

# Reliance Japan Equity Fund


(An Open Ended Diversified Equity Scheme)



## Scheme Information Document




### Product Label

**This product is suitable for investors who are seeking\*:**

- long term capital growth
- investment in equity and equity related securities of companies listed on recognized stock exchange of Japan
- high risk.  **BROWN**

\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Note: Risk may be represented as:

|  |  |   |
|--|--|---|
|  <b>(BLUE)</b> investors understand that their principal will be at low risk |  <b>(YELLOW)</b> investors understand that their principal will be at medium risk |  <b>(BROWN)</b> investors understand that their principal will be at high risk |
|--|--|---|

### Continuous offer of the Units of the face value of Rs. 10 each for cash at NAV based prices (subject to applicable load)

| New Fund Offer Opens | New Fund Offer Closes | Scheme re-opens for continuous sale & repurchase not later than |
|----------------------|-----------------------|---|
| August 08, 2014      | August 20, 2014       | September 03, 2014  |

The particulars of the Scheme have been prepared in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations 1996, (herein after referred to as SEBI (MF) Regulations) as amended till date, and filed with SEBI, along with a Due Diligence Certificate from the AMC. The units being offered for public subscription have not been approved or recommended by SEBI nor has SEBI certified the accuracy or adequacy of the Scheme Information Document.

The Scheme Information Document sets forth concisely the information about the scheme that a prospective investor ought to know before investing. Before investing, investors should also ascertain about any further changes to this Scheme Information Document after the date of this Document from the Mutual Fund / Investor Service Centres / Website / Distributors or Brokers.

The investors are advised to refer to the Statement of Additional Information (SAI) for details of Reliance Mutual Fund, Tax and Legal issues and general information on [www.reliancecapital.com](http://www.reliancecapital.com)

SAI is incorporated by reference (is legally a part of the Scheme Information Document). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website [www.reliancecapital.com](http://www.reliancecapital.com).

The Scheme Information Document should be read in conjunction with the SAI and not in isolation.

This Scheme Information Document is dated July 28, 2014, and approved by the Board of AMC and the Trustees on July 26, 2013.

NAME OF MUTUAL FUND  
Reliance Mutual Fund (RMF)

NAME OF ASSET MANAGEMENT COMPANY  
Reliance Capital Asset Management Limited (RCAM)  
CIN : U65910MH1995PLC220793

NAME OF TRUSTEE COMPANY  
Reliance Capital Trustee Co. Limited (RCTC)  
CIN : U65910MH1995PLC220528

Corporate office (RMF RCAM, RCTC)  
12th floor, One Indiabulls Centre, Tower 1  
Jupiter Mills Compound, 841, Senapati Bapat Marg,  
Elphinstone Road, Mumbai - 400 013  
Tel No. - 022-30994600, Fax No. - 022-30994699  
Website : [www.reliancecapital.com](http://www.reliancecapital.com)

Registered Office (RCAM, RCTC) :  
H Block, 1st Floor, Dhirubhai Ambani Knowledge City,  
Koparkhairne, Navi Mumbai - 400 710.

NAME OF SPONSOR COMPANY  
Reliance Capital Limited  
Registered Office:  
H Block, 1st Floor, Dhirubhai Ambani Knowledge City,  
Koparkhairne, Navi Mumbai - 400 710.  
Tel. 022 - 30327000, Fax. 022 - 30327202  
Website : [www.reliancecapital.co.in](http://www.reliancecapital.co.in)

## TABLE OF CONTENTS

|   |           |
|---|-----------|
| <b>HIGHLIGHTS/SUMMARY OF THE SCHEME</b> .....   | <b>1</b>  |
| <b>I. INTRODUCTION</b> .....  | <b>4</b>  |
| A. RISK FACTORS .....   | 4         |
| B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME.....  | 7         |
| C. SPECIAL CONSIDERATIONS .....   | 7         |
| D. DEFINITIONS & ABBREVIATIONS .....  | 8         |
| E. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY.....   | 10        |
| <b>II. INFORMATION ABOUT THE SCHEME –</b> .....   | <b>11</b> |
| A. TYPE OF THE SCHEME .....   | 11        |
| B. WHAT IS THE INVESTMENT OBJECTIVE OF THE SCHEME?.....   | 11        |
| C. HOW WILL THE SCHEME ALLOCATE ITS ASSETS? .....   | 11        |
| D. HOW THE SCHEME IS DIFFERENT FROM THE EXISTING OPEN ENDED SCHEMES OF THE MUTUAL FUND .....  | 11        |
| E. WHERE WILL THE SCHEME INVEST?.....   | 16        |
| F. WHAT ARE THE INVESTMENT STRATEGIES? .....  | 17        |
| G. FUNDAMENTAL ATTRIBUTES.....  | 20        |
| H. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE? .....   | 20        |
| I. WHO MANAGES THE SCHEME? .....  | 21        |
| J. WHAT ARE THE INVESTMENT RESTRICTIONS? .....  | 21        |
| K. HOW HAS THE SCHEME PERFORMED? .....  | 23        |
| <b>III. UNITS AND OFFER</b> .....   | <b>24</b> |
| A. NEW FUND OFFER (NFO).....  | 24        |
| B. ONGOING OFFER DETAILS.....   | 31        |
| C. PERIODIC DISCLOSURES.....  | 51        |
| D. COMPUTATION OF NAV .....   | 53        |
| <b>IV. FEES AND EXPENSES</b> .....  | <b>55</b> |
| A. NEW FUND OFFER (NFO) EXPENSES .....  | 55        |
| B. ANNUAL SCHEME RECURRING EXPENSES.....  | 55        |
| C. LOAD STRUCTURE.....  | 56        |
| D. WAIVER OF LOAD FOR DIRECT APPLICATIONS .....   | 57        |
| E. TRANSACTION CHARGES .....  | 57        |
| <b>V. RIGHTS OF UNITHOLDERS</b> .....   | <b>58</b> |
| <b>VI. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS<br/>FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY<br/>AUTHORITY</b> ..... | <b>58</b> |

## HIGHLIGHTS/SUMMARY OF THE SCHEME

### 1. INVESTMENT OBJECTIVE

The primary investment objective of Reliance Japan Equity Fund is to provide long term capital appreciation to investors by primarily investing in equity and equity related securities of companies listed on the recognized stock exchanges of Japan and the secondary objective is to generate consistent returns by investing in debt and money market securities of India. However, there can be no assurance or guarantee that the investment objective of the scheme will be achieved.

### 2. LIQUIDITY

The units of the Scheme / Plan shall be available for ongoing sale / subscription / repurchase / redemption within five business days of allotment. The repurchase/redemption proceeds will be dispatched within 10 working days from the date of receipt of valid requests for repurchase/redemption. The AMC will pay interest @15% per annum for the period of delay in the event of failure to despatch the redemption or repurchase proceeds within 10 working days.

The Scheme will offer for Sale / Switch-in and Redemption / Switch-out of Units on every Working Day on an ongoing basis.

As per SEBI Regulations, the Mutual Fund shall despatch Redemption proceeds within 10 Working Days of receiving a valid Redemption request. A penal interest of 15% per annum or such other rate as may be prescribed by SEBI from time to time, will be paid in case the Redemption proceeds are not made within 10 Working Days of the date of receipt of a valid Redemption request. However, under normal circumstances, the Mutual Fund will endeavor to despatch the Redemption cheque within 5 Working Days from the receipt of a valid Redemption request.

### 3. BENCHMARK:

#### TOPIX (Tokyo Stock Price Index)

The RCAM / Trustee reserve the right to change / modify the benchmark

### 4. TRANSPARENCY/NAV DISCLOSURE

- a) In terms of Regulation 48(2) of the SEBI Mutual Funds Regulation 1996, and SEBI/IMD/CIR No. 12/147132/08 dated December 11, 2008 NAV shall be calculated and published at least in 2 daily newspapers on a daily basis. The Mutual Fund shall declare the Net asset value of the scheme on every business day on AMFI's website www.amfiindia.com by 9.00 p.m. on the day of declaration of the NAV and also on www.reliancefund.com
- b) If the NAVs are not available before commencement of business hours on the following day due to any reason, the Fund shall issue a press release providing reasons and explaining when the Fund would be able to publish the NAVs
- c) The information on NAV may be obtained by the Unitholders on any day from the office of the AMC / the office of the Registrar in Hyderabad or any of the other Designated Investor Service Centres.
- d) Investor may also call our customer service centre, please dial 91-22-30301111 or Toll Free 1800 300 11111.
- e) Publication of Abridged Half-yearly Unaudited Financial Results in the newspapers or as may be prescribed under the Regulations from time to time.
- f) Communication of Portfolio on a half-yearly basis to the Unit holders directly or through the Publications or as may be prescribed under the Regulations from time to time.
- g) Despatch or Email of the Annual Reports of the respective Schemes within the stipulated period as required under the Regulations.
- h) The fund shall disclose the scheme's portfolio in the prescribed format as on the last day of the month for all the Schemes of RMF on or before the tenth day of the succeeding month or within such timelines as prescribed by SEBI from time to time.
- i) AMC will calculate and disclose the first NAVs of the scheme not later than 5 business days of allotment

### 5. LOADS

#### a) Entry Load

Not Applicable

In accordance with the requirements specified by the SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009 no entry load will be charged for purchase / additional purchase / switch-in accepted by RMF with effect from August 01, 2009. Similarly, no entry load will be charged with respect to applications for registrations under Systematic Investment Plans / Systematic Transfer Plans (including Salary Advantage, Recurring Investment Plan for Corporate Employees and Dividend Transfer Plan) accepted by RMF with effect from August 01, 2009.

The upfront commission on investment made by the investor, if any, will be paid to the ARN Holder (AMFI registered Distributor) directly by the investor, based on the investor's assessment of various factors including service rendered by the ARN Holder.

#### b) Exit Load

1% if redeemed or switched out on or before completion of 1 year from the date of allotment of units.

Nil if redeemed or switched out after the completion of 1 year from the date of allotment of units

W.E.F. October 01, 2012, Exit Load If charged to the scheme shall be credited to the scheme immediately net of service tax, if any.

Pursuant to SEBI circular No. SEBI/IMD/CIR No. 14/120784/08 dated March 18, 2008, with effect from April 1, 2008, no entry load or exit load shall be charged in respect of bonus units and of units allotted on reinvestment of dividend.

#### c) Inter Scheme Switch

At the applicable loads in the respective schemes.

**d) Inter Plan Switch**

- a) Switch of investments made with ARN code, from Other than Direct Plan to Direct Plan of a Scheme shall be subject to applicable exit load, if any.
- b) No Exit Load shall be levied for switch of investments made without ARN code, from Other than Plan to Direct Plan of the Scheme or vice versa.

**e) Inter Option Switch :**

No load shall be applicable for inter option Switch within the same plan under the scheme.

**6. TRANSACTION CHARGES:**

In accordance with SEBI Circular No. IMD/ DF/13/ 2011 dated August 22, 2011, with effect from November 1, 2011, Reliance Capital Asset Management Limited (RCAM)/ RMF shall deduct a Transaction Charge on per purchase / subscription of Rs. 10,000/- and above, as may be received from new investors (an investor who invests for the first time in any mutual fund schemes) and existing investors. The distributors shall have an option to either "Opt-in / Opt-out" from levying transaction charge based on the type of product. Therefore, the "Opt-in / Opt-out" status shall be at distributor level, basis the product selected by the distributor at the Mutual Fund industry level.

Such charges shall be deducted if the investments are being made through the distributor/agent and that distributor / agent has opted to receive the transaction charges as mentioned below:

- **For the new investor a transaction charge of Rs 150/- shall be levied for per purchase / subscription of Rs 10,000 and above; and**
- **For the existing investor a transaction charge of Rs 100/- shall be levied for per purchase / subscription of Rs 10,000 and above.**

The transaction charge shall be deducted from the subscription amount and paid to the distributor/agent, as the case may be and the balance shall be invested. The statement of account shall clearly state that the net investment as gross subscription less transaction charge and give the number of units allotted against the net investment.

In case of investments through Systematic Investment Plan (SIP) the transaction charges shall be deducted only if the total commitment through SIP (i.e. amount per SIP installment x No. of installments) amounts to Rs. 10,000/- and above. In such cases, the transaction charges shall be deducted in 3-4 installments.

**Transaction charges shall not be deducted if:**

- (a) The amount per purchases /subscriptions is less than Rs. 10,000/-;
- (b) The transaction pertains to other than purchases/ subscriptions relating to new inflows such as Switch/STP/ DTP, etc.
- (c) Purchases/Subscriptions made directly with the Fund through any mode (i.e. not through any distributor/agent).
- (d) Subscription made through Exchange Platform irrespective of investment amount.

**7. MINIMUM APPLICATION AMOUNT**

Rs. 5,000 and in multiples of Re.1 thereafter

**Minimum Additional Investment**

Rs. 1,000 and in multiples of Re.1 thereafter

**8. CHOICE OF INVESTMENT PLANS:**

The Scheme offers following Plans/Options:

**a) Growth Plan**

- (i) Growth Option
- (ii) Bonus Option

**b) Dividend Plan**

- (i) Dividend Payout Option
- (ii) Dividend Re-investment Option

**c) Direct Plan - Growth Plan**

- (i) Growth Option
- (ii) Bonus Option

**d) Direct Plan - Dividend Plan**

- (i) Dividend Payout Option
- (ii) Dividend Re-investment Option

Direct Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund (i.e. investments not routed through an AMFI Registration Number (ARN) Holder).

For default Plans/Option, please refer the para titled "Plans / Options offered" covered under Section III- "UNITS AND OFFER".

The AMC, in consultation with the Trustees reserves the right to discontinue/ add more plans/ options at a later date subject to complying with the prevailing SEBI guidelines and Regulations.

#### **9. FLEXIBILITY**

Unit holders will have the flexibility to alter the allocation of their investments among the scheme(s) offered by the Mutual Fund, in order to suit their changing investment needs, by easily switching between the various scheme(s) / plans of the Mutual Fund.

#### **10. REPATRIATION**

Full Repatriation benefits would be available to NRIs, PIOs and FIIs, subject to applicable conditions/regulations notified by Reserve Bank of India from time to time.

#### **11. PHYSICAL / DEMATERIALIZATION**

The Unit holders are given an Option to hold the units by way of an Account Statement (Physical form) or in Dematerialized ('Demat') form.

Mode of holding shall be clearly specified in the KIM cum application form. Unit holders holding the units in physical form will not be able to trade or transfer their units till such units are dematerialized.

Unit holders opting to hold the units in demat form must provide their Demat Account details in the specified section of the application form. The Unit holder intending to hold the units in Demat form are required to have a beneficiary account with the Depository Participant (DP) (registered with NSDL / CDSL as may be indicated by the Fund at the time of launch of the Plan) and will be required to indicate in the application the DP's name, DP ID Number and the beneficiary account number of the applicant with the DP.

In case of subscription is through SIP the units will be allotted based on the applicable NAV as per the SID and will be credited to investors Demat account on weekly basis upon realization of funds. For e.g. Units will be credited to investors Demat account every Monday for realization status received in last week from Monday to Friday. This Option shall be available in accordance with the provision laid down in the respective schemes and in terms of guidelines/ procedural requirements as laid by the Depositories (NSDL/CDSL) / Stock Exchanges (NSE / BSE) from time to time

In case, the Unit holder desires to hold the Units in a Dematerialized /Rematerialized form at a later date, the request for conversion of units held in non-demat form into Demat (electronic) form or vice-versa should be submitted alongwith a Demat/Remat Request Form to their Depository Participants.

Units held in demat form will be transferable (except in case of Equity Linked Savings Schemes)

Demat option will not be available for Daily, Weekly & Fortnightly Dividend plans/ options and for subscription through Micro SIP.

# I – INTRODUCTION

## A. RISK FACTORS

### I. Standard Risk Factors

- a) Mutual Funds and securities investments are subject to market risks such as trading volumes, settlement risk, liquidity risk and default risk including the possible loss of principal and there is no assurance or guarantee that the objectives of the Scheme will be achieved.
- b) As the price / value / interest rates of the securities in which the scheme invests fluctuates, the value of your investment in the scheme may go up or down
- c) Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the scheme.
- d) Reliance Japan Equity Fund is only the name of the Scheme and does not in any manner indicate either the quality of the scheme or its future prospects and returns.
- e) The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond their initial contribution of Rs.1 lakh made by it towards the setting up of the Mutual Fund and such other accretions and additions to the corpus.
- f) The present scheme is not a guaranteed or assured return scheme. The Mutual Fund is not guaranteeing or assuring any dividend/bonus. The Mutual Fund is also not assuring that it will make periodical dividend/bonus distributions, though it has every intention of doing so. All dividend/bonus distributions are subject to the availability of distributable surplus of the Scheme.

### II. Scheme Specific Risk Factors

#### 1. Currency movements:

Since these investments will be made and held in a different currency (the JPY), their value will be dependent on currency movements of the JPY vis-à-vis the INR, which in turn may be determined or influenced by a host of factors like the relative strength of the INR vis-à-vis other currencies, the relative strength of the JPY vis-à-vis other currencies, relative current and future interest rates, domestic economic and political developments and government actions both in Japan and in India, and trade and invest flows between Japan and India, among other things. These currency movements may reduce or even wipe out gains made on the market in Japan as investments would be denominated in JPY whereas Net Asset Values would be denominated in INR and purchases and redemptions of units would also take place in INR. Generally, a strengthening of the INR vis-à-vis the JPY (i.e. less INR per JPY) would lead to reduction in NAV in INR terms, other things remaining the same.

To manage risks associated with the portfolio, foreign currency and interest rate exposure, the Fund may use / invest in derivatives for efficient portfolio management including hedging and in accordance with the conditions as may be stipulated by SEBI / RBI. The Fund also hereby avers that offshore investments shall be made subject to any / all approvals, as well as the conditions thereof as may be stipulated by SEBI / RBI and provided such investments do not result in expenses to the fund in excess of the ceiling, if any, on the expenses prescribed by SEBI. However, no assurance can be given that the hedging objectives will be achieved. The hedging strategy may also substantially limit Unit holders from benefiting if the currencies move in the opposite direction. Additionally, Unit holders may be exposed to fluctuations in the NAV caused by fluctuations in the mark-to-market value of derivative instruments, in the rare event where such instruments do not move in tandem to underlying JPY-INR rates (known as 'basis' risk).

#### Appointment of advisors:

The Fund may, where necessary, appoint advisor(s) for providing advisory services for such Scheme's investments. The appointment of such advisor(s) shall be in accordance with the applicable requirements of SEBI. The fees and expenses would illustratively include, besides the investment management fees, custody fees and costs, transaction costs and overseas regulatory costs, the fees of appointed advisor(s). The fees related to these services would be borne by the AMC and would not be charged to the Scheme.

#### 2. Risks related to Taxation

Since these investments will be made in the Japan, they will be subject to taxation laws of the Japan and changes therein. Hence, the taxation rules that apply at the time of making the investment may change when investments are exited and the scheme may be subject to a higher level of taxes than originally anticipated. The continuance of assessments may also impact the AMC's ability to repatriate funds relating to the scheme from Japan to India.

#### 3. Liquidity Risk

Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments made by the Scheme. Securities, which are not quoted on the stock exchanges, are inherently illiquid in nature and carry a larger amount of liquidity risk. Within the Regulatory limits, the AMC may choose to invest in unlisted securities that offer attractive yields. This may however increase the risk of the portfolio. However, the Scheme will endeavour to maintain a proper asset-liability match to ensure redemption payments are made on time and not affected by illiquidity of the underlying investments.

The liquidity of the Scheme and its ability to meet redemptions would also be adversely affected if the date of redemption is a working day in India and a holiday in Japan (i.e. markets are closed in Japan)

The repatriation of capital / income to India may also be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of other restrictions on investment. The Scheme will be assessed to applicable taxes on incomes / gains from such investments, which may also restrict its ability to repatriate funds to India.

#### 4. Market risks

Investors may note that AMC/Fund Manager's investment decisions may not be always profitable.

Although the AMC intends to generate capital appreciation and maximize the returns by actively investing in appropriate securities, given the nature of the Scheme, the investments in this scheme would be exposed to regulatory, economic and political changes in

Japan, which may be more difficult to predict and react to remotely by a fund manager in India (given differences in time zone and relative media coverage) than by a fund manager present in the country of investment (the Japan in this case).

The Scheme and its investors could also face settlement and liquidity risks that are unique to the Japan markets, given local laws and market practices.

## 5. Risks associated with investing in Equities

The Scheme being an equity scheme will be affected by the risks associated with the equity market.

Equity and Equity related instruments on account of its volatile nature are subject to price fluctuations on daily basis. The volatility in the value of the equity and equity related instruments is due to various micro and macro economic factors affecting the securities markets. This may have adverse impact on individual securities /sector and consequently on the NAV of Scheme.

The inability of the Scheme to make intended securities purchases due to settlement problems, could cause the Scheme to miss certain investment opportunities as in certain cases, settlement periods may be extended significantly by unforeseen circumstances. Similarly, the inability to sell securities held in the schemes portfolio may result, at times, in potential losses to the scheme, should there be a subsequent decline in the value of the securities held in the schemes portfolio.

Trading volumes, settlement periods and transfer procedures may restrict the liquidity of the investments. This may impact the ability of the unit holders to redeem their units. In view of this, the Trustee has the right, in its sole discretion to limit redemptions (including suspending redemptions) under certain circumstances.

The AMC may invest in unlisted securities that offer attractive yields within the regulatory limit. This may however increase the risk of the portfolio as these unlisted securities are inherently illiquid in nature and carry larger liquidity risk as compared to the listed securities or those that offer other exit options to the investors.

Investments in equity and equity related securities involve high degree of risks and investors should not invest in the Scheme unless they can afford to take the risk of losing their investment.

## 6. Risks associated with Fixed Income Securities (Bond investments)

### Indian Fixed Income Securities (Bond investments)

Investment in Debt is subject to price, credit, and interest rate risk.

The NAV of the Scheme may be affected, inter alia, by changes in the market conditions, interest rates, trading volumes, settlement periods and transfer procedures.

Corporate debt securities are subject to the risk of an issuer's inability to meet interest and principal payments on its debt obligations (credit risk). Debt securities may also be subject to price volatility due to factors such as changes in interest rates, general level of market liquidity and market perception of the creditworthiness of the issuer, among others (market risk). The Investment Manager will endeavor to manage credit risk through in-house credit analysis. The Scheme may also use various hedging products from time to time, as are available and permitted by SEBI, to attempt to reduce the impact of undue market volatility on the Scheme's portfolio.

The NAV of the Scheme's Units, to the extent that the Scheme is invested in fixed income securities, will be affected by changes in the general level of interest rates. When interest rates decline, the value of a portfolio of fixed income securities can be expected to rise. Conversely, when interest rates rise, the value of a portfolio of fixed income securities can be expected to decline.

Investing in Bonds and Fixed Income securities are subject to the risk of an Issuer's inability to meet principal and interest payments obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk).

The timing of transactions in debt obligations, which will often depend on the timing of the Purchases and Redemptions in the Scheme, may result in capital appreciation or depreciation because the value of debt obligations generally varies inversely with the prevailing interest rates.

**Interest Rate Risk:** As with all debt securities, changes in interest rates will affect the Scheme's Net Asset Value as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of longer-term securities generally fluctuate more in response to interest rate changes than do shorter-term securities. Interest rate movements in the Indian debt markets can be volatile leading to the possibility of large price movements up or down in debt and money market securities and thereby to possibly large movements in the NAV.

**Liquidity or Marketability Risk:** This refers to the ease at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is characteristic of the Indian fixed income market.

**Credit Risk:** Credit risk or default risk refers to the risk which may arise due to default on the part of the issuer of the fixed income security (i.e. will be unable to make timely principal and interest payments on the security). Because of this risk debentures are sold at a yield spread above those offered on Treasury securities, which are sovereign obligations and generally considered to be free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the actual changes in the perceived level of credit risk as well as the actual event of default.

**Reinvestment Risk:** This risk refers to the interest rate levels at which cash flows received from the securities in the Scheme or from maturities in the Scheme are reinvested. The additional income from reinvestment is the "interest on interest" component. The risk refers to the fall in the rate for reinvestment of interim cashflows.

## Risks associated with various types of securities

|           | CREDIT RISK                              | LIQUIDITY RISK  | PRICE RISK                        |
|-----------|--|-----------------|-----------------------------------|
| Listed    | Depends on credit quality                | Relatively Low  | Depends on duration of instrument |
| Unlisted  | Depends on credit quality                | Relatively High | Depends on duration of instrument |
| Secured   | Relatively low                           | Relatively Low  | Depends on duration of instrument |
| Unsecured | Relatively high                          | Relatively High | Depends on duration of instrument |
| Rated     | Relatively low and depends on the rating | Relatively Low  | Depends on duration of instrument |
| Unrated   | Relatively high                          | Relatively High | Depends on duration of instrument |

Different types of securities in which the scheme would invest as given in the Scheme Information Document carry different levels and types of risk. Accordingly, the scheme's risk may increase or decrease depending upon its investment pattern e.g. corporate bonds, carry a higher level of risk than Government securities. Further even among corporate bonds, bonds which are AAA rated are comparatively less risky than bonds which are AA rated.

### 7. Risks associated with investment in ADR/GDR

Investments in ADRs/GDRs/overseas securities offer new investment and portfolio diversification opportunities into multi-market and multi-currency products. However, such investments also entail additional risks. They may not reflect the market / intrinsic value of their underlying shares and may become illiquid because of restrictions on conversion to the underlying shares (fungibility).

### 8. Risk associated with investing in Derivatives

#### Valuation Risk

The risk in valuing the Debt & Equity derivative products due to inadequate trading data with good volumes. Derivatives with longer duration would have higher risk viz a viz the shorter duration derivatives.

#### Mark to Market Risk

The day-to-day potential for an investor to experience losses from fluctuations in underlying stock prices and derivatives prices.

#### Systematic Risk

The risk inherent in the capital market due to macro economic factors like Inflation, GDP, Global events.

#### Liquidity Risk

The risk stemming from the lack of availability of derivatives products across different maturities and with different risk appetite.

#### Implied Volatility

The estimated volatility of an underlying security's price and derivatives price.

#### Interest Rate Risk

The risk stemming from the movement of Interest rates in adverse direction. As with all the debt securities, changes in the interest rates will affect the valuation of the portfolios.

#### Counterparty Risk (Default Risk)

Default risk is the risk that losses will be incurred due to the default by the counterparty for over the counter derivatives.

#### System Risk

The risk arising due to failure of operational processes followed by the exchanges and OTC participants for the derivatives trading.

#### Risk attached with the use of derivatives

Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.

The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments. RCAM may use various derivative products, from time to time, for purposes of hedging and portfolio rebalancing in an attempt to protect the value of the portfolio and enhance Unit holder's interest of the Scheme. As and when the schemes trade in the derivatives market there are risk factors and issues concerning the use of derivatives that investors should understand derivative products are specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is the possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counter party") to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices. Thus, derivatives are highly leveraged instruments. Even a small price movement in the underlying security could have a large impact on their value. Also, the market for derivative instruments is nascent in India.



### **Regulatory Restriction:**

In terms of prevailing SEBI guidelines on overseas investment, each mutual fund is currently permitted to invest in foreign securities up to US\$300 million irrespective of the size of the assets. The ceiling for investment in overseas ETFs that invest in securities is US\$ 50 million per mutual fund. The investments shall be made in line with the said limits or any modified limits as specified by SEBI from time to time. If these limits are exhausted, then further subscriptions will not be accepted into this Scheme.

As of July 2014, RMF's limit to invest in foreign securities is US\$600 mn and the ceiling for investments in overseas ETF is US\$ 100 mn.

### **9. Other Scheme Specific Risk factors**

- (i) The liquidity of the Scheme's investments may be inherently restricted by trading volumes, settlement periods and transfer procedures. In the event of an inordinately large number of redemption requests, or of a re-structuring of the Scheme's investment portfolio, these periods may become significant. Please read the Sections of this Scheme Information Document entitled "**Special Considerations**" and "**Right to Limit Redemptions**" thereunder.
- (ii) Although, the objective of the Fund is to generate optimal returns, the objective may or may not be achieved. The investors may note that if the AMC/Investment Manager is not able to make right decision regarding the timing of increasing exposure in debt securities in times of falling equity market, it may result in negative returns. Given the nature of scheme, the portfolio turnover ratio may be on the higher side and the AMC may change the full portfolio commensurate with the investment decisions and Asset Allocation of the Scheme. At times, such churning of portfolio may lead to losses due to subsequent negative or unfavorable market movements.
- (iii) The tax benefits described in this Scheme Information Document are as available under the present taxation laws and are available subject to relevant conditions. The information given is included only for general purpose and is based on advise received by the AMC regarding the law and practice currently in force in India and the Unit holders should be aware that the relevant fiscal rules or their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of an investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Unit holder is advised to consult his / her own professional tax advisor.

### **B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME**

The Scheme/Plan shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme/ Plan(s). However, if such limit is breached during the NFO of the Scheme, the Fund will endeavor to ensure that within a period of three months or the end of the succeeding calendar quarter from the close of the NFO of the Scheme, whichever is earlier, the Scheme complies with these two conditions. In case the Scheme / Plan(s) does not have a minimum of 20 investors in the stipulated period, the provisions of Regulation 39(2)(c) of the SEBI (MF) Regulations would become applicable automatically without any reference from SEBI and accordingly the Scheme / Plan(s) shall be wound up and the units would be redeemed at applicable NAV. The two conditions mentioned above shall also be complied within each subsequent calendar quarter thereafter, on an average basis, as specified by SEBI. If there is a breach of the 25% limit by any investor over the quarter, a rebalancing period of one month would be allowed and thereafter the investor who is in breach of the rule shall be given 15 days notice to redeem his exposure over the 25 % limit. Failure on the part of the said investor to redeem his exposure over the 25 % limit within the aforesaid 15 days would lead to automatic redemption by the Mutual Fund on the applicable Net Asset Value on the 15th day of the notice period. The Fund shall adhere to the requirements prescribed by SEBI from time to time in this regard.

### **C. SPECIAL CONSIDERATIONS, IF ANY**

#### **1. Income Distribution**

The Mutual Fund is not assuring or guaranteeing that it will be able to make regular periodical distributions/distribute bonus units to its Unit holders though it has every intention to manage the portfolio so as to make periodical income/bonus distributions to Unit holders. Periodical distributions will be dependent on the returns achieved by the Asset Management Company through the active management of the portfolio. Periodical distributions may therefore vary from period to period, based on investment results of the portfolio.

#### **2. Right to limit Purchase of units and/or Right to limit Redemption of units**

The Trustee may, in the general interest of the Unitholders of the scheme under this Scheme Information Document and keeping in view the unforeseen circumstances/unusual market conditions, limit the total number of Units which may be redeemed on any Working Day to 5% of the total number of Units then issued and outstanding under any Scheme/Plan or such other percentage as the Trustee may determine.

The Trustee may, at its sole discretion in response to unforeseen circumstances or unusual market conditions including, but not limited to, extreme volatility of the stock, fixed income and money markets, extended suspension of trading on the stock exchanges, natural calamities, communication breakdowns, internal system breakdowns, strikes, bandhs, riots or other situations where the Trustee in consultation with RCAM, considers that such suspension is necessary, limit the total number of Units which may be redeemed on any working day to 5% of the total number of Units then in issue or such higher percentage as the Trustee may determine in any particular case

Any Units, which by virtue of these limitations are not redeemed on a particular Working Day, will be carried forward for redemption to the next Working Day, in the order of receipt. Redemptions so carried forward will be priced on the basis of the Redemption Price of the Working Day on which redemption is made. Under such circumstances, to the extent multiple redemption requests are received at the same time on a single Working Day, redemption's will be made on pro-rata basis, based on the size of each redemption request, the balance amount being carried forward for redemption to the next Working Day(s)

#### **3. Suspension of Purchase and Redemption of Units**

The purchase and/or redemption of Units may be suspended with prior approval of Trustees and Asset Management Company giving the details of circumstances and justification for the proposed action shall also be informed to SEBI in advance, temporarily or indefinitely when any of the following conditions exist at one/more Designated Investor Service Center's:

- a) The stock market stops functioning or trading is restricted;
- b) Periods of extreme volatility in the stock market, fixed income or money market, which, in the opinion of the Investment Manager, are prejudicial or detrimental to the interest of the investors;

- c) Natural calamity; or
- d) For any bulk processing like dividend, etc.
- e) If banks do not carry-out any of the normal Banking activities at one or more Designated Investor Service Centers
- f) In the event of breakdown in the means of communication used for the valuation of investments of the Scheme, without which the value of the securities cannot be accurately calculated.
- g) In the event of any force majeure or disaster that affects the normal functioning of the AMC or the designated investor service centers.
- h) SEBI, by order, so directs.
- i) RMF also reserves the right at its sole discretion to withdraw sale of Units in the Scheme temporarily or indefinitely, if the AMC views that increasing the Scheme's size further may prove detrimental to the existing unit holders of the Scheme. An order/ request to purchase Units is not binding on and may be rejected by the Trustee, the AMC or their respective agents, unless it has been confirmed in writing by the AMC or its agents and (or) payment has been received.

