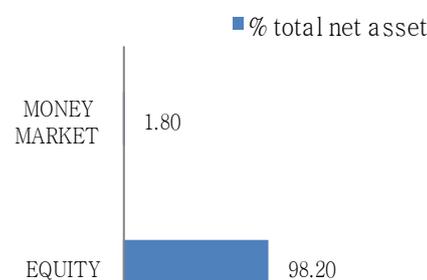
**total money market 1.80**

**total net assets 100.00**

### fund characteristics

Fund Beta 1.15

### asset allocation



SFIN :

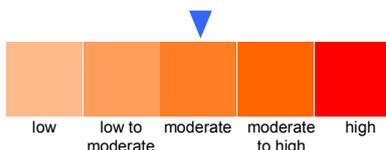
ULGF00310/10/03GGROWTHF01121

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, 2015

gross return					
fund Name	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Growth Fund 1	5.66%	14.16%	11.63%	13.45%	9.31%
<b>Benchmark</b>	<b>3.66%</b>	<b>12.03%</b>	<b>9.75%</b>	<b>11.43%</b>	<b>7.69%</b>

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

### portfolio

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

#### bond

8.37% REC NCD 14-08-2020 134	8.90	AAA
9.25% RJIL NCD 16-06-2024 SR-PPD3	6.99	AAA
9.22% LICHL NCD 16-10-2024 TR230	6.99	AAA
10.00% IHFL NCD 29-09-2019	2.34	AAA
9.43% TATA SONS NCD 02-06-2019	2.30	AAA

**total bond 27.53**

#### gilts

8.15% GOI CG 24-11-2026	7.43
8.40% GOI CG 28-07-2024	5.50
8.27% GOI CG 09-06-2020	5.02
8.13% GOI CG 22-06-2045	2.17
7.88% GOI CG 19-03-2030	2.05
8.17% GOI CG 01-12-2044	0.49

**total gilts 22.66**

#### equity

INFOSYS LIMITED	3.00
HDFC BANK LTD.	2.84
DIVIS LABORATORIES LIMITED	2.78
LARSEN&TUBRO	2.14
RELIANCE INDUSTRIES LTD.	1.98
ICICI BANK LTD.	1.97
YES BANK LTD	1.85
TATA MOTORS LTD.	1.74
ITC	1.51
MARUTI UDYOG LTD.	1.51
SUN PHARMACEUTICAL INDUSTRIES LTD.	1.44
HCL TECHNOLOGIES LIMITED	1.35
KIRLOSKAR CUMMINS	1.22
ULTRATECH CEMCO LTD	1.19
AXIS BANK LIMITED	0.99
STATE BANK OF INDIA	0.92
BATA INDIA LIMITED	0.89
TATA CONSULTANCY SERVICES LTD.	0.89
INDIABULLS HOUSING FINANCE LTD	0.81
JUBILANT FOODWORKS LIMITED	0.78
MOTHERSON SUMI SYSTEMS LTD.	0.72
CESC LTD	0.70
TECH MAHINDRA LIMITED	0.69
THE INDIAN HOTELS CO LTD	0.66
HDFC LTD	0.65
LUPIN LIMITED	0.64
INOX WIND LIMITED	0.61
CIPLA LTD.	0.58
IDFC LIMITED	0.47
HERO MOTOCORP LIMITED	0.47
VEDANTA LIMITED	0.38
ONGC	0.24

