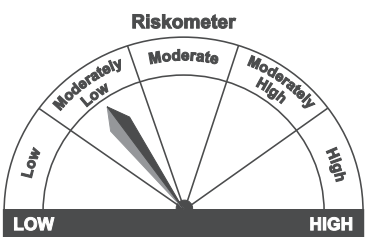


## Reliance Medium Term Fund

(An Open Ended Income Scheme with no assured returns)

# Scheme Information Document

Product Label	
<p><b>This product is suitable for investors who are seeking*:</b></p> <ul style="list-style-type: none"> <li>income over short term.</li> <li>investment in debt and money market instruments with tenure not exceeding 3 years.</li> </ul> <p>*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.</p>	<div style="text-align: center;">  <p><b>Riskometer</b></p> </div> <p>Investors understand that their principal will be at Moderately Low risk</p>

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

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 Asset Management Company. 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.reliancemutual.com](http://www.reliancemutual.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.

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

**NAME OF MUTUAL FUND**

Reliance Mutual Fund (RMF)

**NAME OF ASSET MANAGEMENT COMPANY**

Reliance Nippon Life Asset Management Limited (RNLAM)  
(formerly Reliance Capital Asset Management Limited)

CIN : U65910MH1995PLC220793

**NAME OF TRUSTEE COMPANY**

Reliance Capital Trustee Co. Limited (RCTC)

CIN : U65910MH1995PLC220528

**Corporate office (RMF, RNLAM, RCTC)**

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## HIGHLIGHTS/SUMMARY OF THE SCHEME

### 1. Investment Objective

The primary investment objective of the scheme is to generate regular income in order to make regular dividend payments to unitholders and the secondary objective is growth of capital.

### 2. Liquidity

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

As per SEBI Regulations, the Mutual Fund shall despatch redemption proceeds within 10 Business 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 Business 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 3 - 4 Business Days from the acceptance of a valid redemption request.

### 3. Benchmark

Crisil Short Term Bond Fund Index

### 4. Transparency/NAV Disclosure

- i. 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](http://www.amfiindia.com) by 9.00 p.m. on the day of declaration of the NAV and also on [www.reliancemutual.com](http://www.reliancemutual.com)
- ii. 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
- iii. The NAV of the Scheme will be calculated and declared by the Fund on every Working Day. 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. Investors may also obtain information on the purchase /sale price for a given day on any Working Day from the office of the AMC / the office of the Registrar in Hyderabad/ any of the other Designated Investor Service Centres. Investors may also note that Reliance Mutual Fund shall service its customers through the call center from Monday to Saturday between 8.00 am to 9.00 pm. However, 24x7 facility shall be available for addressing the queries through interactive voice response (IVR) and for hot listing the Reliance Any Time Money Card. Investor may also call customer service centre at 3030 1111, callers outside India (Toll Free No. 1800-300-11111), please dial 91-22-30301111
- iv. Publication of Abridged Half-yearly Unaudited / Audited Financial Results in the newspapers or as may be prescribed under the Regulations from time to time.
- v. 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.
- vi. Despatch or E-mail of the Annual Reports of the respective Schemes within the stipulated period as required under the Regulations.
- vii. 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 on the RMF Website i.e. [www.reliancemutual.com](http://www.reliancemutual.com).

### 5. Loads

- i. 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 the Fund 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 the Fund with effect from August 01, 2009.  
The upfront commission on investment made by the investor, if any, shall be paid to the ARN Holder directly by the investor, based on the investor's assessment of various factors including service rendered by the ARN Holder.
- ii. Exit Load –
  - 0.50% of the applicable NAV if redeemed or switched out on or before completion of 7 days from the date of allotment of units.
  - Nil, if redeemed after 7 days from the date of allotment of unitsW.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 units allotted on reinvestment of dividend.
- iii. Inter scheme Switch - At the applicable load in the respective Schemes.
- iv. Inter Plan/Inter Option 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 Direct Plan to Direct Plan of the Scheme or vice versa.

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

## 6. TRANSACTION CHARGES:

In accordance with SEBI Circular No. IMD/ DF/13/ 2011 dated August 22, 2011, with effect from November 1, 2011, Reliance Nippon Life Asset Management Limited (RNLAM) (Formerly Reliance Capital Asset Management Limited)/ 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. Plans & Options

- i. Growth Plan
  - a. Growth Option
- ii. Dividend Plan
  - a. Dividend Plan (Payout Option and Reinvestment Option)
  - b. Daily Dividend Plan (Reinvestment Option only)
  - c. Weekly Dividend Plan (Payout Option and Reinvestment Option)
  - d. Monthly Dividend Plan (Payout Option and Reinvestment Option)
  - e. Quarterly Dividend Plan (Payout Option and Reinvestment Option)
- iii. Direct Plan - Growth Plan
  - a. Growth Option
- iv. Direct Plan - Dividend Plan
  - a. Dividend Plan (Payout Option and Reinvestment Option)
  - b. Daily Dividend Plan (Reinvestment Option only)
  - c. Weekly Dividend Plan (Payout Option and Reinvestment Option)
  - d. Monthly Dividend Plan (Payout Option and Reinvestment Option)
  - e. Quarterly Dividend Plan (Payout Option and Reinvestment 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.

## 8. Minimum Application Amount

### i. For First Purchase

**Growth Plan** : Rs. 1,000 and in multiples of Re. 1 thereafter.

**All other Plans** : Rs. 5,000 & in multiples of Re. 1 thereafter

**ii. Additional Purchase (All Options / Plans)**

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

RNLAM may revise the minimum / maximum amounts and the methodology for new/additional subscriptions, 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 existing unitholders.

Further, such changes shall only be applicable to transactions from the date of such a change, on a prospective basis.

RNLAM may revise the minimum / maximum amounts and the methodology for subscriptions as and when necessary, for subsequent plans. Such change may be brought about after taking into account the cost structure for a transaction/account and /or market practices etc.

**9. Flexibility**

Unitholders 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 scheme(s) / plans/options 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

### 1. STANDARD RISK FACTORS

- i. 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.
- ii. As the price / value / interest rate of the securities in which the scheme invests fluctuates, the value of your investment in the Scheme may go up or down depending on the factors and forces affecting the capital markets.
- iii. Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the Scheme
- iv. Reliance Medium Term Fund is only the name of the Scheme and does not in any manner indicate either the quality of the Scheme, its future prospects and returns.
- v. 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 towards the setting up of the Mutual Fund and such other accretions and additions to the corpus.
- vi. The present scheme is not a guaranteed or assured return scheme. The Mutual Fund is not guaranteeing or assuring any dividend. The Mutual Fund is also not assuring that it will make periodical dividend distributions, though it has every intention of doing so. All dividend distributions are subject to the availability of distributable surplus of the scheme

### 2. SCHEME SPECIFIC RISK FACTORS:

#### i. Risks associated with investing in Bonds

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.

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.

#### a. 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.

#### b. 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.

#### c. 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.

#### d. 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 cash flows.

#### e. 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.

## ii. Risk associated with investing in Derivatives

### a. 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 vis-à-vis the shorter duration derivatives.

### b. Mark to Market Risk

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

### c. Systematic Risk

The risks inherent in the capital market due to macro economic factors like inflation, GDP and global events.

### d. Liquidity Risk

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

### e. Implied Volatility

The estimated volatility in an underlying security's price and derivative price.

### f. 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.

### g. 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.

### h. System Risk

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

## iii. Risk attached with the use of derivatives

a. As and when the Scheme trades 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 analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but 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 a possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the "counterparty") 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.

b. 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.

c. 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.

## iv. Risk Associated with Securitised Debt

As with any other debt instrument, the following risk factors have to be taken into consideration while investing in PTCs:

### a. Credit Risk

Since most of the PTCs are drawn from a cherry picked pool of underlying assets, the risk of delay / default due to poor credit quality is low. Further more most of the PTCs enjoy additional cashflow coverage in terms of subordination by another lower class of PTCs or in terms of excess cash collateralization.

### b. Liquidity Risk

Historically the secondary market volume of securitised papers has been limited. This could limit the ability of the fund to resell them. Secondary market trades could be at a discount or premium depending upon the prevailing interest rates.

### c. Price Risk / Interest Rate Risk

The price risk of these instruments shall be in line with the maturity / duration of such instruments. However given the fact that these instruments will have a maturity profile upto 2 years, the duration risk is relatively less.

Domestic Securitised debt can have different underlying assets and these assets have different risk characteristics. These may be as given in the following example:

Security 1 -Backed by receivables of personal loans originated by XYZ Bank

Specific Risk Factors: Loss due to default and/or payment delay on Receivables, Premature Termination of Facility Agreements, Limited loss cover, Delinquency and Credit Risk, Limited Liquidity and Price Risk, Originator/Collection Agent Risk, Bankruptcy of the Originator, Co-mingling of funds

Security2 - Senior Series Pass Through Certificates backed by commercial vehicles and two-wheeler loan and loan receivables from ABC Bank Limited

**v. Risk associated with Short Selling & Securities Lending**

Securities Lending is a lending of securities through an approved intermediary to a borrower under an agreement for a specified period with the condition that the borrower will return equivalent securities of the same type or class at the end of the specified period along with the corporate benefits accruing on the securities borrowed. In case the Scheme undertakes stock lending under the Regulations, it may, at times be exposed to counter party risk and other risks associated with the securities lending. Unitholders of the Scheme should note that there are risks inherent to securities lending, including the risk of failure of the other party, in this case the approved intermediary, to comply with the terms of the agreement entered into between the lender of securities i.e. the Scheme and the approved intermediary. Such failure can result in the possible loss of rights to the collateral put up by the borrower of the securities, the inability of the approved intermediary to return the securities deposited by the lender and the possible loss of any corporate benefits accruing to the lender from the securities deposited with the approved intermediary.

Short-selling is the sale of shares that the seller does not own at the time of trading. Instead, he borrows it from someone who already owns it. Later, the short seller buys back the stock he shorted and returns the stock to close out the loan. If the price of the stock has fallen, he can buy the stock back for less than he received for selling it and profits from it (the difference between higher short sale price and the lower purchase price). However, Short positions carry the risk of losing money and these losses may grow theoretically unlimited if the price increases without limit and shall result into major losses in the portfolio.