#### D. DEFINITIONS AND ABBREVIATIONS

In this Scheme Information Document, the following words and expressions shall have the meaning specified below, unless the context otherwise requires:

|  |  |
|--|--|
| <b>Applicable NAV</b>  | : Applicable NAV is the Net Asset Value per Unit at the close of the Business Day on which the application for purchase or redemption/switch is received at the designated investor service centre and is considered accepted on that day. An application is considered accepted on that day, subject to it being complete in all respects and received prior to the cut-off time on that Business Day.  |
| <b>Asset Management Company/ AMC/ Investment Manager/RCAM</b>                                    | : Reliance Capital Asset Management Limited, the Asset Management Company incorporated under the Companies Act,1956, and authorized by SEBI to act as the Investment Manager to the Schemes of Reliance Mutual Fund (RMF)  |
| <b>Business Day / Working Day</b>  | : A business day means any day other than (1) Saturday (2) Sunday or (3) a day on which The Stock Exchange, Mumbai or National Stock Exchange Limited or Stock Exchanges in Japan or Reserve Bank of India or Banks in Mumbai are closed or (4) a day on which there is no RBI clearing/settlement of securities or (5) a day on which the sale and/or redemption and /or switches of Units is suspended by the Trustees /AMC or (6) a day on which normal business could not be transacted due to storms, floods, bandhs, strikes or any other events as the AMC may specify from time to time.<br>The AMC reserves the right to declare any day as a Business Day / Working Day or otherwise at any or all DISC from time to time. |
| <b>Bonus Unit</b>  | : Bonus Unit means and includes, where the context so requires, a unit issued as fully paid-up bonus unit by capitalizing a part of the amount standing to the credit of the account of the reserves formed or otherwise in respect of this scheme.  |
| <b>Closing NAV</b>   | The Closing NAV of the business day shall be calculated and disclosed at the close of every Business Day   |
| <b>Continuous Offer</b>  | : Offer of the Units when the scheme becomes open ended after the closure of the New Fund Offer.   |
| <b>Custodian</b>   | : Deutsche Bank, NV Mumbai, acting as Custodian to the Scheme, or any other custodian who is appointed by the Trustee.   |
| <b>Designated Investor Service Centres (DISC / Official point of acceptance for transaction)</b> | : Any location as may be defined by the Asset Management Company from time to time, where investors can tender the request for subscription, redemption or switching of units, etc.  |
| <b>Entry Load</b>  | : Load on subscriptions / switch in.   |
| <b>Equity related instruments</b>  | : Such instruments like Convertible bonds and debentures and warrants carrying the right to obtain equity shares and derivative instruments.   |
| <b>Exit Load</b>   | : Load on redemptions / switch out.  |
| <b>FII</b>   | : Foreign Institutional Investors, registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.  |
| <b>Investment Management Agreement (IMA)</b>   | : The Agreement entered into between Reliance Capital Trustee Co. Limited and Reliance Capital Asset Management Limited by which RCAM has been appointed the Investment Manager for managing the funds raised by RMF under the various Schemes and all amendments thereof.   |
| <b>Load</b>  | : A charge that may be levied as a percentage of NAV at the time of entry into the scheme/plans or at the time of exiting from the scheme/ plans.  |
| <b>Local Cheque</b>  | : A Cheque handled locally and drawn on any bank, which is a member of the banker's clearing house located at the place where the application form is submitted.   |

|                                     |  |
|-------------------------------------|--|
| <b>Mutual Fund Regulations</b>      | : Securities and Exchange Board of India (Mutual Funds) Regulations as amended from time to time and such other regulations as may be in force from time to time to regulate the activities of Mutual Funds.   |
| <b>Net Asset Value/NAV</b>          | : Net Asset Value / NAV of the Units in each plan of the Scheme is calculated in the manner provided in this Scheme Information Document or as may be prescribed by Regulations from time to time. The NAV will be computed upto four decimal places.  |
| <b>NRI</b>                          | : Non-Resident Indian.   |
| <b>PIO</b>                          | : Person of Indian Origin.   |
| <b>Plans/Options</b>                | : The Scheme offers following Plans/Options:<br>a) Growth Plan<br>(i) Growth Option<br>(ii) Bonus Option<br>b) Dividend Plan<br>(i) Dividend Payout Option<br>(ii) Dividend Re-investment Option<br>c) Direct Plan - Growth Plan<br>(i) Growth Option<br>(ii) Bonus Option<br>d) Direct Plan - Dividend Plan<br>(i) Dividend Payout Option<br>(ii) Dividend Re-investment Option<br>Direct Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund (i.e. investments not routed through an AMFI Registration Number (ARN) Holder). |
| <b>Purchase Price</b>               | : Purchase Price to the investor of Units of any of the plans computed in the manner indicated in this Scheme Information Document.  |
| <b>RBI / Reserve Bank of India</b>  | : Reserve Bank of India, established under the Reserve Bank of India Act, 1934..   |
| <b>RCL/Sponsor/Settlor</b>          | : Reliance Capital Limited   |
| <b>RCTC/Trustee/Trustee Company</b> | : Reliance Capital Trustee Co. Limited, a Company incorporated under the Companies Act, 1956, and authorized by SEBI and by the Trust Deed to act as the Trustee of Reliance Mutual Fund.  |
| <b>Redemption Price</b>             | : Redemption Price to the investor of Units of any of the plans computed in the manner indicated in this Scheme Information Document.  |
| <b>Registrar /Karvy</b>             | : Karvy Computershare Pvt. Ltd., who have been appointed as the Registrar or any other Registrar who is appointed by RCAM.   |
| <b>RMF/Mutual Fund/the Fund</b>     | : Reliance Mutual Fund (formerly known as Reliance Capital Mutual Fund), a Trust under Indian Trust Act, 1882 and registered with SEBI vide registration number MF/O22/95/1 dated June 30, 1995.   |
| <b>SAI</b>                          | : Statement of Additional Information, the document issued by Reliance Mutual Fund containing details of Reliance Mutual Fund, its constitution, and certain tax, legal and general information. SAI is legally a part of the Scheme Information Document.   |
| <b>Scheme</b>                       | : Reliance Japan Equity Fund, An Open Ended Diversified Equity Scheme  |
| <b>SEBI</b>                         | : The Securities and Exchange Board of India.  |
| <b>SID</b>                          | : Scheme Information Document issued by Reliance Mutual Fund, offering units of Reliance Japan Equity Fund for Subscription.   |
| <b>Trust Deed</b>                   | : The Trust Deed entered into on April 24, 1995 between the Sponsor and the Trustee, and all amendments thereof.   |
| <b>Trust Fund</b>                   | : The corpus of the Trust, unit capital and all property belonging to and/or vested in the Trustee.  |
| <b>Unit</b>                         | : The interest of the investors in any of the plans, of the scheme which consists of each Unit representing one undivided share in the assets of the corresponding plan of the scheme.   |
| <b>Unitholder</b>                   | : A person who holds Unit(s) under the scheme.   |
| <b>Unitholders of Record</b>        | : Unitholders whose names appear on the unitholders register of the concerned plan/(s) on the date of determination of Dividend/Bonus, subject to realisation of the cheque.   |

**Words and Expressions used in this Scheme Information Document and not defined shall have the same meaning as in the Regulations.**

#### **E. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY**

**It is confirmed that:**

1. The Scheme Information Document of Reliance Japan Equity Fund, forwarded to SEBI, is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.
2. All legal requirements connected with the launching of the Scheme as also the guidelines, instructions etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.
3. The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the proposed Scheme.
4. The intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registrations are valid, as on date, to the best of our knowledge and belief.

**Place : Mumbai**

**Date : October 22, 2013**

**Sd/-**

**Name: Muneesh Sud**

**Designation: Chief Legal and Compliance Officer**

**Note :** The Due Diligence Certificate as stated above was submitted to the Securities and Exchange Board of India on October 24, 2013

## II. INFORMATION ABOUT THE SCHEME – Reliance Japan Equity Fund

### A. TYPE OF THE SCHEME

An Open Ended Diversified Equity Scheme

### B. WHAT IS THE INVESTMENT OBJECTIVE OF THE SCHEME?

The primary investment objective of Reliance Japan Equity Fund is to provide long term capital appreciation to investors by primarily investing in equity and equity related securities of companies listed on the recognized stock exchanges of Japan and the secondary objective is to generate consistent returns by investing in debt and money market securities of India. However, there can be no assurance or guarantee that the investment objective of the scheme will be achieved.

### C. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

Under normal circumstances, the anticipated asset allocation would be:

| Instruments  | Indicative asset allocation (% of total assets) |         | Risk Profile   |
|--|---|---------|----------------|
|  | Maximum   | Minimum |                |
| Equity and Equity related Instruments listed on the recognized stock exchanges of Japan*                                     | 100%  | 80%     | High to Medium |
| Fixed income securities, including money market instruments, cash and equivalent, Treasury bills and fixed deposits of India | 20%   | 0%      | Medium to Low  |

\*Includes ADRs/GDRs issued by Indian companies or foreign companies, equity of overseas companies listed on recognized stock exchanges of Japan, units/securities issued by overseas mutual funds or unit trusts which are registered with Japan regulators and overseas exchange traded funds (ETFs) which invest in the securities as permitted by SEBI/RBI from time to time. The fund will also invest in initial and follow on public offerings to be listed at recognized stock exchanges of Japan.

Gross investments in securities under the Scheme which includes equities, equity related instruments/securities, debt securities, money market instruments and derivatives will not exceed 100% of the net assets of the Scheme or such other limits as may be prescribed by SEBI from time to time. The sum total of derivative contracts outstanding shall not exceed 50% of the net asset of the scheme.

The Scheme may take derivatives position based on the opportunities available subject to the guidelines issued by SEBI from time to time and in line with the overall investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under the SEBI Regulations.

The scheme shall not engage in short selling and securities lending.

The AMC reserves the right to change the above asset allocation pattern in the interest of the investors depending on the market conditions for a short term period of defensive consideration. In case any deviation from the asset allocation, the AMC shall rebalance within a period of 30 days. Where the portfolio is not rebalanced within 30 Days, justification for the same shall be placed before the Investment Review Committee and reasons for the same shall be recorded in writing and shall also be reported to the Board of Reliance Capital Trustee Co. Limited. The Investment Review committee shall then decide on the course of action. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

### D. HOW THE SCHEME IS DIFFERENT FROM THE EXISTING OPEN ENDED SCHEMES OF THE MUTUAL FUND

#### Reliance Growth Fund

**Asset Allocation Pattern:** Equity & Equity Related Instruments – 65% -100%, Debt Instruments & Money Market Instruments – 0% – 35%, **Primary Investment Pattern:** The primary investment objective of the Scheme is to achieve long term growth of capital by investing in equity and equity related securities through a research based investment approach. However, there can be no assurance that the investment objective of the Scheme will be realized, as actual market movements may be at variance with anticipated trends. **Investment Strategy:** The portfolio shall be structured so as to keep risk at acceptable levels. This shall be done through various measures including: 1. Broad diversification of portfolio 2. Ongoing review of relevant market, industry, sector and economic parameters 3. Investing in companies which have been researched 4. Investments in debentures and bonds (where the tenure exceeds 18 months) will usually be in instruments which have been assigned investment grade ratings by any approved rating agency, **Differentiation:** The core philosophy of the fund is to focus on high quality mid cap stocks while having a small exposure to large cap stocks., **Quarterly AAUM (Rs. Crore) as on June 30, 2014:** 4,483.57, **No. of Folios as on June 30, 2014:** 564929

#### Reliance Vision Fund (Reliance Natural Resources Fund has been merged into Reliance Vision Fund)

**Asset Allocation Pattern:** Equity & Equity Related Instruments – 65%-100%, Debt Money Market Instrument 0%-35%, **Primary Investment Pattern:** The primary investment objective of the scheme is to achieve long-term growth of capital by investment in equity and equity related securities through a research based investment approach, **Investment Strategy:** The portfolio shall be structured so as to keep risk at acceptable levels. This shall be done through various measures including: 1. Broad diversification of portfolio 2. Ongoing review of relevant market, industry, sector and economic parameters 3. Investing in companies which have been researched 4. Investments in debentures and bonds (where the tenure exceeds 18 months) will usually be in instruments which have been assigned investment grade ratings by any approved rating agency, **Differentiation:** The fund aims to achieve long term capital appreciation through investment in high quality large size capitalization stocks with a small exposure in mid size capitalization stocks., **Quarterly AAUM (Rs. Crore) as on June 30, 2014:** 2,706.02, **No. of Folios as on June 30, 2014:** 696591

**Reliance Top 200 Fund (Formerly as Reliance Equity Advantage Fund)**

**Asset Allocation Pattern:** Equity & Equity Related Instruments-65-100%, Debt Instruments & Money Market Instruments (including investments in Securitised Debt) 0- 35% (including up to 25% of the corpus in securitised Debt) **Primary Investment Pattern:** The primary investment objective of the scheme is to seek to generate long term capital appreciation by investing in equity and equity related instruments of companies whose market capitalization is within the range of highest & lowest market capitalization of S&P BSE 200 Index. The secondary objective is to generate consistent returns by investing in debt and money market securities. **Investment Strategy:** The Scheme will invest in equity or equity related instruments of companies whose market capitalization is within the range of highest & lowest market capitalization of S&P BSE 200 Index. The Scheme may also invest in large IPO's where the market capitalization of the Company making the IPO based on the Issue price will be within the range of highest & lowest market capitalization of S&P BSE 200 Index. The fund will have the flexibility to invest in a broad range of companies with an objective to maximize the returns, at the same time trying to minimize the risk by reasonable diversification. However there can be no assurance that the investment objective of the scheme will be realized, as actual market movements may be at variance with anticipated trends. The selection of the companies will be done so as to capture the growth in the Indian economy. The fund will be focusing on companies having good liquidity in the stock market. Investment in overseas securities shall be made in accordance with the requirements stipulated by SEBI and RBI from time to time. Gross investments in securities under the Scheme which includes equities, equity related instruments/securities, debt securities, money market instruments and derivatives will not exceed 100% of the net assets of the Scheme., **Differentiation:** The Scheme will invest in equity or equity related instruments of companies whose market capitalization is within the range of highest & lowest market capitalization of S&P BSE 200 Index., **Quarterly AAUM (Rs. Crore) as on June 30, 2014:** 818.38, **No. of Folios as on June 30, 2014:** 180897

**Reliance Equity Opportunities Fund**

**Asset Allocation Pattern:** Equity & Equity Related Instruments-75-100%, Debt Instruments & Money Market Securities (including investments in Securitised Debt) 0- 25%. (25% of the Corpus in Securitised Debt), **Primary Investment Pattern:** The primary investment objective of the scheme is to seek to generate capital appreciation & provide long-term growth opportunities by investing in a portfolio constituted of equity securities & equity related securities and the secondary objective is to generate consistent returns by investing in debt and money market securities., **Investment Strategy:** The Fund will endeavor to continuously analyze the performance of economy and industry, which would be reflected in the investment pattern of the fund. The Fund would seek both value & growth, which are likely to commence from the ongoing structural changes in the government policies, infrastructure spending and continuous global economic reforms which tries to integrate different economies across the globe. The primary approach to stock selection will be through the Top down approach i.e Sector -- Industry-- Company., **Differentiation:** The fund has the mandate to invest across companies (belonging to different sectors) with different market caps; be it large, mid or small. The fund manager would have the flexibility to be overweight in a particular sector or market caps depending on the potential & opportunities as they arise. The investment horizon of the fund is minimum 2 yrs., **Quarterly AAUM (Rs. Crore) as on June 30, 2014:** 6,162.18, **No. of Folios as on June 30, 2014:** 527480

**Reliance Quant Plus Fund**

**Asset Allocation Pattern:** Equity & Equity Related Instruments-90%-100% & Debt & Money Market Instruments - 0%-10%, **Primary Investment Pattern:** The investment objective of the scheme is to generate capital appreciation through investment in equity and equity related instruments. The scheme will seek to generate capital appreciation by investing in an active portfolio of stocks selected from CNX Nifty on the basis of a mathematical model. **Investment Strategy:** The Fund will focus on large cap/liquid stocks and use stocks designated by NSE as members of CNX Nifty Index. The fund will have a significant concentration of stocks in the portfolio while making active selective decision in stocks/sectors of CNX Nifty. Quantitative methods will be used for (i) screening mechanism to choose best picks and make the stock selection universe smaller, (ii) Deciding on the portfolio weightage for better return as the investment will focus on company's size and liquidity., The quantitative model which will be used for stock selection will be based on two broad parameters viz., Stock Price movement & Financial/ valuation aspects. The model will shortlist between 15-20 stocks (out of the resulting list) and the investments will be made in them on weightages defined by the fund manager. **Differentiation:** An investment fund which focuses on stocks from constituents of CNX Nifty. The stock selection process is based on quantitative analysis, and the proprietary system-based model will shortlist between 15-20 stocks from screening mechanism at pre-determined intervals i.e. on weekly basis based on quantitative techniques., **Quarterly AAUM (Rs. Crore) as on June 30, 2014:** 39.35, **No. of Folios as on June 30, 2014:** 5855

**Reliance Focused Large Cap Fund (Formerly Reliance Equity Fund)**

**Asset Allocation Pattern:** Equity and Equity related Instruments 80-100% and Debt Instruments and Money Market Instrument 0- 20% The portfolio will consist up to 25 companies which will be among the top 100 companies by market capitalization and/or leaders in their respective segments. The scheme will not invest in securitized debt. **Primary Investment Pattern:** The primary investment objective of the scheme is to generate longterm capital growth by predominantly investing in an active and concentrated portfolio of equity & equity related instruments up to 25 companies belonging to the top 100 companies by market capitalization and/or leaders in their respective segments. The secondary objective of the scheme is to generate consistent returns by investing in debt & money market securities. **Investment Strategy:** The Broad Investment strategy of the fund will be to create a portfolio that will consist up to 25 companies which will be among the top 100 companies by market capitalization and/or leaders in their respective segments. Companies having large market capitalization (are referred as Large Cap Companies) offer excellent investment opportunities. Such companies which tend to be leaders in their respective fields with having strong financials, vast experience and robust management. **Differentiation:** The fund will consist up to 25 companies which will be among the top 100 companies by market capitalization and/ or leaders in their respective segments. The Scheme may also invest in large IPO's where the market capitalization of the Company making the IPO based on the Issue price will be within the range of top 100 companies by market capitalization. **Quarterly AAUM (Rs. Crore) as on June 30, 2014:** 1036.73, **No. of Folios as on June 30, 2014:** 245410 Note : The fundamental attributes of Reliance Equity Fund will change on a prospective basis w.e.f 22nd January 2014. Please refer notice cum addendum no 92 for further details.

**Reliance Tax Saver (ELSS) Fund**

**Asset Allocation Pattern:** Equity and Equity related securities 80%-100% and Debt and Money Market Instrument 0% - 20%, **Primary Investment Pattern:** The primary objective of the scheme is to generate long-term capital appreciation from a portfolio that is invested predominantly in equity and equity related instruments, **Investment Strategy:** The investments in the Scheme shall be in accordance with SEBI (Mutual Funds) Regulations, 1996 and Equity Linked Saving Scheme, 2005 notified by Ministry of Finance (Department of Economic Affairs) vide Notifications dated November 3, 2005 and December 13, 2005. The fund managers will follow an active investment strategy taking defensive / aggressive postures depending on opportunities available at various points of time., **Differentiation:** The fund is an open ended equity linked savings scheme which gives dual advantage of tax savings & growth potential. It is a large cap orientation fund which aim to have minimum 50% exposure to top 100 companies by market capitalization., **Quarterly AAUM (Rs. Crore) as on June 30, 2014:** 2,439.23, **No. of Folios as on June 30, 2014:** 491467

### Reliance Banking Fund

**Asset Allocation Pattern:** Equity & Equity Related Instruments-80%-100% (Companies defined in the Banking Regulation Act, 1949 & Reserve Bank of India Act, 1934 as amended from time to time 80%-100% & Financial services companies which provide non banking financial services like housing finance, stock broking, wealth management, insurance companies and holding companies of insurance companies.\*0%-20%) Debt Instruments & Money Market Instruments: 20%-0% In the total equity allocation, the fund will invest minimum 80% in companies defined in Banking Regulation Act, 1949 & Reserve Bank of India Act, 1934 as amended from time to time. In addition, maximum 20% of the equity allocation can be invested in financial services companies which provide non banking financial services like housing finance, stock broking, wealth management, insurance companies and holding companies of insurance companies. The fund will not invest in securitized debt. \* The companies which will be included in financial service sector will be those companies which will provide non banking financial services like housing finance, stock broking, wealth management, insurance and other related financial services. **Primary Investment Pattern:** The primary investment objective of the Scheme is to seek to generate continuous returns by actively investing in equity and equity related securities of companies in the Banking Sector and companies engaged in allied activities related to Banking Sector. The AMC will have the discretion to completely or partially invest in any of the type of securities stated above with a view to maximize the returns or on defensive considerations. However, there can be no assurance that the investment objective of the Scheme will be realized, as actual market movements may be at variance with anticipated trends **Investment Strategy:** To achieve its primary objective, the fund could invest in equity securities of companies in Banking Sector and companies engaged in allied activities related to Banking Sector. **Differentiation:** The fund aims to generate consistent returns by investing in equity / equity related securities of Banking and companies engaged in allied activities related to Banking Sector. The fund follows an active strategy of management with endeavor to generate alpha and outperform the Banking Index. **Quarterly AAUM (Rs. Crore) as on June 30, 2014:** 1,656.22, **No. of Folios as on June 30, 2014:** 148197

### Reliance Pharma Fund

**Asset Allocation Pattern:** Equity & Equity Related Instruments-0-100% & Debt Instruments & Money Market Instruments with Average Maturity of 5-10 years-0-100% (including upto 100% of the corpus in securitised Debt), **Primary Investment Pattern:** The primary investment objective of the scheme is to seek to generate consistent returns by investing in equity and equity related or fixed income securities of Pharma and other associated companies., **Investment Strategy:** The fund under normal circumstances shall invest at least 65% of the value of its total net assets either debt or equity securities in the Pharma Sector and associated companies of said sector. The proportion of investment between equity and debt will be decided based on the view of the fund manager on anticipated movement in both debt as well as equity markets. The Fund manager can also take aggressive calls on the market by going upto 100% in equity or 100% in debt at any point of time or any other appropriate ratio depending upon his view. The allocation between debt and equity will be decided based upon the prevailing market conditions, macroeconomic environment, the performance of the corporate sector, the equity market and other considerations., **Differentiation:** A dynamic asset allocation sector fund which aims to generate consistent returns by investing in large and mid cap companies spread across all important segments of the pharmaceutical industry., **Quarterly AAUM (Rs. Crore) as on June 30, 2014:** 809.37, **No. of Folios as on June 30, 2014:** 80542

### Reliance Diversified Power Sector Fund (Reliance Infrastructure Fund has been merged into Reliance Diversified Power Sector Fund)

**Asset Allocation Pattern** Equity & Equity Related Instruments of companies in power scetor-80% - 100% & Equity and equity related instruments of companies engaged in allied activities related to power sector & Debt and Money Market Instruments - 0% - 20%, **Primary Investment Pattern:** The primary investment objective of the scheme is to generate long term capital appreciation by investing predominantly in equity and equity related securities of companies in the power sector. **Investment Strategy:** Reliance Diversified Power Sector Fund proposes to invest primarily in various segments of Indian power sector. Broadly, power sector companies can be segregated into those operating in the following genres: 1. Power Generation, including those companies that are engaged in renovation and modernization of existing plants'. 2. Power Transmission 3. Power Distribution, including retail supply of power 4. Power Trading, 5. Primarily financing / funding power projects, 6. Power Equipment, 7. Power Technology, 8. Emerging genres that will evolve as the Indian power sector develops. The Fund would identify companies for investment, based on the following criteria amongst others: 1. Sound Management, 2. Good track record of the company, 3. Potential for future growth 4. Industry economic scenario, 5. Strong Cashflows. Risk will be managed through adequate diversification by spreading investments over a wide range of companies. This shall be done through various measures including: 1. Broad diversification of portfolio, 2. Ongoing review of relevant market, industry, sector and economic parameters 3. Investing in companies which have been researched RCAM may, from time to time, review and modify the Scheme's investment strategy if such changes are considered to be in the best interests of the unit holders and if market conditions warrant it. **Differentiation:** The fund focuses on companies related to power sector. It provides opportunity to diversify within the sector, with focused approach and flexibility to invest in power distribution, transmission and generation related companies. **Quarterly AAUM (Rs. Crore) as on June 30, 2014:** 2,036.91, **No. of Folios as on June 30, 2014:** 580523

### Reliance Media & Entertainment Fund

**Asset Allocation Pattern:** Equity & Equity Related Instruments-0-100% & Debt & Money Market Instruments with Average Maturity of 5-10 years-0-100% (including upto 100% of the corpus in securitized Debt), **Primary Investment Pattern:** The primary investment objective of the scheme is to generate continuous returns by investing in equity and equity related or fixed income securities of Media & Entertainment and other associated companies., **Investment Strategy:** The Fund will invest in equity securities whenever the equity market and shares from the media sector are expected to do well. However, whenever the equity market is not expected to do well, the Fund will shift its focus in debt, which in extreme cases of bearish equity market can go upto 100%.. The proportion of investment between equity and debt will be decided based on the view of the fund manager on anticipated movement in both debt as well as equity markets. The allocation between debt and equity will be decided based upon the prevailing market conditions, macroeconomic environment, the performance of the corporate sector, the equity market and other considerations., **Differentiation:** A sector specific fund which focuses on investing in companies related to media & entertainment sector., **Quarterly AAUM (Rs. Crore) as on June 30, 2014:** 85.55, **No. of Folios as on June 30, 2014:** 13234

### Reliance Regular Savings Fund - Equity Option

**Asset Allocation Pattern:** Equity and Equity related securities 80%-100% and Debt and Money Market Instruments with an average maturity of 5-10 years -0%-20%, **Primary Investment Pattern:** The primary investment objective of this option is to seek capital appreciation and/or to generate consistent returns by actively investing in Equity & Equity-related Securities. **Investment Strategy:** Investment may be made in listed or unlisted securities. Listed securities refer to securities listed on any of the recognized Stock Exchanges. Investments may be made as secondary market purchases, initial public offer, rights offers private placement etc. The Fund would identify companies for investment, based on the following criteria amongst others: 1. Sound Management 2. Good track record of the company 3. Potential for future growth 4. Industry economic scenario, **Differentiation:** Reliance Regular Savings Fund has been launched as an asset-allocator fund which gives investor an option to invest either in equity, debt or both. RRSF-Equity option is a growth oriented aggressive equity fund which adopts a multi cap strategy to capitalize on market trends especially in volatile markets., **Quarterly AAUM (Rs. Crore) as on June 30, 2014:** 2,317.97, **No. of Folios as on June 30, 2014:** 384110

### Reliance Regular Savings Fund - Balanced Option

**Asset Allocation Pattern:** Equity and Equity Related securities-50%-75%,Debt & Money Market instruments-25%-50%, **Primary Investment Pattern:** The primary investment objective of this option is to generate consistent return and appreciation of capital by investing in a mix of securities comprising of equity, equity related instruments and fixed income instruments., **Investment Strategy:** The Scheme will, under normal market conditions, invest its net assets primarily in Equity and equity related instruments and balance in fixed income securities, money market instruments and cash equivalents. For investments in equity and equity related securities, the Fund would identify companies for investment, based on the following criteria amongst others: a. Sound Management b. Good track record of the company c. Potential for future growth. Industry economic scenario, **Differentiation:** The fund focuses on reducing volatility of returns by increasing / decreasing equity exposure based on the market outlook and using a core debt portfolio to do the rebalancing The fund can invest 50%-75% of its corpus in equity & 25%-50% in debt related instruments., **Quarterly AAUM (Rs. Crore) as on June 30, 2014:** 570.58, **No. of Folios as on June 30, 2014:** 45645

### Reliance Long Term Equity Fund

**Asset Allocation Pattern:** Equity and equity related securities 70% -100%, Debt instruments and money market instruments (including investments in securitized debt) 0%-30%, **Primary Investment Pattern:** The primary investment objective of the scheme is to seek to generate long term capital appreciation & provide long-term growth opportunities by investing in a portfolio constituted of equity & equity related securities and Derivatives and the secondary objective is to generate consistent returns by investing in debt and money market securities., **Investment Strategy:** The investment strategy of the Scheme is to build and maintain a diversified portfolio of equity stocks that have the potential to appreciate. The aim will be to build a portfolio that adequately reflects a cross-section of the growth areas of the economy from time to time. While the portfolio focuses primarily on a buy and hold strategy at most times, it will balance the same with a rational approach to selling when the valuations become too demanding even in the face of reasonable growth prospects in the long run. **Differentiation:** The fund is an open ended diversified equity scheme which focuses on small & mid cap stocks with long term investment horizon., **Quarterly AAUM (Rs. Crore) as on June 30, 2014:** 949.83 **No. of Folios as on June 30, 2014:** 176459

### Reliance NRI Equity Fund

**Asset Allocation Pattern:** Equity & Equity Related Instruments# -65-100% & Debt Instruments & Money Market Instruments \* 0-35% (\*including upto 35% of the corpus in securitized Debt # primarily drawn from the S&P BSE 200 Index), **Primary Investment Pattern:** The primary investment objective of the scheme is to generate optimal returns by investing in equity and equity related instruments primarily drawn from the Companies in the S&P BSE 200 Index., **Investment Strategy:** The fund will, in general invest a significant part of its corpus in equities however pending investments in equities, the surplus amount of the fund should be invested in debt and money market instruments. Also whenever good investment opportunity are not available, or the equity market is not likely to perform in the view of the Fund manager the Fund will reduce its exposure to equity and during that period the surplus asset of the Fund shall be invested in debt and money market instruments. The fund will in general follow a strategy of higher portfolio reshuffling with a view to capture the short term movements in the markets as well as to encash the opportunity arising due to various events., **Differentiation:** The fund is an ideal & exclusive offering for NRI investors who are seeking exposure to equity to participate in the India story & the Indian markets in the diversified equity space. The fund primarily aims to invest in top 200 companies by market capitalization., **Quarterly AAUM (Rs. Crore) as on June 30, 2014:** 83.92, **No. of Folios as on June 30, 2014:** 2415

### Reliance Index Fund - Nifty Plan

**Asset Allocation Pattern:** Equities and equity related securities covered by CNX Nifty - 95% - 100%, Cash/CBLO/Repo & Reverse Repo & Money Market instruments (CPs, CDs, Tbills, Mibor linked instruments with daily Put/Call options & overnight Interest rate Reset Linked Instruments)but excluding Subscription and Redemption Cash Flow# - 0% - 5%. (# Subscription Cash Flow is the subscription money in transit before deployment and Redemption Cash Flow is the money kept aside for meeting redemptions.) **Primary Investment Pattern:** The primary investment objective of the scheme is to replicate the composition of the CNX NIFTY, with a view to generate returns that are commensurate with the performance of the CNX NIFTY, subject to tracking errors. **Investment Strategy:** The Scheme will be managed passively with investments in stocks in a proportion that it is as close as possible to the weightages of these stocks in the CNX Nifty Index. The investment strategy would revolve around reducing the tracking error to the least possible through rebalancing of the portfolio, taking into account the change in weights of stocks in the index as well as the incremental collections/redemptions from the Scheme. The fund will, in general invest a significant part of its corpus in equities however pending investments in equities; the surplus amount of the fund should be invested in Cash/CBLO/Repo & Reverse Repo & Money Market instruments. Also whenever good investment opportunity are not available, or the equity market is not likely to perform in the view of the Fund manager the Fund will reduce its exposure to equity and during that period the surplus asset of the Fund shall be invested in Cash/CBLO/Repo & Reverse Repo & Money Market instruments. However there is no assurance that all such buying and selling activities would necessarily result in benefit for the Fund. The allocation between money market instruments and equity will be decided based upon the prevailing market conditions, macroeconomic environment, and the performance of the corporate sector, the equity market and other considerations. At time such churning could lead to higher brokerage and transaction costs. **Differentiation:** The fund is an open ended index linked scheme which will be passively managed with investments in stocks in a proportion that it is as close as possible to the weightages of these stocks in the CNX Nifty Index **Quarterly AAUM (Rs. Crore) as on June 30, 2014:** 30.4, **No. of Folios as on June 30, 2014:** 7893