**total equity 38.61**

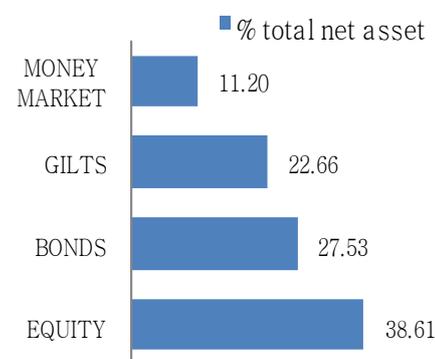
**total money market 11.20**

**total net assets 100.00**

### fund characteristics

M. Duration of debt portfolio:	4.66 Years
YTM of debt portfolio:	8.04%
Fund Beta:	1.00

### asset allocation



### SFIN :

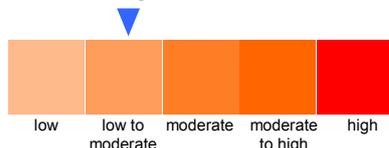
ULGF00110/10/03GBALANCE01121

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



# Group Balanced Fund 1

## Fund Performance As on Dec 31, 2015

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Balanced Fund 1	7.04%	12.77%	10.18%	11.31%	9.09%
<b>Benchmark</b>	<b>6.17%</b>	<b>11.77%</b>	<b>9.33%</b>	<b>10.23%</b>	<b>8.26%</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	6.33	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	6.17	AAA
9.22% LICHFL NCD 16-10-2024 TR230	4.75	AAA
9.25% TATA SONS NCD 19-06-2019	4.66	AAA
8.20% PGCIL NCD 23-01-2025 STRPP C	4.47	AAA
8.45% PFC NCD 10-08-2020 SR 138	1.51	AAA
8.37% REC NCD 14-08-2020 134	1.51	AAA

#### gilts

8.15% GOI CG 24-11-2026	9.90
8.40% GOI CG 28-07-2024	7.03
8.27% GOI CG 09-06-2020	6.84
8.13% GOI CG 22-06-2045	2.96
7.88% GOI CG 19-03-2030	2.80
8.17% GOI CG 01-12-2044	0.73

#### total gilts

**30.25**

#### equity

INFOSYS LIMITED	1.50
HDFC BANK LTD.	1.45
DIVIS LABORATORIES LIMITED	1.41
LARSEN&TUBRO	1.09
RELIANCE INDUSTRIES LTD.	1.05
ICICI BANK LTD.	1.01
YES BANK LTD	0.90
TATA MOTORS LTD.	0.90
ITC	0.77
MARUTI UDYOG LTD.	0.77
SUN PHARMACEUTICAL INDUSTRIES LTD.	0.73
HCL TECHNOLOGIES LIMITED	0.69
KIRLOSKAR CUMMINS	0.62
ULTRATECH CEMCO LTD	0.62
AXIS BANK LIMITED	0.49
STATE BANK OF INDIA	0.47
TATA CONSULTANCY SERVICES LTD.	0.46
BATA INDIA LIMITED	0.45
INDIABULLS HOUSING FINANCE LTD	0.44
JUBILANT FOODWORKS LIMITED	0.38
MOTHERSON SUMI SYSTEMS LTD.	0.37
CESC LTD	0.36
TECH MAHINDRA LIMITED	0.35
THE INDIAN HOTELS CO LTD	0.35
HDFC LTD	0.33
LUPIN LIMITED	0.33
INOX WIND LIMITED	0.31
CIPLA LTD.	0.29
IDFC LIMITED	0.24
HERO MOTOCORP LIMITED	0.24
VEDANTA LIMITED	0.19
ONGC	0.12

#### total equity

**19.66**

#### total money market

**20.69**

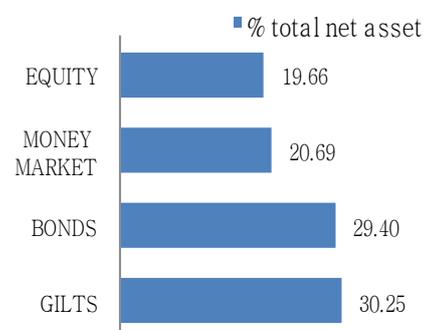
#### total net assets

**100.00**

### fund characteristics

M. Duration of debt portfolio:	4.36 Years
YTM of debt portfolio:	7.89%
Fund Beta:	1.00

### asset allocation



### target asset allocation

Debt.:	80%
Equity:	20%

### benchmark construction

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

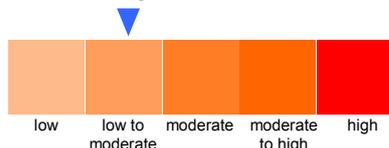
SFIN :  
ULGF00210/10/03GBALANCE02121

Inception Date : 31<sup>th</sup> Jan 2007

### fund objective

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

### fund risk profile



### target asset allocation

Debt.: 80%  
Equity: 20%

### benchmark construction

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

# Group Balanced Fund 2

## Fund Performance As on Dec 31, 2015

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Balanced Fund 2	7.28%	13.04%	10.70%	11.72%	9.54%
<b>Benchmark</b>	<b>6.17%</b>	<b>11.77%</b>	<b>9.33%</b>	<b>10.23%</b>	<b>8.26%</b>