**vi. Risk factor associated with Overseas Financial Assets**

To the extent that the assets of the schemes 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 changes in the value of certain foreign currencies relative to the Indian rupee (if Indian rupee appreciates against these foreign currencies). The repatriation of capital 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 may have to pay applicable taxes on gains from such investment.

As regards foreign securities that are traded on exchanges that are not located in India basis of valuation will depend on the time zone of the respective country. For exchanges located in countries, with time zone earlier than India, the NAV will be calculated based on the closing price of the foreign security and the prevailing exchange rate on that date. For exchanges located in countries, with time zone later than India, the NAV will be calculated based on the closing price of the foreign security and the prevailing exchange rate of the previous date.

Subject to the Regulations, the investments may be in securities which are listed or unlisted, secured or unsecured, rated or unrated, having variable maturities, and acquired through secondary market purchases, RBI auctions, open market sales conducted by RBI etc., Initial Public Offers (IPOs), other public offers, placements, rights, offers, negotiated deals, etc.

To avoid duplication of portfolios and to reduce expenses, the Scheme may invest in any other schemes of the Fund to the extent permitted by the Regulations. In such an event, RNLAM will not charge management fees on the amounts of the Schemes so invested, unless permitted by the Regulations.

**vii. Risk factors associated with repo transactions in corporate bonds -**

- o The market for the aforesaid product is over the counter (OTC) and illiquid. Hence, repo obligations cannot be easily sold to other parties. If a counterparty fails, the scheme would have to take recourse to the collateral provided. If a counterparty fails to repay and the value of the collateral falls beyond the haircut, then the Scheme would be exposed to a loss of interest or principal
- o Further, if the Scheme needs to take recourse to the debt securities provided as collateral, and the issuer of the debt securities makes a default, the scheme may lose the whole, or substantial portion of the amount. This risk is somewhat mitigated by the fact that only bonds which have credit rating of AA and above can be accepted as collateral for repo transactions.

**viii. Other Scheme Specific Risk factors**

- a. 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.
- b. 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 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.
- c. Credit And Rating Downgrade Risk, Prepayment And Foreclosures Risk for Senior PTC Series, Prepayment And Foreclosures Risk for Senior PTC Series, Servicing Agent Risk, Co-mingling Risk, and Bankruptcy of the Seller.
- d. The NAV of the scheme to the extent invested in Debt and Money market securities are likely to be affected by changes in the prevailing rates of interest and are likely to affect the value of the Scheme's holdings and thus the value of the Scheme's Units.
- e. The AMC may, considering the overall level of risk of the portfolio, invest in lower rated/ unrated securities offering higher yields. This may increase the risk of the portfolio.



- f. Securities which are not quoted on the stock exchanges are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. The AMC may choose to invest in unlisted securities that offer attractive yields. This may increase the risk of the portfolio.
- g. While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges. Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the Scheme and may lead to the Scheme incurring losses till the security is finally sold.
- h. Investment decisions made by the AMC may not always be profitable, even though it is intended to generate capital appreciation and maximize the returns by actively investing in equity and equity related securities.
- i. The tax benefits available under the scheme are as available under the present taxation laws and are available only to certain specified categories of investors and that is subject to fulfillment of the relevant conditions. The information given is included for general purposes only and is based on advice that the AMC has received regarding the law and the practice that is currently in force in India and the investors and the Unitholders should be aware that the relevant fiscal rules and 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 investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Investor/Unitholder 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 income distributions to its Unitholders, though it has every intention to manage the portfolio so as to make periodical income distributions. Income distributions will be dependent on the availability of distributable and the returns achieved by the Asset Management Company through active management of the portfolio. Periodical income 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 and AMC may, in the general interest of the Unit holders 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 for redemption requests of more than Rs. 2 Lakhs per folio at a scheme level in any Scheme. In line with the SEBI Circular dated May 31, 2016 the following conditions would be applicable.

- a. Restriction may be imposed when there are circumstances leading to a systemic crisis or event that severely constricts market liquidity or the efficient functioning of markets such as:
  - i. Liquidity issues - when market at large becomes illiquid and affecting almost all securities. .
  - ii. Market failures, exchange closures - when markets are affected by unexpected events which impact the functioning of exchanges or the regular course of transactions. Such unexpected events could also be related to political, economic, military, monetary or other emergencies.
  - iii. Operational issues – when exceptional circumstances are caused by force majeure, unpredictable operational problems and technical failures (e.g. a black out).
- b. Restriction on redemption may be imposed for a specified period of time not exceeding 10 working days in any 90 days period.
- c. When restriction on redemption is imposed, the following procedure shall be applied:
  - i. No redemption requests upto INR 2 lakh shall be subject to such restriction.
  - ii. Where redemption requests are above INR 2 lakh, AMCs shall redeem the first INR 2 lakh without such restriction and remaining part over and above INR 2 lakh shall be subject to such restriction.

However, suspension or restriction of redemption under any scheme of the Mutual Fund shall be made applicable only after the approval from the Board of Directors of the Asset Management Company 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 immediately.

### **3. Suspension of Purchase of units and / or Redemption of units**

The purchase and / or redemption of Units may be suspended, temporarily or indefinitely, by RNLAM, in consultation with the Trustees, when any of the following conditions exist at one/more Designated Investor Service Centres:

- 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
- d. For any bulk processing like dividend, mergers, etc.
- e. If banks do not carry-out any of the normal banking activities at one or more Designated Investor Service Centres
- f. SEBI, by order, so directs.

The normal time taken to process redemption and/ or purchase requests, as mentioned earlier, may not be applicable during such extraordinary circumstances.

RNLAM, in consultation with the Trustees, also reserves the right 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 unitholders of the Scheme.

An order / request to purchase Units is not binding on and may be rejected by the Trustees, 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>Allotment of Units</b>	:	For Subscriptions received at the DISC's within the cut-off timings and considered accepted for that day, the units will be allotted 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.
<b>Applicable Net Asset Value (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/RNLAM)/ Investment Manager</b>	:	Reliance Nippon Life Asset Management Limited (Formerly 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.
<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 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 (7) 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. 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>Collecting Bank</b>	:	Branches of Banks for the time being authorized to receive application(s) for units, as mentioned in this document.
<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>Exit Load</b>	:	Load on redemptions / switch out.
<b>Foreign Institutional Investors (FII)</b>	:	Foreign Institutional Investors, registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
<b>FPI</b>	:	Foreign Portfolio Investors (FPI) as defined in Regulation 2(1) (h) of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
<b>Investment Management Agreement (IMA)</b>	:	The Agreement entered into between Reliance Capital Trustee Co. Limited and Reliance Nippon Life Asset Management Limited (Formerly Reliance Capital Asset Management Limited) by which RNLAM 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 (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 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>Non-Resident Indian (NRI)</b>	: Non-Resident Indian.
<b>Person of Indian Origin (PIO)</b>	: Person of Indian Origin
<b>Plans/Options</b>	: The scheme has the following investment option: <b>i. Growth Plan</b> a. Growth Option <b>ii. Dividend Plan</b> a. Dividend Plan (Payout Option and Reinvestment Option) b. Daily Dividend Plan (Reinvestment Option only) c. Weekly Dividend Plan (Payout Option and Reinvestment Option) d. Monthly Dividend Plan (Payout Option and Reinvestment Option) e. Quarterly Dividend Plan (Payout Option and Reinvestment Option) <b>iii. Direct Plan - Growth Plan</b> a. Growth Option <b>iv. Direct Plan - Dividend Plan</b> a. Dividend Plan (Payout Option and Reinvestment Option) b. Daily Dividend Plan (Reinvestment Option only) c. Weekly Dividend Plan (Payout Option and Reinvestment Option) d. Monthly Dividend Plan (Payout Option and Reinvestment Option) e. Quarterly Dividend Plan (Payout Option and Reinvestment 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).
<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>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 RNLAM.
<b>RCL</b>	: Reliance Capital Limited
<b>Reliance Capital Trustee Co. Limited (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 RMF.
<b>Reliance Mutual Fund (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/022/95/1 dated June 30, 1995.
<b>Reserve Bank of India (RBI)</b>	: Reserve Bank of India, established under the Reserve Bank of India Act, 1934.
<b>Scheme</b>	: Reliance Medium Term Fund – An Open ended Income Scheme with no assured returns
<b>Scheme Information Document (SID)</b>	: Scheme Information Document issued by Reliance Mutual Fund, offering units of Reliance Medium Term Fund.
<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>Sponsor</b>	: Means Sponsor of RMF i.e., RCL a company incorporated under Companies Act, 1956 that has established RMF and co-sponsor of RMF i.e., Nippon Life Insurance Company (“NLI”).
<b>Switching Option</b>	: Investors may opt to switch Units between the Dividend Plan and Growth Plan of the Scheme at NAV based prices after completion of lock in period, if any. Switching will also be allowed into/from any other eligible open-ended Schemes of the Fund either currently in existence or a Scheme(s) that may be launched / managed in future, as per the features of the respective scheme.
<b>The Securities and Exchange Board of India (SEBI)</b>	: Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time, including by way of circulars or notifications issued by SEBI and the Government of India.

<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 Record</b>	:	Unitholders whose names appear on the unitholders register of the concerned plan/(s) on the date of determination of Dividend, subject to realisation of the cheque.
<b>Words and Expressions used in this Scheme Information Document and not defined</b>	:	Same meaning as in Regulations

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

**It is confirmed that:**

1. The Scheme Information Document of Reliance Medium Term 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. All 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.

**Place : Mumbai**

**Date : March 30, 2017**

**Sd/-**

**Name: Muneesh Sud**

**Designation: Chief Legal & Compliance Officer**

## II - INFORMATION ABOUT THE SCHEME - RELIANCE MEDIUM TERM FUND

### A. TYPE OF THE SCHEME

An Open ended Income Scheme with no assured returns

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

The primary investment objective of the scheme is to generate regular income in order to make regular dividend payments to unitholders and the secondary objective is growth of capital.