### Reliance Index Fund – Sensex Plan

**Asset Allocation Pattern:** Equities and equity related securities covered by S&P BSE Sensex – 95% – 100%, Cash/CBLO/Repo & Reverse Repo & Money Market instruments (CPs, CDs, T-bills, Mibor linked instruments with daily Put/Call options & overnight Interest rate Reset Linked Instruments) but excluding Subscription and Redemption Cash Flow# – 0% – 5%. (# Subscription Cash Flow is the subscription money in transit before deployment and Redemption Cash Flow is the money kept aside for meeting redemptions.) **Primary Investment Pattern:** The primary investment objective of the scheme is to replicate the composition of the S&P BSE SENSEX, with a view to generate returns that are commensurate with the performance of the S&P BSE Sensex, subject to tracking errors. **Investment Strategy:** The Scheme will be managed passively with investments in stocks in a proportion that it is as close as possible to the weightages of these stocks in the S&P BSE SENSEX Index. The investment strategy would revolve around reducing the tracking error to the least possible through rebalancing of the portfolio, taking into account the change in weights of stocks in the index as well as the incremental collections/redemptions from the Scheme. It is proposed to manage the risks by placing limit orders for basket trades and other trades, proactive follow-up with the service providers for daily change in weights in the S&P BSE SENSEX as well as monitor daily inflows and outflows to and from the Fund closely. While these measures are expected to mitigate the above risks to a large extent, there can be no assurance that these risks would be completely eliminated. The fund will, in general invest a significant part of its corpus in equities however pending investments in equities; the surplus amount of the fund should be invested in Cash/CBLO/Repo & Reverse Repo & Money Market instruments. Also whenever good investment opportunity are not available, or the equity market is not likely to perform in the view of the Fund manager the Fund will reduce its exposure to equity and during that period the surplus asset of the Fund shall be invested in Cash/CBLO/Repo & Reverse Repo & Money Market instruments. However there is no assurance that all such buying and selling activities would necessarily result in benefit for the Fund. The allocation between money market instruments and equity will be decided based upon the prevailing market conditions, macro economic environment, and the performance of the corporate sector, the equity market and other considerations. At time such churning could lead to higher brokerage and transaction costs. **Differentiation:** The fund is an open ended index linked scheme which will be passively managed with investments in stocks in a proportion that it is as close as possible to the weightages of these stocks in the S&P BSE Sensex Index **Quarterly AAUM (Rs. Crore) as on June 30, 2014: 4.07, No. of Folios as on June 30, 2014: 619**

### Reliance Arbitrage Advantage Fund

**Asset Allocation Pattern:** Under normal circumstances, the anticipated asset allocation would be: Equities and equity related instruments, Derivatives including index futures, stock futures, index options, & stock options, etc. – 65%-90%, Debt and Money market instruments (including investments in securitized debt upto 30%) – 10%-35%. When adequate arbitrage opportunities are not available in the Derivative and Equity markets, the anticipated alternate asset allocation on defensive considerations would be: Equities and equity related instruments, Derivatives including index futures, stock futures, index options, & stock options, etc. (Only arbitrage opportunities) – 0%-65%, Debt and Money market instruments (including investments in securitized debt upto 30%) – 35%-100% **Primary Investment Pattern:** The investment objective of the scheme is to generate income by taking advantage of the arbitrage opportunities that potentially exists between cash and derivative market and within the derivative segment along with investments in debt securities & money market instruments. **Investment Strategy:** The scheme will seek to achieve its investment objective primarily by employing various strategies which seek to exploit available arbitrage opportunities in markets. The stock selection strategy would be a blend of top down and bottom up approach without any sector or market capitalization bias. All companies selected will be analyzed taking into account the business fundamentals like nature and stability of business, prospects of future growth and scalability, financial discipline and returns, valuations in relation to broad market and expected growth in earnings, the company's financial strength and track record. **Differentiation:** The fund is an open ended arbitrage scheme which will seek to exploit available arbitrage opportunities in the markets to achieve its investment objective. **Quarterly AAUM (Rs. Crore) as on June 30, 2014: 229.22, No. of Folios as on June 30, 2014: 1062**

### Reliance Small Cap Fund

**Asset Allocation Pattern:** Equity & Equity Related Securities of small cap companies including derivatives – 65% – 100%, Equity & Equity Related Securities of any other companies including derivatives – 0% – 35%, debt & money market securities (including investments in securitized debt upto 30%) – 0% – 35%, **Primary Investment Pattern:** The primary investment objective of the scheme is to generate long term capital appreciation by investing predominantly in equity and equity related instruments of small cap companies and the secondary objective is to generate consistent returns by investing in debt and money market securities., **Investment Strategy:** The investment strategy of the Scheme is to build and maintain a diversified portfolio of equity stocks that have the potential to appreciate. The aim will be to build a portfolio that adequately reflects a cross-section of the growth areas of the economy from time to time. The fund shall primarily focus on the small cap stocks. However depending on the views of the fund manager and market conditions in the interest of the investors, the fund manager will have the flexibility to select stocks which he feels are best suited to achieve the stated objective. The fund will have the flexibility to invest predominantly in a range of Small Cap companies/ stocks with an objective to maximize the returns, at the same time trying to minimize the risk by reasonable diversification. **Differentiation:** The fund shall predominantly invest in small cap companies/stocks with an objective to maximize the returns and at the same time trying to minimize the risk by reasonable diversification. Small Cap stocks for the purpose of the Fund, are stocks whose market capitalization is in between the highest and lowest market capitalization of companies on S&P BSE Small Cap Index at the time of investment. **Quarterly AAUM (Rs. Crore) as on June 30, 2014: 566.21, No. of Folios as on June 30, 2014: 88634**

### Reliance Japan Equity Fund:

**Asset Allocation Pattern:** Under normal circumstances, the anticipated asset allocation would be: Equity and Equity related Instruments listed on the recognized stock exchanges of Japan\* – 80%-100%, Fixed income securities including money market instruments, cash and equivalent, Treasury bills and fixed deposits of India. – 0%-20%, \*Includes ADRs/GDRs issued by Indian companies or foreign companies, equity of overseas companies listed on recognized stock exchanges of Japan, units/securities issued by overseas mutual funds or unit trusts which are registered with Japan regulators and overseas exchange traded funds (ETFs) which invest in the securities as permitted by SEBI/RBI from time to time. The fund will also invest in initial and follow on public offerings to be listed at recognized stock exchanges of Japan. (The Scheme will not invest in securitized debt & the scheme will not participate in short selling and securities lending). **Primary Investment Pattern :** The primary investment objective of Reliance Japan Equity Fund is to provide long term capital appreciation to investors by primarily investing in equity and equity related securities of companies listed on the recognized stock exchanges of of Japan and the secondary objective is to generate consistent returns by investing in debt and money market securities of India. However, there can be no assurance or guarantee that the investment objective of

the scheme will be achieved. **Investment Strategy** : The investment strategy of the fund would be to create a portfolio of companies which are leaders or potential leaders in the growth oriented sectors of Japan and are listed on recognized stock exchanges of Japan. The investment philosophy would be a blend of top down and bottom up approach without any extreme sector bias. The sectors would be mainly assessed on their growth potential in the mid and long term. On the other hand, companies within the selected sectors would be analyzed taking into account the business fundamentals like nature and stability of business, potential for future growth and scalability, sales volume, earning performance, corporate image, company's financial strength and track record etc. The fund will endeavor to follow a disciplined investment approach and the portfolio will be reviewed & rebalanced at regular intervals, whenever deemed necessary. **Differentiation** : The fund will endeavor to invest in companies which are leaders or potential leaders in the growth oriented sectors of Japan and are listed on recognized stock exchanges of Japan. The fund will provide exposure to the growth story of Japan Economy along with the benefit of country diversification to the investor. **Quarterly AAUM (Rs. Crore) as on June 30, 2014: N.A., No. of Folios as on June 30, 2014: N.A.**

**Risk Mitigation Factors for all the above mentioned Schemes** - Applicable for all the above mentioned Schemes. Robust measures implemented to mitigate Risk include, adoption of internal policies on investments and valuations, rigorous procedures for monitoring investment restrictions and effective implementation of various norms prescribed by SEBI from time to time.

## E. WHERE WILL THE SCHEME INVEST?

The Scheme will invest predominantly in equity and equity related securities of companies listed on recognized Japan stock exchanges. The Scheme may also invest a certain proportion of its corpus in fixed income securities including money market instruments, cash and equivalent, and fixed deposits of India.

The corpus of the Scheme may also be invested in ADRs/GDRs issued by Indian companies or foreign companies, equity of overseas companies listed on recognized stock exchanges of Japan, units/securities issued by overseas mutual funds or unit trusts which are registered with Japan regulators and overseas exchange traded funds (ETFs) which invest in the securities as permitted by SEBI/RBI from time to time. The fund will also invest in initial and follow on public offerings to be listed at recognized stock exchanges of Japan.

Subject to the Regulations, the securities mentioned above could be listed, unlisted, privately placed, unsecured, rated or unrated and of varying maturity. The securities may be acquired through Initial Public Offerings (IPOs), secondary market operations, private placement, rights offers or negotiated deals.

Gross investments in securities under the Scheme which includes equities, equity related instruments/securities, debt securities, money market instruments and derivatives will not exceed 100% of the net assets of the Scheme. The scheme may also invest in the liquid schemes launched by SEBI registered Mutual Fund or schemes that invest predominantly in money market instruments / securities.

For debt asset allocation, income may be generated through the receipt of coupon payments, the amortization of the discount on debt instruments, receipt of dividends or the purchase and sale of securities in the underlying portfolio.

Fixed income securities includes, but is not confined to debt obligations of the Government of India, state and local governments, government agencies, statutory bodies, public sector undertakings, Financial Institutions, public and private sector banks and corporate entities.

Investments in fixed income securities will be in securities rated by at least one recognized rating agency. Investments in unrated securities will be made as per the parameters specified by the Board of Directors of the AMC &/or the Trustee. Money market securities includes but are not limited to treasury bills, commercial paper of public sector undertakings and private sector corporate entities, interbank call and notice money, certificates of deposit of scheduled commercial banks and Financial Institutions, securitized debt, bills of exchange/promissory notes of public and private sector entities (co-accepted by banks) and any other money market securities as may be permitted by SEBI/RBI. From time to time, it is possible that the portfolio may hold cash.

It may be noted the scheme would not participate in repo in corporate bonds.

**Subject to the Regulations, the corpus of the Schemes/Plans can be invested in any (but not exclusively) of the following securities:**

### **Permissible Investments in overseas securities:**

SEBI Regulations permit mutual funds to invest in ADRs/GDRs and notified foreign securities subject to certain prescribed limits. In line with the objective of the Scheme and SEBI Circular No. SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007 & SEBI/IMD/CIR No.2/122577/08 dated April 8, 2008 and such other circular which shall be issued by SEBI in this regard from time to time, the Scheme shall make investments in the following -

- ADRs/ GDRs issued by Indian or foreign companies
- Equity of overseas companies listed on recognized stock exchanges overseas
- Initial and follow on public offerings for listing at recognized stock exchanges overseas.
- Money market instruments rated not below investment grade.
- Repos in form of investment, where the counterparty is rated not below investment grade; repo shall not however involve any borrowing of funds by Mutual Funds.
- Government securities where the countries are rated not below investment grade.
- Derivatives traded on recognized stock exchanges overseas only for hedging and portfolio balancing with underlying as securities.
- Short term deposits with banks overseas where the issuer is rated not below investment grade.
- Units / securities issued by overseas Mutual Funds or unit trusts registered with overseas regulators and investing in
  - a) aforesaid Securities
  - b) Real Estate Investment Trusts listed on recognized Stock Exchanges overseas or
  - c) Unlisted overseas securities, not exceeding 10% of their net assets

**In addition to aforesaid permissible overseas investments, compliance with following Regulations shall be ensured by the AMC:**

1. The said investments shall be made subject to the compliances as specified by SEBI and / or RBI from time to time. As of July 2014, RMF's limit to invest in foreign securities is US\$600 mn and the ceiling for investments in overseas ETF is US\$ 100 mn.

2. The boards of Asset Management Company (AMC) and Trustees shall exercise due diligence in making investment decisions as required under Regulation 25(2). They shall make a detailed analysis of risks and returns of overseas investment and how these investments would be in the interest of investors. Investment must be made in liquid actively traded securities/instruments.
3. The boards of AMC and Trustees may prescribe detailed parameters for making such investments which may include identification of countries, country rating, country limits, etc. They shall satisfy themselves that the AMC has experienced key personnel, research facilities and infrastructure for making such investments. Other specialized agencies and service providers associated with such investments e.g. custodian, bank, advisors, etc should also have adequate expertise and infrastructure facilities. Their past track record of performance and regulatory compliance record, if they are registered with foreign regulators, may also be considered. Necessary agreements may be entered into with them as considered necessary. All investment decisions shall be recorded in accordance with SEBI circular dated July 27, 2000.
4. The AMC shall send detailed periodical reports to the Trustees which shall include the performance of overseas investments and amount invested in various Schemes and any breach of the exposure limit laid down in the Scheme Information documents. The boards of AMC and Trustees shall review the performance of Schemes making overseas investments with appropriate benchmark(s) as disclosed in the Scheme Information Document.
5. Half yearly portfolio shall also disclose the ADRs / GDRs / Foreign Securities by making a separate heading ' Foreign Securities ' and Scheme wise investments made in such securities shall also be disclosed in the Half yearly results as a foot note. The AMC and Trustees shall offer their comments on the compliance of these guidelines in the half-yearly reports filed with SEBI.
6. The Mutual Fund shall appoint a dedicated Fund Manager for making investments in ADRs/GDRs/Foreign Securities and shall disclose the name of the dedicated Fund Manager.

**Following debt securities in domestic market would be allowed**

1. Securities created and issued by the Central and State Governments and/or repos/reverse repos in such Government Securities as may be permitted by RBI (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
2. Securities guaranteed by the Central and State Governments (including but not limited to coupon bearing bonds, zero coupon bonds and treasury bills).
3. Pending deployment of funds of the scheme in securities in terms of the investment objectives and policies of the scheme, the Mutual Fund can invest the fund of the scheme in short term deposits of scheduled commercial banks subject to the guidelines as applicable from time to time.
4. Debt securities issued by domestic Government agencies and statutory bodies, which may or may not carry a Central/State Government guarantee.
5. Corporate debt securities (of both public and private sector undertakings).
6. Securities issued by banks (both public and private sector) as permitted by SEBI from time to time and development financial institutions.
7. Money market instruments permitted by SEBI, having maturities of up to one year, or in alternative investment for the call money market.
8. Certificate of Deposits (CDs).
9. Commercial Paper (CPs).
10. The non-convertible part of convertible securities.
11. Derivative instruments like Interest Rate Swaps, Forward Rate Agreements and such other derivative instruments permitted by SEBI.
12. Liquid Schemes launched by SEBI registered Mutual Fund or schemes that invest predominantly in money market instruments / securities.
13. Any other domestic fixed income securities.

**F. WHAT ARE THE INVESTMENT STRATEGIES?**

The investment strategy of the fund would be to create a portfolio of companies which are leaders or potential leaders in the growth oriented sectors of Japan and are listed on recognized stock exchanges of Japan.

The investment philosophy would be a blend of top down and bottom up approach without any extreme sector bias. The sectors would be mainly assessed on their growth potential in the mid and long term. On the other hand, companies within the selected sectors would be analyzed taking into account the business fundamentals like nature and stability of business, potential for future growth and scalability, sales volume, earning performance, corporate image, company's financial strength and track record etc.

The fund will endeavor to follow a disciplined investment approach and the portfolio will be reviewed & rebalanced at regular intervals, whenever deemed necessary.

The investments in debt instruments carry various risks like interest rate risk, liquidity risk, default risk, purchasing power risk etc. While they cannot be done away with, they can be minimized by diversification and effective use of hedging techniques. Investment views / decisions will be taken on the basis of the following parameters:

1. Prevailing interest rate scenario
2. Quality of the security / instrument (including the financial health of the issuer)
3. Liquidity/Maturity profile of the instrument
4. Any other factors in the opinion of the fund management team

The Fund may, where necessary, appoint advisor(s) for providing advisory services for such Scheme's investments. The appointment of such advisor(s) shall be in accordance with the applicable requirements of SEBI. The fees and expenses would illustratively include, besides the investment management fees, custody fees and costs, transaction costs and overseas regulatory costs, the fees of appointed advisor(s). The fees related to these services would be borne by the AMC and would not be charged to the Scheme.

**Risk Mitigation Factor / Risk Control:**

It is AMC's belief that the investment in ADRs/GDRs/overseas securities offer new investment and portfolio diversification opportunities into multi-market and multi-currency products. However, such investments also entail additional risks. Such investment opportunities may be pursued by the AMC provided they are considered appropriate in terms of the overall investment objectives of the Scheme. Since the Scheme invests in

ADRs/GDRs/overseas securities, there may not be readily available and widely accepted benchmarks to measure performance of the Scheme. To the extent that the assets of the Scheme will be invested in securities denominated in foreign currencies, the Indian Rupee equivalent of the net assets, distributions and income may be adversely affected by the changes in the value of certain foreign currencies relative to the Indian Rupee. The repatriation of capital also may be hampered by changes in regulations concerning exchange controls or political circumstances as well as the application to it of the other restrictions on investment.

Overseas investments will be made subject to any/all approvals, conditions thereof as may be stipulated by SEBI/RBI and provided such investments do not result in expenses to the Scheme in excess of the ceiling on expenses prescribed by and consistent with costs and expenses attributed to international investing.

### Debt Market In India

The Indian Debt market is facing major shift in the recent times. The substantial growth in Mutual Fund collections in the past few years have provided an easy route for the investors to channelise their savings into the debt market, which otherwise is largely dominated by Banks and other Institutional investors.

At present, the Indian debt market is dominated by issues of Central Government bonds, Corporate Debentures and PSU Bonds. The new Securitised instruments are also very attractive in the primary market. Risk associated with securitized Debt or PTCs are credit risk, liquidity risk and price risk/interest rate risk. The other instruments available for investment are Commercial Papers, Certificate of Deposits, Government guaranteed bonds, etc.

Brief details about the instruments are given below as on July 17, 2014

| Instruments                      | Listed/ Unlisted | Current Yield Range As on July 17, 2014 | Liquidity | Risk profile |
|----------------------------------|------------------|---|-----------|--------------|
| Central Government Securities    | Listed           | 8.59%- 8.80%                            | High      | Low          |
| Corporate Debentures / PSU Bonds | Listed           | 9.09%-9.34%                             | Moderate  | Low          |
| CDs (short term)                 | Unlisted         | 8.75%-9.00%                             | High      | Low          |
| Call Money                       | Unlisted         | 6.40%- 8.35%                            | High      | Low          |
| Mibor linked Papers              | Listed           | 134-144 bps                             | Low       | Low          |

A brief description about yields presently available on Central Govt. Securities /Bonds & Debentures of various maturities is as follows: Annualised yields (as on July 17, 2014) are:

| Yrs                            | = < 1yr     | 2-6yrs      | 7-10yrs     | 11-20 yrs   |
|--------------------------------|-------------|-------------|-------------|-------------|
| Central Government securities  | 8.82%-8.86% | 8.77%-8.99% | 8.93%-8.99% | 8.78%-8.99% |
| Debentures / Bonds (AAA rated) | 9.09%-9.15% | 9.27%-9.34% | 9.27%-9.30% | -           |

The price and yield on various debt instruments fluctuate from time to time depending upon the macro economic situation, inflation rate, overall liquidity position, foreign exchange scenario, etc. Also, the price and yield varies according to maturity profile, credit risk etc.

### TRADING IN DERIVATIVES

The Scheme may take derivatives position based on the opportunities available subject to the guidelines issued by SEBI from time to time and in line with the overall investment objective of the Scheme. These may be taken to hedge the portfolio, rebalance the same or to undertake any other strategy as permitted under the SEBI Regulations.

The following information provides a basic idea as to the nature of the derivative instruments proposed to be used by the Fund and the benefits and risks attached there with.

#### i) Interest Rate Swaps and Forward rate Agreements

##### Benefits

Bond markets in India are not very liquid. Investors run the risk of illiquidity in such markets. Investing for short-term periods for liquidity purposes has its own risks. Investors can benefit if the Fund remains in call market for the liquidity and at the same time take advantage of fixed rate by entering into a swap. It adds certainty to the returns without sacrificing liquidity.

##### Illustration

The following are illustrations how derivatives work:

#### Basic Structure of an Interest Rate Swap



In the above illustration, Basic Details: Fixed to floating swap

Notional Amount: Rs. 5 Crores

Benchmark: NSE MIBOR

Deal Tenor: 3 months (say 91 days)

Documentation: International Swaps and Derivatives Association (ISDA).

Let us assume the fixed rate decided was 10%.

At the end of three months, the following exchange will take place:

Counter party 1 pays: compounded call rate for three months, say 9.90%

Counter party 2 pays fixed rate: 10%

In practice, however, the difference of the two amounts is settled. Counter party 2 will pay:

Rs 5 Crores \* 0.10% \* 91/365 = Rs. 12,465.75

Thus the trade off for the Fund will be the difference in call rate and the fixed rate payment and this can vary with the call rates in the market. Please note that the above example is given for illustration purposes only and the actual returns may vary depending on the terms of swap and market conditions.

## ii) Index Futures:

### Benefits

- a) Investment in Stock Index Futures can give exposure to the index without directly buying the individual stocks. Appreciation in Index stocks can be effectively captured through investment in Stock Index Futures.
- b) The Fund can sell futures to hedge against market movements effectively without actually selling the stocks it holds.

The Stock Index futures are instruments designed to give exposure to the equity market indices. The Stock Exchange, Mumbai and The National Stock Exchange have started trading in index futures of 1, 2 and 3-month maturities. The pricing of an index future is the function of the underlying index and interest rates.

### Illustration

Spot Index: 1070

1 month Nifty Future Price on day Rs. 1: 1075

Fund buys 100 lots

Each lot has a nominal value equivalent to 200 units of the underlying index

Let us say that on the date of settlement, the future price = Closing spot price = Rs. 1085

Profits for the Fund = (Rs. 1085 - Rs. 1075) \* 100 lots \* 200 = Rs 200,000

Please note that the above example is given for illustration purposes only.

The net impact for the Fund will be in terms of the difference between the closing price of the index and cost price (ignoring margins for the sake of simplicity). Thus, it is clear from the example that the profit or loss for the Fund will be the difference of the closing price (which can be higher or lower than the purchase price) and the purchase price. The risks associated with index futures are similar to the one with equity investments. Additional risks could be on account of illiquidity and hence mispricing of the future at the time of purchase

## iii) Buying Options:

### Benefits of buying a call option:

Buying a call option on a stock or index gives the owner the right, but not the obligation, to buy the underlying stock / index at the designated strike price. Here the downside risks are limited to the premium paid to purchase the option.

### Illustration

For example, if the fund buys a one-month call option on Satyam Computers at a strike of Rs. 150, the current market price being say Rs.151. The fund will have to pay a premium of say Rs. 15 to buy this call. If the stock price goes below Rs. 150 during the tenure of the call, the fund avoids the loss it would have incurred had it straightaway bought the stock instead of the call option. The fund gives up the premium of Rs. 15 that has to be paid in order to protect the fund from this probable downside. If the stock goes above Rs. 150, it can exercise its right and own Satyam Computers at a cost price of Rs. 150, thereby participating in the upside of the stock.

### Benefits of buying a put option

Buying a put option on a stock originally held by the buyer gives him/her the right, but not the obligation, to sell the underlying stock at the designated strike price. Here the downside risks are limited to the premium paid to purchase the option.

### Illustration

For example, if the fund owns Satyam computers and also buys a three month put option on Satyam Computers at a strike of Rs. 150, the current market price being say Rs.151. The fund will have to pay a premium of say Rs. 12 to buy this put. If the stock price goes below Rs. 150 during the tenure of the put, the fund can still exercise the put and sell the stock at Rs. 150, avoiding therefore any downside on the stock below Rs. 150. The fund gives up the fixed premium of Rs. 12 that has to be paid in order to protect the fund from this probable downside. If the stock goes above Rs. 150, say to Rs. 170, it will not exercise its option. The fund will participate in the upside of the stock, since it can now sell the stock at the prevailing market price of Rs. 170.

### The Scheme will comply with provisions specified in SEBI Circular No. Cir/IMD/DF/11/2010 dated August 18, 2010 related to overall exposure limits as stated below:

- (i) The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme.
- (ii) Mutual Funds shall not write options or purchase instruments with embedded written options.
- (iii) The total exposure related to option premium paid must not exceed 20% of the net assets of the scheme.
- (iv) Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
- (v) Exposure due to hedging positions may not be included in the above mentioned limits subject to the following:
  - a. Hedging positions are the derivative positions that reduce possible losses on an existing position in securities and till the existing position remains.
  - b. Hedging positions cannot be taken for existing derivative positions. Exposure due to such positions shall have to be added and treated under limits mentioned in Point (i).
  - c. Any derivative instrument used to hedge has the same underlying security as the existing position being hedged.
  - d. The quantity of underlying associated with the derivative position taken for hedging purposes does not exceed the quantity of the existing position against which hedge has been taken.
- (vi) Exposure due to derivative positions taken for hedging purposes in excess of the underlying position against which the hedging position has

been taken, shall be treated under the limits mentioned in point (i).

- (vii) Definition of Exposure in case of Derivative Positions: Each position taken in derivatives shall have an associated exposure as defined under. Exposure is the maximum possible loss that may occur on a position. However, certain derivative positions may theoretically have unlimited possible loss. Exposure in derivative positions shall be computed as follows:

| Position      | Exposure  |
|---------------|---|
| Long Future   | Futures Price * Lot Size * Number of Contracts        |
| Short Future  | Futures Price * Lot Size * Number of Contracts        |
| Option bought | Option Premium Paid * Lot Size * Number of Contracts. |

- (viii) Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The counter party in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.

The AMC retains the right to enter into such derivative transactions as may be permitted by the Regulations from time to time. For risks associated with investments in derivatives investors are requested to refer to Scheme Specific Risk Factors of this Scheme Information Document.

The AMC retains the right to enter into such derivative transactions as may be permitted by the applicable regulations from time to time

#### **PORTFOLIO TURNOVER POLICY:**

Given the nature of the scheme, the portfolio turnover ratio may be very high and AMC may change the portfolio according to Asset Allocation, commensurate with the investment objectives of the scheme. The effect of higher portfolio turnover could be higher brokerage and transaction costs.

### **G. FUNDAMENTAL ATTRIBUTES**

Following are the fundamental attributes in accordance with Regulation 18(15)(A) of the SEBI (MF) Regulations, 1996:

#### **1. Type of scheme**

An Open Ended Diversified Equity Scheme

#### **2. Investment Objectives**

**a) Main Objective: Refer to Section II - B : What is the Investment Objective of the Scheme?**

**b) Investment Pattern: Refer to Section II - C : How will the Scheme allocate its assets?**

#### **3. Terms of Issue**

##### **a) Liquidity provisions such as repurchase/redemption of units -**

Being an open ended scheme, the units are not proposed to be listed on any stock exchange. However, the Trustee reserves the right to list the units as and when open end Schemes are permitted to be listed under the Regulations, and if the Trustee considers it necessary in the interest of unitholders of the Scheme.

The redemption or repurchase proceeds shall be dispatched to the unitholders within 10 Business Days from the date of redemption or repurchase.

The Scheme will offer for Subscription/ Switch-in and Redemption / Switch-out of Units on every Business Day on an ongoing basis.

##### **b) Aggregate Fees and expenses charged to the Scheme**

**i) New Fund Offer (NFO) Expenses : Refer to Section IV - A : New Fund Offer (NFO) Expenses**

**ii) Annual Scheme Recurring Expenses : Refer to Section IV - B : Annual Scheme Recurring Expenses**

##### **C) Any safety net or guarantee provided - Not Applicable**

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations, the Trustees shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) thereunder or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) thereunder and affect the interests of Unitholders is carried out unless:

- A written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- The Unitholders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any exit load

### **H. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?**

#### **TOPIX**

Tokyo Stock Price Index, commonly known as TOPIX is one of the important stock market index for Tokyo Stock Exchange (TSE) in Japan.

The TOPIX is a market cap-weighted index and is composed of all the stocks of domestic issuers listed on the first section of the TSE. The TOPIX currently has over 1,600 listings and encompasses about 94% of the total market cap of Japanese equity market. The full detail of the index construction and calculation methodology, including the free float definition, is publicly available on the TSE's website and is maintained and updated as needed.

## I. WHO MANAGES THE SCHEME?

| Name  | Age | Educational Qualification          | Type and Nature of past experience including assignments held during the past 10 years  | Name of the Scheme managed   |
|---|-----|------------------------------------|---|--|
| Ms. Jahnvee Shah<br>Fund Manager – Overseas Investments | 30  | MBA – Finance, Bachelor of Science | <p><b>April 2011 onwards</b><br/>Reliance Capital Asset Management Limited, Fund Manager – Overseas Investments</p> <p><b>May 2006 – April 2011</b><br/>Reliance Capital Asset Management Limited, Research Analyst – Equity Investments</p> <p><b>June 2001 – June 2003</b><br/>Editors Desk, Financial Express – Assistant</p>  | A Dedicated Fund Manager for investment in overseas securities.  |
| Ms. Anju Chajjer  | 37  | B.Com., Chartered Accountant       | <p><b>Over 11 years of experience</b></p> <p><b>October 2007 onwards</b><br/>Reliance Capital Asset Management Ltd.,<br/>Fund Manager – Managing investments for Debt Schemes.</p> <p><b>December 1997 – September 2007</b><br/>National Insurance co. Ltd., Investment of Funds in G-Sec, Bonds, Money Market Instruments. Compliance with IRDA Guidelines.</p> <p><b>December 1996 – November 1997</b><br/>D. C. Dharewa &amp; Co.<br/>Conducting Audit for the firm and reporting to the Proprietor.</p> | <p>Reliance Money Manager Fund – Since October, 2009</p> <p>Reliance Medium Term Fund – Since October 2009</p> <p>All series of Reliance Dual Advantage Fixed Tenure Fund – Since May, 2010</p> <p>All series of Reliance Dual Advantage Fixed Tenure Fund II, III, IV &amp; V</p> <p>Reliance Liquid Fund – Treasury Plan – Since October, 2013</p> <p>Reliance Liquid Fund – Cash Plan – Since October, 2013</p> |

## J. WHAT ARE THE INVESTMENT RESTRICTIONS?

The investment policy of the scheme comply with the rules, regulations and guidelines laid out in SEBI (Mutual Funds) Regulations, 1996. As per the Regulations, specifically the Seventh Schedule, the following investment limitations are currently applicable:

- The Scheme shall not invest more than 15% of its NAV in debt instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the Act. Such investment limit may be extended to 20% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of asset management company.  
Provided that such limit shall not be applicable for investments in Government securities.  
Provided further that investment within such limit can be made in mortgaged backed securitised debt which are rated not below investment grade by a credit rating agency registered with the Board.
- The Scheme shall not invest more than 10% of its NAV in unrated debt instruments issued by a single issuer and the total investment in such instruments shall not exceed 25% of the NAV of the scheme. All such investments shall be made with the prior approval of the Board of Trustees and the Board of asset management company.  
Note: Debentures, irrespective of any residual maturity period (above or below one year), shall attract the investment restrictions as applicable for debt instruments as specified above. Further, it is clarified that the investment limits mentioned in (1) and (2) above are applicable to all debt securities which are issued by public bodies/institutions such as electricity boards, municipal corporations, state transport corporations etc. guaranteed by either central or state government. Government securities issued by central/state government or on its behalf by RBI are exempt from the above referred investment limits.
- The Scheme shall not invest more than thirty percent of its net assets in money market instruments of an issuer:  
Provided that such limit shall not be applicable for investments in Government securities, treasury bills and collateralized borrowing and lending obligations.
- The Mutual Fund under all its schemes taken together will not own more than 10% of any companies paid up capital carrying voting rights.
- Transfers of investments from one scheme to another scheme in the Mutual Fund shall be allowed only if:
  - Such transfers are done at the prevailing market price for quoted instruments on spot basis;
  - The securities so transferred shall be in conformity with the investment objectives & policies of the Scheme to which such transfer has been made.
- The Scheme may invest in another scheme under the same asset management company or in any other mutual fund without charging any fees, provided the aggregate inter scheme investments made by all Schemes under the same management company or in schemes under the management of any other AMC shall not exceed 5% of NAV of the Mutual Fund. [Provided that this clause shall not apply to any fund of funds scheme.]
- The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relative securities and in all cases of sale, deliver the securities and shall in no case put itself in a position whereby it has to make short sale or carry forward transactions or engage in badla finance :  
Provided further that a mutual fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by the Board.

Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.

8. The Fund shall get the securities purchased or transferred in the name of the Fund on account of the concerned scheme, wherever investments are intended to be of a long-term nature.
9. The fund's schemes shall not make any investment in:
  - i) Any unlisted security of an associate or group company of the sponsor
  - ii) Any security issued by way of private placement by an associate or group company of the sponsor
  - iii) The listed securities of group companies of the sponsor which is in excess of 25% of the net assets of the scheme.
10. The Scheme shall not invest in a fund of funds scheme.

11. Pending deployment of funds of the scheme in securities in terms of the investment objectives and policies of the scheme, the Mutual Fund can invest the fund of the scheme in short term deposits of scheduled commercial banks subject to the guidelines as applicable from time to time.

Where the cash in the scheme is parked in short term deposits of Scheduled Commercial Banks pending deployment, the scheme shall abide by the following guidelines:

- "Short Term" for parking of funds shall be treated as a period not exceeding 91 days.
- Such short-term deposits shall be held in the name of the Scheme.
- The scheme shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustee.
- Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
- The scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
- The scheme shall not park funds in short term deposit of a bank, which has invested in the Scheme

12. No term loans for any purpose will be advanced by the Scheme.

13. The Fund shall not invest more than 5% of its NAV in the unlisted equity shares or equity related instruments.

14. The Scheme shall not invest more than 10% of its NAV in equity shares/equity related instruments of any company.

Provided that, the limit of 10% shall not be applicable for investments in index fund or sector/industry specific scheme.

However, the Scheme at any point of time will not invest more than 10% of the NAV of the Scheme in a single company.

15. In case any company has invested more than 5% of the net asset value of a scheme, the investment made by that scheme or by any other scheme of the same Mutual Fund in that company or its subsidiaries, if any, shall be brought to the notice of the Trustees by RCAM and be disclosed in the half-yearly and annual accounts with justification for such investment provided that the latter investment has been made within one year of the date of the former investment calculated on either side.

16. The Scheme may invest in Overseas securities in accordance with the regulations as applicable from time to time.

17. In terms of prevailing SEBI guidelines on overseas investment, each mutual fund is currently permitted to invest in foreign securities up to US\$300 million irrespective of the size of the assets. The ceiling for investment in overseas ETFs that invest in securities is US\$ 50 million per mutual fund. The investments shall be made in line with the said limits or any modified limits as specified by SEBI from time to time.

As of July 2014, RMF's limit to invest in foreign securities is US\$600 mn and the ceiling for investments in overseas ETF is US\$ 100 mn.

18. The Scheme will comply with any other regulations applicable to the investments of mutual funds from time to time.

19. Aggregate value of 'illiquid securities' of the Scheme, which are defined as non-traded, thinly traded and unlisted equity shares, shall not exceed 15% of the total assets of the Scheme.

20. Although the Fund is not restricted in the type of equity and equity related securities that it will purchase, in no case will it ever own more than 5% of the shares in a listed Japanese real estate holding company (that is, a company whose value consists 50% or more of real estate assets in Japan), more than 2% of the shares in a unlisted Japanese real estate holding company (that is, a company whose value consists 50% or more of real estate assets in Japan), taxable derivative transactions, or non-performing loans or other assets that give rise to holding income as defined for Japanese tax purposes.

20. The Fund shall not borrow except to meet temporary liquidity needs of the Fund for the purpose of repurchase / Redemption of Units or payment of interest and Dividend to the Unitholders.

Provided that the Fund shall not borrow more than 20% of the net assets of any individual Scheme and the duration of the borrowing shall not exceed a period of 6 months.

At RMF, to ensure robust risk management and adequate portfolio diversification internal Investment policy for various debt schemes has been framed. The investment policy at RMF specifies limits both on overall basis (across all schemes) as well as on individual scheme level. Guidelines for following parameters for liquid as well as non liquid schemes has been specified in the policy:

1. Eligible Instruments: Defines the eligible instruments where the scheme can invest
2. Minimum Liquidity: Defines the instruments considered as liquid instruments and the minimum investments in these instruments as a percentage of total net assets
3. Maximum Illiquid component: Defines the instruments considered as illiquid and the maximum investment that can be made in these instruments as a percentage of net assets.



4. Rating: Defines minimum and/ or maximum investment in a particular rating as a percentage of total portfolio.
5. Maturity: Defined the weighted average maturity of a portfolio. Also defines the weighted average maturity, maximum and maturity for certain asset types like corporate bond, PTCs, Gilts etc

All the Schemes securities investment will be in transferable securities.

All investment restrictions stated above shall be applicable at the time of making investment.

The Scheme will not enter into any transaction, which exposes it to unlimited liabilities or results in the encumbering of its assets in any way so as to expose them to unlimited liability.

These investment limitations / parameters as expressed / linked to the net asset / net asset value / capital, shall in the ordinary course, apply as at the date of the most recent transaction or commitment to invest. Changes do not have to be effected merely because of appreciation or depreciation in value or by reason of the receipt of any rights, bonuses or benefits in the nature of capital or of any scheme of arrangement or for amalgamation, reconstruction or exchange, or at any repayment or redemption or other reason outside the control of the Fund, any such limits would thereby be breached. If these limits are exceeded for reasons beyond its control, AMC shall adopt as a priority objective the remedying of that situation, taking due account of the interests of the Unitholders.

The Trustee Company in consultation with AMC may alter these above stated limitations from time to time, and also to the extent the Regulations change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments in order to achieve its investment objectives & policies. As such, all investments of the Scheme will be made in accordance with the Regulations including Schedule VII thereof and the Fundamental Attributes of this Scheme.

The investment in Foreign equity Securities shall be in accordance with SEBI Regulations.

**Investment by the AMC in the Scheme:** RCAM reserves the right to invest its own funds in the Scheme upto a maximum extent of its networth. As per SEBI Regulations, such investments are permitted, subject to disclosure being made in the Scheme Information Document. Further, RCAM shall not charge any fees on its investment in the Scheme, unless allowed to do so under SEBI Regulations in the future

#### **K. HOW HAS THE SCHEME PERFORMED?**

This scheme is a new scheme and hence the same is not applicable.

### III. UNITS AND OFFER

This section provides details you need to know for investing in the scheme.

#### A. NEW FUND OFFER (NFO)

This section is not applicable, as the ongoing offer of the Scheme has commenced after the NFO, and the Units are available for continuous subscription and redemption.

However details of the NFO relevant for the ongoing offer are provided below:

|   |  |
|---|--|
| <p><b>New Fund Offer Period (including each of the plan)</b></p> <p>This is the period during which a new scheme sells its units to the investors</p>   | <p>NFO opens on: August 08, 2014<br/> NFO closes on: August 20, 2014<br/> Scheme re-opens for continuous sale &amp; repurchase not later than : September 03, 2014<br/> RCAM reserves the right to change the above mentioned dates, However the NFO period of the Scheme will not be open for subscription for more than 15 days. Such change, if any, shall be announced by way of a newspaper advertisement in one vernacular daily of Mumbai and one English national daily.</p>   |
| <p><b>New Fund Offer Price</b></p> <p>This is the price per unit that the investors have to pay to invest during the NFO.</p>   | <p>The New Fund Offer price will be Rs. 10/- per unit.</p>   |
| <p><b>Minimum Amount for Application in the NFO</b></p> <p><b>Minimum Target amount</b></p> <p>This is the minimum amount required to operate the scheme and if this is not collected during the NFO period, then all the investors would be refunded the amount invested without any return. However, if AMC fails to refund the amount within five business days, interest as specified by SEBI (currently 15% p.a.) will be paid to the investors from the expiry of five business days from the date of closure of the subscription period.</p> | <p><b>MINIMUM APPLICATION AMOUNT:</b> Rs.5,000 &amp; in multiples of Re. 1 thereafter<br/> <b>ADDITIONAL PURCHASE AMOUNT:</b> Rs.1,000/- &amp; in multiples of Re. 1 thereafter<br/> The amount of subscription in excess of the minimum amount specified above should be any amount in multiple of Re. 1/-<br/> Rs. 10 Crore</p>  |
| <p><b>Maximum amount to be raised (if any)</b></p> <p>(This is the maximum amount which can be collected during the NFO period, as decided by the AMC)</p>  | <p>There will not be any limit on the amount to be raised and the Fund will make full and firm allotment against all valid applications.</p>   |
| <p><b>Plan/Options offered</b></p>  | <p>The Scheme offers the following Plans:</p> <p><b>(a) Growth Plan / Direct Plan - Growth Plan :</b></p> <p>The Growth Plan is designed for investors interested in capital appreciation on their investment and not in regular income. Accordingly, the Fund will not declare dividends under the Growth Plan. The income earned on the Growth Plan's corpus will remain invested in the Growth Plan.</p> <p><b>(i) Growth Option</b></p> <p>The Growth Plan has a Growth Option. Under this Option, there will be no distribution of income and the returns to the investors is only by way of capital gains/ appreciation, if any, through redemption at applicable NAV of the Units held by them in this option.</p> <p><b>(ii) Bonus Option</b></p> <p>The Growth Plan has a Bonus Option.</p> |

|                               |  |
|-------------------------------|--|
|                               | <p><b>(b) Dividend Plan / Direct Plan – Dividend Plan:</b></p> <p>The Dividend Plan has been designed for investors who require regular income in the form of dividends. Under the Dividend Plan, the Fund will endeavor to make regular dividend payments to the unitholders.</p> <p>Dividend will be distributed from the available distributable surplus after the deduction of applicable statutory levy, if any.</p> <p>Dividend Plan has two options:</p> <p><b>(i) Dividend Payout Option</b></p> <p>Under this option the Dividend declared under the Dividend Plan will be paid to the Unitholders within 30 days from the declaration of the dividend</p> <p><b>(ii) Dividend Re-investment Option</b></p> <p>The Dividend Plan has a Reinvestment Option whereby the dividend distributed under the plan will be automatically reinvested at the ex-dividend NAV on the transaction day following the date of declaration of dividend and additional Units will be allotted accordingly. Investors desirous of opting for the same should indicate the same in the space provided in the application form.</p> <p>When dividends are declared and paid with respect to the Plan, the net assets attributable to Unit holders will stand reduced by an amount equivalent to the product of the number of Units eligible for dividend and the gross amount of dividend per unit declared on the record date. The NAV of the Unit holders in the Growth Plans will remain unaffected by the payment of dividends.</p> <p>The Fund, however, does not assure any targeted annual return/ income nor any capitalisation ratio. Accumulation of earnings and/ or capitalisation of bonus units and the consequent determination of NAV, may be suspended temporarily or indefinitely under any of the circumstances as stated under the para on 'Suspension of Purchases and/or Redemption of units' of the Scheme Information Document.</p> <p>Please note that if no Growth or Dividend Plan is mentioned / indicated in the Application form, the Units will, by default, be allotted under the Growth Plan. Similarly, under the Dividend Plan, if no choice (payout or reinvestment) is indicated, the applicant will be deemed to have applied for the dividend reinvestment Option under that Plan. If no Option is indicated under the Growth Plan, the applicant will be deemed to have applied for the Growth Option under the Growth Plan. The Unitholder is subsequently free to switch the Units from the default Plan / Option to any other eligible Plans / Option of the Scheme, at the applicable price.</p> <p>Investors subscribing under Direct Plan of a Scheme will have to indicate "Direct Plan" against the Scheme name in the application form in addition to the option e.g. "Reliance Japan Equity Fund – Direct Plan – Growth Option". Investors should also indicate "Direct" in the ARN column of the application form. However, in case ARN code is mentioned in the application form, but "Direct Plan" is indicated against the Scheme name, ARN code will be ignored and the application will be processed under Direct Plan. If the investor does not mention Direct against the scheme name and the ARN code is also not provided the default allotment would be in the "Direct Plan".</p> <p>RCAM, in consultation with the Trustees reserves the right to discontinue/ add more plans/ options at a later date subject to complying with the prevailing SEBI guidelines and Regulations.</p> |
| <p><b>Dividend Policy</b></p> | <p>When dividends are declared with respect to the Scheme, the net assets attributable to Unitholders in the respective Plan/option will stand reduced by an amount equivalent to the product of the number of units eligible for dividend and the gross amount of dividend per unit declared on the record date. The NAV of the Unitholders in the Growth option will remain unaffected by the payment of dividends.</p> <p><b>Mode of Payment of Dividends</b></p> <p>The Fund proposes to pay dividend in the following manner:</p> <ol style="list-style-type: none"> <li>1. Direct credit to the bank account of unitholders – If an investor has an account with a bank with whom the fund has a tie up for direct credit, the dividend amount or redemption proceeds will be credited directly to the bank account, under intimation to the unit holder by post/email. As per the directive issued by SEBI, it is mandatory for an investor to declare his / her bank account number and accordingly, investors are requested to give their bank account details in the application form.</li> </ol> <p>The Mutual Fund, on a best effort basis, and after scrutinising the names of the banks where unitholders have their accounts, will allow direct credit to the unitholders' bank accounts.</p> <ol style="list-style-type: none"> <li>2. Unitholders who do not wish to avail the above mentioned direct credit facility will receive dividend payments through payable at par cheques / DDs. In locations where payable at par facility is not available, dividend payments will be made through demand drafts. All the dividend payments shall be in accordance and compliance with SEBI circular no. SEBI/IMD/CIR No.1/64057/06 dated April 4, 2006 or any amendment thereto from time to time The relevant paragraph of the said circular is reproduced herein below Dividend Distribution Procedure for Mutual Funds Regulation 53(a) of SEBI (Mutual Funds) Regulations, 1996 permit the mutual funds to distribute returns including dividend.</li> </ol> <p>It may be noted that the investors of RMF shall be given the payout of dividend as an additional mode of payment through electronic mode as may be specified by Reserve Bank of India from time to time. This is an additional mode of payments over and above existing mode. In order to effect such payments through electronic mode, data validation exercise will be carried out by RCAM through one of the banking channels which will enable RCAM to validate the investor data with the Bank records. It may be noted that if RCAM unable to provide such credits due to various reasons, then payment will be made in accordance with the mode as specified.</p> <p><b>Process for declaration of dividend in Unlisted Schemes/Plans</b></p> <ol style="list-style-type: none"> <li>1. Quantum of dividend and the record date shall be fixed by the trustees in their meeting. Dividend so decided shall be paid, subject to availability of distributable surplus.</li> <li>2. Record date shall be the date which will be considered for the purpose of determining the eligibility of investors whose names appear on the register of unit holders for receiving dividends. Further, the NAV shall be adjusted to the extent of dividend distribution and statutory levy, if any, at the close of business hours on record date.</li> </ol>  |

|  |   |
|--|---|
|  | <p>3. Within one calendar day of the decision by the trustees, AMC shall issue notice to the public communicating the decision including the record date. The record date shall be 5 calendar days from the issue of notice.</p> <p>4. Such notice shall be given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the head office of the mutual fund is situated.</p> <p>5. Before the issue of such notice, no communication indicating the probable date of dividend declaration in any manner whatsoever may be issued by any mutual fund or distributors of its products.</p> <p>6. The requirement of giving notice shall not be compulsory for scheme/plan/option having frequency of dividend distribution from daily upto monthly dividend.</p> <p>The dividend warrants shall be dispatched to the unitholders within 30 days of the date of declaration of the dividend.</p>   |
| <b>Policy on Unclaimed Redemption and Dividend Amounts</b> | <p>As per SEBI guidelines, the unclaimed redemption and dividend amounts shall be deployed in call money market or money market instruments only or such other instruments, as permitted under Regulations. The investors who claim such amounts during the period of three years from the due date shall be paid at the prevailing Net Asset Value. After a period of three years, this amount will be transferred to a pool account and the investors can claim the amount at NAV prevailing at the end of the third year. The income earned on such funds shall be used for the purpose of investor education.</p> <p>The Fund will make continuous efforts to remind the investors through letters to take their unclaimed amounts. Further, the investment management fee charged by AMC for managing unclaimed amounts shall not exceed 50 basis points.</p>  |
| <b>Allotment</b>   | <p>All the applicants whose subscription proceeds have been realised will receive full and firm allotment of Units, provided their applications are valid in all other respects. RCAM retains the discretion to reject any application. The process of allotment of units and mailing of account statement will be completed within 5 business days from the date of closure of the new fund offer period.</p> <p>For Subscriptions received after re-opening for continuous offer at the DISC's within the cut-off timings and considered accepted for that day, the units will be allotted as per the applicable NAV on the T day, Where the T day is the transaction day, provided the application is received within the cut-off timings for the transaction day (please refer para cut-off timings for further details).</p> <p>Upon allotment, an Account Statement will be sent to each Unitholder stating the number of Units allotted. The Account Statement shall be non transferable. The Trustees may issue a Unit Certificate in lieu of the Account Statement in respect of units held, to such unitholders who request for the same, after receipt of a specific request from the Unitholder. The Trustees reserve the right to make the Units transferable at a later date, subject to Regulations issued from time to time. Where units are held by investor in dematerialised form, the demat statement issued by the DP would be deemed adequate compliance with the requirements in respect of dispatch of statements of account.</p> <p>Further, the Trustee also reserves the right to issue transaction confirmation slips on an ongoing basis in lieu of Account Statements, indicating the price, and the units debited or credited to the account of the Investor, along with the closing balance of their Account.</p> <p>All Units will rank pari passu amongst Units within the same Scheme / Plan as to assets, earnings and the receipt of dividend distribution, if any.</p> <p>However, RCAM reserves right to provide the account statement / transaction confirmation slip to investor through an alternative mechanism as may be decided by the Fund, from time to time with the consent of the investor.</p> <p>If the investor has provided his/their Electronic Mail address also called as Email in the application form or any subsequent communication in any of the folio belonging to such investor, RMF / AMC reserves the right to use Electronic Mail as a default mode to send various communication which include account statements for transactions done by the investor(s).</p> |
| <b>Refund</b>  | <p>If any application is rejected, full amount will be refunded within five working days of closure of the NFO. No interest will be payable on any subscription money refunded within five working days. If refunded later than 5 working days, interest @ 15% p.a. for the delay period will be paid to the applicant and borne by the AMC for the period from the day following the date of expiry of five working days until the actual date of the refund.</p> <p>Refund orders will be marked "A/c. payee only" and drawn in the name of the applicant in the case of a sole applicant and in the name of the first applicant in all other cases, mentioning the bank account number and bank name of the sole / first applicant, as specified in the application form. In case the bank account details are not available or incomplete, the refund order will be issued without the bank account details of the applicant at the applicant's own risk.</p> <p>The bank and/ or collection charges, if any, will be borne by the applicant. All the refund payments will be sent by registered post or courier service or as required under the Regulations.</p>  |
| <b>Who can invest</b>                                      | <p>The units of the scheme are being offered to the public for subscription.</p> <p>The following persons (subject, wherever relevant, to purchase of units being permitted under their respective constitutions and relevant State Regulations) are eligible to subscribe to the units</p> <ol style="list-style-type: none"> <li>1. Adult Resident Indian Individuals, either single or jointly (not exceeding three).</li> <li>2. Non – resident Indians and persons of Indian origin residing abroad, on a full repatriation basis</li> <li>3. Parents / Lawful guardians on behalf of Minors</li> <li>4. Hindu Undivided Families (HUFs) in the name of HUF or Karta</li> <li>5. Companies (including Public Sector Undertakings), Bodies Corporate, Trusts (through Trustees) and Cooperative Societies</li> <li>6. Banks (including Regional Rural Banks) and Financial Institutions</li> <li>7. Religious and Charitable Trusts (through Trustees), Private Trusts authorised to invest in Mutual Fund schemes under their Trust Deeds</li> </ol>   |

|   |
|---|
| <p>8. Foreign Institutional Investors registered with SEBI on repatriation basis</p> <p>9. Qualified Institutional Investors (for further details please refer to SAI)</p> <p>10. Special Purpose Vehicles (SPVs) approved by appropriate authority (subject to RBI approval)</p> <p>11. International Multilateral Agencies approved by the Government of India</p> <p>12. Army/Navy/Air Force / Para Military Units and other eligible institutions</p> <p>13. Unincorporated body of persons as may be accepted by Reliance Capital Trustee Co. Limited</p> <p>14. Partnership Firms</p> <p>15. Scientific and Industrial Research Organisations</p> <p>16. Trustee, AMC or Sponsor or their associates may subscribe to Units under the Schemes.</p> <p>17. Qualified Institutional Investors (for further details please refer to SAI)</p> <p>18. Such other individuals / institutions / body corporate etc., as may be decided by the AMC from time to time, so long as wherever applicable they are in conformity with SEBI Regulations.</p> <p><b>Note :</b></p> <p>i. Non Resident Indians (NRIs) and Persons of Indian Origin (PIOs) residing abroad / Foreign Institutional Investors (FIIs) have been granted a general permission by Reserve Bank of India Schedule 5 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 for investing in / redeeming units of the mutual funds subject to conditions set out in the aforesaid regulations.</p> <p>ii. In case of application under a Power of Attorney or by a limited company or a corporate body or an eligible institution or a registered society or a trust fund, the original Power of Attorney or a certified true copy duly notarised or the relevant resolution or authority to make the application as the case may be, or duly notarised copy thereof, alongwith a certified copy of the Memorandum and Articles of Association and/or bye-laws and / or trust deed and / or partnership deed and Certificate of Registration should be submitted. The officials should sign the application under their official designation. A list of specimen signatures of the authorized officials, duly certified / attested should also be attached to the Application Form. In case of a Trust / Fund it shall submit a resolution from the Trustee(s) authorising such purchases and redemptions.</p> <p>iii. RCAM reserves the right to invest its own funds in the Scheme(s) upto a maximum extent of its network. As per SEBI Regulations, such investments are permitted, subject to disclosure being made in the respective Scheme Information Documents (s). Further, RCAM shall not charge any fees on its investment in the Scheme (s), unless allowed to do so under SEBI Regulations in the future.</p> <p>iv. It is expressly understood that at the time of investment, the investor/unitholder has the express authority to invest in units of the Scheme and the AMC / Trustee / Mutual Fund will not be responsible if such investment is ultravires the relevant constitution.</p> <p>v. For further details please refer Statement of Additional Information (SAI)</p> <p>vi. RCAM reserves the right to include / exclude new / existing categories of investors to invest in this Scheme from time to time, subject to SEBI Regulations, if any.</p> <p>vii. A Minor unit holder, upon becoming a major, is required to inform the AMC/ Registrar about attaining majority and provide his specimen signature duly authenticated by his banker as well as his details of bank account and PAN to enable the Registrar to update the records and allow him to operate the Account in his own right / capacity as an individual.</p> <p><b>viii. Subscriptions restricted from the person's of U.S. and CANADA:</b></p> <p>As per the requirements of the U.S. Securities and Exchange Commission (SEC), persons falling within the definition of the term "U.S. Person" under the US Securities Act of 1933 and corporations or other entities organized under the laws of U.S. are not permitted to make investments in securities not registered under the Securities Act of 1933. [The term "US Person" means any person that is a United States person within the meaning of Regulation S under the United States Securities Act of 1933 or as defined by the U.S. Commodity Futures Trading Commission or as per such further amended definitions, interpretations, legislations, rules etc, as may be in force from time to time].</p> <p>The scheme of Reliance Mutual Fund is presently not registered under the relevant laws, as applicable in the territorial jurisdiction of United States of America.</p> <p>In view of the same, the Units made available under the SAI or under the SID of the scheme, may not be directly or indirectly offered or sold in any provincial or territorial jurisdiction in U.S. or to or for the benefit of the residents thereof. Accordingly, the Persons, corporations and other entities organized under the applicable laws of the U.S. will not be permitted to make any fresh purchases/additional purchases/switches in any Scheme of Reliance Mutual Fund, in any manner whatsoever.</p> <p>The scheme of Reliance Mutual Fund is not registered in any provincial or territorial jurisdiction in Canada as per the local applicable laws and Units of the Scheme have not been qualified for sale in any Canadian jurisdiction under the applicable securities laws.</p> <p>Hence, the Units made available under the SAI or under the SID of the scheme, may not be directly or indirectly offered or sold in any provincial or territorial jurisdiction in Canada or to or for the benefit of residents thereof. Accordingly, the Persons, corporations and other entities organized under the applicable laws of the Canada will not be permitted to make any fresh purchases/additional purchases/switches in any Scheme of Reliance Mutual Fund, in any manner whatsoever.</p> <p>If an existing Investor subsequently becomes a resident of U.S. or Canada, then such Investor will not be able to purchase any additional Units of the Scheme.</p> <p>The Fund reserves the right to include / exclude new / existing categories of investors to invest in the Schemes, subject to SEBI Regulations and other prevailing statutory regulations, if any.</p> |
|---|

|  |   |
|--|---|
|  | <p><b>ix. Foreign Account Tax Compliance</b></p> <p>In accordance with the relevant provisions of the Foreign Account Tax Compliance Act ("FATCA") as contained in the United States Hiring Incentives to Restore Employment ("HIRE") Act, 2010, there is a likelihood of withholding tax being levied on certain income/ receipt sourced from the subjects of United States of America ("US") with respect to the schemes, unless such schemes are FATCA compliant.</p> <p>In this regard, the respective governments of India and US have agreed on the principal terms of a proposed Inter-Governmental Agreement (IGA) and the same is likely to be executed in near future. In terms of this proposed IGA, Reliance Mutual Fund ("RMF") and/ or Reliance Capital Asset Management Limited ("RCAM"/ "AMC") are likely to be classified as a "Foreign Financial Institution" and in which case RMF and/ or RCAM would be required, from time to time, to (a) undertake the necessary due-diligence process; (b) identify US reportable accounts; (c) collect certain required information/ documentary evidence ("information") with respect to the residential status of the unit holders; and (d) directly or indirectly disclose/ report/ submit such or other relevant information to the appropriate US and Indian authorities. Such information may include (without limitation) the unit holder's folio detail, identity of the unit holder, details of the beneficial owners and controlling persons etc.</p> <p>In this regard and in order to comply with the relevant provisions under FATCA, the unit holders would be required to fully cooperate &amp; furnish the required information to the AMC, as and when deemed necessary by the latter in accordance with IGA and/ or relevant circulars or guidelines etc, which may be issued from time to time by SEBI/ AMFI or any other relevant &amp; appropriate authorities.</p> <p>The applications which do not provide the necessary information are liable to be rejected. The applicants/ unit holders/ prospective investors are advised to seek independent advice from their own financial &amp; tax consultants with respect to the possible implications of FATCA on their investments in the scheme(s).</p> <p>The underlying FATCA requirements are applicable from July 1, 2014 or such other date, as may be notified.</p> <p>In case required, RMF/ RCAM reserves the right to change/ modify the provisions (mentioned above) at a later date.</p> <p><b>Right to Review Applications</b></p> <p>RCAM reserves the right to scrutinise, review and reject any application received during the initial subscription period or on an ongoing basis, at its discretion, without assigning any reason, in cases where, according to RCAM, accepting the same would not be in the best interests of the Fund.</p> |
| <p><b>Where can you submit the filled up applications.</b></p>       | <p>Investors may submit the duly completed application forms along with the payment instrument at any of the Designated Investor Service Centres mentioned in this Scheme Information Document or any other location designated as such by the AMC, at a later date. The addresses of the Designated Investor Service Centres are given at the end of this Scheme Information Document and also on the website, <a href="http://www.reliancecmutual.com">www.reliancecmutual.com</a></p> <p>Investors in cities other than where the Designated Investor Service Centres (DISC) are located, may forward their application forms to any of the nearest DISC, accompanied by Demand Draft/s payable locally at that DISC.</p> <p>As per the directives issued by SEBI, it is mandatory for an investor to declare his/her bank account number in the application form. This is to safeguard the interest of unitholders from loss or theft of their redemption cheques / DDs. Investors are requested to provide their bank details in the Application Form failing which the same will be rejected as per current Regulations.</p> <p>ASBA applications can be submitted only at Self Certified Syndicate Bank (SCSB) at their designated branches. List of SCSBs and their designated branches shall be displayed on the SEBI's website (<a href="http://www.sebi.gov.in">www.sebi.gov.in</a>). List of SCSBs and their designated branches shall be displayed on the SEBI's website (<a href="http://www.sebi.gov.in">www.sebi.gov.in</a>)</p>  |
| <p><b>How to Apply</b></p>   | <p>Please refer to the SAI and Application form for the instructions.</p>   |
| <p><b>Listing</b></p>  | <p>Being an open ended scheme, the units are not proposed to be listed on any stock exchange. However, the Trustee reserves the right to list the units as and when open end Schemes are permitted to be listed under the Regulations, and if the Trustee considers it necessary in the interest of unitholders of the Scheme.</p>  |
| <p><b>Special Products / facilities available during the NFO</b></p> | <ol style="list-style-type: none"> <li>1. Systematic Investment Plan (SIP)</li> <li>2. Facilitating transactions through Stock Exchange Mechanism</li> <li>3. Auto Switch Facility</li> <li>4. Applications Supported by Blocked Amount (ASBA) facility</li> <li>5. Alternate means of transaction - Online Transaction</li> </ol> <p><b>1. SYSTEMATIC INVESTMENT PLAN (SIP)</b></p> <p>An investor can benefit under this facility by investing specified amounts regularly. By investing a fixed amount of rupees at regular intervals, one would end up buying more units of the Fund when the price is low and fewer units when the price is high. As a result, over a period of time, the average cost per unit to the unitholder may tend to be less than the average subscription price per unit, irrespective of whether it is a rising, falling or fluctuating market. Thus, the unitholder automatically tends to gains and averages out the fluctuations of the market, without having to monitor prices on a day-to-day basis. This concept is called "Rupee Cost Averaging".</p> <p>Minimum investment amount for investing SIP route is as follows:</p> <ol style="list-style-type: none"> <li>(1) Rs.100/- per month and in multiples of Re. 1/- thereafter for minimum 60 months</li> <li>(2) Rs.500/- per month and in multiples of Re. 1/- thereafter for minimum 12 months</li> <li>(3) Rs.1000/- per month and in multiples of Re. 1/- thereafter for minimum 6 months</li> <li>(4) Rs.500/- per quarter and in multiples of Re. 1/- thereafter for minimum 12 quarters</li> <li>(5) Rs.1500/- per quarter and in multiples of Re. 1/- thereafter for minimum 4 quarters</li> <li>(6) Rs. 5000/- per year and in multiples of Rs. 500/- thereafter for minimum 2 years</li> </ol>   |

The cheques should be drawn in favour of "Reliance Japan Equity Fund A/c PAN" or "Reliance Japan Equity Fund A/c First Investor Name" and crossed "Account Payee Only" and must be payable at the centre where the applications are submitted to the Customer Service Centre. In case of fresh/additional purchases, if the name of the Scheme on the application form/transaction slip differs with the name on the Cheque/Demand Draft, then the application may be processed and units shall be allotted at applicable NAV of the scheme mentioned in the application / transaction slip.

An investor shall have the option of choosing for 1 or more than 1 SIP in the same scheme same plan and in the same month. SIP debit dates shall be 2nd, 10th, 18th or 28th. Investor can avail more than one SIP for the same debit date. To register multiple SIP in the same scheme/same month, please submit separate ECS/Auto Debit Mandate Forms.

Investors can start a SIP directly without any initial investment, however such investors are required to submit SIP cum Auto Debit ECS Enrolment Form at any of the DISCs of RCAM. There should be a minimum gap of at least 21 Business Days between the date on which application is submitted and the installment. In case the criteria of 21 days is not met, the SIP would start on the same date from the next month. If the date on the application is a non-Business Day for the scheme, then the units shall be allotted on the next Business Day.

#### **MICRO SYSTEMATIC INVESTMENT PLAN ("MICRO SIP")/ PAN EXEMPT INVESTMENTS**

In line with SEBI letter no. OW/16541/2012 dated July 24, 2012 addressed to AMFI, Investments in the mutual fund schemes {including investments through Systematic Investment Plans (SIPs)} up to Rs. 50,000/- per investor per year shall be exempted from the requirement of PAN.

Accordingly, for considering the investments made by an investor up to Rs. 50,000/-, an aggregate of all investments including SIPs made by an investor in a Financial Year i.e. from April to March, shall be considered and such investors shall be exempted from the requirement of PAN. However, requirements of Know Your Customer (KYC) shall be mandatory and investors seeking the above exemption of PAN will need to submit the PAN Exempt KYC Reference No (PEKRN) acknowledgement issued by KRA along with the application form.