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

### portfolio

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

#### bond

9.25% RJIL NCD 16-06-2024 SR-PPD3	8.38	AAA
10.00% IHFL NCD 29-09-2019	4.28	AAA
8.20% PGCIL NCD 23-01-2025 STRPP C	3.18	AAA
9.25% TATA SONS NCD 19-06-2019	2.89	AAA
8.45% PFC NCD 10-08-2020 SR 138	2.81	AAA
8.36% PFC NCD 04-09-2020 SR140 B	2.80	AAA
9.22% LICHL NCD 16-10-2024 TR230	2.79	AAA
8.37% REC NCD 14-08-2020 134	2.10	AAA
9.70% TATA SONS NCD 25-07-2022	0.89	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	0.86	AAA
8.97% TATA SONS NCD 15-07-2020	0.72	AAA

**total bond 31.71**

#### gilts

8.15% GOI CG 24-11-2026	10.02
8.40% GOI CG 28-07-2024	7.44
8.27% GOI CG 09-06-2020	6.97
8.13% GOI CG 22-06-2045	2.91
7.88% GOI CG 19-03-2030	2.81
8.17% GOI CG 01-12-2044	0.71

**total gilts 30.86**

#### equity

INFOSYS LIMITED	1.51
HDFC BANK LTD.	1.44
DIVIS LABORATORIES LIMITED	1.41
LARSEN&TUBRO	1.09
RELIANCE INDUSTRIES LTD.	1.00
ICICI BANK LTD.	1.00
TATA MOTORS LTD.	0.89
YES BANK LTD	0.89
ITC	0.77
MARUTI UDYOG LTD.	0.76
SUN PHARMACEUTICAL INDUSTRIES LTD.	0.73
HCL TECHNOLOGIES LIMITED	0.69
ULTRATECH CEMCO LTD	0.64
KIRLOSKAR CUMMINS	0.62
AXIS BANK LIMITED	0.49
STATE BANK OF INDIA	0.47
BATA INDIA LIMITED	0.45
TATA CONSULTANCY SERVICES LTD.	0.45
INDIABULLS HOUSING FINANCE LTD	0.40
JUBILANT FOODWORKS LIMITED	0.40
MOTHERSON SUMI SYSTEMS LTD.	0.37
CESC LTD	0.36
TECH MAHINDRA LIMITED	0.35
THE INDIAN HOTELS CO LTD	0.34
HDFC LTD	0.33
LUPIN LIMITED	0.33
INOX WIND LIMITED	0.31
CIPLA LTD.	0.29
IDFC LIMITED	0.24
HERO MOTOCORP LIMITED	0.23
VEDANTA LIMITED	0.19
ONGC	0.12

**total equity 19.56**

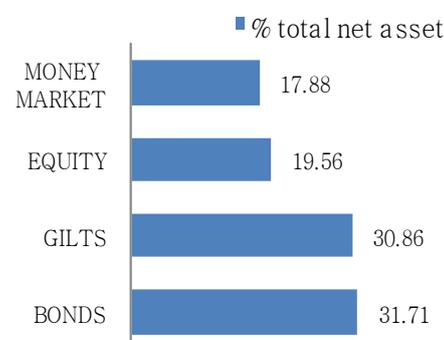
**total money market 17.88**

**total net assets 100.00**

### fund characteristics

M. Duration of debt portfolio:	4.29 Years
YTM of debt portfolio:	7.79%
Fund Beta:	1.00

### asset allocation



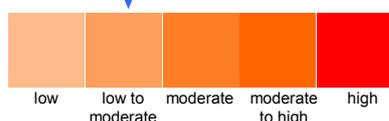
SFIN :  
ULGF02105/06/13GBALANCE04121

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

## Fund Performance As on Dec 31, 2015

gross return		
fund Name	12 month returns*	24 month returns*
Group Balanced Fund 4	6.84%	8.20%
<b>Benchmark</b>	<b>6.17%</b>	<b>11.77%</b>