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

Under normal circumstances, the asset allocation shall be as follows: Under normal circumstances, the asset allocation shall be as follows:

Instruments	Indicative allocations (% of total assets)		Risk Profile
	Maximum	Minimum	High/Medium/Low
Money Market Instruments/Short Term debt Instruments/Floating Rate Notes with maturity/interest rate reset period not exceeding 3 months.	<b>80</b>	<b>0</b>	<b>Low</b>
Money Market Instruments (CPs, T-Bills, CDs) and/or other Short Term debt instruments (Floating Rate Notes, Short Tenor NCDs, Securitized debt*) and any other instrument with duration of more than 3 months but not exceeding 3 years.	<b>100</b>	<b>20</b>	<b>Low to Medium</b>

\*Securitized debt upto 80% of the corpus

The scheme also intends to invest in foreign debt securities as well as ADRs/ GDRs of Indian companies, in accordance with the Regulations then prevailing.

It is the intention of the scheme to trade in the derivatives market as per the Regulations.

Further, the Scheme intends to participate in Securities lending as per the Regulations.

However, the above is only indicative and the AMC reserves the right to modify the pattern, in the interest of investors, depending on the market conditions, for defensive considerations. While the AMC will strive to bring the allocation pattern back to the stated levels within a reasonable time period, it will be a function of the market conditions.

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 fund manager will carry out rebalancing within 30 days. Where the portfolio is not re-balanced within 30 Days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment 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. WHERE WILL THE SCHEME INVEST?

For purposes of the Scheme Information Document, equity related instruments include debt securities convertible into shares, convertible preference shares, and rights or warrants to purchase shares. 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 sector undertakings, Financial Institutions, public and private sector banks and corporate entities. The scheme reserves the right to invest its entire allocation in debt and money market securities in any one of the fixed income security classes. Investments in fixed income securities will be in securities rated by at least one recognized rating agency. Investments in unrated securities will be made with the specific approval of the Committee/Board of Directors of the AMC &/or the Trustee. Securitised Debt will be a part of the debt securities, up to 25 per cent of corpus.

Money market securities includes but are not limited to treasury bills, commercial paper of public sector undertakings and private sector corporate entities, inter bank call and notice money, fixed deposits with scheduled commercial banks, certificates of deposit of scheduled commercial banks and Financial Institutions, securitised debt, bills of exchange/promissory notes of public and private sector entities (coaccepted 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. The schemes may also enter into repurchase and reverse repurchase obligations in all securities held by them as per the guidelines and regulations applicable to such transactions. Further, the scheme intends to participate in securities lending as permitted within the Regulations. It is the intention of the scheme to trade in the derivatives market as per the Regulations. Further, the Scheme intends to participate in Securities lending as per the Regulations. The scheme also intends to invest in foreign debt securities as well

The Fund may enter into "Repo", "Stock Lending" or such other transactions as may be allowed to Mutual Funds from time to time. For purposes of the Scheme Information Document, 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. The scheme reserves the right to invest its entire allocation in debt and money market securities in any one of the fixed income security classes. Investments in rated fixed income securities will be in securities rated by at least one recognized rating agency. Investments in unrated securities will be made with the approval of the Investment Committee of RNLAM, within the parameters laid down by the Board of Directors of the AMC & the Trustees. Securitised Debt can be a part of the debt securities, and the Fund will normally endeavour to keep it upto 40 percent of corpus of the Scheme. Money market instrument include but are not limited to treasury bills, commercial papers of public sector undertakings and private sector corporate entities, inter-bank call and notice money, Mibor linked corporate papers, fixed deposits with scheduled commercial banks, certificates of deposit of scheduled commercial banks and Financial Institutions, securitised 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. Short-term debt considerations for this open-end Scheme include maintaining an adequate float to meet anticipated levels of redemptions, expenses, and other liquidity needs.

The Fund may also enter into “Repo”, hedging or such other transactions as may be allowed to Mutual Funds from time to time.

In line with SEBI circular dated November 11, 2011 investments in corporate bond repo shall be made basis the policy approved by the Board of RNLAM and RCTC. The significant features are as follows:

- i. As specified in the SEBI Circular dated November 15, 2012, the base of eligible securities for mutual funds to participate in repo in corporate debt securities, is from AAA rated to AA and above rated corporate debt securities.
- ii. Category of counterparty & Credit rating of counterparty RMF schemes shall enter in lending via Repo only with Investment Grade counterparties (as required by SEBI Regulations) which are part of the approved debt universe (i.e. on which we have limits).
- iii. Restriction pertaining to tenor of Collateral For FMPs, the tenor of the collateral should expire before the maturity of the scheme. For other schemes, the collateral should comply with the maturity restrictions placed, if any, for those schemes in the Debt Investment Policy.
- iv. The Gross exposure of the scheme to repo transactions in corporate debt securities shall not be more than 10% of the net asset scheme. All investment restrictions stated above shall be applicable at the time of making investment
- v. Applicable haircut RBI in its circular dated November 09, 2010 had indicated the haircut to be applied for such transactions as follows:

S.No	Rating	Minimum Haircut
1	AAA	10%
2	AA+	12%
3	AA	15%

The above haircuts are minimum stipulated haircuts where the repo period is overnight or where the remargining frequency (in case of longer tenor repos) is daily. The RBI had earlier recommended a haircut of 25%. It is proposed that we maintain a minimum haircut of 15% for all repo contract of less than 3 months, and 25% for other contracts, unless a lower haircut is approved by the Investment Committee. The Fund Manager may refer to the rating-haircut matrix published by FIMMDA, to determine the appropriate haircut.

A portion of funds may also be kept in cash or cash equivalents. The schemes may also enter into repurchase and reverse repurchase obligations in all securities held by them as per the guidelines and regulations applicable to such transactions. Further, the scheme intends to participate in securities lending as permitted within the Regulations. It is the intention of the scheme to trade in the derivatives market as per the Regulations. The scheme also intends to invest in foreign debt securities, as and when permitted by SEBI and in accordance with the Regulations then prevailing.

The above-mentioned securities could be listed, unlisted, secured, unsecured, rated or unrated and may be acquired through initial public offerings, secondary market offerings, private placements, rights offers or negotiated deals. To avoid duplication of portfolios and to reduce expenses, the Scheme may invest in any other schemes of the Fund to the extent permitted by the Regulations. In such an event, the AMC will not charge management fees on the amounts of the Schemes so invested, unless permitted by the Regulations.

Investments may be in listed or unlisted debt instruments, as permitted under SEBI Regulations. These would cover secondary market purchases, Initial Public Offers (IPOs), other public offers, placements, rights offers, negotiated deals, etc. Investments in debentures and bonds will usually be in instruments which have been assigned investment grade ratings by an approved rating agency. The instruments may be rated / unrated and listed / unlisted. In cases where the debt instrument is unrated, specific approval from the Investment Committee of RNLAM shall be obtained.

The asset allocation indicated above may change from time to time keeping in view the market conditions, legislative and regulative amendments and political and economic factors, subject to Regulations. It must be clearly understood that the percentages stated above are purely indicative and can change substantially depending on the perception of the Investment Manager with the sole intention of protecting the interests of the Unit Holders. While it is the intention of the Scheme to maintain the maximum exposure guidelines provided in the table above there may be instances when these percentages may be exceeded. Typically, this may occur while the Scheme is new and the corpus is small thereby causing diversification issues.

The liquid schemes launched by SEBI registered Mutual Fund or schemes that invest predominantly in money market instruments / securities

## **E. WHAT ARE THE INVESTMENT STRATEGIES?**

The fund management team will endeavor to maintain a consistent performance in the scheme by maintaining a balance between safety, liquidity and profitability aspects of various investments. The fund manager will try to achieve an optimal risk return balance for management of the fixed income portfolios.

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.

Income may be generated through the receipt of coupon payments, the amortisation of the discount on debt instruments, receipt of dividends or the purchase and sale of securities in the underlying portfolio. The Scheme will, under normal market conditions, invest its net assets primarily in fixed income securities, money market instruments, cash and cash equivalents, while at the same time maintaining a small exposure to the equity market.

The fund management team will take an active view of the interest rate movement by keeping a close watch on various parameters of the Indian economy, as well as developments in global markets.

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. Maturity profile of the instrument
4. Liquidity of the security
5. Growth prospects of the company / industry
6. Any other factors in the opinion of the fund management team

Income may be generated through the receipt of coupon payments, the amortisation of the discount on debt instruments, receipt of dividends or the purchase and sale of securities in the underlying portfolio. The Scheme will, under normal market conditions, invest its net assets primarily in fixed income securities, money market instruments, cash and cash equivalents, while at the same time maintaining a small exposure to the equity market.”

#### **Risk Measurement /Control**

The Fund Management proposes to use analytic risk management tools like VAR / convexity/ modified duration for effective portfolio management.

#### **Portfolio Turnover**

The Investment Manager does not have a policy statement on portfolio turnover. It is presently anticipated that the portfolio turnover rate will be low. However, trading opportunities may emerge from time to time due to inefficiencies in the market causing the portfolio turnover rate to rise. A high portfolio turnover rate may be representative of arbitrage opportunities that exist for securities in the portfolio rather than an indication of the Investment Manager's view on a sector or security.

#### **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 March 15, 2017

<b>Instruments</b>	<b>Listed/ Unlisted</b>	<b>Current Yield Range As on March 15, 2017</b>	<b>Liquidity</b>	<b>Risk profile</b>
Central Government Securities	Listed	6.14%-7.78%	High	Low
Corporate Debentures / PSU Bonds	Listed	7.02%-7.96%	Moderate	Low
CDs (short term)	Unlisted	6.28%-6.70%	High	Low
Call Money	Unlisted	4.50%- 6.25%	High	Low
Mibor linked Papers	Listed	95-135 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 March 15, 2017) are:

<b>Yrs</b>	<b>=&lt; 1yr</b>	<b>2-6yrs</b>	<b>7-10yrs</b>	<b>11-20 yrs</b>
Central Government securities	6.23%-6.47%	6.60%-7.19%	6.94%-7.99%	7.31%-7.93%
Debentures / Bonds (AAA rated)	7.02%-7.05%	7.20%-7.61%	7.90%-7.96%	-

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

**Investors are requested to take note that in case the scheme invests in securitized debt, following shall be applicable:**

#### **Disclosures with respect to securitized debt**

##### **1. How the risk profile of securitized debt fits into the risk appetite of the scheme**

Securitized debt is a form of conversion of normally non-tradable loans to transferable securities. This is done by assigning the loans to a special purpose vehicle (a trust), which in turn issues Pass-Through-Certificates (PTCs). These PTCs are transferable securities with fixed income characteristics. The risk of investing in securitized debt is similar to investing in debt securities. However it differs in following two majorly respects:-

Typically the liquidity of securitized debt is less than similar debt securities. However, this is expected to change as SEBI has issued its guidelines on listing of securitized instrument and going forward we expect more issuance of listed securitized debt.. Currently, the fund manager normally buys these with the view to hold them till maturity. For the close ended scheme, the average tenor of the securitized debt would not exceed maturity of the Scheme / Plan / Fund. For open ended scheme, average maturity of the securitized debt will be in accordance with the investment time horizon of such scheme, opportunities available in the market and interest rate views of the investment team.

