



RELIANCE

Nippon Life Insurance



**the analyst**

**monthly fund  
factsheet for August 2016**

### Fixed Income Market

### investment philosophy

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

Economy Indicators	30th June 16	31st July 16	% Change
\$ / Rs.	67.69	67.00	-1.03
CPI Inflation	5.40	6.07	0.67
Forex Reserves (\$ bn)	360.80	365.50	1.29
Brent Crude Price (\$ per Barrel)	49.88	41.60	-19.90
Gold (Rs. per 10gm)	30597	30939.00	1.11

Indices	30th June 16	31st July 16	%Change
BSE Sensex	26740	28052	4.68
S&P CNX Nifty	8204	8639	5.03
CNX Mid Cap	13671	14773	7.46
BSE Small Cap	11692	12310	5.02

Global Indices	30th June 16	31st July 16	%Change
Dow Jones	17695	18432	4.00
FTSE 100	6360	6724	5.42
Hang Seng	20436	21891	6.65
Nikkei	15567	16569	6.05

Sectoral Indices	30th June 16	31st July 16	%Change
CNX Infrastructure	2799	2967	5.66
CNX Energy	8626	9312	7.36
BSE Capital Goods	14697	15478	5.05
BSE Bankex	20236	21679	6.66
BSE Oil & Gas	9654	10595	8.89
BSE IT	11150	10813	-3.12

Fixed Income Indicators (%)	30th June 16	31st July 16	%Change
91 Day T-Bill	6.65	6.53	-0.12
182 Day T-Bill	6.79	6.69	-0.10
1 year GOI Benchmark	6.97	6.81	-0.16
5 Year GOI Benchmark	7.42	7.11	-0.31
10 Year GOI Benchmark	7.44	7.17	-0.28
5 Year Corp Bond Benchmark	8.01	7.79	-0.22
10 Year AAA Corp Bond Benchmark	7.64	7.39	-0.25
10 Year US Treasury	1.52	1.45	-0.06

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

Recent change in the stance of RBI and consequent increase in the banking liquidity have prompted bond yields to move down by 10 bps during the month. Markets are now driving additional comfort of fall in the crude oil prices by 13% during the month as well as stabilization in the prices of the vegetable, fruits and other primary articles. Further, expectations of the landmark event of passing of GST in the upper house of the parliament will also boost the confidence of the market in the longer term due to rationalization of the taxes as well as better compliance. Additionally, normal rainfall across the country barring some pockets will also bode well for the rural economy and will improve the inflationary outlook.

Index of Industrial Production (IIP) has increased 1.2% (YoY) in May 2016. PMI Manufacturing increased from 50.7 to 51.7 in June 2016 indication expansion in the economy. Retail inflation (CPI) registered at 5.8% (YoY), driven by the sharp increase in the vegetable and protein prices, while core inflation reduced marginally to 4.6% (YoY). Trade deficit has widened to US\$ 8.1 bn in June 2016 vs US\$ 6.2 bn month-on-month. The increase was led by higher non-gold non-gold imports. Gold import remained weak at US\$ 1.5 bn. Strong portfolio inflows and lower crude oil prices were supportive of INR over the month. India's FX was largely unchanged US\$ 338 bn over the month.

Globally, bond yield went down in wake of BREXIT as central banks across the advanced world vowed to maintain orderliness in the market and will do whatever it takes. Data points were mixed in the US and this has prompted Federal Reserve to maintain status quo in terms of the rate. Japan has embarked on the further additional liquidity in order to kick start the economy.

Going forward, it is expected that if there is a continuance of the banking liquidity and overnight funds priced close to Reverse Repo rate, then bond market will try to assume Reverse Repo rate as an operational rate. This along with stability in the inflationary outlook will impart softer rate bias.

### Fixed Income Outlook:

Going forward, we expect interest rate to be benign due to expectation of favorable turn in the macro outlook as well as good demand from the investors.

### Equity Market

#### Equity Outlook:

Indian equities (+4.2%) reported a strong performance in July on the back of notable passive inflows coupled with expectation of GST bill passage in the Upper House which fuelled the risk-on sentiment. The Q1 earnings which kicked off in the second half of the month had a mixed start with some heavyweights like L&T, Dr Reddy's, Infosys disappointing markets while Reliance and HDFC bank recorded a decent performance.

Banks continued to outperform the index as in addition to few private sector banks, continued interest was seen in public sector banks for 2nd straight month. On 1Q earnings, IndusInd had a consistent Q followed by HDFC Bank which also had a stable Q albeit a slight uptick in NPLs. Kotak Bank had a slow start as integration of ING reached final stages. Axis Bank reported higher than expected slippages; however the market did not seem concerned as the slippages were contained to the watch-list. ICICI Bank reported a miss on both P&L and asset quality.

IT stocks continued to be key laggards in the month against a backdrop of weak earnings as growth challenges in the sector compounded with global uncertainty post Brexit led to wary investors. Infosys recorded a subdued 1Q with challenges from US/BFSI segments; mgmt also lowered guidance for the fiscal. TCS reported a slight revenue miss and Wipro recorded margin disappointment albeit in-line revenues.

In Autos, amongst 2Ws, Eicher Motors reported a robust Q as volume growth led to operating leverage. Bajaj Auto reported a revenue miss on the back of headwinds in export markets. In 4Ws, Maruti reported in-line revenues and highlighted concerns on commodity prices going forward. Ashok Leyland reported a 1Q beat and mgmt reiterated its volume growth guidance for the fiscal.

Metals were the top performers in the month, as global commodity price recovery in aluminum, zinc and better than expected start to the earnings season boosted risk-on sentiment. Vedanta-Cairn merger details were revised to woo minority shareholders and the deal is finally expected to go through in this fiscal. In Cement space, UltraTech Cement reported strong 1Q results and margin expansion, buoyed by lower costs and volume growth.

In Pharma, Teva- Allergan divestures led to Indian pharma players acquire 14 products in the US market (details here). Dr Reddy's reported a disappointing Q with notable decline in US biz while Sun Pharma signed a licensing deal for tildra drug in Europe post positive Ph-III trials data. Lupin announced a tentative approval from Goa plant easing concerns on approvals pace.

In Consumer space, Hindustan Unilever reported a subdued Q with bearish outlook on demand recovery in the near term. ITC reported bounce back in cig volumes after 12 quarters of contraction. On discretionary front, Asian Paints reported a steady Q with spike in industrial demand.

Among Industrials & Infra, L&T reported subdued results with miss on revenues and margins while order inflows were in-line reiterating challenges for profitable growth in the sector.

FIIIs were notable buyers in Jul with net inflows of \$1.7bn bringing in their YTD tally to net inflows of \$4.6bn. Domestic investors remained sellers in the month with net outflows of \$902mn bringing their YTD tally to \$569mn. Among DIIs, Insurance companies led the selling with \$862mn of outflows while Mutual funds were marginal sellers of \$41mn in July.

### Equity Outlook:

Come August, all eyes will once again be on corporate earnings in addition to the passing of GST bill in the Rajya Sabha.