### portfolio

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

#### bond

8.85% PGCIL NCD 19-10-2023 STRPP H	2.89	AAA
8.85% NHPC NCD 11-02-2019 R2	2.87	AAA
8.53% LICHFL NCD 24-09-2020	2.84	AAA
8.45% PFC NCD 10-08-2020 SR 138	2.83	AAA
8.27% REC NCD 06-02-2025 SR-130	2.80	AAA
8.75% RIL NCD 07-05-2020	2.75	AAA
8.40% NPCIL NCD 28-11-2025 XXIX A	1.72	AAA
8.36% PFC NCD 26-02-2020 SR127	1.58	AAA
8.39% PFC NCD 19-04-2025	1.52	AAA
8.20% PGCIL NCD 23-01-2020 STRPPS A	1.40	AAA
8.23% REC NCD 23-01-2025 SR-129	1.40	AAA
8.20% PGCIL NCD 23-01-2025 STRPP C	0.95	AAA
9.02% REC NCD 19-11-2019 111THOPTI	0.87	AAA
8.30% REC NCD 10-04-2025	0.84	AAA
9.25% RJIL NCD 16-06-2024 SR-PPD3	0.59	AAA
8.40% NPCIL NCD 28-11-2026 XXIX B	0.57	AAA
9.70% TATA SONS NCD 25-07-2022	0.42	AAA
8.67% LICHFL NCD 26-08-2020 II	0.29	AAA
9.22% LICHFL NCD 16-10-2024 TR230	0.24	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	0.17	AAA
9.25% TATA SONS NCD 19-06-2019	0.12	AAA

**total bond 29.67**

#### gilts

8.15% GOI CG 24-11-2026	9.85
8.27% GOI CG 09-06-2020	6.56
8.40% GOI CG 28-07-2024	6.09
8.13% GOI CG 22-06-2045	2.85
7.88% GOI CG 19-03-2030	2.75
8.17% GOI CG 01-12-2044	0.74

**total gilts 28.83**

#### Equity

INFOSYS LIMITED	1.50
HDFC BANK LTD.	1.44
DIVIS LABORATORIES LIMITED	1.40
LARSEN&TUBRO	1.08
RELIANCE INDUSTRIES LTD.	1.03
ICICI BANK LTD.	0.99
YES BANK LTD	0.93
TATA MOTORS LTD.	0.88
ITC	0.75
MARUTI UDYOG LTD.	0.75
SUN PHARMACEUTICAL INDUSTRIES LTD.	0.72
HCL TECHNOLOGIES LIMITED	0.68
ULTRATECH CEMCO LTD	0.65
KIRLOSKAR CUMMINS	0.62
AXIS BANK LIMITED	0.49
STATE BANK OF INDIA	0.46
TATA CONSULTANCY SERVICES LTD.	0.45
BATA INDIA LIMITED	0.45
INDIABULLS HOUSING FINANCE LTD	0.40
JUBILANT FOODWORKS LIMITED	0.39
MOTHERSON SUMI SYSTEMS LTD.	0.37
CESC LTD	0.35
TECH MAHINDRA LIMITED	0.35
THE INDIAN HOTELS CO LTD	0.34
LUPIN LIMITED	0.32
HDFC LTD	0.32
INOX WIND LIMITED	0.30
CIPLA LTD.	0.29
IDFC LIMITED	0.24
HERO MOTOCORP LIMITED	0.23
VEDANTA LIMITED	0.19
ONGC	0.16