For certain types of securitized debt (backed by mortgages, personal loans, credit card debt, etc.), there is an additional pre-payment risk. Pre-payment risk refers to the possibility that loans are repaid before they are due, which may reduce returns if the re-investment rates are lower than initially envisaged. The fund manager price the securitized debt accordingly to compensate for reinvestment risk.

Because of these additional risks, securitized debt typically offers higher yields than debt securities of similar credit rating and maturity. If the fund manager judges that the additional risks are suitably compensated by the higher returns, he may invest in securitized debt according to the nature ( open ended / close ended ) of the scheme.

## **2. Policy relating to originators based on nature of originator, track record, NPAs, losses in earlier securitized debt, etc.**

Originators have been broadly categorized as follows:

- i. PSU Banks;
- ii. Private Banks;
- iii. NBFC's with asset size of Rs. 1,000 crores and above; and
- iv. NBFC's with asset size of below Rs. 1,000 crores.

Before the assessment of the structure is undertaken, the originators/ underlying issuers are evaluated on the following parameters:

- Track record - good track record of the originators/ underlying issuers or its group companies.
- Willingness to pay - credible and strong management team.
- Ability to pay – good financials and business profile.
- Risk appraisal capabilities - strong and well defined risk assessment processes
- Business risk assessment of the originators based on the following factors:
  - Outlook for the economy (domestic and global)
  - Outlook for the industry
  - Company specific factors

In addition a detailed review and assessment is done including interactions with the company as well as the credit rating agency. Typically we would avoid investing in securitization transaction (without specific risk mitigant strategies / additional cash/security collaterals/ guarantees) if we have concerns on the following issues regarding the originator / underlying issuer:

- Default track record/ frequent alteration of redemption conditions / covenants;
- Very High leverage ratios of the ultimate borrower (for single-sell downs) - both on a standalone basis as well on a consolidated level;
- Very High proportion of reschedulement of underlying assets of the pool or loan, as the case may be;
- Very High proportion of overdue assets of the pool or the underlying loan, as the case may be;
- Poor reputation in market;
- Insufficient track record of servicing of the pool or the loan, as the case may be;
- The degree of NPAs of the company being very high than the industry trends.

Further , investments in securitized debt will be done in accordance with the investment restrictions specified under the Regulations / this Scheme Information Documents which would help in mitigating certain risks. Currently, as per the Regulations, the Scheme cannot invest more than 15% of its net assets in debt instruments ( irrespective of residual maturity) issued by a single issuer which are rated not below investment grade by a credit rating agency . Such investment limit may be extended to 20% of the net assets of the Scheme with the prior approval of the Board of Trustees.

## **3. Risk mitigation strategies for investments with each kind of originator**

An analysis of the originator / Issuer is especially important in case of retail loans as the size and reach affects the credit quality and servicing of the securitized instrument. In case of securitization involving single loans or a small pool of loans, the credit risk of the underlying borrower is analyzed. In case of diversified pools of loans, the overall characteristic of the loans is analyzed to determine the credit risk. The credit analyst looks at seasoning (i.e. how long the loan has been with the originator before securitization) as one way of evaluating the performance potential of the PTC. Securitization transactions may include some risk mitigants (to reduce credit risk). These may include interest subvention (difference in interest rates on the underlying loans and the PTC serving as margin against defaults), overcollateralization (issue of PTCs of lesser value than the underlying loans, thus even if some loans default, the PTC continues to remain protected), presence of an equity / subordinate tranche (issue of PTCs of differing seniority when it comes to repayment - the senior tranches get paid before the junior tranche) and / or guarantees.

Investments in securitized debt will be done based on the assessment of the originator which is carried out by the Fixed Income team. In order to mitigate the risk at the issuer/originator level, the Fixed Income team will consider various factors which will include:

- size and reach of the issuer /originator
- Set up of the organization structure of the issuer /originator
- the infrastructure and follow-up mechanism of the issuer /originator
- the issuer / originator's track record in that line of business
- quality of information disseminated by the issuer/originator; and
- the Credit enhancement for different type of issuer/originator



**Table 1: illustrates the framework that will be applied while evaluating investment decision relating to a securitization transaction:**

"Characteristics/Type of Pool"	"Mortgage Loan "	Commercial Vehicle and Construction Equipment	CAR	2Wheelers	Micro Finance	Personal Loans	Single Loan Sell Downs / Others
Approximate Average maturity (in Months)	Upto 180 months or lower	Upto 60 months or lower	Upto 60 months or lower	Upto 60 months or lower	Upto 12 months or lower	Upto 36 months or lower	Any Single Loan Sell Downs/ other class of securitised debt would be evaluated on a case by case basis.
Collateral margin (including cash, guarantees, excess interest spread, subordinate tranche)	In excess of 3%	In excess of 5%	In excess of 5%	In excess of 5%	In excess of 10%	In excess of 10%	
Average Loan to Value Ratio	85% or lower	100% or lower	95% or lower	95% or lower	Unsecured	Unsecured	
Minimum Average seasoning of the Pool	3 months	3 months	3 months	3 months	1 month	1 month	
Maximum single exposure range	5%	5%	1%	1%	< 1%	< 1%	
Average single exposure range	<5%	< 5%	< 1%	< 1%	< 1%	< 1%	

**Note:** The information contained herein is based on current market conditions and may change from time to time based on changes in such conditions, regulatory changes and other relevant factors. Accordingly, our investment strategy, risk mitigation measures and other information contained herein may change in response to the same.

**4. The level of diversification with respect to the underlying assets, and risk mitigation measures for less diversified investments**

In retail securitized debt investments, we will invest majorly in asset backed pools such as Medium and Heavy Commercial Vehicles, Light Commercial Vehicles (LCV), Cars, and Construction Equipment etc. Where we invest in Single Loan Securitization, as the credit is on the underlying issuer, we focus on the credit review of the borrower. A credit analyst sets up limit for various issuers based on independent research taking into account their historical track record, prevailing rating and current financials. In addition to the framework as per the table above, we also take into account following factors, which are analyzed to ensure diversification of risk and measures identified for less diversified investments:

- Size of the loan: In retail loans securitisation, the major risk diversification is achieved on account of granularity i.e. higher number of contracts available. However, excessive reliance on very small ticket size should be avoided as it may result in difficult and costly recoveries.
- Original maturity of the pool: Ideal original maturity of the contract varies for different retail loans. For Cars / Commercial Vehicles / Construction Equipment, it lies around 60 months while for mortgage, it lies around 240 months. For microfinance loans, it lies around 12 months. Lower original maturity for asset backed retail loans means faster buildup of borrowers' equity into the asset as well as his higher borrowing capacity.
- Loan to Value Ratio: Loan to Value ratio means value of the loan taken compared to value of the assets offered as security. In case of secured loan, higher Loan to Value ratio means higher probability of losses in case asset is repossessed and sold in case of delinquency. We prefer contracts with lower loan to value ratio than higher loan to value ratio.
- Seasoning of the pool: Higher the time period the contracts have remained with the originator / issuer, the lower is the default risk on such contracts. This is because of the higher buildup of borrower's equity into the asset as the time gradually passes. We prefer higher seasoned contracts than lower seasoned contracts.
- Current performing pools: We normally ensure that majority of the contracts in the pools are current to reduce default rate.. The rationale here being, as against current performing contract, the overdue contracts are certainly in higher risk category.
- Geographical Distribution: Regional/state/ branch distribution is preferred to avoid concentration of assets in a particular region/state/ branch.
- Default Rate Distribution: We prefer branches/ states where default rate is less than branches/ states where default rates are high to avoid concentration of assets from poor performing regions.
- Risk Tranching: Typically, we would avoid investing in mezzanine debt or equity of Securitized debt in the form of sub ordinate tranche, without specific risk mitigant strategies / additional cash / security collaterals/ guarantees, etc.
- Credit Enhancement Facility: We prefer credit enhancement which is in form of cash / bank guarantee than in the form of over-collateralization of the pool / excess interest spread available in the pool. The rationale here being, as against cash collateral, excess interest spread / overcollateralization collateral fluctuate in line with performance of the pool. When the performance of the pool deteriorates, there is lesser current collateral available on account of over- collateralization of the pool / excess interest spread available than the original envisaged one.
- Liquid Facility: In many retail asset classes like commercial vehicle, there can be some delay in payment from borrower due to pressure on its working capital. However, this delay usually does not go beyond 5-6 months as in the meantime he receives payment from his customers and clear his overdue portion of the loan. In that kind of asset classes, we prefer pool with liquid facility as it balances the intermittent liquidity requirement of the pool.

- Structure of the Pool: Structure of a transaction can either be at par or at a premium, depending on whether the pool principal is sold at par or at a premium to investors. We prefer pool where it is sold on par basis.

#### 5. **Minimum retention period of the debt by originator prior to securitization**

For investments in PTCs, where the assets have been pooled, the minimum retention period for each of the contract should be 1 month with an average tenor of upto 24 months and 2 months for contracts with an average tenor of more than 2 years. For overall minimum retention period, please refer to Table 1.