# fund snapshot

Gross CAGR Returns as on 29th July, 2016

asset allocation	funds	Last 1 Year	Last 3 Year	Last 5 Year	Page No.
100% Equity	Group Equity Fund 3	5.10	20.91	16.96	4
100% Equity	Group Equity Fund 4	6.59	-	-	5
100% Pure Equity	Group Pure Equity Fund 1	5.45	21.63	13.42	6
100% Equity	Group Infrastructure Fund 1	3.84	22.85	6.15	7
100% Equity	Group Energy Fund 1	9.16	18.54	7.73	8
100% Equity	Group Midcap Fund 1	18.68	36.17	19.10	9
40% Equity, 60% Debt	Group Growth Fund 1	9.19	15.11	11.58	10
20% Equity, 80% Debt	Group Balanced Fund 1	10.51	12.89	10.69	11
20% Equity, 80% Debt	Group Balanced Fund 2	10.62	13.17	11.08	12
20% Equity, 80% Debt	Group Balanced Fund 4	10.64	-	-	13
100% Bond Instruments	Group Corporate Bond Fund 2	11.87	11.57	10.50	14
100% Bond Instruments	Group Corporate Bond Fund 3	11.81	-	-	15
100% Money Market Instruments	Group Capital Secure Fund 1	8.18	9.08	9.22	16
100% Government Securities	Group Gilt Fund 2	12.48	11.46	10.35	17

### SFIN :

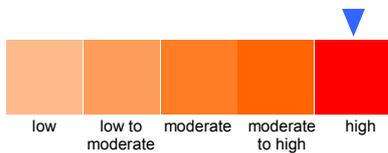
ULGF01808/06/09GEQUITYF03121

Inception Date : 08-Jun-09

### 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 29th July, 2016

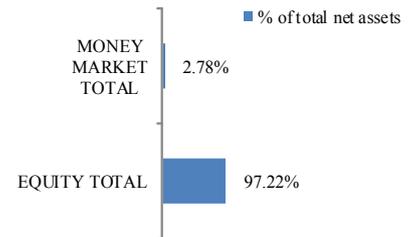
gross return			
Fund name	12 month returns	36 month returns	60 month returns
Group Equity Fund 3	5.10	20.91	16.96
<b>Benchmark</b>	<b>1.24</b>	<b>14.58</b>	<b>9.52</b>

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

### portfolio

Name of the instrument	% total net assets
INFOSYS LTD	7.79%
HDFC BANK LTD	6.67%
DIVIS LABORATORIES LTD	6.56%
YES BANK LTD	6.35%
LARSEN & TOUBRO LTD	4.70%
TATA MOTORS LTD	4.64%
ITC LTD	4.54%
MARUTI SUZUKI INDIA LTD	4.37%
ICICI BANK LTD	4.18%
ULTRATECH CEMENT LTD	3.60%
GUJARAT FLUOROCEMICALS LTD	3.43%
SUN PHARMACEUTICALS INDUSTRIES LTD	3.38%
HCL TECHNOLOGIES LTD	3.26%
MOTHERSON SUMI SYSTEMS LTD	3.00%
RELIANCE INDUSTRIES LTD	2.91%
CUMMINS INDIA LTD	2.41%
SANOFI INDIA LTD	2.39%
TECH MAHINDRA LTD	1.88%
AXIS BANK LTD	1.74%
UNITED BREWERIES LTD	1.59%
JUBILANT FOODWORKS LTD	1.55%
INOX WIND LTD	1.40%
EQUITAS HOLDINGS LIMITED	1.34%
TATA CONSULTANCY SERVICES LTD	1.28%
D.B.CORP LTD	1.27%
STATE BANK OF INDIA	1.17%
IDFC LTD	1.17%
HERO MOTOCORP LTD	1.15%
INDIAN HOTELS CO LTD	0.99%
CASTROL INDIA LTD (FV RS. 5/-)	0.97%
COFFEE DAY ENTERPRISES LIMITED	0.93%
INDIABULLS HOUSING FINANCE LTD	0.89%
CIPLA LTD	0.89%
VEDANTA LTD	0.78%
PURAVANKARA PROJECTS LTD	0.73%
SHOPPERS STOP LTD	0.65%
HEALTHCARE GLOBAL ENTERPRISES LTD.	0.65%
<b>EQUITY TOTAL</b>	<b>97.22%</b>
<b>MONEY MARKET TOTAL</b>	<b>2.78%</b>
<b>GRAND TOTAL</b>	<b>100.00%</b>

### asset allocation



### SFIN :

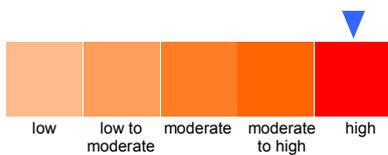
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Inception Date : 29-Dec-14

### 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 29th July, 2016

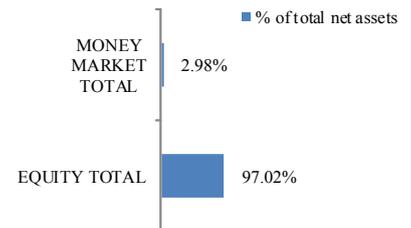
gross return			
Fund name	12 month returns	36 month returns	60 month returns
Group Equity Fund 4	6.59	-	-
<b>Benchmark</b>	<b>1.24</b>	-	-

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

### portfolio

Name of the instrument	% total net assets
INFOSYS LTD	7.79%
HDFC BANK LTD	6.67%
DIVIS LABORATORIES LTD	6.56%
YES BANK LTD	6.43%
LARSEN & TOUBRO LTD	4.70%
TATA MOTORS LTD	4.64%
ITC LTD	4.54%
MARUTI SUZUKI INDIA LTD	4.19%
ICICI BANK LTD	4.18%
ULTRATECH CEMENT LTD	3.60%
SUN PHARMACEUTICALS INDUSTRIES LTD	3.38%
GUJARAT FLUOROCEMICALS LTD	3.37%
HCL TECHNOLOGIES LTD	3.26%
MOTHERSON SUMI SYSTEMS LTD	2.99%
RELIANCE INDUSTRIES LTD	2.91%
CUMMINS INDIA LTD	2.48%
SANOFI INDIA LTD	2.47%
TECH MAHINDRA LTD	1.88%
AXIS BANK LTD	1.74%
UNITED BREWERIES LTD	1.62%
JUBILANT FOODWORKS LTD	1.37%
EQUITAS HOLDINGS LIMITED	1.34%
D.B.CORP LTD	1.31%
TATA CONSULTANCY SERVICES LTD	1.28%
HERO MOTOCORP LTD	1.20%
IDFC LTD	1.19%
STATE BANK OF INDIA	1.17%
INDIAN HOTELS CO LTD	1.10%
INOX WIND LTD	1.09%
INDIABULLS HOUSING FINANCE LTD	0.98%
CASTROL INDIA LTD (FV RS. 5/-)	0.97%
CIPLA LTD	0.89%
COFFEE DAY ENTERPRISES LIMITED	0.87%
VEDANTA LTD	0.78%
PURAVANKARA PROJECTS LTD	0.73%
SHOPPERS STOP LTD	0.67%
HEALTHCARE GLOBAL ENTERPRISES LTD.	0.64%
<b>EQUITY TOTAL</b>	<b>97.02%</b>
<b>MONEY MARKET TOTAL</b>	<b>2.98%</b>
<b>GRAND TOTAL</b>	<b>100.00%</b>