**total equity 19.55**

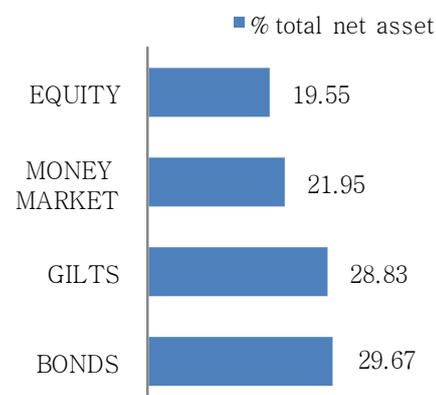
**total money market 21.95**

**total net assets 100.00**

### fund characteristics

M. Duration of debt portfolio:	3.94 Years
YTM of debt portfolio:	7.79%
Fund Beta:	1.00

### asset allocation



### SFIN :

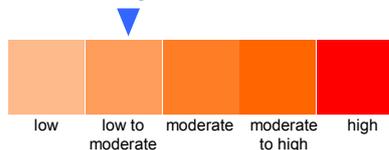
ULGF01213/10/08GCBOND02121

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

### fund objective

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

### fund risk profile



### target asset allocation

Bond Instruments: 100%

### benchmark construction

CRISIL Composite Bond Index: 100%

# Group Corporate Bond Fund 2

## Fund Performance As on Dec 31, 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	8.79%	12.16%	10.02%	10.38%	9.62%
<b>Benchmark</b>	<b>8.63%</b>	<b>11.43%</b>	<b>8.82%</b>	<b>8.96%</b>	<b>8.55%</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	9.09	AAA
8.30% REC NCD 10-04-2025	4.36	AAA
8.75% RIL NCD 07-05-2020	4.18	AAA
8.35% LICHL NCD 23-10-2020 TRN273	3.48	AAA
8.36% PFC NCD 26-02-2020 SR127	2.23	AAA
8.93% PGCIL NCD 20-10-2025 STRPP H	2.22	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	1.76	AAA
8.36% PFC NCD 04-09-2020 SR140 B	1.29	AAA
8.20% PGCIL NCD 23-01-2020 STRPPS A	1.07	AAA
10.00% IHFL NCD 29-09-2019	0.59	AAA
8.80% PGCIL NCD 13-03-2023 XLII	0.53	AAA
8.20% PGCIL NCD 23-01-2025 STRPP C	0.42	AAA
9.25% TATA SONS NCD 19-06-2019	0.22	AAA
8.37% REC NCD 14-08-2020 134	0.21	AAA
8.39% PFC NCD 19-04-2025	0.13	AAA

**total bond 31.78**

### Gilts

8.15% GOI CG 24-11-2026	12.27
8.40% GOI CG 28-07-2024	9.04
8.27% GOI CG 09-06-2020	8.35
8.13% GOI CG 22-06-2045	3.57
7.88% GOI CG 19-03-2030	3.43
8.17% GOI CG 01-12-2044	0.86

**total gilts 37.52**

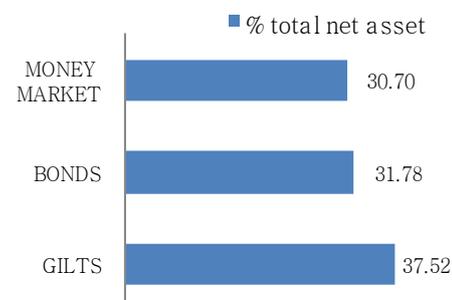
**total money market 30.70**

**total net assets 100.00**

### fund characteristics

M. Duration of debt portfolio:	4.18 Years
YTM of debt portfolio:	7.92%

### asset allocation



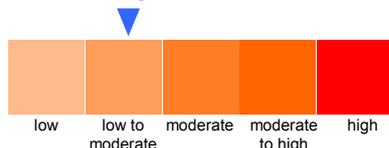
SFIN :  
ULGF02305/06/13GCBOND03121

Inception Date : 31<sup>st</sup> Dec 2013

### fund objective

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

### fund risk profile



# Group Corporate Bond Fund 3

## Fund Performance As on Dec 31,

11.gross return		
fund Name	12 month returns*	24 month returns*
Group Corporate Bond Fund 3	8.50%	11.76%
<b>Benchmark</b>	<b>8.63%</b>	<b>11.43%</b>

### portfolio

security	% total net assets	rating
<b>bond</b>		
8.40% NPCIL NCD 28-11-2025 XXIX A	4.31	AAA
9.25% RJIL NCD 16-06-2024 SR-PPD3	3.76	AAA
8.37% REC NCD 14-08-2020 134	3.65	AAA
8.39% PFC NCD 19-04-2025	3.64	AAA
8.85% PGCIL NCD 19-10-2018 STRPP C	3.08	AAA
8.45% PFC NCD 10-08-2020 SR 138	3.05	AAA
8.85% PGCIL NCD 19-10-2023 STRPP H	2.80	AAA
8.67% LICHFL NCD 26-08-2020 II	2.76	AAA
9.43% TATA SONS NCD 02-06-2019	2.20	AAA
8.75% RIL NCD 07-05-2020	1.91	AAA
8.23% REC NCD 23-01-2025 SR-129	1.50	AAA
8.36% PFC NCD 26-02-2020 SR127	1.21	AAA
8.93% NTPC NCB 19-01-2021 XXXVII.	1.06	AAA
8.20% PGCIL NCD 23-01-2025 STRPP C	0.96	AAA
8.35% LICHFL NCD 23-10-2020 TRN273	0.85	AAA
9.25% TATA SONS NCD 19-06-2019	0.69	AAA
9.02% REC NCD 19-11-2019 111THOPTI	0.62	AAA
10.00% IHFL NCD 29-09-2019	0.06	AAA