#### 6. **Minimum retention percentage by originator of debts to be securitized**

PI refer to Table 1 which illustrates additional collaterals taken against each type of asset class, which is preferred over the minimum retention percentage by the originator of the loan. The rationale is that collateral is available at all points of time and is available at all points of times in case of any fructification of any probable losses where retention percentage keeps running down as time passes and may not be fully available in case of any fructification of any probable losses

#### 7. **The mechanism to tackle conflict of interest when the mutual fund invests in securitized debt of an originator and the originator in turn makes investments in that particular scheme of the fund**

Investments made by the scheme in any asset are done based on the requirements of the scheme and is in accordance with the investment objectives and the asset allocation pattern of a fund. All Investments are made entirely at an arm's length basis with no consideration of any existing / consequent investments by any party related to the transaction (originator, issuer, borrower etc.). The robust credit process ensures that there is no conflict of interests when a scheme invests in securitized debt of an originator and the originator in turn makes investment in that particular scheme.

There might be instances of Originator investing in the same scheme but both the transactions are at arm's length and avoid any conflict of interest. In addition to internal controls in the fixed income investment process, there is regular monitoring by the risk management group and investment committee. Normally the issuer who is securitizing instrument is in need of money and is unlikely to have long term surplus to invest in mutual fund scheme.

Furthermore, there is clear cut segregation of duties and responsibilities with respect to Investment function and Sales function. Investment decisions are being taken independently based on the above mentioned parameters and investment by the originator in the fund is based on their own evaluation of the fund vis a vis their investment objectives .

#### 8. **In general, the resources and mechanism of individual risk assessment with the AMC for monitoring investment in securitized debt.**

The risk assessment process for securitized debt, as detailed in the preceding paragraphs, is same as any other credit. The investments in securitized debt are done after appropriate research by credit analyst. The ongoing performance of the pool is monitored to highlight any deterioration in its performance.

The resources for and mechanisms of individual risk assessment with the AMC for monitoring investment in securitized debt are as follows:

- Fixed Income Team - Risk assessment and monitoring of investment in Securitized Debt is done by a team comprising of Credit Analyst, Head of Fixed Income and Head of Credit Research
- In addition to internal controls in the fixed income investment process, there is regular monitoring by the risk management group and investment committee.
- Ratings are monitored for any movement - Based on the the interaction with the credit rating agency and their performance report, ratings are being monitored accordingly.
- Wherever the funds portfolio is disclosed, the AMC may give a comprehensive disclosure of Securitized debt instruments held in line with SEBI requirement.

Note: The information contained herein is based on current market conditions and may change from time to time based on changes in such conditions, regulatory changes and other relevant factors. Accordingly, our investment strategy, risk mitigation measures and other information contained herein may change in response to the same.

#### **Derivatives and Hedging Products**

The scheme may use derivative instruments like Interest rate swaps, Forward rate agreements or such other derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing as may be permitted under the Regulations and Guidelines.

The sum total of derivative contracts outstanding shall not exceed 50% of the net assets of the scheme.

An interest rate swap is a financial contract between two parties exchanging a stream of interest payments for a notional principal amount on multiple occasions during a specified period.

Typically, one party receives a pre-determined fixed rate of interest while the other party, receives a floating rate, which is linked to a mutually agreed benchmark with provision for mutually agreed periodic resets.

The fund intends to use derivatives for hedging & portfolio balancing as permitted under the SEBI Regulations & Guidelines.

To hedge & balance the portfolio derivative instruments like interest rate swaps & forward rate agreements would be used to create synthetic fixed rate bonds/ floating rate bonds. We wish to submit that, creation of synthetic fixed rate bonds/floating rate bonds is a hedging and portfolio rebalancing technique.

#### **An example is stated below to explain the said proposition.**

Swaps can be used to create synthetic fixed rate instruments.

Let us take the example of a 3 Yr floating rate bond with a spread of 50 bps (basis points) over a benchmark. Ordinarily, this fetches the investor a yield of the benchmark (which is floating) plus 50 bps on an annualized basis. However, by receiving the 3 yr fixed rate on the swap side, what happens is that the bond gets converted into a fixed rate bond. Let us assume that the 3 yr swap on the same benchmark is received for the same principal amount at the rate 7.25%. Broadly then, the investor receives fixed cash flows of 7.25%, pays the floating benchmark rate, and receives the floating rate of the bond (which comprise the benchmark rate and the "spread" of 50 bps). The floating cash flows of the benchmark

cancel each other out and the investor is left with a synthetic fixed rate bond yielding him 7.75% (7.25% plus the 'spread' of 50bps). Thus through the swap, the floating rate bond gets converted 'synthetically' into a fixed rate bond.

Accounts are generally settled on a net basis on predetermined settlement dates. Accordingly, on each agreed payment date, amounts owed by each party is calculated by applying the agreed rate i.e. fixed in one case and floating in the other, on the notional amount. The party, who owes the higher amount i.e. the difference between the interest rate amount and the floating interest rate amount or vice versa, makes a payment of the net amount, no principal amount is exchanged.

Generally, interest rate swaps involve exchange of a fixed rate to a floating rate of interest or vice versa. These are known as Plain Vanilla Swaps. The RBI has currently allowed only these swaps in the Indian market.

### Example

The most common type of swaps is where one party agrees to pay a fixed rate of interest (fixed-rate payer) to the other party who agrees to pay a floating rate of interest (floating-rate payer). The payments are exchanged on designated dates during the life of the contract at agreed rates.

Suppose, the view on interest rate is that they would come down over the next three months if a particular investment is yielding a rate of return at 10% p.a. currently, the Fund Manager would like to lock-in this rate of return which in a downward interest rate scenario would appear attractive.

He, then, enters into a swap transaction with a counterparty that is willing to pay a fixed rate of 10% p.a. and accept a floating rate linked to say, MIBOR which would vary everyday but is currently at 7% p.a. The transaction would be represented thus:

Receives fixed rate@10% p.a.

RMF Counterparty B

Pays Floating Rate MIBOR

### Note

1. No principal amount is exchanged. A notional principal amount is agreed upon for interest calculation purposes.
2. Only the difference between the two rates is exchanged at agreed intervals or payment dates. When fixed interest rate amount is higher, the fixed rate payer pays the difference amount i.e. fixed interest rate amount minus the floating interest rate amount or vice-versa.

### Forward Rate Agreements (FRAs)

A FRA is a financial contract between parties agreeing to exchange interest payments for a notional principal amount on settlement dates for a specified period from start date to maturity date.

A FRA enables parties to fix interest cost on a future borrowing or fix an interest rate for a future investment.

### Hedging a future asset

Example: Suppose, RMF has funds to invest after two months for a period of three months. The Fund Manager expects interest rates to soften in the next two months. He, therefore, would like to lock-in the interest rate today for his investment to be made after two months. The instrument in which he wishes to invest is a 91-day Treasury Bill at 8.25% p.a. He, therefore, enters into an agreement where he sells a 2 x 5 FRA for a notional principal amount. 2 represent the start date of the FRA and 5 represents the maturity date or end date.

### The details will be as under

**Asset** : 91-day T' Bill

**Tenor** : 3 months commencing from 2 months from date of agreement.

**Indicative 2 x 5** : 8.25% p.a.

**Benchmark** : 91-day T' Bill cut-off yield on the last auction preceding settlement date

So RMF receives 8.25% p.a. on the notional amount on settlement date. Counterparty will receive 91-day T' Bill cut-off rate on the 91-day T' Bill auction, on the auction just preceding the settlement date.

Both, IRS and FRAs can be thus effectively used as hedging products for interest rate risks.

### Risk Factors

Derivatives products carry the credit risk (risk of default by counterparty), market risk (due to market movements) and liquidity risk (due to lack of liquidity in derivatives).

1. No principal amount is exchanged. A notional principal amount is agreed upon for interest calculation purposes.
2. Only the difference between the two rates is exchanged at agreed intervals or payment dates. When fixed interest rate amount is higher, the fixed rate payer pays the difference amount i.e. fixed interest rate amount minus the floating interest rate amount or vice-versa.

### 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:

1. The cumulative gross exposure through equity, debt and derivative positions should not exceed 100% of the net assets of the scheme.
2. Mutual Funds shall not write options or purchase instruments with embedded written options.
3. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
4. 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.

## Investment in overseas financial assets

SEBI vide its circular no. SEBI/IMD/CIR No.7/104753/07 dated September 26, 2007 has issued guidelines pertaining to investments in overseas financial assets. Accordingly all the investments in ADRs/GDRs/Foreign Securities/Overseas ETFs shall be made in compliance with the above referred circular. It is the investment manager's belief that overseas securities offer new investment and portfolio diversification opportunities into multi-market and multi-currency products. However, such investments also entail additional risks. Offshore investment will be made subject to any/ all approvals / conditions thereof as may be stipulated by SEBI/ RBI/ other regulatory authorities. Ms. Jahnvee Shah has been appointed as the Fund Manager for Overseas Investments, as prescribed in the aforesaid SEBI circular. The fund may, where necessary, appoint other intermediaries of repute as advisors, sub-custodians, etc. for managing and administering such investments. The fees and expenses of such appointment would be part of the recurring expenses of the scheme. The appointment of such intermediaries shall be in accordance with the applicable requirements of SEBI and within the permissible ceilings of expenses. The fees and expenses would include, besides the investments management fees, custody fees and costs, fees of appointed advisors and sub managers, transaction costs and overseas regulatory costs. Investment in foreign securities offers more opportunities and diversification for investments.

## Advantages and Risks attached with investments in Overseas Financial Assets

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 schemes. Since the Scheme would invest only partially in ADRs/ GDRs/overseas securities, there may not be readily available and widely accepted benchmarks to measure performance of the Scheme.

1. To manage risks associated with foreign currency and interest rate exposure, the Fund may use derivatives for efficient portfolio management including hedging and in accordance with conditions as may be stipulated by SEBI/RBI from time to time.
2. To the extent that the assets of the Schemes 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.
3. Offshore 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 Fund in excess of the ceiling on expenses prescribed by and consistent with costs and expenses attendant to international investing. The Fund may, wherever necessary, appoint other intermediaries of repute as advisors, custodian/sub-custodians etc. for managing and administering such investments.
4. The appointment of such intermediaries shall be in accordance with the applicable requirements of SEBI and within the permissible ceilings of expenses. The fees and expenses would illustratively include, besides the investment management fees, custody fees and costs, fees of appointed advisors and sub-managers, transaction costs, and overseas regulatory costs.