### asset allocation



### SFIN :

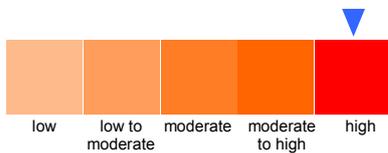
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Inception Date : 15-Dec-08

### 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

S&P CNX Nifty Shariah Index 100%

# Group Pure Equity Fund 1

## Fund Performance As on 29th July, 2016

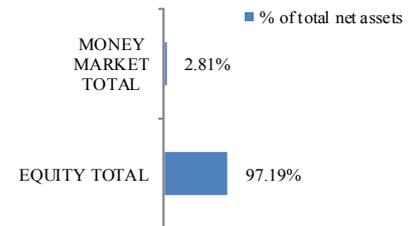
gross return			
Fund name	12 month returns	36 month returns	60 month returns
Group Pure Equity Fund 1	5.45	21.63	13.42
<b>Benchmark</b>	<b>0.91</b>	<b>13.13</b>	<b>10.12</b>

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

### portfolio

Name of the instrument	% total net assets
MARUTI SUZUKI INDIA LTD	7.18%
HINDUSTAN UNILEVER LTD	6.89%
HCL TECHNOLOGIES LTD	6.83%
TATA CONSULTANCY SERVICES LTD	6.04%
INFOSYS LTD	5.52%
BHARTI AIRTEL LTD	5.26%
RELIANCE INDUSTRIES LTD	5.20%
ULTRATECH CEMENT LTD	4.85%
SUN PHARMACEUTICALS INDUSTRIES LTD	4.67%
LUPIN LTD	4.51%
HERO MOTOCORP LTD	4.44%
ASIAN PAINTS LTD	4.14%
TATA MOTORS LTD	3.68%
CIPLA LTD	3.22%
LARSEN & TOUBRO LTD	3.21%
MOTHERSON SUMI SYSTEMS LTD	2.70%
CUMMINS INDIA LTD	2.59%
CASTROL INDIA LTD (FV RS. 5/-)	2.30%
GAIL (INDIA) LTD	2.23%
JUBILANT FOODWORKS LTD	2.22%
HEALTHCARE GLOBAL ENTERPRISES LTD.	2.13%
SANOFI INDIA LTD	1.77%
BATA INDIA LTD	1.67%
BHARTI INFRAEL LIMITED	1.02%
POWER MECH PROJECTS LTD.	1.01%
ALSTOM INDIA LIMITED	0.95%
INOX WIND LTD	0.87%
ECLERX SERVICES LTD	0.10%
<b>EQUITY TOTAL</b>	<b>97.19%</b>
<b>MONEY MARKET TOTAL</b>	<b>2.81%</b>
<b>GRAND TOTAL</b>	<b>100.00%</b>

### asset allocation



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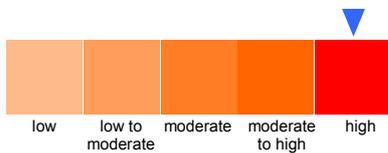
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**Inception Date : 08-Jun-09**

**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%

# Group Infrastructure Fund 1

**Fund Performance As on 29th July, 2016**

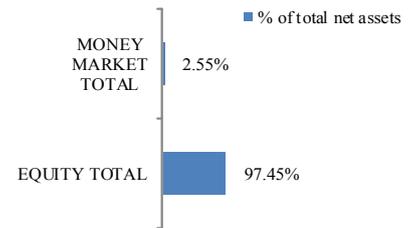
gross return			
Fund name	12 month returns	36 month returns	60 month returns
Group Infrastructure Fund 1	3.84	22.85	6.15
<b>Benchmark</b>	<b>-10.04</b>	<b>10.83</b>	<b>-0.42</b>

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

**portfolio**

Name of the instrument	% total net assets
POWER GRID CORPORATION OF INDIA LTD	8.66%
NTPC LTD	8.55%
LARSEN & TOUBRO LTD	8.31%
BHARTI AIRTEL LTD	8.02%
CUMMINS INDIA LTD	6.92%
ULTRATECH CEMENT LTD	5.70%
ADANI PORTS AND SPECIAL ECONOMIC ZONE LTD	5.59%
MOTHERSON SUMI SYSTEMS LTD	4.66%
INDIAN HOTELS CO LTD	4.63%
TATA MOTORS LTD	4.55%
BHARTI INFRATEL LIMITED	4.29%
CASTROL INDIA LTD (FV RS. 5/-)	3.13%
BHARAT HEAVY ELECTRICALS LTD	2.97%
ADITYA BIRLA NUVO LTD	2.92%
CESC LTD	2.90%
ALSTOM INDIA LIMITED	2.70%
ENGINEERS INDIA LTD	2.37%
VOLTAS LTD	2.34%
HDFC BANK LTD	2.01%
INOX WIND LTD	1.93%
POWER MECH PROJECTS LTD.	1.84%
ADVANCED ENZYME TECHNOLOGIES LIMITED	1.74%
TEXMACO RAIL & ENGINEERING LTD	0.70%
<b>EQUITY TOTAL</b>	<b>97.45%</b>
<b>MONEY MARKET TOTAL</b>	<b>2.55%</b>
<b>GRAND TOTAL</b>	<b>100.00%</b>

**asset allocation**



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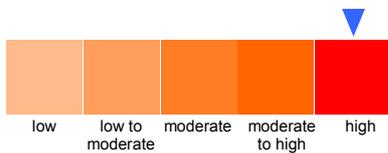
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Inception Date : 18-Dec-08

## 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%

# Group Energy Fund 1

## Fund Performance As on 29th July, 2016

gross return			
Fund name	12 month returns	36 month returns	60 month returns
Group Energy Fund 1	9.16	18.54	7.73
<b>Benchmark</b>	<b>6.89</b>	<b>6.46</b>	<b>2.60</b>

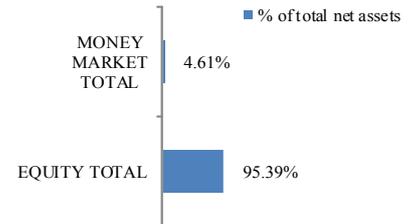
\*Returns above 12 months are CAGR ( Compounded Annual Growth Rate ) returns.

## portfolio

Name of the instrument % total net assets

POWER GRID CORPORATION OF INDIA LTD	8.91%
NTPC LTD	8.72%
OIL INDIA LTD	8.55%
LARSEN & TOUBRO LTD	8.53%
GUJARAT STATE PETRONET LTD	7.37%
CUMMINS INDIA LTD	7.33%
RELIANCE INDUSTRIES LTD	7.32%
GAIL (INDIA) LTD	6.00%
OIL & NATURAL GAS CORPORATION LTD	4.78%
VEDANTA LTD	3.90%
INDRAPRASTHA GAS LTD	3.72%
MOTHERSON SUMI SYSTEMS LTD	2.82%
MANGALORE REFINERY & PETROCHEMICALS LTD	2.76%
ENGINEERS INDIA LTD	2.64%
CASTROL INDIA LTD (FV RS. 5/-)	2.50%
INOX WIND LTD	2.28%
POWER MECH PROJECTS LTD.	2.03%
VOLTAS LTD	1.97%
TEXMACO RAIL & ENGINEERING LTD	1.72%
PETRONET LNG LTD	1.55%
<b>EQUITY TOTAL</b>	<b>95.39%</b>
<b>MONEY MARKET TOTAL</b>	<b>4.61%</b>
<b>GRAND TOTAL</b>	<b>100.00%</b>