**total bond 38.10**

#### Gilts

8.15% GOI CG 24-11-2026	12.18
8.40% GOI CG 28-07-2024	8.87
8.27% GOI CG 09-06-2020	8.45
7.88% GOI CG 19-03-2030	3.40
8.13% GOI CG 22-06-2045	3.12
8.17% GOI CG 01-12-2044	0.49

**total gilts 36.51**

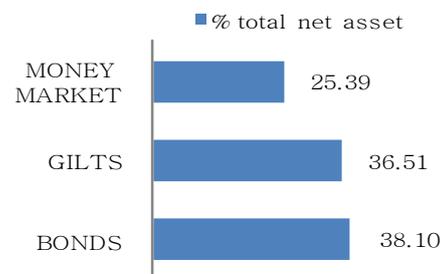
**total money market 25.39**

**total net assets 100.00**

### fund characteristics

M. Duration of debt portfolio: 3.99 Years  
YTM of debt portfolio: 7.81%

### asset allocation



### target asset allocation

Bond Instruments: 100%

### benchmark construction

CRISIL Composite Bond Index: 100%

### SFIN :

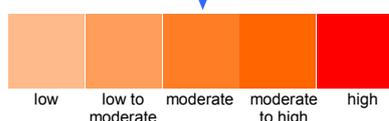
ULGF01030/09/08GPUREDEB01121

Inception Date : 30<sup>th</sup> Sep 2008

### fund objective

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

### fund risk profile



### target asset allocation

Debt Instruments: 100%

### benchmark construction

CRISIL Composite Bond Index: 100%

# Group Pure Debt Fund 1

## Fund Performance As on Dec 31, 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	8.29%	11.96%	10.37%	10.63%	9.75%
<b>Benchmark</b>	<b>8.63%</b>	<b>11.43%</b>	<b>8.82%</b>	<b>8.96%</b>	<b>8.55%</b>

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

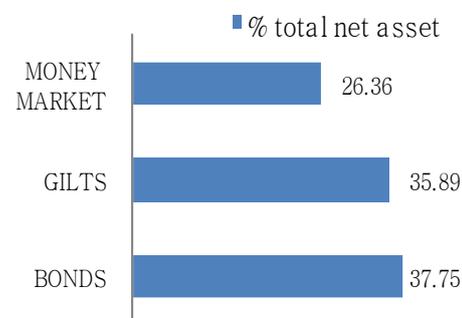
### portfolio

security	% total net assets	rating
<b>bond</b>		
8.37% REC NCD 14-08-2020 134	14.85	AAA
10.00% IHFL NCD 29-09-2019	7.80	AAA
9.25% RJIL NCD 16-06-2024 SR-PPD3	7.78	AAA
8.20% PGCIL NCD 23-01-2025 STRPP C	7.32	AAA
<b>total bond</b>	<b>37.75</b>	
<b>gilts</b>		
8.15% GOI CG 24-11-2026	12.06	
8.27% GOI CG 09-06-2020	8.55	
8.40% GOI CG 28-07-2024	7.64	
8.13% GOI CG 22-06-2045	3.58	
7.88% GOI CG 19-03-2030	3.24	
8.17% GOI CG 01-12-2044	0.82	
<b>total gilts</b>	<b>35.89</b>	
<b>total money market</b>	<b>26.36</b>	
<b>total net assets</b>	<b>100.00</b>	

### fund characteristics

M .Duration of debt portfolio: 4.17 Years  
YTM of debt portfolio: 7.98%

### asset allocation



### SFIN :

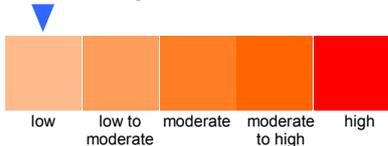
ULGF00431/01/07GCAPISEC01121

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, 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	8.45%	8.97%	9.26%	9.32%	9.29%
<b>Benchmark</b>	<b>8.09%</b>	<b>8.46%</b>	<b>8.16%</b>	<b>8.21%</b>	<b>8.10%</b>