## F. FUNDAMENTAL ATTRIBUTES

Following are the Fundamental Attributes of the scheme, in terms of Regulation 18 (15A) of the SEBI (MF) Regulations:

### 1. Type of scheme

An Open ended Income Scheme with no assured returns

### 2. Investment Objectives

- i. **Main Objective : Refer to Section II - B : What is the Investment Objective of the Scheme?**
- ii. **Investment pattern : Refer to Section II - C : How will the Scheme allocate its assets?**

### 3. Terms of Issue

#### i. Liquidity provisions such as listing, repurchase, redemption

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 unit holders 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.

#### ii. Aggregate fees and expenses charged to the scheme

- a. **New Fund Offer (NFO) Expenses : Refer to Section IV - A : New Fund Offer (NFO) Expenses**
- b. **Annual Scheme Recurring Expenses : Refer to Section IV - B : Annual Scheme Recurring Expenses**

#### iii. 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) there under or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) there under 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.

## G. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

### Crisil Short Term Bond Fund Index

The Crisil Short Term Bond Fund Index of this kind serves as an indicator for all the market participants in this category, to benchmark their performance against the index. Hence, the portfolios are similar not only in term of the construct but also in terms of risk return parameters in question. Using this benchmark shall provide the investor with an independent and representative comparison with fund portfolio.

## H. WHO MANAGES THE SCHEME?

Name of the Fund Manager	Age	Educational Qualification	Type and Nature of past experience including assignments held during the past 10 years	Name of the Other Scheme managed
Amit Tripathi (Managing the Scheme - Since Oct 2008)	42	B.Com(H), PGDM	<p><b>2003 - till date : Reliance Nippon Life Asset Management Limited :</b> CIO - Fixed Income (Managed various fixed income funds, both open ended and closed ended, across tenors and duration buckets. Active involvement in related activities of risk management, investment and valuation policy framework.)</p> <p><b>1999 – 2003: The New India Assurance Co. Limited:</b> Assistant Admin Officer - Investment Dept. (Part of the team managing fixed income and mutual fund investment portfolios.)</p> <p><b>1998 – 1999 : Sun Invest Associates Limited :</b> Analyst -Equity Market Operations</p> <p><b>1997 - 1998: CFS Financial Services Pvt. Limited:</b> Equity Research &amp; Arbitrage Trading.</p>	<p>Reliance Liquidity Fund</p> <p>Reliance Money Manager Fund</p> <p>Reliance Floating Rate Fund - Short Term Plan</p> <p>Reliance Monthly Income Plan</p> <p>Reliance Regular Savings Fund - Balanced Option</p> <p>Reliance Interval Fund III - Series I</p> <p>Reliance Yearly Interval Fund - All Series</p> <p>Reliance Interval Fund - All Series</p> <p>Reliance Interval Fund IV - All Series</p> <p>All Series of Reliance Fixed Horizon Fund</p>
Ms. Anju Chhajjer (Managing the Scheme - Since Oct 2009)	45	B.Com; Chartered Accountant	<p><b>October 2007 onwards</b></p> <p><b>Reliance Nippon Life Asset Management Limited,</b> Senior Fund Manager - Managing investments for Debt Schemes.</p> <p><b>December 1997 – September 2007</b></p> <p><b>National Insurance co. Ltd.,</b> Investment of Funds in G-Sec, Bonds, Money Market Instruments. Compliance with IRDA Guidelines.</p> <p><b>December 1996 – November 1997</b></p> <p><b>D.C. Dharewa &amp; Co.</b> Conducting Audit for the firm and reporting to the Proprietor.</p>	<p>Reliance Money Manager Fund,</p> <p>Reliance Liquid Fund - Cash Plan,</p> <p>Reliance Liquid Fund - Treasury Plan,</p> <p>Reliance Japan Equity Fund, Reliance Retirement Fund - Income Generation Scheme, Reliance Retirement Fund - Wealth Creation Scheme, Reliance Banking &amp; PSU Debt Fund, Reliance Equity Savings Fund, Reliance US Equity Opportunities Fund, Reliance Interval Fund II - All Series, Various Series of Reliance Dual Advantage Fixed Tenure Fund</p>
Jahnvee Shah Fund Manager – Overseas Investments (Managing the Scheme - Since April 2011)	35	MBA – Finance, Bachelor of Science	<p><b>April 2011 onwards</b></p> <p>Reliance Nippon Life Asset Management Limited, Fund Manager - Overseas Investments</p> <p><b>May 2006 – April 2011</b></p> <p>Reliance Nippon Life Asset Management Limited, Research Analyst - Equity Investments</p> <p><b>June 2001 – June 2003</b></p> <p>Editors Desk, Financial Express - Assistant</p>	<p>Dedicated Fund Manager for Overseas Investments</p> <p>Reliance Japan Equity Fund</p> <p>Reliance US Equity Opportunities Fund</p>

## I. WHAT ARE THE INVESTMENT RESTRICTIONS?

The investment policy of the scheme complies 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:

- Mutual fund scheme shall not invest more than 10% of its NAV in debt instruments comprising money market instruments and non-money market instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorized to carry out such activity under the Act. Such investment limit may be extended to 12% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of directors of the asset management company:

Provided that such limit shall not be applicable for investments in Government Securities, treasury bills and collateralized borrowing and lending obligations: 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:

Provided further that the schemes already in existence shall within an appropriate time and in the manner, as may be specified by the Board, conform to such limits.
- Mutual Funds/AMCs shall ensure that total exposure of debt schemes of mutual funds in a group (excluding investments in securities issued by Public Sector Units, Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the scheme. Such investment limit may be extended to 25% of the net assets of the scheme with the prior approval of the Board of Trustees.
- 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.

4. Transfers of investments from one scheme to another scheme in the Mutual Fund shall be allowed only if:
  - a. Such transfers are done at the prevailing market price for quoted instruments on spot basis;
  - b. The securities so transferred shall be in conformity with the investment objectives & policies of the Scheme to which such transfer has been made.
5. 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.]
6. 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** that a mutual fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by the Board:  
**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.
7. 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.
8. The fund's schemes shall not make any investment in:
  - a. Any unlisted security of an associate or group company of the sponsor
  - b. Any security issued by way of private placement by an associate or group company of the sponsor
  - c. The listed securities of group companies of the sponsor which is in excess of 25% of the net assets of the scheme.
9. The Scheme shall not invest in a fund of funds scheme.
10. 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.  
Pursuant to the SEBI Circular No. SEBI/IMD/CIR No. 1/ 91171 /07 dated April 16, 2007, 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
11. No term loans for any purpose will be advanced by the Scheme.
12. 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 RNLAM 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.
13. The Scheme may invest in Overseas securities in accordance with the regulations as applicable from time to time.
14. The Scheme will comply with any other regulations applicable to the investments of mutual funds from time to time.
15. 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.
16. Total exposure of the scheme in a particular sector (excluding investments in Bank CDs, CBLO, G-Secs, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks and such other instruments if any, as may be specified by SEBI from time to time) shall not exceed 25% or such other percentage of the net assets of the scheme, as prescribed by SEBI from time to time, unless the scheme has specifically been exempted from the requirement by SEBI.

If the total exposure in a particular sector is above 25%, it will be ensured that the total exposure in those sectors shall comply with the aforesaid requirement within a period of one year from the date of issuance of the SEBI Circular dated September 13, 2012. During this one year, total exposure of existing schemes in a particular sector shall not increase from the levels existing (if above 25%) as on the date of issuance of the aforesaid circular.

An additional exposure to financial services sector (over and above the limit of 25%) not exceeding 15% of the net assets of the scheme shall be allowed by way of increase in exposure to Housing Finance Companies (HFCs) rated AA and above and registered with National Housing Bank (NHB). However, such total investment/ exposure in HFCs shall not exceed 25% of the net assets of the scheme or such other percentage of the net assets of the scheme, as prescribed by SEBI from time to time.

An example of the sector limit is given : Scheme AUM: Rs 100 Crs. The maximum investment in any particular sector would be Rs. 25 Crs. However in case of Financial Services (including housing finance companies), exposure upto Rs. 40 crores can be taken provided exposure to Housing Finance Companies(HFCs) is not less than Rs.15 Crores. Hence an additional exposure of 15% can be taken to the Financial Services sector only towards exposure to the HFCs. Moreover exposure towards HFCs cannot exceed Rs. 25 Crores.

Note : The sector classification shall be basis the data provided by Association of Mutual Fund in India

17. 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.  
 In case of borrowing through repo transactions the tenor of such transaction shall not exceed a period of six months.
20. The scheme shall participate Repo in corporate debt securities in accordance with SEBI Circular CIR / IMD / DF / 19 / 2011 dated November 11, 2011 and such other directions issued by RBI and SEBI from time to time.  
 The Gross exposure of the scheme to repo transactions in corporate debt securities shall not be more than 10% of the net asset of the scheme.  
 The cumulative gross exposure through repo transactions in Corporate debt securities along with debt and derivative positions shall not exceed 100% of the net assets of the scheme or guidelines as may be specified by SEBI from time to time  
 The scheme shall participate Repo in corporate debt securities in accordance with directions issued by RBI and SEBI from time to time

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 Unit holders.

The Trustee Company / 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.

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 have 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 portfolios.
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.

#### Investment by the AMC in the Scheme:

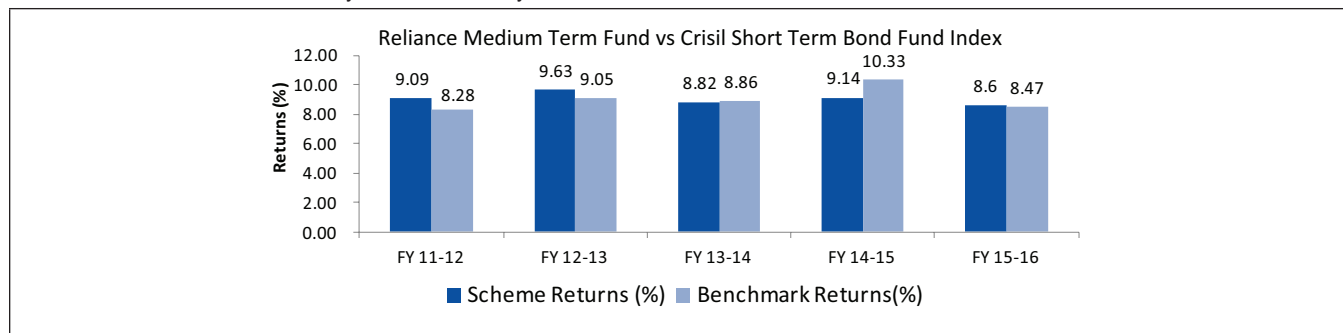
In line with SEBI Regulations and circulars issued by SEBI from time to time, the AMC may invest its own funds in the scheme(s). Further, the AMC shall not charge any fees on its investment in the Scheme (s), unless allowed to do so under SEBI Regulations in the future.