## asset allocation



**SFIN :**

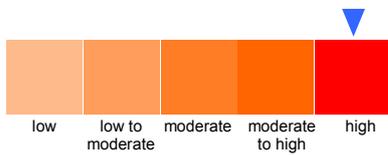
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**Inception Date : 08-Jun-09**

**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 29th July, 2016**

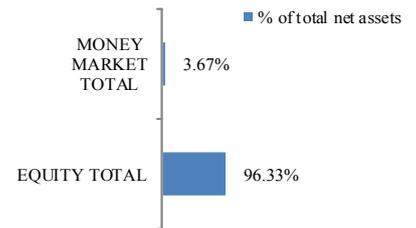
gross return			
Fund name	12 month returns	36 month returns	60 month returns
Group Midcap Fund 1	18.68	36.17	19.10
<b>Benchmark</b>	<b>6.96</b>	<b>26.26</b>	<b>8.86</b>

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

**portfolio**

Name of the instrument	% total net assets
YES BANK LTD	6.24%
IDFC LTD	4.77%
D.B.CORP LTD	4.57%
INDIAN HOTELS CO LTD	4.11%
DIVIS LABORATORIES LTD	4.04%
INDIAN OIL CORPORATION LTD	3.83%
GUJARAT FLUOROCHEMICALS LTD	3.73%
MOTHERSON SUMI SYSTEMS LTD	3.68%
SHARDA CROPCHEM LIMITED	3.47%
PETRONET LNG LTD	3.44%
CASTROL INDIA LTD (FV RS. 5/-)	3.31%
HEALTHCARE GLOBAL ENTERPRISES LTD.	3.24%
CESC LTD	3.11%
TATA MOTORS LTD	2.97%
JUBILANT FOODWORKS LTD	2.88%
ENGINEERS INDIA LTD	2.54%
BATA INDIA LTD	2.51%
EQUITAS HOLDINGS LIMITED	2.45%
SHOPPERS STOP LTD	2.45%
COLGATE PALMOLIVE INDIA LTD	2.39%
ADITYA BIRLA NUVO LTD	2.24%
INDRAPRASTHA GAS LTD	2.19%
POWER MECH PROJECTS LTD.	2.18%
ADVANCED ENZYME TECHNOLOGIES LIMITED	2.11%
PURAVANKARA PROJECTS LTD	2.10%
UNITED BREWERIES LTD	2.06%
VOLTAS LTD	2.00%
LUPIN LTD	1.96%
CYIENT LIMITED	1.94%
INDIABULLS HOUSING FINANCE LTD	1.61%
ALSTOM INDIA LIMITED	1.41%
RELIANCE COMMUNICATIONS LTD	1.39%
MANGALORE REFINERY & PETROCHEMICALS LTD	1.25%
STATE BANK OF INDIA	1.14%
THYROCARE TECHNOLOGIES LTD	1.03%
<b>EQUITY TOTAL</b>	<b>96.33%</b>
<b>MONEY MARKET TOTAL</b>	<b>3.67%</b>
<b>GRAND TOTAL</b>	<b>100.00%</b>

**asset allocation**



### SFIN :

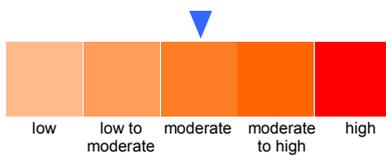
ULGF00310/10/03GGROWTHF01121

Inception Date : 31-Jan-07

### 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

Equity 40%  
Debt 60%

### benchmark construction

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

# Group Growth Fund 1

## Fund Performance As on 29th July, 2016

gross return			
Fund name	12 month returns	36 month returns	60 month returns
Group Growth Fund 1	9.19	15.11	11.58
<b>Benchmark</b>	<b>7.53</b>	<b>12.72</b>	<b>9.77</b>

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

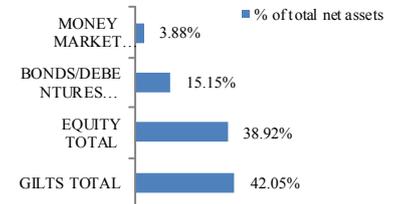
### portfolio

Name of the instrument	% total net assets	Rating
9.25% RELIANCE JIO INFOCOM LTD NCD (MD 16/06/24)	6.67%	LAAA
8.10% NTPC LTD STRP B NCD (MD 27/05/2026)	6.28%	LAAA
10% INDIABULLS HOUSING FIN LTD NCD(MD 29/09/2019)	2.20%	AAA
<b>BONDS/DEBENTURES TOTAL</b>	<b>15.15%</b>	
7.72% GOI (MD 25/05/2025)	12.77%	SOVEREIGN
7.68% GOI (MD 15/12/2023)	9.23%	SOVEREIGN
8.35% UTTAR PRADESH SDL(MD 02/06/2029)	6.43%	SOVEREIGN
7.88% GOI (MD 19/03/2030)	5.04%	SOVEREIGN
7.61% GOI(MD 09/05/2030)	3.82%	SOVEREIGN
8.13% GOI (MD 22/06/2045)	2.46%	SOVEREIGN
7.8% GOI (MD 11/04/2021)	2.29%	
<b>GILTS TOTAL</b>	<b>42.05%</b>	
INFOSYS LTD	3.11%	
HDFC BANK LTD	2.96%	
YES BANK LTD	2.92%	
DIVIS LABORATORIES LTD	2.40%	
ICICI BANK LTD	2.05%	
HCL TECHNOLOGIES LTD	1.69%	
TATA MOTORS LTD	1.66%	
ITC LTD	1.66%	
LARSEN & TOUBRO LTD	1.64%	
MARUTI SUZUKI INDIA LTD	1.52%	
RELIANCE INDUSTRIES LTD	1.44%	
SUN PHARMACEUTICALS INDUSTRIES LTD	1.43%	
MOTHERSON SUMI SYSTEMS LTD	1.27%	
ULTRATECH CEMENT LTD	1.20%	
AXIS BANK LTD	1.10%	
CUMMINS INDIA LTD	1.05%	
TECH MAHINDRA LTD	0.88%	
CIPLA LTD	0.86%	
IDFC LTD	0.84%	
CASTROL INDIA LTD (FV RS. 5/-)	0.81%	
HEALTHCARE GLOBAL ENTERPRISES LTD.	0.78%	
CESC LTD	0.76%	
INDIAN HOTELS CO LTD	0.75%	
JUBILANT FOODWORKS LTD	0.69%	
BATA INDIA LTD	0.63%	
INOX WIND LTD	0.61%	
LUPIN LTD	0.61%	
ENGINEERS INDIA LTD	0.58%	
HERO MOTOCORP LTD	0.51%	
TATA CONSULTANCY SERVICES LTD	0.38%	
MANGALORE REFINERY & PETROCHEMICALS LTD	0.12%	
<b>EQUITY TOTAL</b>	<b>38.92%</b>	
<b>MONEY MARKET TOTAL</b>	<b>3.88%</b>	
<b>GRAND TOTAL</b>	<b>100.00%</b>	