This exemption is applicable only for individuals including NRIs, minors acting through guardian, Sole proprietorship firms and joint holders\*. Other categories of investors e.g. PIOs, HUFs, QFIs, non - individuals, etc. are not eligible for such exemption.

\* In case of joint holders, first holder must not possess a PAN.

Lumpsum Investments / Systematic Investments Plan (SIP) / Switch / would be considered for tracking the above exemption limit.

Investors are requested to note that, in case where a lump sum investment is made during the financial year and subsequently a fresh SIP mandate request is given where the total investments for that financial year exceeds Rs. 50,000/-, such SIP application shall be rejected.

In case where a SIP mandate is submitted during the financial year and subsequently a fresh lumpsum investment is being made provided where the total investments for that financial year exceeds Rs. 50,000, such lump sum application will be rejected.

Redemptions if any, in the Micro Investment folio, shall not be considered for calculating the exemption limit for such financial year. Consolidation of folio shall be allowed only if the PEKRN in all folios is same along with other investor details.

Post Dated Cheques will not be accepted as a mode of payment for application of MICRO SIP. Reliance SIP Insure facility will not be extended to investors applying under the category of Micro SIPs.

The first SIP cheque/draft could be of any Business Day but subsequent Auto Debit mandate/cheques should be for date/ dated 2nd, 10th, 18th or 28th and there should be a minimum gap of at least 21 Business Days between the 1st SIP and the 2nd SIP. However, subsequent cheques/ The Auto Debit transaction dates should have a gap of at least a month or a quarter depending upon the frequency chosen. In case the criteria of 21 days is not met, the SIP would start on the same date from the next month. If the date of SIP execution date is a non-Business Day for the scheme, then the units shall be allotted on the next Business Day. Investors can also start a SIP directly without any initial investment, however he has to submit the application for enrolment of SIP on any working day but the subsequent installment date of SIP shall be 2nd / 10th / 18th / 28th with a minimum gap of at least 21 working days between the submission of application form and the 1st SIP.

In case an investor intends to continue his SIP forever; he can opt for perpetual SIP which will not have an end date. In the event if the investors want to discontinue the SIP, a written communication will be required from the investors to discontinue the same. If the SIP end date is not filled, the SIP Auto Debit will be considered perpetual till further instructions are received from the investor. Such facility of perpetual SIP will not be applicable in case mode of payment is via Post Dated Cheques.

#### **Default SIP date:**

If an investor does not mention SIP Date in the application form or multiple SIP dates are mentioned in the SIP Mandate or the SIP Date is unclear in the application form / SIP Mandate, the default SIP date shall be treated as 10th of every month/quarter as per the frequency defined by the investor.

#### **Default SIP Enrollment period when start date is not specified:**

If an investor does not mention SIP start date or the SIP start date is unclear in the application form/SIP Mandate, the SIP date will by default start from the next subsequent month after meeting the minimum registration requirement of 21 working days.

#### **Default SIP Enrollment period when end date is not provided:**

If an investor does not mention SIP end date or the SIP end date is not expressly mentioned/ unclear in the application form/SIP Mandate, the tenure of SIP will be treated as perpetual i.e. the end date shall be considered as December 2099.

|  |
|--|
| <p><b>Termination of SIP:</b></p> <p>In case of three consecutive failures due to insufficient balance in bank account while processing request for SIP, RCAM shall reserve the right to terminate the SIP without any written request from the investor.</p> <p>In accordance with the requirements specified by the SEBI circular SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009 no entry load will be charged with respect to applications for enrolment / registrations accepted by RMF with effect from August 01, 2009. Exit Load as applicable in the Scheme at the time of enrolment / registration will be applicable.</p> <p>This is purely for operational convenience. The unit holder is however free to discontinue from the SIP facility at any point of time by giving necessary written instructions atleast 21 business days prior to the next due date of the SIP. Investments can be made through Post Dated Cheques (PDC), Electronic Clearing System (ECS), Auto Debit and Direct Electronic Debit to the investor's bank account. Investors may please note that PDC will not be accepted in case minimum investment amount via SIP is Rs. 100/- per month.</p> <p>Auto Debit facility will be available with the banks as notified by RMF from time to time. The ECS facility would be provided at all the locations where RBI or its associate Clearing House offers this facility. The list of such banks and centers where this arrangement will be available may undergo changes from time to time as and when banks/ centers are added/ deleted. Investors are advised to contact the nearest Designated Investor Service Centre for details before investing. The investor opting for Auto debit/ ECS facility will be required to sign up a mandate form on the basis of which RMF will arrange for his account to be debited as per the frequency, amount &amp; date chosen by the investor.</p> <p>Operational procedures for the facility will be announced by the Fund from time to time. RCAM in consultation with Trustees reserves the right to withdraw this facility, modify the procedure, frequency, dates, load structure in accordance with the SEBI Regulations and any such change will be applicable only to units transacted pursuant to such change on a prospective basis.</p> <p><b>2. FACILITATING TRANSACTIONS THROUGH STOCK EXCHANGE MECHANISM</b></p> <p>In terms of SEBI Circular SEBI/IMD/CIR No.11/183204/ 2009 dated November 13, 2009, units of the Scheme can be transacted through all the registered stock brokers of the National Stock Exchange of India Limited and / or Bombay Stock Exchange Limited who are also registered with Association of Mutual Funds of India and are empanelled as distributors with RCAM. Accordingly such stock brokers shall be eligible to be considered as 'official points of acceptance' of RMF.</p> <p>International Security Identification Numbers (ISIN) in respect of the plans / options of the Scheme have been created and have been admitted to National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and can be transacted using the beneficiary accounts maintained with any of the respective Depository Participants (DPs). The units will be allotted in the physical or depository mode in accordance with the choice of the investor. The facility of transacting in mutual fund schemes through stock exchange infrastructure is available subject to such limits, operating guidelines, terms and conditions as may be prescribed by the respective Stock Exchanges from time to time.</p> <p>Time stamping as evidenced by confirmation slip given by stock exchange mechanism shall be considered for the purpose of determining applicable NAV and cut off timing for the transaction. Where units are held by investor in dematerialised form, the demat statement issued by the DP would be deemed adequate compliance with the requirements in respect of despatch of statements of account. In case investors desire to convert their existing physical units (represented by statement of account) into dematerialised form, RCAM will facilitate the same with Registrar and Transfer Agents, Depositories and DPs. In case the units are desired to be held by investor in dematerialised form, the KYC performed by DP shall be considered compliance with SEBI Circular ISD/AML/CIR-1/2008 dated December 19, 2008.</p> <p>In Terms of SEBI circular vide reference no. CIR/IMD/DF/I 7/2010 dated November 09, 2010 with effect from December 30, 2010:</p> <ol style="list-style-type: none"> <li>1. In addition to the trading members of NSE and BSE, clearing members of registered Stock Exchanges shall be eligible to offer purchase and redemption of units of specified Schemes of RMF on MFSS and BSE Star MF System.</li> <li>2. Depository participants of registered Depositories shall be eligible to process only redemption request of units held in demat form.</li> <li>3. Clearing members and depository participants will be eligible to be considered as Official Points of Acceptance of RMF in accordance with the provisions of SEBI circular vide reference no. SEBI/IMD/CIR No.11/78450/06 dated October 1 1, 2006 and shall be required to comply with conditions stipulated in SEBI circular vide reference no. 1 1 /I 83204/2009 dated November 13, 2009 for stock brokers viz. AMFI /NISM certification, code of conduct prescribed by SEBI for Intermediaries of Mutual Fund. Further, Clearing members and depository participants shall comply with the operating guidelines issued by Stock Exchange and Depositories in this regards as may be applicable.</li> <li>4. Investors having demat account and purchasing and redeeming mutual fund units in demat mode through trading/ clearing members, shall receive redemption proceeds (if units are redeemed) and units (if units are purchased) through trading/ clearing member's pool account. RMF/ Reliance Capital Asset management Company Ltd. (RCAM)/ its Registrar will pay redemption proceeds to the trading/ clearing member (in case of redemption) and trading/ clearing member in turn will pay redemption proceeds to the respective investor. Similarly, units shall be credited by RMF/ RCAM/Registrar into trading/ clearing member's pool account (in case of purchase) and trading/ clearing member in turn will credit the units to the respective investor's demat account.</li> </ol> |
|--|



|  |   |
|--|---|
|  | <p>5. Payment of redemption proceeds to the trading/ clearing members by RMF/ RCAM/ its Registrar shall discharge RMF/ RCAM of its obligation of payment of redemption proceeds to individual investor. Similarly, in case of purchase of units, crediting units into trading/ clearing member pool account shall discharge RMF/ RCAM of its obligation/ to allot units to individual investor.</p> <p>6. It may be noted that Stock exchanges and Depositories shall provide investor grievance handling mechanism to the extent they relate to disputes between their respective regulated entity and their client and shall also monitor the compliance of code of conduct specified in the SEBI Circulars MFD/CIR/20/23230/02 dated November 28, 2002 and SEBI/IMD/08/174648/2009 dated August 27, 2009 regarding empanelment and code of conduct for intermediaries of Mutual Funds.</p> <p><b>3. AUTO SWITCH FACILITY</b><br/>This fund will offer an auto switch facility from all debt / Liquid schemes to Reliance Japan Equity Fund during the NFO. However, RCAM reserves the right to extend or limit the said facility on such terms and conditions as may be decided from time to time.</p> <p><b>4. APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (ASBA) FACILITY</b><br/>ASBA facility will be provided to the investors subscribing to NFO of the Scheme. It shall co-exist with the existing process, wherein cheques/ demand drafts are used as a mode of payment. Detailed provision of such facility has been provided in SAI.</p> <p><b>5. ALTERNATE MEANS OF TRANSACTION - ONLINE TRANSACTION</b><br/>Facility of online transactions is available on the official website of RMF i.e. www.reliance mutual. com. Consequent to this, the said website is declared to be an "official point of acceptance" for applications for subscriptions, redemptions, switches and other facilities. The Uniform Cut -off time as prescribed by SEBI and as mentioned in the Scheme Information Documents of respective schemes shall be applicable for applications received on the website. However, investors should note that transactions on the website shall be subject to the eligibility of the investors, any terms &amp; conditions as stipulated by RMF / RCAM from time to time and any law for the time being in force.</p>  |
| <p><b>The policy regarding reissue of repurchased units, including the maximum extent, the manner of reissue, the entity (the scheme or the AMC) involved in the same.</b></p> | <p>The units under the scheme once repurchased, shall not be reissued.</p>  |
| <p><b>Restrictions, if any, on the right to freely retain or dispose of units being offered.</b></p>   | <p>The purchase and/or redemption of Units may be suspended with prior approval of Trustees and Asset Management Company giving the details of circumstances and justification for the proposed action shall also be informed to SEBI in advance, temporarily or indefinitely when any of the following conditions exist at one/more Designated Investor Service Center's:</p> <ol style="list-style-type: none"> <li>(1) The stock market stops functioning or trading is restricted;</li> <li>(2) Periods of extreme volatility in the stock market, fixed income or money market, which, in the opinion of the Investment Manager, are prejudicial or detrimental to the interest of the investors;</li> <li>(3) Natural calamity; or</li> <li>(4) For any bulk processing like dividend, book closure, etc.</li> <li>(5) If banks do not carry-out any of the normal Banking activities at one or more Designated Investor Service Centers</li> <li>(6) In the event of breakdown in the means of communication used for the valuation of investments of the Scheme, without which the value of the securities cannot be accurately calculated.</li> <li>(7) In the event of any force majeure or disaster that affects the normal functioning of the AMC or the designated investor service centers.</li> <li>(8) SEBI, by order, so directs.</li> </ol> <p>The normal time taken to process redemption and/ or purchase requests, as mentioned earlier, may not be applicable during such extraordinary circumstances.</p> <p>However, suspension or restriction of repurchase/ redemption facility under any scheme of the Mutual Fund shall be made applicable only after the approval from the Board of Directors of the AMC and the Trustee Company. The approval from the AMC Board and the Trustees giving details of circumstances and justification for the proposed action shall also be informed to SEBI in advance.</p> <p>RMF also reserves the right at its sole discretion to withdraw sale of Units in the Scheme temporarily or indefinitely, if the AMC views that increasing the Scheme's size further may prove detrimental to the existing unit holders of the Scheme. An order/ request to purchase Units is not binding on and may be rejected by the Trustee, the AMC or their respective agents, unless it has been confirmed in writing by the AMC or its agents and (or) payment has been received.</p> |

**B. ONGOING OFFER DETAILS**

|   |  |
|---|--|
| <p><b>Ongoing Offer Period</b><br/>This is the date from which the scheme will reopen for subscriptions/ redemptions after the closure of the NFO period.</p> | <p>The Scheme will be available for ongoing transaction not later than five working days of the date of allotment.</p> |
|---|--|

|   |   |
|---|---|
| <p><b>Ongoing subscription price for (purchase)/switch-in (from other schemes/plans of the mutual fund) by investors.</b></p> <p>This is the price you need to pay for purchase/switch-in.</p>  | <p>Ongoing price for subscription (purchase)/switch-in (from other schemes/plans of the mutual fund) by investors will be the applicable NAV of the plan selected.</p> <p>Purchase Price = Applicable NAV</p> <p>In accordance with the requirements specified by the SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009 no entry load will be charged for purchase / additional purchase / switch-in accepted by RMF with effect from August 01, 2009. Similarly, no entry load will be charged with respect to applications for registrations under Systematic Investment Plans / Systematic Transfer Plans (including Reliance SIP Insure, Salary AddVantage, Recurring Investment Plan for Corporate Employees and Dividend Transfer Plan) accepted by RMF with effect from August 01, 2009.</p> <p>The upfront commission on investment made by the investor, if any, will be paid to the ARN Holder (AMFI registered Distributor) directly by the investor, based on the investor's assessment of various factors including service rendered by the ARN Holder.</p> <p>Pursuant to SEBI circular No. SEBI/IMD/CIR No. 14/120784/08 dated March 18, 2008, with effect from April 1, 2008, no entry load or exit load shall be charged in respect of bonus units and of units allotted on reinvestment of dividend.</p>  |
| <p><b>Ongoing price for redemption (sale) /switch outs (to other schemes/plans of the Mutual Fund) by investors.</b></p> <p>This is the price you will receive for redemptions/switch outs.</p> <p>Example: If the applicable NAV is Rs. 10, exit load is 2% then redemption price will be:<br/>Rs. 10* (1-0.02) = Rs. 9.80</p> | <p>At the applicable NAV subject to prevailing exit load, if any.</p> <p><b>Redemption Price</b></p> <p>The Redemption Price will be calculated in the following way :</p> <p>Redemption Price = Applicable NAV x (1 - Exit Load)</p> <p>Example: If the applicable NAV is Rs. 10.00, sales/entry load is 2 per cent and the exit/repurchase load is 2 percent then the sales price will be Rs. 10.20 and the repurchase price will be Rs. 9.80.</p> <p>The Fund will ensure that the Redemption Price is not lower than 93% of the NAV and the Purchase Price is not higher than 107% of the NAV, provided that the difference between the Redemption Price and Purchase Price of the Units shall not exceed the permissible limit of 7% of the Purchase Price, as provided for under the current Regulations.</p>   |
| <p><b>Cut off timing for subscriptions / redemptions/ switches</b></p> <p>This is the time before which your application (complete in all respects) should reach the official points of acceptance.</p>   | <p><b>Cut-off timings with respect to Subscriptions/Purchases including switch – ins:</b></p> <ol style="list-style-type: none"> <li>1. Purchases for an amount of Rs 2 lakh and above: <ul style="list-style-type: none"> <li>In respect of valid application received before 11.00 a.m. and funds for the entire amount of subscription / purchase as per the application are credited to the bank account of the scheme and are available for utilization before the cut-off time of 11.00 a.m., the closing NAV of the day shall be applicable;</li> <li>In respect of valid application received after 11.00 a.m. and funds for the entire amount of subscription / purchase as per the application are credited to the bank account of the scheme and available for utilization before the cut-off time of the next business day, the closing NAV of the next business day shall be applicable;</li> <li>Irrespective of the time of receipt of application, the closing NAV of the day on which the funds are credited to the bank account of the scheme and available for utilization before the cut-off time on any subsequent business day, the closing NAV of such subsequent business day shall be applicable.</li> </ul> </li> <li>2. For switch-in of Rs 2 lakh and above <ol style="list-style-type: none"> <li>a. Application for switch-in is received before the applicable cut-off time of 11.00 a.m</li> <li>b. Funds for the entire amount of subscription/purchase as per the switch-in request are credited to the bank account of the respective switch-in schemes before the cut-off time;</li> <li>c. The funds are available for utilization before the cut-off time, by the respective switch-in schemes</li> </ol> </li> <li>3. Purchases/switch-in for amount of less than Rs 2 lakh: <ol style="list-style-type: none"> <li>a. where the application is received upto 11.00 am with a local cheque or demand draft payable at par at the place where it is received – closing NAV of the day of receipt of application;</li> <li>b. where the application is received after 11.00 am with a local cheque or demand draft payable at par at the place where it is received – closing NAV of the next business day and;</li> <li>c. where the application is received with an outstation cheque or demand draft which is not payable on par at the place where it is received – closing NAV of day on which the cheque or demand draft is credited</li> </ol> </li> </ol> <p>Uniform process for aggregating split transactions for NAV applicability:</p> <p>Pursuant to AMFI circular no. 135/BP/35/2012-13 dated February 18, 2013, the following practice of aggregating split transactions shall be followed and accordingly the closing NAV of the day on which the funds are available for utilization shall be applied where the aggregated amount of investments is Rs. 2 lacs and above:</p> <ol style="list-style-type: none"> <li>a. All transactions received on the same day (as per Time stamp rule).</li> <li>b. Transactions shall include purchases, additional purchases, excluding Switches, SIP/STP/ triggered transactions and various other eligible systematic transactions as mentioned in the para titled "Special Products" of respective SIDs</li> <li>c. Aggregations shall be done on the basis of investor's PAN. In case of joint holding, transactions with similar holding structures shall be aggregated.</li> <li>d. All transactions shall be aggregated where investor holding pattern is same as stated above, irrespective of whether the amount of the individual transaction is above or below Rs 2 lacs.</li> <li>e. Only transactions in the same scheme shall be clubbed. This will include transactions at plan/ option level (Dividend, Growth, Direct).</li> </ol> |

|  |   |
|--|---|
|  | <p>f. Transactions in the name of minor, received through guardian should not be aggregated with the transaction in the name of same guardian.</p> <p>Further, investors may please note that the said process is being followed in line with the directives specified by Association of Mutual Funds in India ("AMFI"). RMF / RCAM shall reserve the right to change / modify any of the terms with respect to processing of transaction in line with directives specified by Securities &amp; Exchange of Board of India and / or AMFI from time to time.</p> <p><b>Redemptions including switch – outs</b></p> <p>In respect of valid applications received upto 11 a.m. by the Mutual Fund, closing NAV of the day of receipt of application, shall be applicable.</p> <p>In respect of valid applications received after 11 a.m. by the Mutual Fund, the closing NAV of the next business day shall be applicable.</p>   |
| <b>Where can the applications for purchase/redemption switches be submitted?</b> | <p>Applications for purchase/redemption/switches be submitted at any of the Designated Investor Service Centres mentioned in this Scheme Information Document or any other location designated as such by the AMC, at a later date. The addresses of the Designated Investor Service Centres are given at the end of this Scheme Information Document and also on the website, www.reliance mutual.com.</p> <p>Investors in cities other than where the Designated Investor Service Centres (DISC) are located, may forward their application forms to any of the nearest DISC, accompanied by Demand Draft/s payable locally at that DISC.</p>   |
| <b>Minimum amount for purchase/redemption/switches</b>                           | <p><b>For First Purchase (All Options / Plans)</b></p> <p>Rs. 5000 and in multiples of Re.1 thereafter</p> <p><b>Minimum Additional Investment:</b></p> <p>Rs. 1,000 and in multiples of Re.1 thereafter</p> <p><b>Redemption / Switch – out</b></p> <p>Redemption / Switch – out (for all the plans / options) can be for any amount or any number of units.</p>   |
| <b>Minimum balance to be maintained and consequences of non maintenance.</b>     | <p>Redemptions can be for any amount or any number of units.</p> <p>The Fund may revise the minimum/maximum amounts and methodology for redemptions as and when necessary. Such change may be brought about after taking into account the cost structure for a transaction / account and / or Market practices and / or the interest of the Unitholders. Further such changes shall be carried out on a prospective basis from the date of notification of such change and would not, in any manner, be prejudicial to the interests of the investors who have joined the scheme before such notification. Any changes would be informed to Unitholders by way of an advertisement.</p>   |
| <b>Special Products / Facilities available</b>                                   | <p><b>A. Special Products</b></p> <ol style="list-style-type: none"> <li>1. Systematic Investment Plan (SIP)</li> <li>2. Systematic Transfer Plan (STP)</li> <li>3. Reliance Salary AddVantage</li> <li>4. Dividend Transfer Plan (DTP)</li> <li>5. Systematic Withdrawal Plan (SWP)</li> <li>6. Flexible Asset Selection Tool (FAST)</li> <li>7. Trigger Facility</li> </ol> <p><b>B. Special Facilities</b></p> <ol style="list-style-type: none"> <li>1. Alternate means of Transaction – Online Transactions</li> <li>2. Facilitating transactions through Stock Exchange Mechanism</li> <li>3. Transactions through Reliance Mutual Fund Application</li> <li>4. Transactions through Call Centre</li> <li>5. Subscription Through VISA and Maestro Debit Card</li> <li>6. Redemption By Means Of Reliance Any Time Money Card ("The Card")</li> <li>7. Interbank Mobile Payment Service ("IMPS")</li> <li>8. Transaction through "Invest Easy – Individuals" <ol style="list-style-type: none"> <li>(i) Transact on Phone through RMF Call Centre</li> <li>(ii) Transactions through SMS</li> <li>(iii) Transactions through website of Reliance Mutual Fund www.reliance mutual.com (Debit/ ECSMandate)</li> </ol> </li> <li>9. One Time Bank Mandate Registration</li> </ol> <p><b>A. SPECIAL PRODUCTS</b></p> <p><b>1. SYSTEMATIC INVESTMENT PLAN (SIP)</b></p> <p>An investor can benefit under this facility by investing specified amounts regularly. By investing a fixed amount of rupees at regular intervals, one would end up buying more units of the Fund when the price is low and fewer units when the price is high. As a result, over a period of time, the average cost per unit to the unitholder may tend to be less than the average subscription price per unit, irrespective of whether it is a rising, falling or fluctuating market. Thus, the unitholder automatically tends to gains and averages out the fluctuations of the market, without having to monitor prices on a day-to-day basis. This concept is called "Rupee Cost Averaging".</p> |

|  |
|--|
| <p>Minimum investment amount for investing SIP route is as follows:</p> <ol style="list-style-type: none"> <li>(1) Rs.100/- per month and in multiples of Re. 1/- thereafter for minimum 60 months</li> <li>(2) Rs.500/- per month and in multiples of Re. 1/- thereafter for minimum 12 months</li> <li>(3) Rs.1000/- per month and in multiples of Re. 1/- thereafter for minimum 6 months</li> <li>(4) Rs.500/- per quarter and in multiples of Re. 1/- thereafter for minimum 12 quarters</li> <li>(5) Rs.1500/- per quarter and in multiples of Re. 1/- thereafter for minimum 4 quarters</li> <li>(6) Rs. 5000/- per year and in multiples of Rs. 500/- thereafter for minimum 2 years</li> </ol> <p>The cheques should be drawn in favour of "Reliance Japan Equity Fund A/c PAN" or "Reliance Japan Equity Fund A/c First Investor Name" and crossed "Account Payee Only" and must be payable at the centre where the applications are submitted to the Customer Service Centre. In case of fresh/additional purchases, if the name of the Scheme on the application form/transaction slip differs with the name on the Cheque/Demand Draft, then the application may be processed and units shall be allotted at applicable NAV of the scheme mentioned in the application / transaction slip.</p> <p>An investor shall have the option of choosing for 1 or more than 1 SIP in the same scheme same plan and in the same month. SIP debit dates shall be 2nd, 10th, 18th or 28th. Investor can also avail more than one SIP for the same debit date. To register multiple SIP in the same scheme/same month, please submit separate ECS/Auto Debit Mandate Forms.</p> <p><b>MICRO SYSTEMATIC INVESTMENT PLAN ("MICRO SIP")/ PAN EXEMPT INVESTMENTS</b></p> <p>In line with SEBI letter no. OW/16541/2012 dated July 24, 2012 addressed to AMFI, Investments in the mutual fund schemes [including investments through Systematic Investment Plans (SIPs)] up to Rs. 50,000/- per investor per year shall be exempted from the requirement of PAN.</p> <p>Accordingly, for considering the investments made by an investor up to Rs. 50,000/-, an aggregate of all investments including SIPs made by an investor in a Financial Year i.e. from April to March, shall be considered and such investors shall be exempted from the requirement of PAN. However, requirements of Know Your Customer (KYC) shall be mandatory and investors seeking the above exemption of PAN will need to submit the PAN Exempt KYC Reference No (PEKRN) acknowledgement issued by KRA along with the application form.</p> <p>This exemption is applicable only for individuals including NRIs, minors acting through guardian, Sole proprietorship firms and joint holders*. Other categories of investors e.g. PIOs, HUFs, QFIs, non – individuals, etc. are not eligible for such exemption.</p> <p>* In case of joint holders, first holder must not possess a PAN.</p> <p>Lumpsum Investments / Systematic Investments Plan (SIP) / Switch / would be considered for tracking the above exemption limit.</p> <p>Investors are requested to note that, incase where a lump sum investment is made during the financial year and subsequently a fresh SIP mandate request is given where the total investments for that financial year exceeds Rs. 50,000/-, such SIP application shall be rejected.</p> <p>In case where a SIP mandate is submitted during the financial year and subsequently a fresh lumpsum investment is being made provided where the total investments for that financial year exceeds Rs. 50,000, such lump sum application will be rejected.</p> <p>Redemptions if any, in the Micro Investment folio, shall not be considered for calculating the exemption limit for such financial year. Consolidation of folio shall be allowed only if the PEKRN in all folios is same along with other investor details.</p> <p>Post Dated Cheques will not be accepted as a mode of payment for application of MICRO SIP. Reliance SIP Inasure facility will not be extended to investors applying under the category of Micro SIPs.</p> <p>The first SIP cheque/draft could be of any Business Day but subsequent Auto Debit mandate/cheques should be for date/ dated 2nd, 10th, 18th or 28th and there should be a minimum gap of at least 21 Business Days between the 1st SIP and the 2nd SIP. However, subsequent cheques/ The Auto Debit transaction dates should have a gap of atleast a month or a quarter depending upon the frequency chosen. In case the criteria of 21 days is not met, the SIP would start on the same date from the next month If the of SIP execution date is a non-Business Day for the scheme, then the units shall be allotted on the next Business Day. Investors can also start a SIP directly without any initial investment, however he has to submit the application for enrolment of SIP on any working day but the subsequent installment date of SIP shall be 2nd / 10th / 18th / 28th with a minimum gap of at least 21 working days between the submission of application form and the 1st SIP.</p> <p>Incase an investor intends to continue his SIP forever; he can opt for perpetual SIP which will not have an end date. In the event if the investors want to discontinue the SIP, a written communication will be required from the investors to discontinue the same. If the SIP end date is not filled, the SIP Auto Debit will be considered perpetual till further instructions are received from the investor. Such facility of perpetual SIP will not be applicable incase mode of payment is via Post Dated Cheques.</p> <p><b>Default SIP date:</b></p> <p>If an investor does not mention SIP Date in the application form or multiple SIP dates are mentioned in the SIP Mandate or the SIP Date is unclear in the application form / SIP Mandate, the default SIP date shall be treated as 10th of every month/quarter as per the frequency defined by the investor.</p> <p><b>Default SIP Enrollment period when start date is not specified:</b></p> <p>If an investor does not mention SIP start date or the SIP start date is unclear in the application form/SIP Mandate, the SIP date will by default start from the next subsequent month after meeting the minimum registration requirement of 21 working days.</p> <p><b>Default SIP Enrollment period when end date is not provided:</b></p> <p>If an investor does not mention SIP end date or the SIP end date is not expressly mentioned/ unclear in the application form/SIP Mandate, the tenure of SIP will be treated as perpetual i.e. the end date shall be considered as December 2099.</p> |
|--|

**Termination of SIP:**

In case of three consecutive failures due to insufficient balance in bank account while processing request for SIP, RCAM shall reserve the right to terminate the SIP without any written request from the investor.

In accordance with the requirements specified by the SEBI circular SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009 no entry load will be charged with respect to applications for enrolment / registrations accepted by RMF with effect from August 01, 2009. Exit Load as applicable in the Scheme at the time of enrolment / registration will be applicable.

This is purely for operational convenience. The unit holder is however free to discontinue from the SIP facility at any point of time by giving necessary written instructions atleast 21 business days prior to the next due date of the SIP. Investments can be made through Post Dated Cheques (PDC), Electronic Clearing System (ECS), Auto Debit and Direct Electronic Debit to the investor's bank account. Investors may please note that PDC will not be accepted in case minimum investment amount via SIP is Rs. 100/- per month.

Auto Debit facility will be available with the banks as notified by RMF from time to time. The ECS facility would be provided at all the locations where RBI or its associate Clearing House offers this facility. The list of such banks and centers where this arrangement will be available may undergo changes from time to time as and when banks/centers are added/ deleted. Investors are advised to contact the nearest Designated Investor Service Centre for details before investing. The investor opting for Auto debit/ ECS facility will be required to sign up a mandate form on the basis of which RMF will arrange for his account to be debited as per the frequency, amount & date chosen by the investor.

Operational procedures for the facility will be announced by the Fund from time to time. RCAM in consultation with Trustees reserves the right to withdraw this facility, modify the procedure, frequency, dates, load structure in accordance with the SEBI Regulations and any such change will be applicable only to units transacted pursuant to such change on a prospective basis.

Additional features in the Systematic Investment Plan facility:

**a. Multiple Systematic Investment Plan ("Multiple SIP") Facility**

Multiple SIP Facility enables investors to start Investments under SIP (Including MICRO SIP) for various eligible schemes (one or multiple) using a single application form. This facility is for individuals investors only. All features / terms & conditions as applicable for investments through SIP shall also be applicable for availing the Multiple SIP facility subject to the following additional requirements:

1. Through this facility an investor can register SIP for maximum of five schemes. A customized Multiple SIP form has been designed by RCAM for the same. In case if the investor wishes to register for more than five schemes a separate form has to be filled up for the same.
2. To avail this facility investor is required to fill up the "One time Bank Mandate Form" from which the amount shall be debited. However, Unit Holders who are currently registered under the Invest Easy - Individuals facility can avail this facility without registering the One Time Bank Mandate. The enrolment period specified in the SIP enrolment form should be less than or equal to the enrolment period mentioned in the One Time Bank Mandate. In case of any deviation between the tenure for Multiple SIP and tenure mentioned in One time bank mandate, the transaction shall be processed till the tenure mentioned in "One time bank mandate form". To initiate the investment process the investor does not require to submit a physical cheque.

**b. Reliance STEP-UP Facility**

Under this facility the Investor can increase the SIP installment(including MICRO SIP) at pre-defined intervals by a fixed amount. This aims to provide the investor a simplified method of aligning SIP installment amounts with increase in investor's earnings over the tenure of SIP. This facility is available for individual investors only. For availing the said facilities, investors are required to note the following:

1. Investor willing to register STEP-UP should provide the STEP-UP details along with the SIP enrolment details and is also required to fill up " One time Bank Mandate Form" from which the amount shall be debited. Investors who are currently registered under Invest Easy - Individuals facility may avail this facility without registering the One Time Bank Mandate.
2. The minimum amount for STEP-UP should be Rs. 100 and in multiples of Rs. 100 only.
3. Monthly SIP offers STEP-UP frequency at half yearly and yearly intervals. Quarterly SIP & Yearly SIP offers STEP-UP frequency at yearly interval only. In case STEP-UP frequency is not indicated, it will be considered as Yearly by Default.
4. There should be clear indication about STEP-UP Count i.e. the number of times the SIP Installment amount should be increased. In case STEP-UP amount is mentioned and STEP-UP count is not indicated, it will be considered as 1 (One) by Default.
5. The date for Reliance STEP-UP Facility will correspond to the registered SIP.
6. The enrolment period specified in the Reliance STEP-UP form should be less than or equal to the enrolment period mentioned in the SIP. In case of any deviation in period, the tenure of the SIP shall be considered.