#### J. HOW HAS THE SCHEME PERFORMED?

The Performance of the scheme is as on February 28, 2017

Compounded Annualised Returns	Scheme Returns %	Benchmark Returns %
Returns for the last 1 year	9.31	9.56
Returns for the last 3 years	9.02	9.44
Returns for the last 5 years	9.04	9.11
Returns since inception (Allotment date September 14, 2000)	7.70	N.A.

Absolute Returns for each financial year for the last 5 years



#### Past performance may or may not be sustained in future

Calculation assume that all payouts during the period have been re-invested in the units of the scheme at the then prevailing NAV.

All the returns are of Growth Plan - Growth Option Face Value of the Scheme is Rs. 10/- Per unit

**K. ADDITIONAL DISCLOSURES****a. Top 10 holdings by issuer and sectors (As on February 28, 2017)**

Top 10 Holdings	Weightage(%)
State Government Securities	7.99
National Bank For Agriculture and Rural Development	7.69
Housing Development Finance Corporation Limited	6.36
Power Finance Corporation Limited	6.25
LIC Housing Finance Limited	5.53
Rural Electrification Corporation Limited	5.12
Reliance Jio Infocomm Limited	4.90
Vedanta Limited	3.65
Vodafone Mobile Services Ltd	3.22
Aditya Birla Finance Ltd	3.21

Sector	Allocation (%)
Financial Services	60.18
Telecom	8.12
Government of India	7.99
Miscellaneous	4.93
Energy	4.86
Metals	3.97
Cement & Cement Products	1.38
Pharma	1.37
Chemicals	1.28
Others	0.80

Link to obtain schemes latest monthly portfolio holding - <https://www.reliancemutual.com/investor-services/downloads/factsheets/>

**b. Portfolio Turnover Ratio : Not Applicable for Debt Schemes****C. Aggregate Investments in the scheme by Board of Directors / Fund Managers / Other Key Managerial Persons as on March 15, 2017**

Particulars	Aggregate Investments (Rs. in lakhs)
Board of Directors	Nil
Fund Managers	0.80
Other Key Managerial Persons	237.90

**Note: Investment by Executive Director-cum-CEO is included in the aggregate investments by Other Key Managerial Persons.**



### 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:

<b>Plans / Options offered</b>	<p>The Scheme has a Growth Plan / Direct Plan - Growth Plan and a Dividend Plan / Direct Plan - Dividend Plan. The Growth Plan / Direct Plan - Growth Plan has a Growth Option.</p> <p>The Dividend Plan / Direct Plan - Dividend Plan has the following option:</p> <ul style="list-style-type: none"><li>● Dividend Plan (Payout Option and Reinvestment Option)</li><li>● Daily Dividend Plan (Reinvestment Option only)</li><li>● Weekly Dividend Plan (Payout Option and Reinvestment Option only)</li><li>● Monthly Dividend Plan (Payout Option and Reinvestment Option)</li><li>● Quarterly Dividend Plan (Payout Option and Reinvestment Option)</li></ul> <p><b>i. Growth Plan / Direct Plan - Growth Plan</b></p> <p>This 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 this plan. The income earned on the Plan's corpus will remain invested in the Plan. The Growth Plan has Growth option.</p> <p><b>a. Growth Option</b></p> <p>Under the Growth Option, there will be no distribution of income and the returns to the investor is only by way of capital gains/ appreciation, if any, through redemption at applicable NAV of the units held by them.</p> <p><b>ii. Dividend Plan / Direct Plan - Dividend Plan</b></p> <p>This 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><b>Dividend Plan (Payout Option and Reinvestment Option)</b></p> <p>The Dividend (Re-investment Option) the dividend distributed under the plan will be automatically reinvested at the ex-dividend NAV on the next transaction day 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. There is no assurance or guarantee to Unitholders as to the rate of dividend distribution nor that the dividends will be regularly paid, though it is the intention of the Mutual Fund to make regular dividend distribution under the Dividend Plan. The Dividend declared (for payout option) will be paid to the unit holders within 30 days from the declaration of the dividend though the fund endeavors to pay the dividend proceeds within three working days.</p> <p><b>Daily Dividend Plan (Re-investment Option)</b></p> <p>In the Daily Dividend (Reinvestment) option, the fund will endeavour to declare regular dividends on a daily basis. The dividend declared under this option would be re-invested to the credit of the unitholder's account at the ex-dividend NAV and no dividend payout will take place. Please note that the dividend is subject to distributable surplus, if any. There is no assurance or guarantee to Unitholders as to the rate of dividend distribution nor that the dividends will be regularly paid, though it is the intention of the Mutual Fund to make regular dividend distribution under the Dividend plan.</p> <p><b>Weekly Dividend Plan (Payout Option and Reinvestment Option)</b></p> <p>In the Weekly Dividend (Reinvestment) option, the fund will endeavour to declare regular dividends on a weekly basis. The dividend declared under this option would be reinvested to the credit of the unitholder's account at the ex-dividend NAV. Dividends will be declared on every Friday or on the next working day if the Friday is a holiday. There is no assurance or guarantee to Unitholders as to the rate of dividend distribution nor that the dividends will be regularly paid, though it is the intention of the Mutual Fund to make regular dividend distribution under the Dividend Plan. The Dividend declared (for payout option) will be paid to the unit holders within 30 days from the declaration of the dividend though the fund endeavors to pay the dividend proceeds within three working days.</p> <p><b>Monthly Dividend Plan (Payout Option and Reinvestment Option)</b></p> <p>In the Monthly Dividend (Reinvestment Option) the scheme will endeavour to declare regular dividends on a monthly basis. The dividend declared under this option would be re-invested to the credit of the unitholder's account at the ex-dividend NAV and no dividend payout will take place. Dividends will be declared on 20th of every month or on the next working day if 20th of the month is a holiday. There is no assurance or guarantee to Unitholders as to the rate of dividend distribution nor that the dividends will be regularly paid, though it is the intention of the Mutual Fund to make regular dividend distribution under the Dividend Plan. The Dividend declared (for payout option) will be paid to the unit holders within 30 days from the declaration of the dividend though the fund endeavors to pay the dividend proceeds within three working days.</p>
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**Quarterly Dividend Plan (Payout Option and Reinvestment Option)**

In the Quarterly Dividend (Reinvestment Option) the scheme will endeavour to declare regular dividends on a quarterly basis. The dividend declared under this option would be re-invested to the credit of the unitholder's account at the ex-dividend NAV and no dividend payout will take place. Dividends will be declared on 20th day of the last month of the calendar quarter or on the next working day if 20<sup>th</sup> of the day of the last month of the calendar quarter is a holiday. There is no assurance or guarantee to Unitholders as to the rate of dividend distribution nor that the dividends will be regularly paid, though it is the intention of the Mutual Fund to make regular dividend distribution under the Dividend Plan. The Dividend declared (for payout option) will be paid to the unit holders within 30 days from the declaration of the dividend though the fund endeavors to pay the dividend proceeds within three working days.

Dividend will be distributed from the available distributable surplus after the deduction of TDS and applicable surcharge, if any.

Please note that if no Plan/Option is mentioned / indicated in the Application form, the units will, by default, be allotted under Growth Option. Similarly, if no option is mentioned in Dividend Plan then by default it will be considered as Weekly Dividend Reinvestment Option of the Dividend Plan as the sub-option.

Investor may note that following shall be applicable for default plan

Scenario	Broker Code mentioned by the investor	Plan mentioned by the investor	Default Plan to be captured
1	Not mentioned	Not mentioned	Direct Plan
2	Not mentioned	Direct Plan	Direct Plan
3	Not mentioned	Regular Plan/Other than Direct Plan	Direct Plan
4	Mentioned	Direct Plan	Direct Plan
5	Direct Plan	Not Mentioned	Direct Plan
6	Direct Plan	Regular Plan/Other than Direct Plan	Direct Plan
7	Mentioned	Regular Plan/Other than Direct Plan	Regular Plan/Other than Direct Plan
8	Mentioned	Not Mentioned	Regular Plan/Other than Direct Plan

In cases of wrong/ invalid/ incomplete ARN codes mentioned on the application form, the application shall be processed under Regular Plan/Other than Direct Plan. The AMC shall contact and obtain the correct ARN code within 30 calendar days of the receipt of the application form from the investor/ distributor. In case, the correct code is not received within 30 calendar days, the AMC shall reprocess the transaction under Direct Plan from the date of application without any exit load.

barring under the following circumstances.

a) Units applied under Daily Dividend Plan

b) If the aforesaid units are Redeemed / Switched, fully / partially into another scheme / plan.

The unitholder is subsequently free to switch the units from the default plan / option to any other eligible plans / options of the Scheme, at the applicable price. Dividend will be distributed from the available distributable surplus after the deduction of TDS and applicable surcharge, if any.

**Effect of Dividends:** As with the redemption of Units, when dividends are declared and paid with respect to the Scheme, the net assets attributable to Unitholders Dividend Plan will stand reduced by an amount equivalent to the product of the number of units outstanding and the dividend amount per unit declared on the record date. The NAV of the Unitholders in the Growth Plan will remain unaffected by the payment of dividends.

**Dividend Policy**

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.

RNLAM, 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.

**Process for declaration of dividend in Unlisted Schemes/Plans**

- i. 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.
- ii. 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.
- iii. 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.
- iv. 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.
- v. 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.