### fund characteristics

Modified Duration of Debt Portfolio ( Yrs )	6.24
YTM of debt portfolio (%)	7.34

### asset allocation



### SFIN :

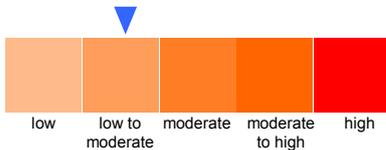
ULGF00110/10/03GBALANCE01121

Inception Date : 13-Feb-06

### 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

Equity 20%  
Debt 80%

### benchmark construction

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

# Group Balanced Fund 1

## Fund Performance As on 29th July, 2016

gross return			
Fund name	12 month returns	36 month returns	60 month returns
Group Balanced Fund 1	10.51	12.89	10.69
<b>Benchmark</b>	<b>9.49</b>	<b>11.90</b>	<b>9.63</b>

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

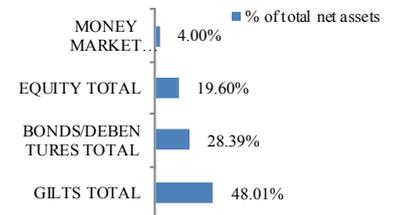
### portfolio

Name of the instrument	% total net assets	Rating
9.25% RELIANCE JIO INFOCOM LTD NCD (MD 16/06/24)	7.72%	LAAA
8.93% NTPC LTD NCD (MD 19/01/2021)	5.99%	LAAA
8.47% LIC HSG FIN LTD OP2 NCD(10/06/26) P 28/06/19	4.47%	AAA
8.11% RECL LTD NCD (MD 07/10/2025)	4.36%	AAA
8.30% LIC HSG FIN LTD NCD (MD 15/07/2021)	2.93%	AAA
8.30% RECL LTD NCD (MD 10/04/2025)	1.47%	AAA
8.10% NTPC LTD STRP B NCD (MD 27/05/2026)	1.45%	LAAA
<b>BONDS/DEBENTURES TOTAL</b>	<b>28.39%</b>	
7.72% GOI (MD 25/05/2025)	24.05%	SOVEREIGN
7.88% GOI (MD 19/03/2030)	6.99%	SOVEREIGN
7.61% GOI(MD 09/05/2030)	5.03%	SOVEREIGN
8.35% UTTAR PRADESH SDL(MD 02/06/2029)	4.46%	SOVEREIGN
7.68% GOI (MD 15/12/2023)	4.30%	SOVEREIGN
8.13% GOI (MD 22/06/2045)	3.17%	SOVEREIGN
<b>GILTS TOTAL</b>	<b>48.01%</b>	
INFOSYS LTD	1.56%	
HDFC BANK LTD	1.49%	
YES BANK LTD	1.46%	
DIVIS LABORATORIES LTD	1.21%	
ICICI BANK LTD	1.03%	
HCL TECHNOLOGIES LTD	0.85%	
TATA MOTORS LTD	0.84%	
ITC LTD	0.84%	
LARSEN & TOUBRO LTD	0.83%	
RELIANCE INDUSTRIES LTD	0.73%	
SUN PHARMACEUTICALS INDUSTRIES LTD	0.73%	
MARUTI SUZUKI INDIA LTD	0.71%	
MOTHERSON SUMI SYSTEMS LTD	0.64%	
ULTRATECH CEMENT LTD	0.60%	
AXIS BANK LTD	0.55%	
CUMMINS INDIA LTD	0.54%	
TECH MAHINDRA LTD	0.45%	
CIPLA LTD	0.44%	
IDFC LTD	0.42%	
CESC LTD	0.42%	
CASTROL INDIA LTD (FV RS. 5/-)	0.41%	
HEALTHCARE GLOBAL ENTERPRISES LTD.	0.40%	
INDIAN HOTELS CO LTD	0.38%	
JUBILANT FOODWORKS LTD	0.35%	
BATA INDIA LTD	0.32%	
INOX WIND LTD	0.31%	
LUPIN LTD	0.31%	
ENGINEERS INDIA LTD	0.29%	
HERO MOTOCORP LTD	0.26%	
TATA CONSULTANCY SERVICES LTD	0.19%	
MANGALORE REFINERY & PETROCHEMICALS LTD	0.06%	
<b>EQUITY TOTAL</b>	<b>19.60%</b>	
<b>MONEY MARKET TOTAL</b>	<b>4.00%</b>	
<b>GRAND TOTAL</b>	<b>100.00%</b>	

### fund characteristics

Modified Duration of Debt Portfolio ( Yrs ) 6.05  
YTM of debt portfolio (%) 7.36

### asset allocation



SFIN :

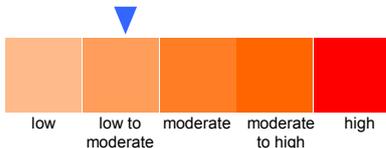
ULGF00210/10/03GBALANCE02121

Inception Date : 31-Jan-07

### 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

Equity  
Debt

### benchmark construction

CRISIL Composite Bond Fund Index  
S&P CNX Nifty

20%  
80%  
20%  
80%

# Group Balanced Fund 2

## Fund Performance As on 29th July, 2016

gross return			
Fund name	12 month returns	36 month returns	60 month returns
Group Balanced Fund 2	10.62	13.17	11.08
<b>Benchmark</b>	<b>9.49</b>	<b>11.90</b>	<b>9.63</b>