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

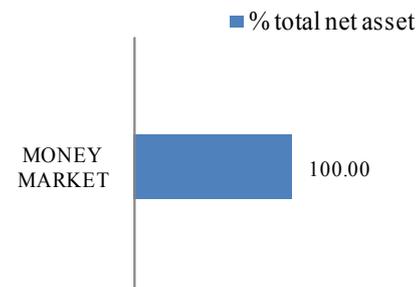
### portfolio

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

### fund characteristics

M .Duration of debt portfolio: 0.10 Years  
YTM of debt portfolio: 7.30%

### asset allocation



### SFIN :

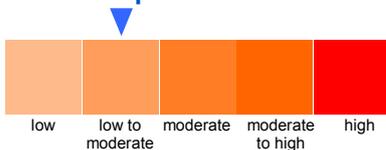
ULGF01610/12/08GGILTFUN02121

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, 2015

fund Name	gross return				
	12 month returns*	24 month returns*	36 month returns*	48 month returns*	60 month returns*
Group Gilt Fund 2	8.02%	12.53%	9.69%	9.94%	9.26%
<b>Benchmark</b>	<b>7.77%</b>	<b>12.06%</b>	<b>8.41%</b>	<b>9.29%</b>	<b>8.43%</b>

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

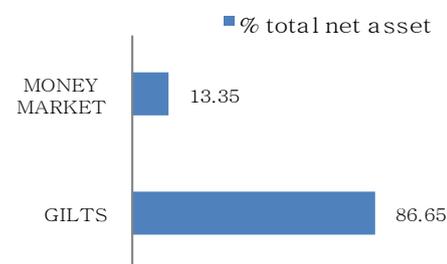
### portfolio

security	% total net assets
<b>gilts</b>	
8.15% GOI CG 24-11-2026	29.61
8.40% GOI CG 28-07-2024	22.79
8.27% GOI CG 09-06-2020	20.63
7.88% GOI CG 19-03-2030	5.91
8.17% GOI CG 01-12-2044	4.28
8.13% GOI CG 22-06-2045	3.44
<b>total gilts</b>	<b>86.65</b>
<b>total money market</b>	<b>13.35</b>
<b>total net assets</b>	<b>100.00</b>

### fund characteristics

M. Duration of debt portfolio: 5.76 Years  
YTM of debt portfolio: 7.84%

### asset allocation



### SFIN :

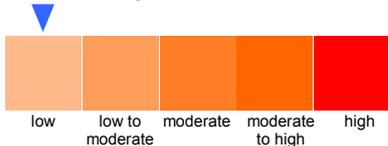
ULGF00930/09/08GMONMRKT02121

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, 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	8.65%	9.01%	9.23%	9.49%	9.50%
<b>Benchmark</b>	<b>8.23%</b>	<b>8.72%</b>	<b>8.83%</b>	<b>8.75%</b>	<b>8.63%</b>