**Illustration: How to calculate the Reliance STEP-UP amount?**

Monthly SIP with Half Yearly Reliance STEP-UP Frequency:

- SIP Period: 02-Jan-2014 to 02-Dec-2015(2 Years)
- Scheme Name: Reliance Equity Opportunities Fund
- Monthly SIP Installment Amount: Rs 1,000 SIP
- Date: 2nd of every month (24 installments)
- Reliance STEP-UP Amount: Rs. 1,000
- Reliance STEP-UP Frequency: Half Yearly
- Reliance STEP-UP Count: 2

**SIP Installments shall be as follows:**

| Installment Period | From Date  | To Date    | Monthly SIP Installment Amount | Reliance STEP - UP Amount | Monthly SIP Installment after STEP - UP Amount |
|--------------------|------------|------------|--------------------------------|---------------------------|--|
| 1 to 6             | 2nd Jan'14 | 2nd Jun'14 | 1,000                          | NA                        | 1,000  |
| 7 to 12            | 2nd Jul'14 | 2nd Dec'14 | 1,000                          | 1,000                     | 2,000  |
| 13 to 18           | 2nd Jan'15 | 2nd Jun'15 | 2,000                          | 1,000                     | 3,000  |
| 19 to 24           | 2nd Jul'15 | 2nd Dec'15 | 3,000                          | N.A.                      | 3,000  |

**N.A.** - Not Applicable

**Note:** In the above table, Monthly SIP Installment Amount increases by Reliance STEP-UP amount Rs 1,000 at half-yearly intervals. The above investment simulation is purely for illustrative purposes only and shall not be deemed as guarantee/promise of minimum returns or to depict performance of any mutual fund scheme.

Operational procedures for the facility will be announced by the Fund from time to time. RCAM in consultation with Trustees reserves the right to withdraw this facility, modify the procedure, frequency, dates, load structure in accordance with the SEBI Regulations and any such change will be applicable only to units transacted pursuant to such change on a prospective basis.

**2. SYSTEMATIC TRANSFER PLAN (STP)**

STP is a facility wherein unit holders of designated open ended schemes of RMF can opt to transfer a Fixed amount (capital) or variable amount (capital appreciation) at regular intervals to another designated open ended scheme of RMF.

**A. Plans / Options available** - There are two plans available Fixed Systematic Transfer Plan and Capital Appreciation Systematic Transfer Plan. Details of which are provided as below:

**(1) Fixed Systematic Transfer Plan** - Investor has the option to transfer a fixed amount of his choice as per the options available from one any of the eligible Transferor scheme to any of the Transferee scheme. Unit holders are required to select any one of the following options under Fixed Systematic Transfer Plan.

- (i) **Daily Option** - where STP will be executed on Daily basis,
- (ii) **Weekly Option** - where STP will be executed on 1st, 8th, 15th and 22nd of every month,
- (iii) **Fortnightly Option** - where STP will be executed on 1st and 15th of every month,
- (iv) **Monthly Option** - where STP will be executed on any pre-specified date of every month to be chosen by the unit holders,
- (v) **Quarterly Option** - where STP will be executed on any pre-specified date of the first month of the quarter to be chosen by the unitholder.

**(2) Capital Appreciation Systematic Transfer Plan** - Investor has the option to transfer only the appreciated amount from one any of the eligible Transferor scheme to any of the Transferee scheme. Unit holders are required to select any one of the following options under Capital Appreciation Systematic Transfer Plan.

- (i) **Monthly Option** - where STP will be executed on 1st of every month,
- (ii) **Quarterly Option** - where STP will be executed 1st of the starting month of every quarter

**(3) Perpetual STP option:** An investor who opts for perpetual option, his STP will continue forever with no end date unless a written request for cancellation is given by the investor in this regard.

**B. Minimum amount of transfer** - The following minimum amount will be transferred in the selected Transferee Scheme under various plans / options.

**(1) Fixed Systematic Transfer Plan** - The following amount will be transferred on STP execution date, subject to applicable exit load in the Transferor Scheme:

- (i) **Daily Option** - Minimum of Rs. 100 and in multiples of Rs. 100 thereof
  - (ii) **Weekly / Fortnight / Monthly option** - Minimum of Rs. 1000 and in multiples of Rs 100 thereof
  - (iii) **Quarterly option** - Minimum of Rs. 3000 and in multiples of Rs 100 thereof
- Applications not in multiple of Rs.100 will be processed for the nearest lower multiple of Rs.100, subject to minimum amount specified.

**(2) Capital Appreciation STP** - Monthly option or Quarterly option - A minimum of Rs. 500 and above thereof will be transferred on STP execution date, subject to applicable exit load of the transferor Scheme. In case the capital appreciation amount is less than Rs.500 on any STP due date, the systematic transfer will not be processed for that due date.

**C. Minimum Balance Requirements** - following is minimum balance amount that an unitholder has to maintain in his folio to opt for STP facility.

The minimum balance amount that an unitholder has to maintain in his folio to opt for STP facility for all the eligible schemes to Rs 5,000 or the minimum application amount as stated in the SID of the Transferor scheme, whichever is higher. In case of insufficient balance in the account / folio, the application for enrolment for STP will be rejected

**D. Loads** - the following load structure will be applicable.

- (1) **Entry Load** - In accordance with the requirements specified by the SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009 no entry load will be charged.
- (2) **Exit Load** - as applicable in the respective Transferor and Transferee Scheme at the time of enrolment of STP will be applicable.

#### **E. Other Important Points**

- (1) All valid transfer requisitions would be treated as switch-out / redemption for the transferor scheme and switch-in/ subscription transactions for the transferee scheme and would be processed at the applicable NAV of the respective schemes. The difference between the NAVs of the two Schemes/ Plans will be reflected in the number of units allotted.
- (2) This facility is not available for units which are under any Lien/Pledged or any lock-in period.
- (3) RCAM in consultation with the Trustees, reserves the right to modify the procedure, load structure in accordance with the SEBI Regulations and any such change shall be applicable only to units transacted pursuant to such change on a prospective basis.
- (4) The unit holders may approach/ consult their tax consultants in regard to the treatment of the transfer of units from the tax point of view.
- (5) Minimum number of transfers required for a STP shall be two. In case of daily STP, minimum number of transfer is one month.
- (6) Unit a holder has to ensure to maintain minimum balance in accordance with Plans selected in the Transferor Scheme or Rs. 5000 (whichever is higher) on the transfer date / execution date under Fixed Systematic Transfer Plan. In case of insufficient balance / unclear units on the date of transfer in the folio, STP for that particular due date will be rejected. However, future STPs will continue to be active. Also if the investor continues to have insufficient balance / unclear units for three consecutive months, RCAM will have the right to discontinue the future STPs at its own discretion. This will help the investor to continue his STP facility seamlessly. STP facility is available for all sub options.
- (7) Investor can discontinue STP by providing a written notice to DISC atleast 7 calendar days (excluding of submission) prior to the due date of the next transfer date. In case of Daily STP, the cancellation will effect from the date falling after 7 calendar days.
- (8) The registered STP will be automatically terminated if units are pledged or upon receipt of intimation of death of the unit holder.
- (9) **Frequency of STP :** If an investor does not mention any frequency or mentions multiple frequencies on the STP application form or the frequency is unclear on the STP application form, the default frequency shall be monthly
- (10) **Default STP Date:** If an investor opts for Monthly or Quarterly frequency of STP but does not mention the STP Date or mentions multiple STP dates on the mandate or the STP date is unclear on the STP Mandate, the default STP date shall be treated as 10th of every month/quarter as per the frequency defined by the investor
- (11) **Default STP Enrollment period when start date is not provided:** If an investor does not mention STP start date, or the STP start date is unclear/not expressly mentioned on the STP Application form, then by default STP would start from the next subsequent cycle after meeting the minimum registration requirement of 7 working days as per the defined frequency by the investor.
- (12) **Default STP Enrollment period when end date is not provided:** If an investor does not mention STP end date or the STP end date is unclear, it will be considered as perpetual STP.
- (13) **Application processing of Systematic Transfer Plan ("STP"):** The Enrolment form completed in all respects can be submitted at any of the Designated Investor Service Centre (DISC) of RCAM at least seven calendar days before the commencement of first execution date of STP. In case the required time of seven calendar days are not met then the STP will be processed from the next STP cycle.
- (14) RCAM in consultation with Trustees reserves the right to withdraw this facility, modify the procedure, frequency, dates, load structure in accordance with the SEBI Regulations and any such change will be applicable only to units transacted pursuant to such change on a prospective basis.

**Note:** It may be noted that all the transfers to Reliance Gold Savings Fund (RGSF) have been termed as Reliance Golden Transfer Step with effect from May 21, 2011. All other features under these facilities remain unchanged. Also In case if the investor exercises an option of STP - Out from RGSF, the same shall be termed as STP - Out and not Reliance Golden Transfer Step.

#### **MULTIPLE SYSTEMATIC TRANSFER PLAN:**

In this facility the unit holders of one designated open ended scheme of RMF can opt to transfer a Fixed amount (capital) at regular intervals to another one or more designated open ended schemes of RMF.

- Eligible Transferor Scheme – All open ended scheme where STP facility is available
- Eligible Transferee Scheme – All open ended scheme where STP facility is available – Investor can specify maximum 5 transferee schemes

Investor has the option to transfer a fixed amount of his choice as per the options available from one any of the eligible Transferor scheme to any of the Transferee scheme. The investor has to specify the amount which will be transferred to the transferee schemes.

The above facility will be applicable only for Fixed Systematic Transfer Plan.

Unit holders are required to select any one of the following options:

- (i) Daily Option – where STP will be executed on Daily basis,
- (ii) Weekly Option – where STP will be executed on 1st, 8th, 15th and 22nd of every month,

- (iii) Fortnightly Option – where STP will be executed on 1st and 15th of every month,
- (iv) Monthly Option – where STP will be executed on any pre-specified date of every month to be chosen by the unit holders,
- (v) Quarterly Option – where STP will be executed on any pre-specified date of the first month of the quarter to be chosen by the unit holder

**Minimum amount of transfer –**

The following amount will be transferred on STP execution date, subject to applicable exit load in the Transferor Scheme:

- (i) Daily Option – Minimum of Rs. 100 and in multiples of Rs. 100 thereof

**(ii) Weekly / Fortnight / Monthly option – Minimum of Rs. 500 and in multiples of Rs 100 thereof**

**(iii) Quarterly option – Minimum of Rs. 1500 and in multiples of Rs 100 thereof**

Applications not in multiple of Rs.100 will be processed for the nearest lower multiple of Rs.100, subject to minimum amount specified.

**Minimum Balance Requirements –** The minimum balance amount that an unitholder (new or existing) has to maintain in his folio to opt for STP facility for all the eligible schemes to Rs 5,000 or the minimum application amount as stated in the SID of the respective Transferor scheme, whichever is higher.

RCAM reserves the right to withdraw this offering, modify the procedure, frequency, dates, load structure in accordance with the SEBI Regulations and any such change shall be applicable only to units transacted pursuant to such change on a prospective basis.

**3. RELIANCE SALARY ADVANTAGE**

The Salient Features of Reliance Salary AdvVantage are as follows

- Under this facility, an employer enters into an arrangement with RMF which shall enable the employer to deduct a certain amount from the salary / other payments which the employee is entitled to receive and remit the same to RMF through a consolidated cheque / fund transfer / debit instructions or such other mode as may be applicable from time to time. The said facility can be offered by the Employer for its Employees who are on their payroll and deductions and subsequent remittance can be in the form of Systematic Investment Plans (SIP) or lump-sum/one-time subscription. All the scheme specific features/ facilities / terms & conditions (including terms and conditions of any systematic transaction) shall be applicable to investments coming through Salary AdvVantage.
- In case of processing of a SIP under Salary AdvVantage, the employer shall have the flexibility to decide any date (working day) of the month or the quarter on which the said deduction shall be made and remitted to RMF. Thereafter, for the registered Systematic Investment Plan (SIP) the subsequent monthly / quarterly deductions will happen on each month / quarter on a specified date. In the interest of investors RMF / RCAM shall process the said transactions on the date when it receives the valid requirements for processing of applications instead on the designated SIP dates. This Facility offers a flexibility of choosing any working day of the month for execution of the SIP in Salary AdvVantage facility.
- This facility shall be offered only to resident individual investors of the scheme.

RMF / RCAM reserve the right to introduce, change, modify or withdraw the features available in this facility from time to time.

**4. DIVIDEND TRANSFER PLAN (DTP)**

All the unit holders in the Dividend Plans whether in Dividend Reinvestment Option or Dividend Payout Option with any Dividend frequency can transfer their dividend to any other open ended Scheme by availing such facility.

The Dividend declared in the Transferor scheme will be automatically invested into the Transferee Scheme at the applicable NAV and accordingly the equivalent units will be allotted in the Transferee Scheme.

The units will be allotted in the Transferee Scheme subject to the terms and conditions mentioned in the Scheme Information Document (SID) of Transferee Scheme after deduction of applicable statutory levy, if any.

The provision of "Minimum Application Amount" specified in the SID of the opted Transferee Scheme will not be applicable for availing DTP facility.

No entry and/or exit load will be charged for the units allotted on reinvestment of dividend. Accordingly no exit load will be charged to the Transferor Scheme and no entry load will be charged for the investments in Transferee Scheme. The exit load applicable at the time of transfer will be applicable for the investments in Transferee Scheme.

This facility will not be available for units which are under any Lien/Pledged or any lock-in period.

The unitholder who wish to opt for this facility has to submit the Enrolment form complete in all respects at any of the Designated Investor Service Centre (DISC) at least 7 calendar days before the commencement of first execution date of DTP

Unit holders can cancel DTP facility by providing a written notice to the DISC at least 7 calendar days (excluding date of submission) prior to the due date of the next transfer date. The information need to be mentioned while submitting a cancellation request for DTP are (a) Name of the unit holder (b) Folio Number (c) Transferor Scheme (d) Transferee Scheme (e) Cancellation effective date.



DTP will be automatically terminated if all the units are liquidated or withdrawn from the Transferor Scheme or pledged or upon receipt of intimation of death of the unit holder.

Unit holders should clearly mention from and to which Scheme / option he / she wish to transfer their Dividend. Please note that if no Transferor Scheme or Transferee Scheme is mentioned or in case of an ambiguity the application is liable to be rejected.

#### **Notes**

It may be noted that dividend transfer facility under Reliance Gold Savings Fund has been termed as Golden DTP with effect from May 21, 2011. All other features under this facility remain unchanged

The Trustee/AMC reserves the right to modify the facilities at any time in future on a prospective basis.

#### **5. SYSTEMATIC WITHDRAWAL PLAN (SWP)**

Unitholders may utilize the SWP to receive regular monthly / quarterly payments their account. The minimum amount, which the unitholder can withdraw, is Rs.500/- and in multiples of Rs. 100/-, thereafter, subject to revision by RCAM. The amount thus withdrawn will be considered as redemption and shall be converted into units and will be deducted from the unit balance in the account, of the unitholder.

Subsequent to the request made in the application, a SWP form will be sent to the Unitholder. SWP will commence only upon receipt of this prescribed form duly completed. SWP requests in any other format besides the specified format will be treated as invalid and are liable for rejection.

All SWP transactions would be reported on either of the 1<sup>st</sup>, 8<sup>th</sup>, 15<sup>th</sup>, 22<sup>nd</sup> transaction day of the respective month/quarter. Month or quarter shall be calculated from the date of execution of first SWP transaction. The redemption proceeds will be posted within normal service standards to the investors. No post-dated cheques will be issued against SWP transactions. There is no limitation on the amount of withdrawals

The unitholder will define the frequency of withdrawals and the amount of withdrawal per SWP transaction. SWP forms received without this information will be treated as incomplete and are liable for rejection. The unitholder needs to specify the start date and the end date for SWP. In cases where the start date and the end date has not been specified in the SWP form, the SWP will continue till the balance in the account becomes nil or below the amount specified by the investor for SWP.

A unitholder who has opted for SWP under a specific account can also redeem or switch his units to any other eligible scheme or any other plans/options under the same scheme provided he has sufficient balance in his account, on the date of such request. SWP will automatically cease in case the unit balance becomes nil after such redemption / switch transaction or falls below the required amount specified by the investor for SWP.

A unitholder can put in additional subscription in the account, in accordance with conditions specified in the Scheme Information Document for additional subscriptions, any time during the existence of the concerned account. Such additional subscriptions will in no way alter the functioning of the SWP, unless a subsequent request to the contrary is received from the unitholder in writing.

This facility is available for all sub options except for Daily Dividend Option.

RMF / RCAM reserve the right to introduce, change, modify or withdraw the features available in this facility from time to time.

#### **6. FLEXIBLE ASSET SELECTION TOOL (FAST)**

FAST (Flexible Asset Selection Tool) is a unique investment selection tool, designed specifically to understand every investors specific needs. FAST aims to provide "embedded 3600 financial solutions" suitable for all types of investors having different goals & risk appetite during different time frames. FAST endeavors to empower the investors with customized integrated financial solutions, thus assisting one, to achieve Financial Goal through Right Planning. FAST aims to enable an investor to plan for his financial goals including but not limited to wealth creation through asset allocation, achieving long term goals through systematic investments, investments for tax saving, managing short term cash surplus & any other financial goal as may be deemed fit from time to time. The objective of wealth creation through asset allocation is to enable an investor to achieve the wealth creation goal by allocating the investments in various Schemes of RMF as per the risk profile on the basis of a proprietary model.

An investor's risk profile has been defined into Aggressive, Moderate and Conservative category. On the basis of the categorization of an investor's risk profile, a proprietary model has been devised which proposes allocation of funds in various schemes of RMF

**a. Wealth Creation through Asset Allocation:** With an objective to create wealth creation through asset allocation, FAST earlier had two plans i.e. Plan A and Plan B. The said plans shall be prospectively discontinued and a single plan namely "Wealth Creation Portfolio" shall be available. Further, to clarify Plan A and Plan B shall remain in existence only for the existing investments and all fresh subscriptions received from existing as well as new investors shall be processed in the "Wealth Creation Portfolio" Plan. Investors may please note that this facility shall not be available for investors subscribing through demat mode.

**b. Introduction of Gold as asset class in the "Wealth Creation Portfolio":** In the said plan to enable an investors to achieve the wealth creation goal by allocating the investments in various schemes of RMF as per the risk profile, RMF has defined the Risk Profile into "Conservative", "Moderate", and "Aggressive" category. On the basis of the above categorization of the investor's risk profile, a revised proprietary model has been devised which proposed allocation of funds in various schemes of RMF. The said model recommends the below mentioned allocation of Equity, Fixed Income and Gold as an asset class.

| *Asset Allocation        | Conservative Portfolio (%) | Moderate Portfolio (%) | Aggressive Portfolio (%) |
|--------------------------|----------------------------|------------------------|--------------------------|
| Equity Asset Class       | 15                         | 45                     | 75                       |
| Fixed Income Asset Class | 75                         | 45                     | 15                       |
| Gold Asset Class         | 10                         | 10                     | 10                       |
| Total                    | 100                        | 100                    | 100                      |

\*Equity Asset Class will include Schemes such as diversified equity, sector, tax saver, balanced, index & arbitrage of RMF, Fixed Income Asset Class will include Schemes such as liquid, debt and monthly income plan of RMF & Gold Asset Class will include Reliance Gold Savings Fund. Details of the proportion of the portfolio allocations into various schemes is mentioned in subscription document of FAST. The above mentioned asset allocation model has been derived using established theories on risk and return. Readers are advised to seek appropriate independent professional advice and arrive at an informed investment decision before making any investments.

Going forward investments in the Wealth Creation Portfolio can also be made through One Time Bank Mandate facility. Further details of the same will be available in the application form.

**c. Features of "Wealth Creation Portfolio":**

- The Wealth Creation Portfolio shall have two options namely Default Option (investments through selected proprietary model) or Investor's Choice Option.
- Mode of investment can be one time subscription (Lumpsum Investment) or systematic investments (Investments through Portfolio SIP (details are as mentioned below).
- In Lumpsum Investment subscriptions in various schemes will happen through auto-switch from Reliance Liquid Fund – Treasury Plan all sub options except for daily dividend option.
- The minimum application amount and additional investment in "Wealth Creation Portfolio" will be Rs. 50,000 & in multiples of Re. 100 thereafter and Rs.10,000 & in multiples of Rs.100 thereafter respectively. Investors are requested to note that the additional investment would be at the same portfolio level.

**d. Introduction of new facility - Investments through Portfolio SIP:**

- In order to facilitate systematic investment through FAST, it has been decided to introduce a new feature namely "Portfolio SIP". Portfolio SIP in FAST will enable unit holders of FAST to transfer a fixed amount at regular intervals from Reliance Liquid Fund – Treasury Plan all sub options (except for daily and weekly dividend option) to the portfolio (aggressive/moderate/conservative) or investors' choice option basis the selection. The same can be done through Systematic Investment Plan ("SIP") in Reliance Liquid Fund – Treasury Plan all sub options (except for daily and weekly dividend option) and subsequent Systematic Transfer Plan ("STP") in the selected portfolio.

In addition to this a new feature wherein, investments in Reliance Portfolio SIP through SIPs directly into the schemes of selected portfolio is being introduced. Investments through Reliance PSIP option can be made only by registering the One Time Bank Mandate or through Invest easy registered mandates. Further details of the same are available in the application form.

- This facility shall be available only for monthly and quarterly frequencies. The minimum application amount will be Rs.5,000/- & in multiples of Rs.100/- thereafter and minimum no of installments required are 12.
- The Portfolio SIP facility will also be available through "Invest Easy" with effect from November 5, 2012. Subject to investor providing the required forms and reading the features, terms & conditions of the SID / KIM / SAI of the applicable schemes of RMF.
- In case Portfolio SIP is registered through Invest Easy, the transactions will be mandatorily processed on a monthly frequency, wherein SIP date will be 10th and STP date will be 25th day respectively of each month.

**e. Reallocation of Reliance PSIP:**

In order to provide flexibility, an investor investing through Reliance PSIP can have an option to modify the selected scheme or the periodic investment amount in the scheme of the Reliance PSIP wherein the SIP investments are being made. The said process is termed as "Reallocation of Reliance PSIP" and the instruction for "Reallocation" can be given by filling up the specific "Reallocation form for Reliance PSIP".

For availing this facility following points are to be noted:

1. The said facility is available in both "Recommended Portfolio" and "Investors Choice" option;
2. The scheme features of existing schemes and proposed schemes shall apply for executing the allocation of SIP investments in such schemes and it shall be deemed as "New Reliance PSIP Registration" under Investors' choice option;
3. Reallocation request can be executed only once in a year i.e. either after one year from 1st installment in Reliance PSIP or after one year from previous reallocation done;
4. The said request has to be submitted atleast 10 business days prior to the next due date of Reliance PSIP transaction.

**f. Reliance Step-up Facility under Reliance PSIP:**

Under this facility, the Investor can increase the SIP installment at pre-defined intervals by a fixed amount at the time of registering Reliance PSIP through step up mandate in the same form. This aims to provide the investor a simplified method of aligning SIP installment amounts with increase in Investor's earnings over the tenure of SIP.

Reliance Step-up feature will be provided in Reliance PSIP as per the existing features and the minimum amount per portfolio shall be Rs 1,000/- and in multiples of Rs 1,000/-.

The features of the said facility are available in the Application Form.

Investors can avail either of the above two facilities i.e. Reallocation or Reliance Step-up for the same Reliance PSIP registration. Investor will not be able to avail both the facilities for the same Reliance PSIP registration.

**g. Introduction of Pause Facility under Reliance PSIP:**

Under this facility, Investor can have an option to discontinue his Reliance PSIP temporarily (on a portfolio level) for specific number of installments. Instruction for "Pause" can be given by filling up the specific "Reliance PSIP Pause form". Reliance PSIP would restart upon completion of the period specified by Investor.

For availing this facility following points are to be noted:

1. Investor can opt for pause facility only twice during the tenure of a particular Reliance PSIP;
2. The gap between the pause request and next SIP installment date should be atleast 21 business days;
3. SIP can be discontinued for minimum 1 installment and up to a maximum of 6 installments;
4. If the pause period is coinciding with the Reliance Step-Up facility, the Reliance PSIP installment amount post completion of pause period would be inclusive of Reliance Step-up amount. For e.g. Reliance PSIP installment amount prior to Pause period is Rs.5,000/- and Reliance Step-up amount is Rs.1,000/-. If the pause period is completed after date of Reliance Step-up, then the Reliance PSIP installment amount post completion of pause period shall be Rs.6,000/-.

Investors are requested to note that Reallocation facility, Reliance Step-up Facility and Pause Facility shall be available only to the investors investing through Reliance PSIP.

RCAM reserves the right to withdraw / modify any of the offerings as provided above.

The scheme wherein the switches/STPs are undertaken shall satisfy the minimum application amount of the transferee scheme. Investors are required to refer to FAST enrolment form, Key Information Memorandum (KIM) and Scheme Information Document (SID) for more details. RCAM / RMF reserve the right to introduce, change, modify or withdraw the features available in this facility from time to time at its discretion with the prior notice.

**7. TRIGGER FACILITY**

Under this facility the unit holders may opt for withdrawal/ switch of units to any other plan/ scheme on happening of any one of the following events under trigger option:

**A. NAV reaches or crosses a particular value:**

E.g. NAV reaches or crosses Rs 11.00

If NAV on the date of allotment of investment is less than Rs 11.00, the trigger will be activated when the NAV rises to Rs 11.00 or more on close of any day on which NAV is computed.

If NAV on the date of allotment of investment is more than Rs 11.00, the trigger will be activated when the NAV falls to Rs 11.00 or below on close of any day on which NAV is computed

All transactions linked with trigger will be on the basis of the applicable NAV of the transaction day following the day on which NAV reaches, crosses or falls below Rs 11.00

**B. Change in the value of units held by unit holders at least by certain percentage:**

E.g. Change in the value of Investment by at least by (+ or - or +/-) 10%

The trigger will be activated when value of the unitholding rises to 10% or more at the close of any day on which the NAV is declared; or The trigger will be activated when value of the unitholding falls by 10% or more at the end of any day on which the NAV is declared; or The trigger will be activated when value of the unitholding either rises by 10% or more or falls by 10% or more on any day on which the NAV is declared.

On happening of any of the above mentioned event Unitholder can opt for following action on the date of happening of the relevant event;

1. Full redemption
2. Redemption to the extent of capital appreciation only
3. Full switch into other eligible plan/ scheme of RMF
4. Switch of only the appreciation into other plan/ scheme of RMF

Transactions linked with the triggers will be executed at the applicable NAVs for the transaction day following the day on which the trigger situation has arisen. Further all the predetermined events i.e. rise or fall in the NAV upto a particular % or value will be compared with the value of units or NAV prevailing on the date of allotment of units, irrespective of the fact whether the trigger is opted on the date of allotment or subsequently.

For e.g. an investor has invested at Rs 11.00 and opted for full redemption, if NAV appreciates at least by 10%, trigger will be activated on the transaction day when NAV moves to 12.10 (i.e. 10% more than Rs 11/-) or more.

A trigger once activated will not be reactivated in any other plan/ scheme where the Switch happens or in the same plan which retains a part of the value or in case of normal redemption /switch before the trigger is activated. Triggers will be deactivated on redemption and/or switch and/or pledge of units.

Trigger, thus, acts as a financial planning tool and enables the investor to minimize the losses and timely book profits.

NAV's of the schemes are declared at the close of the business day and hence Value of the unit holders unit holdings based on the end of day NAV will be considered as a base for activating the triggers. Accordingly, all the redemptions/ switches etc will be done on the following transaction day on which the event occurs.

Please note that trigger is an additional facility provided to the unit holders to save the time for completing the redemption/ switch formalities on happening of a particular event. Trigger is not to be conceived as an assurance on part of the Fund that the investor will manage to receive a particular sum of money/ appreciation/ and/ or fixed % of sum. Trigger is an event on happening of which the Fund will automatically redeem/ switch units on behalf of the investor on the date of happening of the event. In actual parlance, a trigger will activate an automatic transaction when the event selected for has reached a value greater or less than the specified value (trigger point).

Trigger request is required to be given per transaction by filling in the relevant form. In the event of multiple triggers for a particular transaction, the trigger request will be considered invalid and rejected.

RMF / RCAM reserve the right to introduce, change, modify or withdraw the features available in this facility from time to time.

Note: It may be noted that all the withdrawal/ switch of units to Reliance Gold Savings Fund have been termed as Reliance Golden Trigger with effect from May 21, 2011. All other features under these facilities remain unchanged.

RMF / RCAM reserve the right to introduce, change, modify or withdraw the features available in this facility from time to time.

**B. SPECIAL FACILITIES**

**1. ALTERNATE MEANS OF TRANSACTION - ONLINE TRANSACTION**

Facility of online transactions is available on the official website of Reliance Mutual Fund i.e. [www.reliancecapital.com](http://www.reliancecapital.com). Consequent to this, the said website is declared to be an "official point of acceptance" for applications for subscriptions, redemptions, switches and other facilities. The Uniform Cut -off time as prescribed by SEBI and as mentioned in the Scheme Information Documents of respective schemes shall be applicable for applications received on the website. However, investors should note that transactions on the website shall be subject to the eligibility of the investors, any terms & conditions as stipulated by Reliance Mutual Fund/Reliance Capital Asset Management Ltd., from time to time and any law for the time being in force.

**2. FACILITATING TRANSACTIONS THROUGH STOCK EXCHANGE MECHANISM**

In terms of SEBI Circular SEBI/IMD/CIR No.11/183204/ 2009 dated November 13, 2009, units of the Scheme can be transacted through all the registered stock brokers of the National Stock Exchange of India Limited and / or Bombay Stock Exchange Limited who are also registered with Association of Mutual Funds of India and are empanelled as distributors with RCAM. Accordingly such stock brokers shall be eligible to be considered as 'official points of acceptance' of RMF.

International Security Identification Numbers (ISIN) in respect of the plans / options of the Scheme have been created and have been admitted to National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and can be transacted using the beneficiary accounts maintained with any of the respective Depository Participants (DPs). The units will be allotted in the physical or depository mode in accordance with the choice of the investor. The facility of transacting in mutual fund schemes through stock exchange infrastructure is available subject to such limits, operating guidelines, terms and conditions as may be prescribed by the respective Stock Exchanges from time to time.

Time stamping as evidenced by confirmation slip given by stock exchange mechanism shall be considered for the purpose of determining applicable NAV and cut off timing for the transaction. Where units are held by investor in dematerialised form, the demat statement issued by the DP would be deemed adequate compliance with the requirements in respect of despatch of statements of account. In case investors desire to convert their existing physical units (represented by statement of account) into dematerialised form, RCAM will facilitate the same with Registrar and Transfer Agents, Depositories and DPs. In case the units are desired to be held by investor in dematerialised form, the KYC performed by DP shall be considered compliance with SEBI Circular ISD/AML/CIR-1/2008 dated December 19, 2008.

In Terms of SEBI circular vide reference no. CIR/IMD/DF/I 7/2010 dated November 09, 2010 with effect from December 30, 2010:

1. In addition to the trading members of NSE and BSE, clearing members of registered Stock Exchanges shall be eligible to offer purchase and redemption of units of specified Schemes of RMF on MFSS and BSE Star MF System.
2. Depository participants of registered Depositories shall be eligible to process only redemption request of units held in demat form.
3. Clearing members and depository participants will be eligible to be considered as Official Points of Acceptance of RMF in accordance with the provisions of SEBI circular vide reference no. SEBI/IMD/CIR No.11/78450/06 dated October 11, 2006 and shall be required to comply with conditions stipulated in SEBI circular vide reference no. 11/83204/2009 dated November 13, 2009 for stock brokers viz. AMFI /NISM certification, code of conduct prescribed by SEBI for Intermediaries of Mutual Fund. Further, Clearing members and depository participants shall comply with the operating guidelines issued by Stock Exchange and Depositories in this regards as may be applicable.
4. Investors having demat account and purchasing and redeeming mutual fund units in demat mode through trading/ clearing members, shall receive redemption proceeds (if units are redeemed) and units (if units are purchased) through trading/ clearing member's pool account. RMF/ Reliance Capital Asset management Company Ltd. (RCAM)/ its Registrar will pay redemption proceeds to the trading/ clearing member (in case of redemption) and trading/ clearing member in turn will pay redemption proceeds to the respective investor. Similarly, units shall be credited by RMF/ RCAM/Registrar into trading/ clearing member's pool account (in case of purchase) and trading/ clearing member in turn will credit the units to the respective investor's demat account.
5. Payment of redemption proceeds to the trading/ clearing members by RMF/ RCAM/ its Registrar shall discharge RMF/ RCAM of its obligation of payment of redemption proceeds to individual investor. Similarly, in case of purchase of units, crediting units into trading/ clearing member pool account shall discharge RMF/ RCAM of its obligation/ to allot units to individual investor.
6. It may be noted that Stock exchanges and Depositories shall provide investor grievance handling mechanism to the extent they relate to disputes between their respective regulated entity and their client and shall also monitor the compliance of code of conduct specified in the SEBI Circulars MFD/CIR/20/23230/02 dated November 28, 2002 and SEBI/IMD/08/174648/2009 dated August 27, 2009 regarding empanelment and code of conduct for intermediaries of Mutual Funds.