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

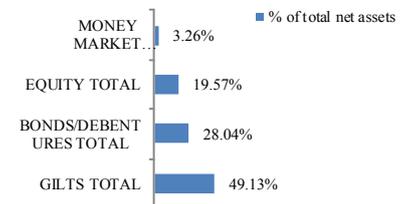
### portfolio

Name of the instrument	% total net assets	Rating
9.25% RELIANCE JIO INFOCOM LTD NCD (MD 16/06/24)	8.21%	LAAA
10% INDIABULLS HOUSING FIN LTD NCD(MD 29/09/2019)	4.71%	AAA
8.46% HDFC LTD NCD (MD 15/06/2026) P 15/07/2017	3.17%	LAAA
8.45% HDFC LTD NCD (MD 18/05/2026)	3.16%	LAAA
8.10% NTPC LTD STRP B NCD (MD 27/05/2026)	2.32%	LAAA
8.11% RECL LTD NCD (MD 07/10/2025)	2.16%	AAA
8.30% LIC HSG FIN LTD NCD (MD 15/07/2021)	1.56%	AAA
9.70% TATA SONS LTD NCD (MD 25/07/2022)	0.99%	LAAA
8.93% NTPC LTD NCD (MD 19/01/2021)	0.96%	LAAA
8.47% LIC HSG FIN LTD OP2 NCD(10/06/26) P 28/06/19	0.79%	AAA
<b>BONDS/DEBENTURES TOTAL</b>	<b>28.04%</b>	
7.72% GOI (MD 25/05/2025)	18.48%	SOVEREIGN
7.8% GOI (MD 11/04/2021)	7.54%	SOVEREIGN
7.88% GOI (MD 19/03/2030)	7.24%	SOVEREIGN
7.61% GOI(MD 09/05/2030)	4.82%	SOVEREIGN
8.15% RAJASTHAN SPL SDL (MD 23/06/2021)	4.50%	SOVEREIGN
8.13% GOI (MD 22/06/2045)	3.09%	SOVEREIGN
7.68% GOI (MD 15/12/2023)	2.04%	SOVEREIGN
8.35% UTTAR PRADESH SDL(MD 02/06/2029)	1.43%	SOVEREIGN
<b>GILTS TOTAL</b>	<b>49.13%</b>	
INFOSYS LTD	1.57%	
YES BANK LTD	1.50%	
HDFC BANK LTD	1.46%	
DIVIS LABORATORIES LTD	1.21%	
ICICI BANK LTD	0.98%	
TATA MOTORS LTD	0.86%	
HCL TECHNOLOGIES LTD	0.85%	
LARSEN & TOUBRO LTD	0.84%	
ITC LTD	0.83%	
SUN PHARMACEUTICALS INDUSTRIES LTD	0.73%	
RELIANCE INDUSTRIES LTD	0.73%	
MARUTI SUZUKI INDIA LTD	0.72%	
MOTHERSON SUMI SYSTEMS LTD	0.65%	
ULTRATECH CEMENT LTD	0.61%	
AXIS BANK LTD	0.56%	
CUMMINS INDIA LTD	0.55%	
TECH MAHINDRA LTD	0.46%	
CIPLA LTD	0.44%	
IDFC LTD	0.42%	
CASTROL INDIA LTD (FV RS. 5/-)	0.41%	
HEALTHCARE GLOBAL ENTERPRISES LTD.	0.41%	
CESC LTD	0.39%	
INDIAN HOTELS CO LTD	0.37%	
BATA INDIA LTD	0.32%	
INOX WIND LTD	0.31%	
LUPIN LTD	0.31%	
JUBILANT FOODWORKS LTD	0.31%	
ENGINEERS INDIA LTD	0.29%	
HERO MOTOCORP LTD	0.25%	
TATA CONSULTANCY SERVICES LTD	0.19%	
20% MANGALORE REFINERY & PETROCHEMICALS LTD	0.06%	
<b>EQUITY TOTAL</b>	<b>19.57%</b>	
<b>MONEY MARKET TOTAL</b>	<b>3.26%</b>	
<b>GRAND TOTAL</b>	<b>100.00%</b>	

### fund characteristics

Modified Duration of Debt Portfolio ( Yrs )	5.66
YTM of debt portfolio (%)	7.24

### asset allocation



SFIN :

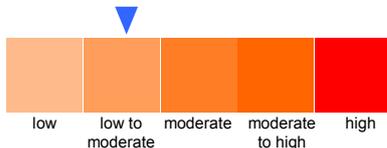
ULGF02105/06/13GBALANCE04121

Inception Date : 17-Dec-13

### 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

Equity	20%
Debt	80%

### benchmark construction

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

# Group Balanced Fund 4

## Fund Performance As on 29th July, 2016

gross return			
Fund name	12 month returns	36 month returns	60 month returns
Group Balanced Fund 4	10.64	-	-
<b>Benchmark</b>	<b>9.49</b>	-	-

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

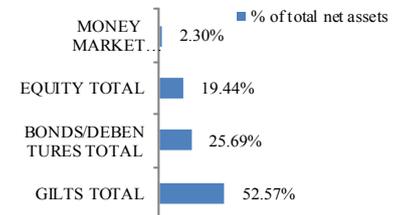
### portfolio

Name of the instrument	% total net assets	Rating
8.60% LIC HSG FIN LTD NCD OPT 1 (MD 26/02/2021)	4.27%	AAA
8.11% RECL LTD NCD (MD 07/10/2025)	3.21%	AAA
8.30% LIC HSG FIN LTD NCD (MD 15/07/2021)	2.58%	AAA
8.27% RECL LTD NCD (MD 06/02/2025)	2.35%	LAAA
8.13% POWER GRID CORP NCD STRRP 4 (MD 25/04/2023)	2.33%	LAAA
8.75% RELIANCE INDUSTRIES LTD NCD (MD 07/05/2020)	2.28%	AAA
8.10% NTPC LTD STRP B NCD (MD 27/05/2026)	1.77%	LAAA
8.40% NUCLEAR POWER CORPN NCD OP A (MD 28/11/2025)	1.44%	AAA
8.45% HDFC LTD NCD (MD 18/05/2026)	1.43%	LAAA
8.40% POWER GRID CORP NCD STRP H (MD 27/05/2026)	0.95%	LAAA
8.32% HDFC LTD NCD (MD 04/05/2026)	0.95%	LAAA
8.57% RECL LTD NCD (MD 21/12/2024)	0.72%	AAA
9.25% RELIANCE JIO INFOCOM LTD NCD (MD 16/06/24)	0.54%	LAAA
9.70% TATA SONS LTD NCD (MD 25/07/2022)	0.35%	LAAA
8.13% POWER GRID CORP NCD STRRP 5 (MD 25/04/2024)	0.28%	LAAA
8.93% NTPC LTD NCD (MD 19/01/2021)	0.14%	LAAA
8.47% LIC HSG FIN LTD OP2 NCD(10/06/26) P 28/06/19	0.10%	AAA
<b>BONDS/DEBENTURES TOTAL</b>	<b>25.69%</b>	
7.72% GOI (MD 25/05/2025)	20.94%	SOVEREIGN
7.88% GOI (MD 19/03/2030)	6.94%	SOVEREIGN
7.68% GOI (MD 15/12/2023)	6.11%	SOVEREIGN
7.8% GOI (MD 11/04/2021)	5.69%	SOVEREIGN
7.61% GOI(MD 09/05/2030)	5.04%	SOVEREIGN
8.15% RAJASTHAN SPL SDL (MD 23/06/2021)	3.32%	SOVEREIGN
8.13% GOI (MD 22/06/2045)	3.10%	SOVEREIGN
8.35% UTTAR PRADESH SDL(MD 02/06/2029)	1.43%	SOVEREIGN
<b>GILTS TOTAL</b>	<b>52.57%</b>	
INFOSYS LTD	1.56%	
YES BANK LTD	1.44%	
HDFC BANK LTD	1.43%	
DIVIS LABORATORIES LTD	1.20%	
ICICI BANK LTD	1.02%	
HCL TECHNOLOGIES LTD	0.85%	
TATA MOTORS LTD	0.84%	
ITC LTD	0.83%	
LARSEN & TOUBRO LTD	0.82%	
MARUTI SUZUKI INDIA LTD	0.76%	
SUN PHARMACEUTICALS INDUSTRIES LTD	0.72%	
RELIANCE INDUSTRIES LTD	0.72%	
MOTHERSON SUMI SYSTEMS LTD	0.63%	
ULTRATECH CEMENT LTD	0.60%	
AXIS BANK LTD	0.55%	
CUMMINS INDIA LTD	0.54%	
TECH MAHINDRA LTD	0.45%	
CIPLA LTD	0.43%	
IDFC LTD	0.42%	
CESC LTD	0.41%	
CASTROL INDIA LTD (FV RS. 5/-)	0.40%	
HEALTHCARE GLOBAL ENTERPRISES LTD.	0.38%	
INDIAN HOTELS CO LTD	0.38%	
JUBILANT FOODWORKS LTD	0.35%	
BATA INDIA LTD	0.32%	
INOX WIND LTD	0.31%	
LUPIN LTD	0.31%	
ENGINEERS INDIA LTD	0.29%	
HERO MOTOCORP LTD	0.25%	
TATA CONSULTANCY SERVICES LTD	0.19%	
MANGALORE REFINERY & PETROCHEMICALS LTD	0.06%	
<b>EQUITY TOTAL</b>	<b>19.44%</b>	
<b>MONEY MARKET TOTAL</b>	<b>2.30%</b>	
<b>GRAND TOTAL</b>	<b>100.00%</b>	