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

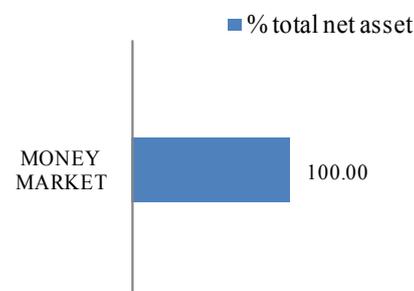
### portfolio

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

### fund characteristics

M. Duration of debt portfolio: 0.46 Years  
YTM of debt portfolio: 7.58%

### asset allocation



SFIN	Plan Name	Fund Name	NAV
ULGF00431/01/07GCAPISEC01121	Reliance Group Gratuity Plan	Group Capital Secure Fund 1	20.2767
ULGF00210/10/03GBALANCE02121	Reliance Group Gratuity Plan	Group Balanced Fund 2	20.8839
ULGF00110/10/03GBALANCE01121	Reliance Group Gratuity Plan	Group Balanced Fund 1	24.5576
ULGF01213/10/08GCORBOND02121	Reliance Group Gratuity Plan	Group Corporate Bond Fund 2	18.9629
ULGF01808/06/09GEQUITYF03121	Reliance Group Gratuity Plan	Group Equity Fund 3	25.7706
ULGF01610/12/08GGILTFUN02121	Reliance Group Gratuity Plan	Group Gilt Fund 2	16.4641
ULGF00930/09/08GMONMRKT02121	Reliance Group Gratuity Plan	Group Money Market Fund 2	18.2805
ULGF00310/10/03GGROWTHF01121	Reliance Group Gratuity Plan	Group Growth Fund 1	20.4063
ULGF01908/06/09GINFRASF01121	Reliance Group Gratuity Plan	Group Infrastructure Fund 1	10.7524
ULGF02008/06/09GMIDCAPF01121	Reliance Group Gratuity Plan	Group Midcap Fund 1	24.9202
ULGF01030/09/08GPUREDEB01121	Reliance Group Gratuity Plan	Group Pure Debt Fund 1	19.0530
ULGF00110/10/03GBALANCE01121	Reliance Group Superannuation Plan	Group Balanced Fund 1	24.5576
ULGF00431/01/07GCAPISEC01121	Reliance Group Superannuation Plan	Group Capital Secure Fund 1	20.2767
ULGF01213/10/08GCORBOND02121	Reliance Group Superannuation Plan	Group Corporate Bond Fund 2	18.9629
ULGF01808/06/09GEQUITYF03121	Reliance Group Superannuation Plan	Group Equity Fund 3	25.7706
ULGF01610/12/08GGILTFUN02121	Reliance Group Superannuation Plan	Group Gilt Fund 2	16.4641
ULGF00310/10/03GGROWTHF01121	Reliance Group Superannuation Plan	Group Growth Fund 1	20.4063
ULGF00930/09/08GMONMRKT02121	Reliance Group Superannuation Plan	Group Money Market Fund 2	18.2805
ULGF01030/09/08GPUREDEB01121	Reliance Group Superannuation Plan	Group Pure Debt Fund 1	19.0530
ULGF00210/10/03GBALANCE02121	Reliance Group Savings Linked Insurance Plan	Group Balanced Fund 2	20.8839
ULGF01213/10/08GCORBOND02121	Reliance Group Savings Linked Insurance Plan	Group Corporate Bond Fund 2	18.9629
ULGF01428/11/08GENERGF01121	Reliance Group Savings Linked Insurance Plan	Group Energy Fund 1	18.6733
ULGF01328/11/08GEQUITYF02121	Reliance Group Savings Linked Insurance Plan	Group Equity Fund 2	31.8048
ULGF01610/12/08GGILTFUN02121	Reliance Group Savings Linked Insurance Plan	Group Gilt Fund 2	16.4641
ULGF01908/06/09GINFRASF01121	Reliance Group Savings Linked Insurance Plan	Group Infrastructure Fund 1	10.7524
ULGF02008/06/09GMIDCAPF01121	Reliance Group Savings Linked Insurance Plan	Group Midcap Fund 1	24.9202
ULGF00930/09/08GMONMRKT02121	Reliance Group Savings Linked Insurance Plan	Group Money Market Fund 2	18.2805
ULGF01030/09/08GPUREDEB01121	Reliance Group Savings Linked Insurance Plan	Group Pure Debt Fund 1	19.0530
ULGF01528/11/08GPUREEQF01121	Reliance Group Savings Linked Insurance Plan	Group Pure Equity Fund 1	30.2146
ULGF00210/10/03GBALANCE02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Balanced Fund 2	20.8839
ULGF00930/09/08GMONMRKT02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Money Market Fund 2	18.2805
ULGF01213/10/08GCORBOND02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Corporate Bond Fund 2	18.9629
ULGF01610/12/08GGILTFUN02121	Reliance Life Insurance Group Gratuity Plus Plan	Group Gilt Fund 2	16.4641
ULGF01808/06/09GEQUITYF03121	Reliance Life Insurance Group Gratuity Plus Plan	Group Equity Fund 3	25.7706
ULGF00930/09/08GMONMRKT02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Money Market Fund 2	18.2805
ULGF01213/10/08GCORBOND02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Corporate Bond Fund 2	18.9629
ULGF01610/12/08GGILTFUN02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Gilt Fund 2	16.4641
ULGF01808/06/09GEQUITYF03121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Equity Fund 3	25.7706
ULGF00210/10/03GBALANCE02121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Balanced Fund 2	20.8839
ULGF02205/06/13GEQUITYF04121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Equity Fund 4	10.1897

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

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

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

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

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

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

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

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

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

### Gross Fund Return

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

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

#### Reliance Life Insurance

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

#### XYZ Insurance Company

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

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

### Benchmark Return

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

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

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

### Fund Standard Deviation

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

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

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

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

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

### Fund Sharpe Ratio

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

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

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

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

✓ Gross Fund Return

✓ Benchmark Return

✓ Fund Standard Deviation

✓ Fund Sharpe Ratio

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

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

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

### Benchmark Sharpe Ratio

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

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

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

### Modified Duration of Debt Portfolio

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

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

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

### Fund Beta

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

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

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

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

✓ **Benchmark Sharpe Ratio**

✓ **Modified Duration Of Debt Profile**

✓ **Fund Beta**

## Disclaimer

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