### **3. TRANSACTIONS THROUGH RELIANCE MUTUAL FUND APPLICATION**

Transaction through Reliance Mutual Fund application is a facility, whereby investors can Purchase / Switch / Redeem units, view account details & request for account statement using their Personal Computer, Tablet, Mobile Phone or any other compatible electronic devices, which has internet facility subject to certain conditions.

In order to process such transactions Internet Personal Identification Number (I-PIN) which is issued by RMF for transacting online through the website/application should be used. For the said purpose, RMF Application, <http://m.reliancecmf.com> and <http://m.reliancecmf.com> are considered to be an "official point of acceptance".

The Uniform Cut - off time as prescribed by SEBI and mentioned in the SID / KIM shall be applicable for applications received through such facility. This facility of transacting in mutual fund schemes is available subject to such limits, operating guidelines, terms and conditions as may be prescribed by the RMF from time to time. RMF / RCAM reserve the right to introduce, change, modify or withdraw the features available in this facility from time to time.

### **4. TRANSACTIONS THROUGH CALL CENTRE**

Transactions through Call Centre is a facility whereby an investor can Purchase units of various open ended Schemes of RMF by calling at Toll Free Call Centre number 1800 300 11111. This facility will be offered only to the existing investors having IPIN, issued by RMF for transacting online through the website. Consequent to this, submitting application through calls at call centre shall be deemed that such application is submitted at "official points of acceptance" by the investors.

The Uniform Cut - off time as prescribed by SEBI and mentioned in the SID shall be applicable for applications received through such facility. This facility of transacting in mutual fund schemes is available subject to such limits, operating guidelines, terms and conditions as may be prescribed by the RMF from time to time. RMF / RCAM reserve the right to introduce, change, modify or withdraw the features available in this facility from time to time.

#### **5. SUBSCRIPTION THROUGH VISA AND MAESTRO DEBIT CARD**

Reliance Mutual Fund (RMF) shall accept subscriptions in the schemes of RMF from investors having existing folio on internet through VISA and Maestro Debit Card. The said investments can be made through our official website i.e. [www.reliancemutual.com](http://www.reliancemutual.com). Investors are requested to note that Reliance Capital Asset Management Limited (RCAM) shall endeavour to obtain the details of the bank account debited from the payment gateway service provider and match the same with the registered pay-in accounts. In case it is found that the payment is not made from a registered bank account or from an account not belonging to the first named unit holder, the RCAM or its Registrar & Transfer Agent shall reject the transaction with due intimation to the investor. RCAM shall endeavour to obtain name of the Bank making the payment for subscription, where the investors' account details are not made available by the payment gateway service provider. Consequently, for subscription through this mode the said website shall be an "official point of acceptance". The Uniform Cut - off time as prescribed by SEBI and as mentioned in the Scheme Information Document of respective schemes shall be applicable for applications received on the website. However, investors should note that transactions on the website shall be subject to the SEBI Regulations, eligibility of the investors, terms & conditions, operating guidelines as stipulated by RMF/RCAM, from time to time and any law for the time being in force. RMF / RCAM reserve the rights to introduce, change, modify or withdraw the features available in this facility from time to time.

#### **6. REDEMPTION BY MEANS OF RELIANCE ANY TIME MONEY CARD ("THE CARD")**

The Card issued / to be issued by RMF is a Co-Branded debit Card, called as "Reliance Any Time Money Card" (a mutual fund linked debit card), which will be / is facilitating instant cash withdrawal / Purchase by unit holders of the eligible schemes offering this facility, at all VISA enabled ATMs and Merchant Establishments/ Point of Sale (PoS) terminals across India. This Co-Branded Card is issued / being issued by RMF in collaboration with HDFC Bank Ltd. This facility is a unique offering and first of its kind being offered by RCAM in the Indian Mutual Fund Industry

##### **The Salient Features of Alternative Means of Redemption**

- i. The facility will be in addition to the conventional method of redemption i.e., physical redemption request through the Designated Investor Service Centers of the Reliance Mutual Fund. In other words, investors can opt for any of the redemption facility as per their choice and convenience.
- ii. The Card will offer instant liquidity to the unitholder upto a permissible limit as fixed/ determined by the Bank for ATM/PoS withdrawals or 50% of withdrawal limit as set by RMF, from time-to-time, whichever is lower.
- iii. The Card will enable the unitholder to withdraw cash (redeem his units) and to check Current holding Value as well as the Balance of Withdrawal limit
- iv. The Card shall be issued only to individual Resident Indian unitholders, who are aged 18 years and above. The card shall not be issued to Minors, HUF, NRI, Private / Public Ltd Companies, Partnership Firms, Proprietorship Firms, Trusts and any other category of investors as defined in the offer document.
- v. Only One Card shall be issued per folio/ master account. In case of multiple holders the card shall be issued only to the 1st holder. Further, the card shall be issued only in respect of folios where holding basis is 'Either or Survivor/ Anyone or Survivor' or Single. No card shall be issued where mode of operation is JOINT
- vi. Withdrawals through this alternative mode of redemption can be stopped temporarily or permanently for the want of any statutory compliance, at the directives of RBI and/or SEBI or any competent statutory regulatory authority.
- vii. The Trustees reserves the right to discontinue/ modify/ alter the said facility on a prospective basis subject to compliance with the prevailing SEBI guidelines and Regulations.
- viii. The applicable charges for the facility, which shall be levied by Reliance Mutual Fund/ HDFC Bank / VISA shall be borne by the investor on an actual basis and shall be intimated to the investors from time to time. All transaction pertaining to Cash Withdrawal and Balance Enquiry done through Reliance Any Time Money Card shall be free of cost.
- ix. In case of Applications received for subscription of scheme's unit through SIP, the card will be issued subject to following conditions:
  - a. A valid debit mandate is received for a SIP in any of the Primary Scheme Account The said mandate can be provided by filling up the required application form and the said mandate can be either through ECS / Auto Debit / Salary Advantage or any other mode as decided by RMF/RCAM from time to time.
  - b. Along with the SIP Application form, the Investor is also required to fill up required form and provide the mandatory details and agree to the Terms and Conditions pertaining to the issuance of the Card.
  - c. Subsequent, to the registration the valid SIP and verification of the required details, RCAM / RMF shall issue the card before processing the first SIP installment (without investment balance being there in the primary scheme account).

SEBI guidelines on uniform cut off timings for redemption shall also be applicable to the aforesaid facility of alternative means of redemption.

As informed vide our Notice-cum-Addendum dated September 05, 2011 for availing the Card facility, it is necessary for the investor to make either Reliance Liquid Fund –Treasury Plan / Reliance Money Manager Fund as the Primary Scheme Account, the same was effective from September 19, 2011.

The investor has to mandatorily invest in either of the above-mentioned scheme to and designate one of the scheme as Primary Scheme Account. In case the investor has existing investments in Reliance Liquid Fund – Treasury Plan & Reliance Money Manager Fund and wishes to opt for The Card however has not specified the Primary scheme account then by default Reliance Liquid Fund – Treasury Plan will be treated as the Primary Scheme account

In case of processing the redemptions through any Point of Service or ATM (other than HDFC Bank ATMs) the withdrawals would be made from Primary Scheme Account (Reliance Liquid Fund –Treasury Plan / Reliance Money Manager Fund) .If the balance is not available in the primary scheme, the withdrawal/PoS transaction would be declined. Further, the investor will have an option to withdraw from any of the scheme of his choice linked to the The Card through HDFC Bank ATMs after knowing the consequences of such a withdrawal.

In case the investor has opted for the Card, in the any Plan/Options, which is the primary scheme for the card, then the same will continue to act as the primary scheme. In case, the investor desires to change the Primary scheme/Plan/Option for the card, the investor will have to place a separate request with RMF for change in primary scheme.

Existing investors of Reliance Liquid Fund – Treasury Plan / Reliance Money Manager Fund are only required to fill – in the requisite application form and directly enroll for this facility.

It is mandatory for the investors availing the The Card Facility to provide the Mobile Number and E-mail Id.

In case the investor has opted for the Card, in the Existing Plan/Options, which is the primary scheme for the card, then the same will continue to act as the primary scheme. In case of any investment being made in the Direct Plan, and the investor desires to change the Primary scheme/Plan/Option for the card, the investor will have to place a separate request with RMF for change in primary scheme.

#### **7. INTERBANK MOBILE PAYMENT SERVICE ("IMPS")**

This facility is available only to the individual investor having folio with the single mode of holding. It is an additional mode of subscription. IMPS is a payment platform provided by National Payments Corporation of India ("NPCI")that allows investor(s) to use mobile technology as a channel for accessing their bank accounts and initiating interbank fund transaction in a convenient and secure manner.

Existing Investor(s) of RMF are required to register with their bank to activate IMPS facility for their bank account and obtain Mobile Money Identifier.

##### **Features/process for subscription through IMPS**

1. Investor has to obtain a Mobile Money Identifier ("MMID") and Mobile PIN ("MPIN") for the bank account held with his/her Bank. The process of registration varies from Bank to Bank.
2. Investor need to register for this facility with RMF by sending a SMS 'START IMPS' to '9243 777 710' seven days prior to transacting. This SMS should be sent from the Mobile number registered with RMF.
3. Reliance Mutual Fund's MMID is "9039001"
4. Reliance Mutual Fund Mobile Number is "9664001111"
5. Investor will have to send a SMS or use the bank mobile application from his/her mobile number registered with his bank, instructing to transfer funds from his/her bank account. Investor will have to provide RMF – MMID, Mobile Number, and the amount he/she wishes to transfer and the payment reference details i.e. Folio Number registered against the mobile number and scheme code.
6. The SMS/instruction from mobile application sent by the investor to his bank will be routed through NPCI to the collection banker appointed RMF for collection of funds through IMPS.
7. All valid instruction received by the collection banker from NPCI up to 10.00 am would be considered for same day Time Stamping. Schemes where the unit allotment is done on the basis of receipt of credit, the NAV applicability will be based on receipt of funds.
8. Valid Instructions received after 10.00 am by the collection banker would be considered for the next transaction date.
9. Incomplete / invalid IMPS instruction received by the collection banker will be rejected and refunded back through IMPS within 3 working days
10. Investment instruction received through IMPS, units will be allotted in Physical Mode only.
11. As per the process laid down by NPCI for movement of funds, the amount may be debited from the investor account immediately and the funds may be credited into RMF collection account on the next working day of the bank.
12. This feature will be applicable for all schemes and minimum investment amount criteria will be applicable as per the SID/KIM.

13. To deactivate the service of subscription through IMPS investor can send SMS 'STOP IMPS' to '9243 777 710'. The feature will be deactivated with RMF with in 7 calendar days from the date of receipt of request. Funds received through IMPS (if any) post deactivation of this service will be refunded.
14. Subscription through IMPS will be accepted only from registered bank account as updated in the folio with the fund house.
15. The current transaction amount limit set by NPCI is Rs 5,000 per day for transactions done through SMS and limit is Rs 50,000 per day for transactions done through mobile application of the debit bank.
16. Any Chargeback / dispute has to be raised within 60 days from the date of transaction with RMF.
17. Only Resident Individuals, Non Resident Individuals with mode of holding as 'Single' only are eligible for IMPS facility with RMF.

RMF/RCAM reserve the right to introduced, change, modify or withdraw the features available in this facility from time to time.

#### **8. TRANSACTION THROUGH "INVEST EASY - INDIVIDUALS"**

This facility is available only to the individual investor having folio with the mode of holding as single/ anyone or Survivor. Such category of investors can perform the following transactions subject to features, terms and conditions as mentioned below.

- (i) Transact on Phone through RMF Call Centre
- (ii) Transactions through SMS
- (iii) Website of Reliance Mutual Fund [www.reliancecmutual.com](http://www.reliancecmutual.com)

##### **a) Who can apply**

1. Existing investors having a folio (including zero balance folio)
2. New Investor(s) to Reliance Mutual Fund
3. Investor(s) with Mobile Number issued in India and/or valid Email ID.

##### **b) Features/Process**

1. Existing Investor(s) of the Fund can register for this Facility by duly filling the Invest Easy Registration Form and submit it at any of the Designated Investor Service Centre ("DISC") of RMF.
2. New Investors to Reliance Mutual Fund can register for this facility by filling the common application form along with Invest Easy Registration Form and submit it at any of the DISC of RMF.
3. This Facility is available with bank/branches that participate in Reserve Bank of India's Electronic Clearing Service (ECS) / Regional Electronic Clearing Services (RECS). Investor are requested to check with your bank / branch to check if your bank/branch participates in this facility. In addition to this, the RCAM/RMF also has an auto debit tie up with ICICI Bank, IDBI Bank and State Bank of India. RCAM/RMF may reserve right to add / delete the banks from time to time.  
Investors are advised to mention their Core Banking Account number in the Invest Easy Registration Form else the form may be rejected.
4. Investor has to provide the per transaction Upper Cap Limit in the Invest Easy Registration Form. The Per transaction Upper Cap Limit is restricted up to Rupee One Crore. Mandate with per transaction Upper Cap limit above Rupee one Crore will be rejected. The Per Transaction Upper Cap Limit is applicable only for subscription / SIP. If no amount is mentioned on the registration form then the request will be rejected.
5. Investor(s) needs to submit the Invest Easy Registration Form Twenty Five (25) calendar days in advance for activation of this facility.
6. Investor(s) can start using this Facility only after successful registration of the Invest Easy Registration Form with their bankers. RMF will endeavour to provide a confirmation over email/sms/letter on successful registration with the investor bank.
7. Folio with status Minor and Non Individuals cannot register for Invest Easy - Individuals.
8. Transactions reported through Invest Easy – Individual facility (Transaction through RMF SMS / Call Center / RMF Website / RMF Mobile Site) will be processed under the ARN code of the distributor/ broker that is mentioned in the Invest Easy Registration Form. Investors may be charged with transaction charges if the distributor/broker has opted for the same. Investors are advised to check with the distributor/broker.
9. If the Invest Easy Registration Form is successfully accepted by RMF but is rejected by the Investor bank. Subscription, Redemption and SIP through SMS will be deactivated for the investor to make an Investment in the folio. Invest easy pay mode on RMF website will also be deactivated. However, investor can only redeem through call center with the IPIN issued by RMF.
10. It is mandatory for investor to provide an original cancelled cheque or a copy of the cheque of the bank account to be registered failing which registration may not be accepted.
11. It is the responsibility of the investor bank / branch to ensure the Invest Easy Registration Form is registered and confirmed to the RCAM. If no confirmation of registration or rejection is received, the RCAM its agents will deem the same to be registered and confirm the registration to Unit holder(s) entirely at the risk of Unit holder(s).
12. In case the Investor wishes to cancel the Invest Easy Individual – Mandate for Purchase / SIP through Invest Easy facility. Investor will have to submit an Invest Easy Cancellation Form 21 business days prior to discontinue the Mandate.



13. In case the Investor wishes to change the Debit Bank Mandate for Purchase / SIP through Invest Easy facility. Investor will have to submit an Invest Easy change of bank form 25 calendar day prior to discontinue the existing mandate and re-register with the new bank mandate for subsequent debits to be initiated with the new bank.

**c) Unitholder Information**

1. Invest Easy – Individuals facility through SMS is available to the investor with the mode of holding as single/ anyone or Survivor and the SMS instruction being received from registered Mobile number in the folio.
2. Invest Easy – Individuals facility through Call Centre and website is available only for folio with mode of Holding as single/ anyone or Survivor
3. Investor should specify the(ir) Folio No, Full Name, in the Applicant Details of Invest Easy Registration Form. The applicant name and the folio number should match with the details in the existing folio. In case of mismatch of details, the Invest Easy Registration Form is liable to be rejected
4. Investors Mobile Number issued in India and/or Email ID is to be provided in the Invest Easy Registration Form or is available in the folio to avail this facility, subject to certain conditions. The Mobile Number and / or Email Id provided in the Invest Easy Registration Form will super cede the existing Mobile Number and / or Email ID available in the folio.
5. The mode of allotment for transactions reported through RMF Call Centre or through SMS will be allotted only in physical mode. Investors cannot opt for units in Demat mode. However Investors will have an option in our website for allotment in Demat Mode
6. Investors holding units in Demat mode cannot report redemption through Invest Easy – Individual.
7. Investors who have been transacting only through the exchange platform ie Bombay Stock Exchange / National Stock Exchange cannot register for Invest Easy – Individuals.
8. Once registered under the Invest Easy – Individuals facility, the Investor would be registered for all eligible schemes. Investor(s) do not have an option to selectively choose the Scheme(s) they would like to be registered under the Invest Easy – Individuals facility.
9. The bank mandate mentioned in the Invest Easy – Individuals Form is limited/ applicable only for Purchases through Invest Easy Facility and will not be added to the registered bank details for transactions through other modes, in the folio. Third party payments are not permitted.
10. Any transaction request on a non-transaction Day will be processed on the next transaction Day in accordance with the provisions provided in the SID of the Schemes and/or Statement of Additional Information ('SAI').
11. The bank account of the customer may be debited towards purchases either on the same day of transaction or within seven business days depending on ECS cycle of RBI / Auto Debit arrangement with the bank. However, in case of non receipt of the funds, for whatsoever reasons, the transaction shall stand rejected and the units allotted, if any would be reversed.

**(i) Process/features Transact on Phone through Reliance Mutual Fund Call Centre.**

1. Purchase / Redemption, SIP registration through call centre is accepted only in Rupee Amount.
2. Applicable NAV for the redemption will be dependent upon the time of completion of the call with the investor; the transaction will be electronically time-stamped.
3. The uniform cutoff time as prescribed by SEBI and mentioned in the SID of the respective schemes shall be applicable for application received through such facilities
4. The Investor will have to call the dedicated call centre of RMF and authenticate oneself using the folio number and PIN issued by RMF.
5. On successful authentication over the IVR, the investor would be guided over to the call centre agent to place the redemption request.
6. A confirmation message over the IVR would be read out to the investor to confirm the scheme/ amount before confirming the redemption.
7. If the call cannot be connected to the call centre for whatsoever reason, the Unit holder(s) will not hold the RMF/RCAM responsible for the same.
8. If investor email is available with RCAM/RMF, he/she can also transact through call centre. IPIN will be issued only in physical mode and mandate registration / transaction confirmation / account statement and such other forms of communications in line with Securities & Exchange (Mutual Funds) Regulations, 1996, will be dispatched through electronic mode in line with the applicable regulations as amended from time to time. Investor may please note that the confirmation of mandate registration shall be informed to the investor through Physical Mode also.

**(ii) Process/features for transact through SMS**

1. Investors has to send SMS to RMF 9664001111
2. Purchase, Redemption, SIP registration through SMS is accepted only in Rupee Amount.
3. Applicable NAV for the transaction will be dependent upon the time of receipt of the SMS into the RTA server, and will be electronically time-stamped.
4. The uniform cutoff time as prescribed by SEBI and mentioned in the SID of the respective schemes shall be applicable for application received through such facilities
5. The RCAM/RMF will endeavor to identify multiple SMS received from the same mobile number for the same folio, Amount & scheme-plan-option. In the event of multiple SMS being received. The RCAM/RMF will consider the first transaction received, reject the subsequent multiple SMS received on the same day.

In case investor wish to register SIP Following will be applicable:

- Debit frequency – Monthly
- Debit Cycle – 10th of every month

|                            |  |
|----------------------------|--|
|                            | <ul style="list-style-type: none"> <li>• Tenure – Perpetual.</li> <li>• No of days required to start SIP – 10 calendar days</li> </ul> <p>Investor has to send a SMS to Reliance Mutual Fund on 9664001111<br/>For List of schemes codes, Terms &amp; conditions and further details , please visit <a href="http://www.reliancecmutual.com">www.reliancecmutual.com</a></p> <ol style="list-style-type: none"> <li>6. If the transaction is delayed or not effected at all for reasons of incomplete or incorrect information/ key word or due to non-receipt of the SMS message by the RTA or due to late receipt of SMS due to mobile network congestions or due to non-connectivity or due to any reason whatsoever, the Unit holder(s) will not hold the RMF, RCAM responsible for the same.</li> <li>7. The request for transaction is to be considered as accepted, subject to realization of funds towards purchases and only on the receipt of the confirmation from RCAM/RMF on the registered mobile number or email id of the Unit holder.</li> <li>8. In case of non-receipt of confirmation by investors within a reasonable time, investor(s) are requested to immediately call up the call centre to confirm the status of the transaction.</li> <li>9. In case the investor receives multiple confirmations against a single transaction, the same needs to be brought to the attention of the RCAM/RMF.<br/>If the Investor(s) believes there has been any an unauthorized transaction effected, the investor shall notify the RCAM/RMF immediately.</li> <li>10. If only the mobile number of the investor is registered with RCAM / RMF, investor can execute transaction only through SMS. The confirmation pertaining to mandate registration /transaction confirmation / account statement and such other communication as required under Securities &amp; Exchange (Mutual Funds) Regulations, 1996, will be dispatched/sent through physical mode on the registered address &amp; SMS, other communication as required under Securities &amp; Exchange (Mutual Funds) Regulations, 1996</li> </ol> <p><b>(iii) Terms and conditions - Website of Reliance Mutual Fund <a href="http://www.reliancecmutual.com">www.reliancecmutual.com</a></b></p> <ol style="list-style-type: none"> <li>1. Investors having registered Invest Easy - Individuals registered in the folio can now subscribe to the schemes of Reliance Mutual Fund through our website <a href="http://www.reliancecmutual.com">www.reliancecmutual.com</a> and make the payment through Invest Easy Facility.</li> <li>2. This facility is In addition to the existing mode of payment like Net Banking / Debit Card.</li> <li>3. Investor(s) will have to login to the online account using the user id and password/transaction pin to authorize the transaction for Reliance Mutual Fund to initiate the debit instruction to the bank.</li> <li>4. If only the email id of the investor is registered with RCAM / RMF, investor can execute the following transactions: <ul style="list-style-type: none"> <li>• Transaction through Call Center.</li> <li>• Transaction through mobile WAP (Web Access Portal) Site.</li> <li>• Transaction through RMF website</li> </ul> <p>In this regard, IPIN will be issued only in physical mode and mandate registration / transaction confirmation / account statement and such other communication as required under Securities &amp; Exchange (Mutual Funds) Regulations, 1996, will be dispatched through electronic mode in line with the applicable regulations as amended from time to time. Investor may please note that the confirmation of mandate registration shall be informed to the investor through Physical Mode also.</p> </li> </ol> <p>Investment under Direct Plan shall not be accepted for transactions submitted through Invest Easy facility where the ARN Code is provided in the Mandate form</p> <p><b>8. One Time Bank Mandate Registration</b></p> <p>In order to ease out operational hassle, RCAM has introduced this facility which enables the investors to register a onetime bank mandate. Through this facility an Investor can instruct RCAM to honour any nature of investment instruction i.e. investment either through lumpsum additional investment or an SIP. To avail this facility, an Investor has to furnish the required details / confi rmation / signatures etc. in a "One time bank mandate form" and subsequently for every purchase instruction he / she is required to explicitly mention to debit the investment amount from the designated Bank which has been mentioned in the "One time bank mandate form". Investor is also required to ensure that the amount specified in the Additional Purchase Application / SIP application is less than or equal to the upper cap limit specified in the said form. Further, it may please be noted that the said facility is available for individual investors only. Investors who are currently registered under Invest Easy - Individuals facility may avail this facility without registering the One Time Bank Mandate.<br/>RMF/RCAM reserve the right to introduced, change, modify or withdraw the features available in these facilities from time to time.</p> |
| <b>Accounts Statements</b> | <p>With effect from October 1, 2011, in accordance with SEBI Circular No. Cir/ IMD/ DF/16/ 2011 dated September 8, 2011, the investor whose transaction has been accepted by the RCAM/RMF shall receive the following:</p> <ol style="list-style-type: none"> <li>(i) On acceptance of the application, a confirmation by way of email and/or SMS within 5 Business Days from the date of receipt of transaction request will be sent to the Unit holders registered e-mail address and/or mobile number.</li> <li>(ii) Thereafter, a CAS shall be issued for each calendar month on or before 10th of the immediately succeeding month to the Unit holder(s) in whose folio(s) transaction(s) has/have taken place during the month by physical/e-mail mode.<br/>CAS shall contain details relating to all the transactions carried out by the investor across all schemes of all mutual funds during the month and holding at the end of the month including transaction charges paid to the distributor.<br/>The word 'transaction' shall include purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, systematic transfer plan and bonus transactions.</li> <li>(iii) For the purpose of sending CAS, common investors across mutual funds shall be identified by their Permanent Account Number (PAN). In case of a specific request received from the Unit holders, RCAM / RMF will provide the account statement to the investors within 5 Business Days from the receipt of such request. In the event the account has more than one registered holder, the first named Unit holder shall receive the CAS/account statement.</li> </ol>   |

|  |  |
|--|--|
|  | <p>CAS shall not be received by the Unit holders for the folio(s) not updated with PAN details. The Unit holders are therefore requested to ensure that the folio(s) are updated with their PAN. For Micro SIP and Sikkim based investors whose PAN details are not mandatorily required to be updated Account Statement will be dispatched by RCAM/RMF for each calendar month on or before 10th of the immediately succeeding month.</p> <p>Further, CAS detailing holding of investment across all schemes of all mutual funds at the end of every six months (i.e. September/ March), shall be sent by mail/e-mail on or before 10th day of succeeding month as the case may be, to all such Unit holders in whose folios no transaction has taken place during that period. The half yearly consolidated account statement will be sent by e-mail to the Unit holders whose e-mail address is available, unless a specific request is made to receive in physical.</p> <p>The statement of holding of the beneficiary account holder for units held in demat will be sent by the respective DPs periodically.</p>   |
| <b>Dividend</b>  | <p>The dividend warrants shall be dispatched to the unitholders within 30 days of the date of declaration of the dividend. The Dividend warrants shall be despatched to the unitholders within 30 days of the date of declaration of the dividend. In case of delay of repayment in dividend beyond 30 days, the Asset Management Company shall be liable to pay interest to the unit holders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum)</p>  |
| <b>Redemption</b>  | <p>The redemption or repurchase proceeds shall be dispatched to the unitholders within 10 Business Days from the date of redemption or repurchase.</p>   |
| <b>Delay in payment of subscription money / redemption / repurchase proceeds</b> | <p>The Asset Management Company shall be liable to pay interest to the unitholders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum).</p> <p>No interest will be payable on any subscription money refunded within five working days. If the Fund refunds the amount after five working days, interest @ 15% p.a. will be paid to the applicant and borne by the AMC for the period from the day following the date of expiry of five working days until the actual date of the refund. Refund orders will be marked "A/c. payee only" and drawn in the name of the applicant in the case of a sole applicant and in the name of the first applicant in all other cases. In both cases, the bank account number and bank name, as specified in the application, will be mentioned in the refund order. The bank and/ or collection charges, if any, will be borne by the applicant. All the refund payments will be mailed by registered post or as required under Regulations.</p>  |
| <b>How to Redeem</b>   | <p>The Units can be redeemed at the Redemption Price.</p> <p>A Unitholder has the option to request for a redemption either by amount (in Rupees) or by number of Units. If the redemption request indicates both amount (in Rupees) and number of Units, the latter will be considered. Where a Rupee amount is specified or deemed to be specified for redemption, the number of Units redeemed will be the amount redeemed divided by the Redemption Price. Alternatively, a unitholder can request closure of his account, in which case, the entire unit balance lying to the credit of his account will be redeemed.</p> <p>The number of Units so redeemed will be subtracted from the unitholder's account balance and a statement to this effect will be issued to the unitholder.</p> <p>In case the balance in unitholder's account does not cover the amount of redemption request the Fund may close the unitholder's account and send the entire such (lesser) balance to the unitholders.</p> <p>If an investor has purchased Units on more than one working day, the Units purchased prior in time (i.e. those Units which have been held for the longest period of time), will be deemed to have been redeemed first, i.e. on a First In First Out Basis.</p> <p>Units purchased by cheque /dd will be marked under lien and will not be redeemed until after realisation of the cheques/DD</p> <p>Note: The processing of Redemption/Switch/Various transaction request (s) where realization status is not available, RMF shall keep the units allotted to investor on hold for redemption/switch/Various transactions till the time the payment is realized towards such purchase transaction(s).</p> <p>In case if the customer submits a redemption / switch / Various other transaction request like SWP, STP when the units are on hold, RMF reserves the right to reject/ partially process the redemption/switch/ Various transaction request, as the case may be, based on the realization status of the units held by the investor. In all the above cases (i.e., rejection/partial processing), intimation will be sent to the investor accordingly. Whenever a redemption/ switch/ Various transaction request is rejected then an investor needs to submit a fresh request for reprocessing the same.</p> <p>Units which are not redeemed /switched out on account of the request being rejected due to non realization of funds, will be processed only upon confirmation of realization status and submission of a fresh redemption/switch request for such transactions.</p> <p>The transaction slip can be used by the investor to make a redemption or Inter scheme Switch or Inter plan Switch or Inter Option Switch by entering the requisite details in the transaction slip and submitting the same at the Designated Investor Service Centre. Transaction slips can be obtained from any of the Designated Investor Service Centres.</p> <p>While submitting the details for processing any transactions which inter alia includes redemptions, switch out, and systematic transfers etc. there has to be a specific mention about the plan (Direct Plan or Other than Direct Plan ) from which the transactions has to be initiated. If no plan is mentioned, redemption request will be processed on a first in first out (FIFO) basis considering both the plans.</p> <p>Alternatively the client can redeem the units online through our website. Currently this facility is available only for individual investors</p> <p>For detailed features of Reliance Any Time Money Card, please refer "Special Product Available" Section of Scheme Information Document.</p> <p>RCAM reserves the right to provide the facility of redeeming units of the Scheme through an alternative mechanism as may be decided by the Fund from time to time. The alternative mechanism may include electronic means of communication such as redeeming units online through the website(s) etc.</p> |