### fund characteristics

Modified Duration of Debt Portfolio ( Yrs )	6.04
YTM of debt portfolio (%)	7.39

### asset allocation



### SFIN :

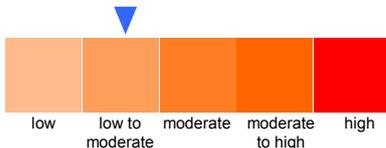
ULGF01213/10/08GCBOND02121

Inception Date : 13-Oct-08

### 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 29th July, 2016

gross return			
Fund name	12 month returns	36 month returns	60 month returns
Group Corporate Bond Fund 2	11.87	11.57	10.50
Benchmark	11.37	10.98	9.37

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

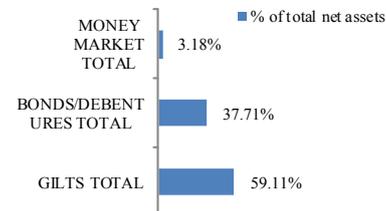
### portfolio

Name of the instrument	% total net assets	Rating
9.25% RELIANCE JIO INFOCOM LTD NCD (MD 16/06/24)	8.66%	LAAA
8.30% LIC HSG FIN LTD NCD (MD 15/07/2021)	4.38%	AAA
8.75% RELIANCE INDUSTRIES LTD NCD (MD 07/05/2020)	3.93%	AAA
8.32% HDFC LTD NCD (MD 04/05/2026)	3.26%	LAAA
8.11% RECL LTD NCD (MD 07/10/2025)	2.85%	AAA
8.60% LIC HSG FIN LTD NCD OPT 1 (MD 26/02/2021)	2.37%	AAA
8.93%POWER GRID CORP LTD STRP H NCD(MD20/OCT/2025)	2.11%	LAAA
8.30% RECL LTD NCD (MD 10/04/2025)	2.11%	AAA
8.13% POWER GRID CORP NCD STRRP 6 (MD 25/04/2025)	2.01%	LAAA
8.10% NTPC LTD STRP B NCD (MD 27/05/2026)	1.85%	LAAA
8.93% NTPC LTD NCD (MD 19/01/2021)	1.66%	LAAA
8.45% HDFC LTD NCD (MD 18/05/2026)	1.64%	LAAA
10% INDIABULLS HOUSING FIN LTD NCD(MD 29/09/2019)	0.59%	AAA
8.47% LIC HSG FIN LTD OP2 NCD(10/06/26) P 28/06/19	0.21%	AAA
8.40% POWER GRID CORP NCD STRP H (MD 27/05/2026)	0.08%	LAAA
<b>BONDS/DEBENTURES TOTAL</b>	<b>37.71%</b>	
7.72% GOI (MD 25/05/2025)	21.51%	SOVEREIGN
7.88% GOI (MD 19/03/2030)	10.74%	SOVEREIGN
7.61% GOI(MD 09/05/2030)	6.58%	SOVEREIGN
7.8% GOI (MD 11/04/2021)	6.05%	SOVEREIGN
7.68% GOI (MD 15/12/2023)	5.69%	SOVEREIGN
8.13% GOI (MD 22/06/2045)	3.87%	SOVEREIGN
8.15% RAJASTHAN SPL SDL (MD 23/06/2021)	3.02%	SOVEREIGN
8.35% UTTAR PRADESH SDL(MD 02/06/2029)	1.64%	SOVEREIGN
<b>GILTS TOTAL</b>	<b>59.11%</b>	
<b>MONEY MARKET TOTAL</b>	<b>3.18%</b>	
<b>GRAND TOTAL</b>	<b>100.00%</b>	

### fund characteristics

Modified Duration of Debt Portfolio ( Yrs )	6.09
YTM of debt portfolio (%)	7.44

### asset allocation



SFIN :

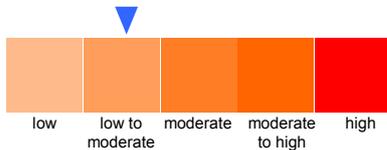
ULGF02305/06/13GCRBOND03121

Inception Date : 31-Dec-13

### 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 29th July, 2016

gross return			
Fund name	12 month returns	36 month returns	60 month returns
Group Corporate Bond Fund 3	11.81	-	-
<b>Benchmark</b>	<b>11.37</b>	-	-

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

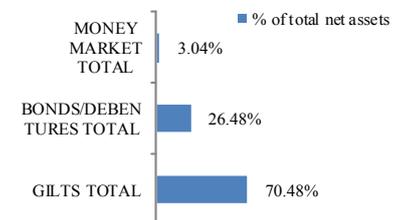
### portfolio

Name of the instrument	% total net assets	Rating
8.40% NUCLEAR POWER CORPN NCD OP A (MD 28/11/2025)	3.54%	AAA
9.25% RELIANCE JIO INFOCOM LTD NCD (MD 16/06/24)	3.08%	LAAA
8.46% HDFC LTD NCD (MD 15/06/2026) P 15/07/2017	3.02%	LAAA
8.45% HDFC LTD NCD (MD 18/05/2026)	2.52%	LAAA
8.40% POWER GRID CORP NCD STRP G (MD 27/05/2025)	2.50%	LAAA
8.13% POWER GRID CORP NCD STRRP 7 (MD 24/04/2026)	2.46%	LAAA
8.30% LIC HSG FIN LTD NCD (MD 15/07/2021)	2.08%	AAA
8.11% RECL LTD NCD (MD 07/10/2025)	1.97%	AAA
8.75% RELIANCE INDUSTRIES LTD NCD (MD 07/05/2020)	1.55%	AAA
8.10% NTPC LTD STRP B NCD (MD 27/05/2026)	1.08%	LAAA
8.30% RECL LTD NCD (MD 10/04/2025)	0.89%	AAA
8.93% NTPC LTD NCD (MD 19/01/2021)	0.86%	LAAA
8.57% RECL LTD NCD (MD 21/12/2024)	0.50%	AAA
10% INDIABULLS HOUSING FIN LTD NCD(MD 29/09/2019)	0.36%	AAA
8.47% LIC HSG FIN LTD OP2 NCD(10/06/26) P 28/06/19	0.05%	AAA
<b>BONDS/DEBENTURES TOTAL</b>	<b>26.48%</b>	
7.72% GOI (MD 25/05/2025)	26.08%	SOVEREIGN
8.15% RAJASTHAN SPL SDL (MD 23/06/2021)	10.06%	SOVEREIGN
7.88% GOI (MD 19/03/2030)	9.29%	SOVEREIGN
7.61% GOI(MD 09/05/2030)	7.44%	SOVEREIGN
7.8% GOI (MD 11/04/2021)	6.26%	SOVEREIGN
7.68% GOI (MD 15/12/2023)	5.90%	SOVEREIGN
8.13% GOI (MD 22/06/2045)	3.94%	SOVEREIGN
8.35% UTTAR PRADESH SDL(MD 02/06/2029)	1.51%	SOVEREIGN
<b>GILTS TOTAL</b>	<b>70.48%</b>	
<b>MONEY MARKET TOTAL</b>	<b>3.04%</b>	
<b>GRAND TOTAL</b>	<b>100.00%</b>	

### fund characteristics

Modified Duration of Debt Portfolio ( Yrs )	6.07
YTM of debt portfolio (%)	7.29

### asset allocation



# Group Capital Secure Fund 1

## Fund Performance As on 29th July, 2016

gross return			
Fund name	12 month returns	36 month returns	60 month returns
Group Capital Secure Fund 1	8.18	9.08	9.22
<b>Benchmark</b>	<b>7.58</b>	<b>8.54</b>	<b>8.15</b>

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

### SFIN :

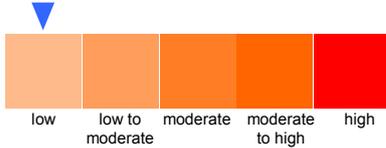
ULGF00431/01/07GCAPISEC01121

Inception Date : 31-Jan-07

### 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



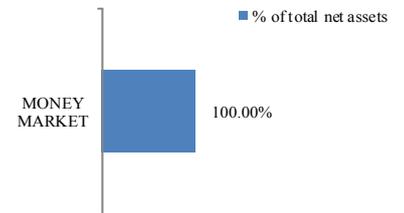
### portfolio

Name of the instrument	% total net assets
MONEY MARKET	100.00%
<b>MONEY MARKET TOTAL</b>	<b>100.00%</b>

### fund characteristics

Modified Duration of Debt Portfolio ( Yrs )	0.05
YTM of debt portfolio (%)	8.1

### asset allocation



### target asset allocation

Money Market Instruments 100%

### benchmark construction

Yield on 182-day T.Bills 100%

# Group Gilt Fund 2

## Fund Performance As on 29th July, 2016

**SFIN :**

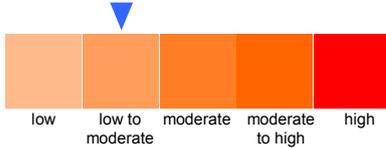
ULGF01610/12/08GGILTFUN02121

**Inception Date : 10-Dec-08**

### 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%

gross return			
Fund name	12 month returns	36 month returns	60 month returns
Group Gilt Fund 2	12.48	11.46	10.35
Benchmark	11.84	10.69	9.73

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

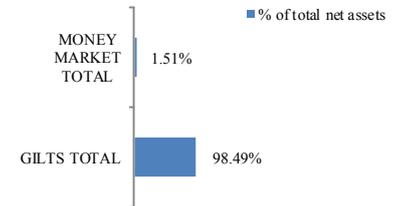
### portfolio

Name of the instrument	% total net assets	Rating
7.72% GOI (MD 25/05/2025)	37.66%	SOVEREIGN
7.68% GOI (MD 15/12/2023)	17.93%	SOVEREIGN
7.88% GOI (MD 19/03/2030)	17.59%	SOVEREIGN
7.61% GOI(MD 09/05/2030)	12.30%	SOVEREIGN
8.13% GOI (MD 22/06/2045)	11.68%	SOVEREIGN
7.8% GOI (MD 11/04/2021)	1.34%	SOVEREIGN
<b>GILTS TOTAL</b>	<b>98.49%</b>	
<b>MONEY MARKET TOTAL</b>	<b>1.51%</b>	
<b>GRAND TOTAL</b>	<b>100.00%</b>	

### fund characteristics

Modified Duration of Debt Portfolio ( Yrs )	7.34
YTM of debt portfolio (%)	7.2

### asset allocation



SFIN	Plan Name	Fund Name	NAV
ULGF01808/06/09GEQUITYF03121	Reliance Group Gratuity Plan / Group Savings Linked Insurance Plan / Life Insurance Group Gratuity Plus Plan / Life Insurance Group Leave encashment Plus Plan	Group Equity Fund 3	28.38
ULGF02205/06/13GEQUITYF04121	Reliance Life Insurance Group Leave encashment Plus Plan	Group Equity Fund 4	10.61
ULGF01528/11/08GPUREEQF01121	Reliance Group Savings Linked Insurance Plan	Group Pure Equity Fund 1	30.63
ULGF01908/06/09GINFRASF01121	Reliance Group Gratuity Plan / Group Superannuation Plan	Group Infrastructure Fund 1	11.04
ULGF01428/11/08GENERGYF01121	Reliance Group Savings Linked Insurance Plan	Group Energy Fund 1	19.10
ULGF02008/06/09GMIDCAPF01121	Reliance Group Gratuity Plan / Group Savings Linked Insurance Plan	Group Midcap Fund 1	26.92
ULGF00310/10/03GGGROWTHF01121	Reliance Group Gratuity Plan / Group Superannuation Plan	Group Growth Fund 1	21.34
ULGF00110/10/03GBALANCE01121	Reliance Group Gratuity Plan / Group Superannuation Plan	Group Balanced Fund 1	25.61
ULGF00210/10/03GBALANCE02121	Reliance Group Gratuity Plan / Group Savings Linked Insurance Plan / Life Insurance Group Gratuity Plus Plan / Life Insurance Group Leave encashment Plus Plan	Group Balanced Fund 2	21.86
ULGF02105/06/13GBALANCE04121	Reliance Group Gratuity Plan / Group Savings Linked Insurance Plan	Group Balanced Fund 4	12.13
ULGF01213/10/08GCORBOND02121	Reliance Group Gratuity Plan / Group Superannuation Plan / Group Savings Linked Insurance Plan / Life Insurance Group Gratuity Plus Plan / Life Insurance Group Leave encashment Plus Plan	Group Corporate Bond Fund 2	19.87
ULGF02305/06/13GCORBOND03121	Reliance Group Gratuity Plan / Group Savings Linked Insurance Plan	Group Corporate Bond Fund 3	12.89
ULGF00431/01/07GCAPISEC01121	Reliance Group Superannuation Plan / Group Savings Linked Insurance Plan	Group Capital Secure Fund 1	21.02
ULGF01610/12/08GGILTFUN02121	Reliance Group Gratuity Plan / Group Superannuation Plan / Group Savings Linked Insurance Plan / Life Insurance Group Gratuity Plus Plan / Life Insurance Group Leave encashment Plus Plan	Group Gilt Fund 2	17.29

- ✓ 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 fund 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.

<p><b>Reliance Life Insurance</b> Balanced Fund NAV based Return=11.50 % Fund Management Fee=2% Gross Fund Return=13.50%</p>	<p><b>XYZ Insurance Company</b> Balanced Fund NAV based Return=10.50% Fund Management Fee=3% Gross Fund Return=13.50%.</p>
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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.

$$\text{Sharpe Ratio} = \text{Excess return} / \text{Annualized standard deviation of fund return}$$

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

✓ Gross Fund Return

✓ Benchmark Return

✓ Fund Standard Deviation

✓ Fund Sharpe Ratio

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

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

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

### Benchmark Sharpe Ratio

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

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

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

### Modified Duration of Debt Portfolio

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

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

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

### Fund Beta

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

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

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

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

✓ Benchmark Sharpe Ratio

✓ Modified Duration Of Debt Profile

✓ Fund Beta

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