|  |  |
|--|--|
| <b>Where to submit the Redemption request</b>  | The unitholder should submit the transaction slip for a redemption / switch or request for closure of his / her account at any of the Designated Investor Service Centres.   |
| <b>Payment of Redemption Proceeds</b>  | <p><b>Resident Investors</b></p> <p>The Fund proposes to pay redemption proceeds in the following manner:</p> <p><b>i. Direct credit of redemption proceeds to the bank account of unitholders:</b> The Fund is arranging with selected banks to enable direct credits of redemption proceeds, amounting to Rupees one lac and above, into the bank accounts of the investors at these banks. Such facility of direct credit will be available only with select bankers with whom the Mutual Fund currently has a CMS tie-up in place or will tie-up for such a facility at a later date. As per the directive issued by SEBI, it is mandatory for an investor to declare his / her bank account number and accordingly, investors are requested to give their bank account details in the application form. The Mutual Fund, on a best effort basis, and after scrutinizing the names of the banks where unitholders have their accounts, will instruct the bank for the direct credit of redemption proceeds to the unitholder's bank account.</p> <p><b>ii. For cases not covered above:</b> Unitholders will receive redemption proceeds by cheques, marked "A/c. Payee only" and drawn in the name of the sole holder / first-named holder (as determined by the records of the Registrar). The Bank Name and Bank Account No., as specified in the Registrar's records, will be mentioned in the cheque. In case any investor does not give his bank details, for any reason whatsoever, the Fund shall in no way be responsible for any loss, on payment made without the Payee Bank details in the instrument. The cheque will be payable at par in all the cities where such facility is available with the specified bankers. For other cities, Demand Drafts will be issued payable at the city of his residence after deducting the Demand Draft charges.</p> <p><b>Non-Resident Investors</b></p> <p>In case of non-resident investors, redemption proceeds will be remitted depending upon the source of investment as follows:</p> <p><b>1) Non Repatriation Basis</b></p> <p>a) When units have been purchased from funds held in the unit holders' Non-Resident (Ordinary) account, the proceeds will be sent to the unit holders' Indian address for crediting to the unit holders' Non-Resident (Ordinary) account / NRSR account.</p> <p>b) When units have been purchased from funds held in the unit holders' NRSR account, the proceeds will be sent to the Indian address for crediting to the unit holders' NRSR account.</p> <p>The Fund may make other arrangements for effecting payment of redemption proceeds in future.</p> <p><b>2) Repatriation Basis</b></p> <p>When units have been purchased through remittance in foreign exchange from abroad by cheque / draft issued from proceeds of the Unitholders' FCNR deposit or from funds held in the Unitholders' Non Resident (External) account kept in India, the proceeds can be remitted to the Unitholder in foreign currency (any exchange rate fluctuation will be borne by the Unitholder). The proceeds can also be sent to his Indian address for crediting to his NRE / FCNR / Non-Resident (Ordinary) account, if desired by the Unitholder.</p> <p>It may be noted that the investors of RMF shall be given the payout of redemption as an additional mode of payment through electronic mode as may be specified by Reserve Bank of India from time to time. This is an additional mode of payments over and above existing mode. In order to effect such payments through electronic mode, data validation exercise will be carried out by RCAM through one of the banking channels which will enable RCAM to validate the investor data with the Bank records. It may be noted that if RCAM unable to provide such credits due to various reasons, then payment will be made in accordance with the mode as specified.</p> |
| <b>Delay in payment of redemption / repurchase proceeds</b>                                | The Asset Management Company shall be liable to pay interest to the unit holders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum).  |
| <b>Despatch of Proceeds</b>  | <p>As per SEBI Regulations, the Mutual Fund shall despatch the redemption proceeds within the maximum period allowed, which is currently 10 working days from the date of receipt of the redemption request at the Designated Investor Service Centres.</p> <p>However, under normal circumstances, the Mutual Fund shall endeavour to despatch/ transfer the redemption proceeds to the unitholders bank account within one working day from the date of receipt of the redemption request at the Designated Investor Service Centres. A Transaction Confirmation Slip / Fresh Account Statement will also be sent to the Unitholders reflecting the new unit balance in his Account. For payments made other than through direct transfers, the redemption proceeds shall be despatched through ordinary mail (with or without UCP) or Registered Post or by Courier, unless otherwise required under the Regulations, at the risk of the unitholder.</p>  |
| <b>Effect of Redemptions</b>   | <p>On the Fund - The Unit capital and Reserves of the Scheme will stand reduced by an amount equivalent to the product of the number of Units redeemed and the Applicable NAV as on the date of redemption.</p> <p>On the unitholder's account - The balances in the unitholder's account will stand reduced by the number of Units redeemed.</p>  |
| <b>Additional Purchases/ Inter Scheme Switch / Inter Plan Switch / Inter Option Switch</b> | The transaction slip can be used by the investor to make additional purchases / Inter Scheme Switches / Inter Plan Switches or Inter Option Switches by entering the requisite details in the transaction slip and submitting the same along with the payment instrument (wherever applicable) at the Designated Investor Service Centre. The transaction slip is attached at the bottom of the Account Statement or can also be obtained from any of the Designated Investor ServiceCentres. Alternatively, the investor can quote his existing folio number and use Common Application Form to make additional purchases under the same plan/option in the Scheme.   |

|  |   |
|--|---|
|  | <p>Unitholders may switch their repurchase able holdings (which are not under any lien) in Reliance Japan Equity Fund to any other eligible RMF Scheme and vice versa. The transfer would be done at the applicable NAV based prices. The difference in the applicable net asset values of the two schemes / plans / options will be reflected in the number of Units allotted.</p> <p>a) Switch of investments made with ARN code, from Other than Direct Plan to Direct Plan of a Scheme shall be subject to applicable exit load, if any. (subject to statutory taxes and levies, if any)</p> <p>b) No Exit Load shall be levied for switch of investments made without ARN code, from Other than Plan to Direct Plan of the Scheme or vice versa. (subject to statutory taxes and levies, if any)</p> <p>RCAM, in consultation with the Trustees, reserves the right to modify this structure, in accordance with SEBI Regulations. However, any such change shall be applicable only to units transacted pursuant to such change.</p> <p>As per the directives issued by SEBI, it is mandatory for an investor to mention his/her bank account number in the application form.</p> <p>This is to safeguard the interest of unitholders from loss or theft of their redemption cheques / DDs. Investors are requested to provide their bank details in the Application Form failing which the same will be rejected as per current Regulations.</p> <p>RCAM reserves the right to change the procedures in respect of subscriptions or Inter-Scheme Switches or Inter-Plan/option Switches, from time to time.</p> <p>Please refer SAI for further details.</p> |
| <b>Accounting of Units on Flexible / First In First Out (FIFO) Basis</b>   | If an investor has purchased Units on more than one working day, the Units purchased prior in time (i.e. those Units which have been held for the longest period of time), will be deemed to have been redeemed first, i.e. on a First In First Out Basis.  |
| <b>Fractional Units</b>  | Allotment of units against subsequent purchases / redemption of Units on an ongoing basis shall be done in fractional units, rounded off upto three decimal places.   |
| <b>Transfer, Transmission, Nomination, Lien, Pledge, Underwriting, Borrowing by the Fund, Duration of the Scheme and Mode of Holding</b> | Please refer SAI for details.   |
| <b>Third party Cheques</b>   | Third party Cheques Investment/subscription made through third party cheque(s) will not be accepted for investments in the units of Reliance Mutual Fund barring few exception issued by AMFI from time to time for the 'third party payments'. For more details refer to SAI.  |
| <b>Multiple Bank accounts</b>  | The unit holder/ investor can register multiple bank account details under its existing folio by submitting separate form available on the website of the AMC at <a href="http://www.reliancemutual.com">www.reliancemutual.com</a> . For more details refer to SAI.  |
| <b>Know Your Client (KYC) Norms</b>  | <p>In line with various guidelines issued by SEBI from time, it may be noted that KYC Compliance is mandatory for all investors with effective January 01, 2011 irrespective of the amount of their investment subject to various terms and conditions.</p> <p>Further, in order to reduce hardship and help investors dealing with various SEBI intermediaries, SEBI has now issued various circulars wherein it has mandated its Registered Intermediaries to follow a uniform KYC compliance procedure for all investor dealings across the various financial markets. For further details, investors are requested to refer to the SAI.</p>   |

### C. PERIODIC DISCLOSURES

|  |   |
|--|---|
| <b>Net Asset Value</b><br>This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance.   | The AMC will calculate and disclose the first NAVs of the scheme not later than 5 business days of allotment. NAVs will be calculated up to four decimal places. The Mutual Fund shall declare the Net asset value of the scheme on every business day on AMFI's website <a href="http://www.amfiindia.com">www.amfiindia.com</a> by 9.00 p.m. on the day of declaration of the NAV and also on their website. In case of any delay, the reasons for such delay would be explained to AMFI and SEBI by the next day. If the NAVs are not available before commencement of business hours on the following day due to any reason, Mutual Fund shall issue a press release providing reasons and explaining when the Mutual Fund would be able to publish the NAVs. The NAV shall be published at least in two daily newspapers every day.  |
| <b>Half yearly Disclosures: Portfolio / Financial Results</b><br>This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures. | <p><b>(i) Half Yearly disclosure of Un-Audited Financials for the Schemes of RMF:</b><br/>Before expiry of one month from the close of each half year i.e. on March 31 or September 30, the Fund shall host a soft copy of half – yearly unaudited financial results on the website of the RMF i.e. <a href="http://www.reliancemutual.com">www.reliancemutual.com</a> and that of AMFI <a href="http://www.amfiindia.com">www.amfiindia.com</a>. A notice advertisement communicating the investors that the financial results shall be hosted on the website shall be published in one national English daily newspaper and in a newspaper in the language of the region where the Head Office of the fund is situated.</p> <p><b>(ii) Half Yearly disclosure of Scheme's Portfolio:</b><br/>Before expiry of one month from the close of each half year i.e. on March 31 or September 30, the Fund will either publish the scheme's portfolio details in the newspapers or send it to the unit holders in the format as prescribed by SEBI (Mutual Funds) Regulations, 1996. The same will also be hosted on the website of RMF i.e. <a href="http://www.reliancemutual.com">www.reliancemutual.com</a>. and that of AMFI <a href="http://www.amfiindia.com">www.amfiindia.com</a>. The publication of such statement shall be in one national English daily newspaper and in a newspaper in the language of the region where the Head Office of the fund is situated.</p> |
| <b>Half Yearly Results</b>   |   |
| <b>Monthly Disclosure of Schemes' Portfolio Statement</b>  | The fund shall disclose the scheme's portfolio in the prescribed format as on the last day of the month for all the Schemes of RMF on or before the tenth day of the succeeding month or within such timelines as prescribed by SEBI from time to time.   |

|  |  |   |   |  |
|--|--|---|---|--|
| <b>Annual Report</b>   | Scheme wise Annual Report or an abridged summary thereof shall be mailed to all unitholders within four months from the date of closure of the relevant accounts year i.e. 31st March each year.<br>In accordance with SEBI Circular No. IMD/ DF/16/ 2011 dated September 8, 2011, pertaining to mailing of annual report and/or abridged summary thereof, the same shall be sent by RCAM / RMF as under:<br>(i) by e-mail only to the Unit holders whose e-mail address is available with us,<br>(ii) in physical form to the Unit holders whose email address is not available with us and/or to those Unit holders who have opted / requested us for the same.<br>The physical copy of the schemewise annual report or abridged summary shall be made available to the investors at the registered office of RCAM. A link of the scheme annual report or abridged summary shall be displayed prominently on the website of RCAM i.e at www.reliancemutual.com |   |   |  |
| <b>Associate Transactions</b>  | Please refer to Statement of Additional Information (SAI).   |   |   |  |
| <b>Taxation</b><br>The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes. | <b>Taxation of income earned on mutual fund units under the Income Tax Act 1961 as amended by Finance Act 2014 and are subject to enactment of the Finance (no.2) Bill, 2014.</b>  |   |   |  |
|  | <b>Other than Equity Oriented Funds<sup>1</sup> - From April 1, 2014 to September 30, 2014</b>   |   |   |  |
|  | <b>Income in the hands of →</b>  | <b>Individual &amp; HUF (Resident)</b>  | <b>Domestic Company</b>   | <b>NRI</b>   |
|  | <b>Nature of Income ↓</b>  |   |   |  |
|  | Dividend   | Tax free  | Tax free  | Tax free   |
|  | Dividend Distribution Tax  |   |   |  |
|  | In Money market and Liquid schemes <sup>2</sup>  | 28.325% (25% plus 10% surcharge plus 3% education cess)   | 33.99% (30% plus 10% surcharge plus 3% education cess)  | 28.325% (25% plus 10% surcharge plus 3% education cess)  |
|  | In Other schemes   | 28.325% (25% plus 10% surcharge plus 3% education cess)   | 33.99% (30% plus 10% surcharge plus 3% education cess)  | 28.325% (25% plus 10% surcharge plus 3% education cess)  |
|  | <b>From From October 1, 2014 to March 31, 2015</b>   |   |   |  |
|  | Dividend   | Tax free  | Tax free  | Tax free   |
|  | Dividend Distribution Tax  |   |   |  |
|  | In Money market and Liquid schemes <sup>2</sup>  | 28.325% (25% plus 10% surcharge plus 3% education cess)   | 33.99% (30% plus 10% surcharge plus 3% education cess)  | 28.325% (25% plus 10% surcharge plus 3% education cess)  |
|  | In Other schemes   | 28.325% (25% plus 10% surcharge plus 3% education cess )  | 33.99% (30% plus 10% surcharge plus 3% education cess)  | 28.325% (25% plus 10% surcharge plus 3% education cess)  |
|  | <b>Capital Gains - From April 1, 2014 to July 10, 2014</b>   |   |   |  |
|  | Long Term Capital Gain <sup>3</sup>  | "[10% without indexation or 20% with indexation whichever is lower] + Surcharge + Education cess as applicable <sup>4</sup> | "[10% without indexation or 20% with indexation whichever is lower] + Surcharge + Education cess as applicable <sup>4</sup> | <b>In case of Listed Securities<sup>5</sup></b><br>"[10% without indexation or 20% with indexation whichever is lower] + Surcharge + Education cess as applicable <sup>4</sup><br><b>In case of Non-Listed Securities<sup>5</sup></b><br>""10% without indexation+ Surcharge + Education cess as applicable <sup>4</sup> |
|  | Short Term Capital Gain <sup>3</sup>   | Will be taxed at the normal rates depending upon the slab of each individual  | 30% + Surcharge + Education cess as applicable <sup>4</sup>   | Will be taxed at the normal rates depending upon the slab of each individual.  |
|  | <b>Securities Transaction Tax</b>  |   |   |  |
|  | Securities Transaction Tax (STT)   | Nil   | Nil   | Nil  |
| <b>Capital Gains - From July 11, 2014 to March 31, 2015</b>  |  |   |   |  |
| Long Term Capital Gain <sup>3</sup>  | 20% with indexation + Surcharge + Education cess as applicable <sup>4</sup>  | 20% with indexation + Surcharge + Education cess as applicable <sup>4</sup>   | In case of Mutual Fund Units 20% with indexation + Surcharge + Education cess as applicable <sup>4</sup>                    |  |
| Short Term Capital Gain <sup>3</sup>   | Will be taxed at the normal rates depending upon the slab of each individual   | 30% + Surcharge + Education cess as applicable <sup>4</sup>   | Will be taxed at the normal rates depending upon the slab of each individual.   |  |

| <b>Securities Transaction Tax</b>  |  |     |     |
|--|--|-----|-----|
| Securities Transaction Tax (STT)   | Nil  | Nil | Nil |
| <p><b>Notes</b></p> <p>1. equity oriented funds has been defined under sections 10(38) of the Indian Income Tax Act 1961 as under:<br/>           ""equity oriented fund" means a fund —<br/>           (i) where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty-five per cent of the total proceeds of such fund; and<br/>           (ii) which has been set up under a scheme of a Mutual Fund specified under clause (23D) :<br/>           Provided that the percentage of equity shareholding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures;"</p> <p><b>Other than equity oriented fund shall be construed accordingly.</b></p> <p>2. The expression "money market mutual fund" has been defined under Explanation (d) to Section 115T of the Act, which means a scheme of a mutual fund which has been set up with the objective of investing exclusively in money market instruments as defined in sub-clause (p) of clause (2) of the Securities and Exchange Board of India (Mutual Funds) Regulations,1996.<br/>           The expression" liquid fund" has been defined under Explanation (e) to Section 115T which means a scheme or plan of a mutual fund which is classified by the Securities and Exchange Board of India as a liquid fund in accordance with the guidelines issued by it in this behalf under the Securities and Exchange Board of India Act, 1992 or regulations made thereunder.</p> <p>3. Finance (No.2) Bill, 2014 amend the definition of short term capital assets for a unit of Mutual fund (other than equity oriented fund).. Accordingly short term capital gain will be taxable if assets are held for less than 36 months and Long term Capital Gain would mean gain other than Short Term Capital Gain.</p> <p>4. The tax rates will be increased by surcharge, education cess and secondary and higher secondary education cess as applicable.</p> <p>5. Non Listed securities mean securities other than Listed Securities.</p> <p>6. Reliance Mutual Fund is registered with SEBI and as such is eligible for benefits under Section 10 (23D) of the Income Tax Act 1961. Accordingly its entire income is exempt from tax.</p> <p>7. As per provisions of Section 206AA of the Act, if there is default on the part of a non-resident investor (entitled to receive redemption proceeds from the Mutual Fund on which tax is deductible under Chapter XVII of the Act) to provide its Permanent Account Number ('PAN'), the tax shall be deducted at higher of the following rates: i) rates specified in relevant provisions of the Act; or ii) rate or rates in force; or iii) rate of 20%.</p> <p>For further details on Taxation please refer to the Clause on Taxation in the SAI.</p> |  |     |     |
| <b>Investor services</b>   | <p><b>Mr. Bhalchandra Joshi</b> is the Investor Relations Officer for the Fund. All related queries should be addressed to him at the following address:<br/> <b>Mr. Bhalchandra Joshi, Head – Service Delivery and Operations Excellence</b><br/>           Reliance Capital Asset Management Limited<br/>           12th floor, One Indiabulls Centre, Tower 1, Jupiter Mills Compound, 841,<br/>           Senapati Bapat Marg, Elphinstone Road, Mumbai – 400 013<br/>           Tel No. – 022-30994600 • Fax No. – 022-30994699<br/>           Email: bhalchandra.y.joshi@relianceada.com</p> |     |     |

#### D. COMPUTATION OF NAV

NAV of Units under the Scheme/Plan may be calculated by either of the following methods shown below:

$$\text{NAV (Rs.)} = \frac{\text{Market or Fair Value of Scheme/plan's Investments} + \text{Current Assets} - \text{Current Liabilities and Provisions}}{\text{No. of Units outstanding under the Scheme/plan}}$$

or

$$\text{NAV (Rs.)} = \frac{\text{Unit Capital} + \text{Reserves and Surplus}}{\text{No. of Units outstanding under the Scheme/plan}}$$

The valuation of the Scheme's assets and calculation of the Scheme's NAV shall be subject to audit on an annual basis and such regulations as may be prescribed by SEBI from time to time.

The first NAV will be calculated and announced within a period of 5 Business Days from the closure of the NFO period. Subsequently, the NAV will be announced on each Business Day.

Note: There will be more than one NAV, one for each option, after the declaration of the first dividend.

**Rounding off policy for NAV**

Net Asset Value of the Units in the Scheme is calculated in the manner provided in this Scheme Information Document or as may be prescribed by Regulations from time to time. The NAV will be computed upto four decimal places.

**Policy on computation of NAV in case of investment in foreign securities**

The exchange gain / loss resulting from the foreign securities exchange rates conversion shall be recognized as unrealized exchange gain / loss in the books of the Scheme on the day of valuation. Further, the exchange gain / loss resulting from the settlement of assets / liabilities denominated in foreign currency shall be recognized as realized exchange gain /loss in the books of the scheme on the settlement of such assets / liabilities for NAV computation.

**For further detail on valuation of foreign securities, please refer SAI.**

**Valuation of Foreign Exchange Conversion:** On the valuation day, all the assets and liabilities in foreign currency will be valued in Indian Rupees on the basis of the RBI Reference rate as at the close of the Banking hours on that day in India. If this is not available, then the rate quoted on Bloomberg/Reuters around India markets close time (which is currently around 3:30 p.m. IST) will be used. The AMC reserves the right to change the source for determining the exchange rate. The reasons for the change in the source for determining the exchange rate will be recorded in writing. The Rupee value of Investments valued in the manner described above and other assets and liabilities represented in foreign currency shall be obtained by multiplying the aforesaid rate.



## IV. FEES AND EXPENSES

This section outlines the expenses that will be charged to the schemes.

### A. NEW FUND OFFER (NFO) EXPENSES

These expenses are incurred for the purpose of various activities related to the NFO like sales and distribution fees paid marketing and advertising, registrar expenses, printing and stationary, bank charges etc.

As per SEBI Circular SEBI/IMD/Cir No. 1/64057/06 dated April 04, 2006, open ended schemes are not permitted to charge NFO Expenses to the scheme, the same shall be borne by the AMC.

### B. ANNUAL SCHEME RECURRING EXPENSES

These are the fees and expenses for operating the scheme. These expenses include Investment Management and Advisory Fee charged by the AMC and other expenses as given in the table below:

The AMC has estimated that following % of the daily net assets of the scheme will be charged to the scheme as expenses. For the actual current expenses being charged, the investor should refer to the website of the mutual fund.

| Particulars  | For Growth Plan/<br>Dividend Plan |
|--|-----------------------------------|
|  | % of Net Assets                   |
| Investment Management and Advisory Fees  | Upto 2.50%                        |
| Trustee fee  |                                   |
| Audit fees   |                                   |
| Custodian fees   |                                   |
| RTA Fees   |                                   |
| Marketing & Selling expense incl. agent commission   |                                   |
| Cost related to investor communications  |                                   |
| Cost of fund transfer from location to location  |                                   |
| Cost of providing account statements and dividend redemption cheques and warrants                        |                                   |
| Costs of statutory Advertisements  |                                   |
| Cost towards investor education & awareness (at least 2 bps)   |                                   |
| Brokerage & transaction cost over and above 12 bps and 5 bps for cash and derivative market trades resp. |                                   |
| Service tax on expenses other than investment and advisory fees  |                                   |
| Service tax on brokerage and transaction cost  |                                   |
| Other Expenses #   |                                   |
| <b>Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)</b>         | <b>Upto 2.50%</b>                 |
| Additional expenses under regulation 52 (6A) (c)#  | <b>Upto 0.20%</b>                 |
| Additional expenses for gross new inflows from specified cities  | <b>Upto 0.30%</b>                 |

(# Expenses charged under the said parameters shall be in line with the Regulation 52 of SEBI (MF) Regulations or such other basis as specified by SEBI from time to time. )

These estimates have been made in good faith as per the information available to the Investment Manager based on past experience and are subject to change inter-se as per actual but the total expenses shall not exceed the limits permitted by SEBI. Types of expenses charged shall be as per the SEBI (MF) Regulations. The purpose of the above table is to assist the investor in understanding the various costs and expenses that an investor in the scheme will bear directly or indirectly.

Mutual funds /AMCs may charge service tax on investment and advisory fees to the scheme in addition to the maximum limit as prescribed in regulation 52 of the SEBI Regulations.

Service tax on other than investment and advisory fees, if any, shall be borne by the scheme within the maximum limit as per regulation 52 of the SEBI Regulations.

Mutual Funds/AMCs will annually set apart at least 2 basis points on daily net assets within the maximum limit as per regulation 52 of the SEBI Regulations for investor education and awareness initiatives.

Service tax on brokerage and transaction cost paid for execution of trade, if any, shall be within the limit prescribed under regulation 52 of the Regulations.

"Direct Plan – Growth Plan" and "Direct Plan – Dividend Plan" shall have a lower expense ratio excluding distribution expenses, commission, and no commission shall be paid from such plan.

However, no Investment Management fees would be charged on RCAM's investment in the Scheme. The Trustee Company, shall be entitled to receive a sum computed @ 0.05% of the Unit Capital of all the Schemes of RMF on 1st April each year or a sum of Rs.5,00,000/- which ever is lower or such other sum as may be agreed from time to time in accordance with the SEBI Regulations or any other authority, from time to time.

The total expenses of the scheme including the investment management and advisory fee shall not exceed the limits stated in Regulation 52(6) which are as follows:

- (i) On the first Rs. 100 crore of the daily net assets 2.50%;
- (ii) On the next Rs. 300 crore of the daily net assets 2.25%;
- (iii) On the next Rs. 300 crore of the daily net assets 2.00%;
- (iv) On the balance of the assets 1.75%;

In addition to the limits specified in regulation 52(6), the following costs or expenses may be charged to the scheme as per new sub regulation 6A, namely-

- (a) Brokerage and Transaction costs incurred for the execution of trades may be capitalized to the extent of 0.12 per cent of the value of trades in case of cash market transactions and 0.05 per cent of the value of trades in case of derivatives transactions. Any payment towards brokerage and transaction costs incurred for the execution of trades, over and above the said 0.12 per cent and 0.05 per cent for cash market transactions and derivatives transactions respectively may be charged to the scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under Regulation 52 of the SEBI (Mutual Funds) Regulations, 1996. Any expenditure in excess of the said prescribed limit (including brokerage and transaction costs, if any) shall be borne by the AMC or by the Trustee or Sponsors;
- (b) expenses not exceeding of 0.30 per cent of daily net assets, if the new inflows from such cities as specified by the Board from time to time are at least -
  - (i) 30 per cent of gross new inflows in the scheme, or;
  - (ii) 15 per cent of the average assets under management (year to date) of the scheme, whichever is higher;

Provided that if inflows from such cities is less than the higher of sub-clause (i) or sub-clause (ii), such expenses on daily net assets of the scheme shall be charged on proportionate basis:

Provided further that expenses charged under this clause shall be utilized for distribution expenses incurred for bringing inflows from such cities.

Provided further that amount incurred as expense on account of inflows from such cities shall be credited back to the scheme in case the said inflows are redeemed within a period of one year from the date of investment;

- (c) additional expenses, incurred towards different heads mentioned under sub-regulations (2) and (4), not exceeding 0.20 per cent of daily net assets of the scheme."

The Fund will strive to reduce the level of these expenses so as to keep them well within the maximum limits allowed by SEBI. Expenses on an ongoing basis will not exceed the following percentage of the daily net assets or such maximum limits as may be specified by SEBI Regulations from time to time.

The recurring expenses incurred in excess of the limits specified by SEBI (MF) Regulations will be borne by the AMC or by the Trustee or the Sponsor

### C. LOAD STRUCTURE

Load is an amount which is paid by the investor to subscribe to the units or to redeem the units from the scheme. This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. For the current applicable structure, please refer to the website of the AMC [www.reliancecmutual.com](http://www.reliancecmutual.com) or may call at toll free no. 1800 300 11111 or your distributor.

| Type of Load                          | Load chargeable (as a % of NAV)  |
|---------------------------------------|--|
| <b>Entry<sup>1</sup></b>              | <b>Not Applicable</b>  |
| <b>Exit</b>                           | 1% if redeemed or switched out on or before completion of 1 year from the date of allotment of units.<br>Nil if redeemed or switched out after the completion of 1 year from the date of allotment of units<br>W.E.F. October 01, 2012, Exit Load If charged to the scheme shall be credited to the scheme immediately net of service tax, if any. |
| <b>Inter scheme Switch</b>            | At the applicable loads in the respective schemes.   |
| <b>Inter Plan Switch</b>              | a) Switch of investments made with ARN code, from Other than Direct Plan to Direct Plan of a Scheme shall be subject to applicable exit load, if any.<br>b) No Exit Load shall be levied for switch of investments made without ARN code, from Other than Plan to Direct Plan of the Scheme or vice versa.   |
| <b>Inter Option Switch :</b>          | No load shall be applicable for inter option Switch within the same plan under the scheme.   |
| <b>Inter Plan/Inter Option Switch</b> | No load applicable for Inter Plan/Inter Option Switch.   |

<sup>1</sup> In accordance with the requirements specified by the SEBI circular no. SEBI/IMD/CIR No.4/168230/09 dated June 30, 2009 no entry load will be charged for purchase / additional purchase / switch-in accepted by RMF with effect from August 01, 2009. Similarly, no entry load will be charged with respect to applications for registrations under Systematic Investment Plans / Systematic Transfer Plans (including Salary AddVantage, Recurring Investment Plan for Corporate Employees and Dividend Transfer Plan) accepted by RMF with effect from August 01, 2009.

The upfront commission on investment made by the investor, if any, will be paid to the ARN Holder (AMFI registered Distributor) directly by the

investor, based on the investor's assessment of various factors including service rendered by the ARN Holder.

Pursuant to SEBI circular No. SEBI/IMD/CIR No. 14/120784/08 dated March 18, 2008, with effect from April 1, 2008, no entry load or exit load shall be charged in respect of bonus units and of units allotted on reinvestment of dividend.

Load amounts are variable and are subject to change from time to time. RCAM, in consultation with the Trustees, reserves the right to change the load structure if it so deems fit in the interest of smooth and efficient functioning of the scheme. Any imposition or enhancement in the load shall be applicable on prospective investments only. However, RCAM shall not charge any load on issue of bonus units and units allotted on reinvestment of dividend for existing as well as prospective investors. At the time of changing the load structure:

- (i) The addendum detailing the changes may be attached to Scheme Information Documents and key information memorandum. The addendum may be circulated to all the distributors/brokers so that the same can be attached to all Scheme Information Documents and Key Information Memoranda already in stock.
- (ii) Arrangements may be made to display the addendum in the Scheme Information Document in the form of a notice in all the investor service centres and distributors/brokers office.
- (iii) The introduction of the exit load alongwith the details may be stamped in the acknowledgement slip issued to the investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such load.
- (iv) A public notice shall be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of region where the Head Office of the Mutual Fund is situated.
- (v) Any other measures which the mutual funds may feel necessary.

The investor is requested to check the prevailing load structure of the scheme before investing.

For any change in load structure RCAM will issue an addendum and display it on the website/Investor Service Centres.

#### **D. WAIVER OF LOAD FOR DIRECT APPLICATIONS**

Pursuant to SEBI circular No. SEBI/IMD/CIR No. 4/ 168230/09 dated June 30, 2009, no entry load shall be charged for all the mutual fund schemes. Therefore the procedure for the waiver of load for direct application is no longer applicable.

#### **E. TRANSACTION CHARGES:**

In accordance with SEBI Circular No. IMD/ DF/13/ 2011 dated August 22, 2011, with effect from November 1, 2011, Reliance Capital Asset Management Limited (RCAM)/ RMF shall deduct a Transaction Charge on per purchase / subscription of Rs. 10,000/- and above, as may be received from new investors (an investor who invests for the first time in any mutual fund schemes) and existing investors. The distributors shall have an option to either "Opt-in / Opt-out" from levying transaction charge based on the type of product. Therefore, the "Opt-in / Opt-out" status shall be at distributor level, basis the product selected by the distributor at the Mutual Fund industry level..

Such charges shall be deducted if the investments are being made through the distributor/agent and that distributor / agent has opted to receive the transaction charges as mentioned below:

- **For the new investor a transaction charge of Rs 150/- shall be levied for per purchase / subscription of Rs 10,000 and above; and**
- **For the existing investor a transaction charge of Rs 100/- shall be levied for per purchase / subscription of Rs 10,000 and above.**

The transaction charge shall be deducted from the subscription amount and paid to the distributor/agent, as the case may be and the balance shall be invested. The statement of account shall clearly state that the net investment as gross subscription less transaction charge and give the number of units allotted against the net investment.

In case of investments through Systematic Investment Plan (SIP) the transaction charges shall be deducted only if the total commitment through SIP (i.e. amount per SIP installment x No. of installments) amounts to Rs. 10,000/- and above. In such cases, the transaction charges shall be deducted in 3-4 installments.

#### **Transaction charges shall not be deducted if:**

- (a) The amount per purchases /subscriptions is less than Rs. 10,000/-;
- (b) The transaction pertains to other than purchases/ subscriptions relating to new inflows such as Switch/STP/ DTP, etc.
- (c) Purchases/Subscriptions made directly with the Fund through any mode (i.e. not through any distributor/agent).
- (d) Subscription made through Exchange Platform irrespective of investment amount.

## V. RIGHTS OF UNITHOLDERS

Please refer to SAI for details.

## VI. PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY

1. All disclosures regarding penalties and action(s) taken against foreign Sponsor(s) may be limited to the jurisdiction of the country where the principal activities (in terms of income / revenue) of the Sponsor(s) are carried out or where the headquarters of the Sponsor(s) is situated. Further, only top 10 monetary penalties during the last three years shall be disclosed.

Not applicable

2. Details of all monetary penalties imposed and/ or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years shall also be disclosed.

There were no monetary penalties imposed and/ or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law. There were no settlement arrived at with the aforesaid authorities during the last three years.

3. Details of all enforcement actions taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/ adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party. The details of the violation shall also be disclosed.

There was no enforcement actions taken by SEBI in the last three years and/ or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/ or suspension and/ or cancellation and/ or imposition of monetary penalty/ adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party.

4. Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/ or the AMC and/ or the Board of Trustees /Trustee Company and/ or any of the directors and/ or key personnel are a party should also be disclosed separately.

In terms of the SEBI [Mutual Fund] Regulations, 1996 (as amended from time to time), the mutual fund schemes are permitted to invest in securitized debt. Accordingly, investments in certain Pass Through Certificates ("PTC's") of a securitization trust ("the Trust") were made through some of schemes of Reliance Mutual Fund ("the Fund"). The returns filed by few of these securitisation Trusts whose PTCs were held by the Fund were taken up for scrutiny by the Income Tax Authorities which raised demand initially on the Trusts. However, on failure to recover, the Income Tax Authorities sent the demand notices to the Fund for Assessment Years 2009-10 and 2010-11. The Fund in consultation with its tax & legal advisors has contested the applicability of such demand and proceedings there on are still pending. It may be noted that this is a matter, which is not restricted only to the Fund but is an Industry issue. Accordingly, through the Association of Mutual Funds in India (AMFI), the matter has also been appropriately escalated to the Ministry of Finance, in order to seek.

5. Any deficiency in the systems and operations of the Sponsor(s) and/ or the AMC and/ or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency, shall be disclosed.

There was no deficiency in the systems and operations of the Sponsor(s) and/ or the AMC and/ or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency.

**Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.**

For and behalf of the Board of Directors of  
**RELIANCE CAPITAL ASSET MANAGEMENT LIMITED**  
[Asset Management Company for Reliance Mutual Fund]

Sd/-

(Sundeep Sikka)  
Chief Executive Officer

Mumbai  
July 28, 2014