The requirement of giving notice shall not be compulsory for scheme/plan/option having frequency of dividend distribution from daily upto monthly dividend

<p><b>Policy on Unclaimed Redemption and Dividend Amounts</b></p>	<p>As per SEBI guidelines, the unclaimed redemption and dividend amounts shall be deployed in call money market or money market instruments or in a separate plan of Liquid scheme / Money Market Mutual Fund scheme floated by Mutual Funds specifically for deployment of the unclaimed amounts 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>
<p><b>Who can invest</b></p> <p>This is an indicative list and you are requested to consult your financial advisor to ascertain whether the scheme is suitable to your risk profile.</p>	<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>i. Resident Adult Individuals, either single or jointly (not exceeding three).</li> <li>ii. Non – resident Indians and persons of Indian origin residing abroad, on a full repatriation basis</li> <li>iii. Parents / Lawful guardians on behalf of Minors</li> <li>iv. Hindu Undivided Families (HUFs) in the name of HUF or Karta</li> <li>v. Companies (including Public Sector Undertakings), Bodies Corporate, Trusts (through Trustees) and Co-operative Societies</li> <li>vi. Banks (including Regional Rural Banks) and Financial Institutions</li> <li>vii. Religious and Charitable Trusts (through Trustees), Private Trusts authorised to invest in Mutual Fund schemes under their Trust Deeds</li> <li>viii. Foreign Institutional Investors registered with SEBI on repatriation basis</li> <li>ix. Special Purpose Vehicles (SPVs) approved by appropriate authority (subject to RBI approval)</li> <li>x. International Multilateral Agencies approved by the Government of India</li> <li>xi. Army/Navy/Air Force / Para Military Units and other eligible institutions</li> <li>xii. Unincorporated body of persons as may be accepted by Reliance Capital Trustee Co. Limited</li> <li>xiii. Partnership Firms</li> <li>xiv. Scientific and Industrial Research Organisations</li> <li>xv. Trustee, AMC or Sponsor or their associates may subscribe to Units under the Schemes.</li> <li>xvi. Qualified Foreign Investor (please refer SAI for further details)</li> <li>xvii. 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.</li> <li>xviii) Foreign Portfolio Investors (FPI) as defined in Regulation 2(1) (h) of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.</li> </ol> <p>Note :</p> <ol style="list-style-type: none"> <li>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.</li> <li>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 authorised 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.</li> </ol> <p>RNLAM reserves the right to invest its own funds in the Scheme(s) upto a maximum extent of its networth. As per SEBI Regulations, such investments are permitted, subject to disclosure being made in the respective Scheme Information Documents (s). Further, RNLAM 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>It is expressly understood that at the time of investment, the investor/unit holder 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>RNLAM 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>Neither this Scheme Information Document (“SID”)/ Key Information Document (“KIM”)/ Statement of Additional Information (“SAI”) [“Scheme Related Documents”] nor the units of the scheme(s) have been registered under the relevant laws, as applicable in the territorial jurisdiction of United States of America nor in any provincial/ territorial jurisdiction in Canada. It is being clearly stated that the Scheme Related Documents and/or the units of the schemes of Reliance Mutual Fund have been filed only with the regulator(s) having jurisdiction in the Republic of India. The distribution of these Scheme Related Documents in certain jurisdictions may be restricted or subject to registration requirements and, accordingly, persons who come into possession of these Scheme Related Documents are required to inform themselves about, and to observe any such restrictions.</p>

	<p>No persons receiving a copy of these Scheme Related Documents or any KIM accompanying application form jurisdiction may treat such Scheme Related Documents as an invitation to them to subscribe for units, nor should they in any event use any such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Accordingly these Scheme Related Documents do not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of such persons in possession of the Scheme Related Documents and any persons wishing to apply for units pursuant to these Scheme Related Documents to inform themselves of and to observe, all applicable laws and Regulations of such relevant jurisdiction.</p> <p>The RNLAM shall accept such investments subject to the applicable laws and such other terms and conditions as may be notified by the RNLAM. The investor shall be responsible for complying with all the applicable laws for such investments.</p> <p>The RNLAM reserves the right to put the transaction requests on hold/reject the transaction request/reverse allotted units, as the case may be, as and when identified by the RNLAM, which are not in compliance with the terms and conditions notified in this regard.</p> <p><b>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 signed an Inter Governmental Agreement-1 (IGA) on July 9, 2015. In the terms of this proposed IGA, Reliance Mutual Fund ("RMF") and/ or Reliance Nippon Life Asset Management Limited ("RNLAM"/ "AMC") classified as a "Foreign Financial Institution" and in which case RMF and/ or RNLAM 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 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 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/ RNLAM reserves the right to change/ modify the provisions (mentioned above) at a later date.</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><b>Right to Review Applications</b></p> <p>RNLAM 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 RNLAM, accepting the same would not be in the best interests of the Fund.</p>
<b>How to Apply</b>	Please refer to the SAI and Application form for the instructions.
<b>Listing</b>	Reliance Medium Term Fund is An Open ended Income Scheme with no assured returns under which sale and repurchase will be made on a continuous basis and therefore listing on stock exchanges is not envisaged. 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 the Trustee considers it necessary in the interest of Unitholders of the Fund.
<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>	Not applicable.
<b>Restrictions, if any, on the right to freely retain or dispose of units being offered.</b>	If the Securities are held in dematerialised form the rules of the Securities and Exchange Board of India (Depositories Participants) Regulations, 1996 will apply. However, since scheme is an open ended scheme, presently the same is not listed in any stock exchange.

## B. ONGOING OFFER DETAILS

<p><b>Ongoing Offer Period</b></p> <p>This is the date from which the scheme will reopen for subscriptions/redemptions after the closure of the NFO period.</p>	<p>The Units of the Scheme(s) are available for subscription / redemption at applicable NAV based prices, subject to prevalent load provisions, if any.</p>
<p><b>Ongoing price for subscription (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 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>At the applicable NAV subject to prevailing exit load, if any.</p> <p><b>Redemption Price :</b> 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>Cut-off timings with respect to Subscriptions/Purchases including switch – ins:</p> <ol style="list-style-type: none"> <li><b>1. Purchases for an amount of Rs 2 lakh and above:</b> <ul style="list-style-type: none"> <li>In respect of valid application received before 3.00 p.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 3.00 p.m., the closing NAV of the day shall be applicable;</li> <li>In respect of valid application received after 3.00 p.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><b>2. For switch-in of Rs 2 lakh and above</b> <ol style="list-style-type: none"> <li>a. Application for switch-in is received before the applicable cut-off time of 3.00 p.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><b>3. Purchases/switch-in for amount of less than Rs 2 lakh:</b> <ol style="list-style-type: none"> <li>a. where the application is received upto 3.00 pm 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 3.00 pm 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><b>Uniform process for aggregating split transactions for NAV applicability:</b></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>All transactions received on the same day (as per Time stamp rule).</li> <li>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>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>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>Only transactions in the same scheme shall be clubbed. This will include transactions at plan/ option level (Dividend, Growth, Direct).</li> <li>Transactions in the name of minor, received through guardian should not be aggregated with the transaction in the name of same guardian.</li> </ol> <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 / RNLAM 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>The following cut-off timings shall be observed by a mutual fund in respect of repurchase of units in its other schemes and their plans, and the following NAVs shall be applied for such repurchase:</p> <ol style="list-style-type: none"> <li>where the application received upto 3.00 pm – closing NAV of the day of receipt of application; and</li> <li>an application received after 3.00 pm – closing NAV of the next business day.</li> </ol>
<p><b>Where can the applications for purchase/redemption switches be submitted?</b></p>	<p>Applications for purchase/redemption/swiches 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, <a href="http://www.reliancemutual.com">www.reliancemutual.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><b>Minimum amount for purchase/redemption/ switches</b></p>	<ol style="list-style-type: none"> <li><b>Purchase / Switch ins</b>  <b>For First Purchase</b>  <b>Growth Plan</b> : Rs. 1,000 and in multiples of Re. 1 thereafter.  <b>All other Plans</b> : Rs. 5,000 &amp; in multiples of Re. 1 thereafter  <b>Additional Purchase (All Options / Plans)</b>  Rs. 1,000 and in multiples of Re. 1 thereafter.</li> <li><b>Minimum Switch Amount</b>  Will be as per the minimum application amount in the respective scheme which may have been opted by the Investor for switching the units/amount where the switch facility is available</li> <li><b>Redemption / Switch – out</b>  Redemption can be of minimum amount of Rs 100 or any number of units.</li> </ol>
<p><b>Minimum balance to be maintained and consequences of non maintenance.</b></p>	<p>The Fund may revise the minimum/maximum amounts and methodology for redemptions as and when necessary. Such modifications 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. Changes if any would be suitably communicated to the unitholders.</p>
<p><b>Special Products / facilities available</b></p>	<p><b>A. SPECIAL PRODUCTS</b></p> <ol style="list-style-type: none"> <li>Systematic Investment Plan</li> <li>Systematic Transfer Plan</li> <li>Reliance Salary AddVantage</li> <li>Dividend Transfer Plan</li> <li>Flexible Asset Selection Tool (FAST)</li> <li>Systematic Withdrawal Plan</li> <li>Trigger Facility</li> <li>Reliance SMART ST<sub>E</sub>P</li> </ol>

## **B. SPECIAL FACILITIES**

- i. Alternate Means of Transaction – Online Transaction
- ii. Facilitating transactions through Stock Exchange Mechanism
- iii. Transactions through Reliance Mutual Fund Application
- iv. Subscription Through VISA Master Card and Maestro Debit Card
- v. Redemption By Means Of Reliance Any Time Money Card (“The Card”)
- vi. Interbank Mobile Payment Service (“IMPS”)
- vii. Transaction through “Invest Easy - Individuals”
  - (i) Transact on Phone through RMF Call Centre
  - (ii) Transactions through SMS
  - (iii) Transactions through website of Reliance Mutual Fund [www.reliancemutual.com](http://www.reliancemutual.com) (Debit/ECSMandate)
- viii. One Time Bank Mandate Registration
- ix. Official Points of Acceptance of Transaction through MF utility
- x. Acceptance of “Cash’ as a mode of payment for subscription

## **A. SPECIAL PRODUCTS**

### **i. Systematic Investment Plan (SIP)**

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”.

Minimum investment amount for investing SIP route is as follows:

- (1) Rs.100/- per month and in multiples of Re. 1/- thereafter for minimum 60 months
- (2) Rs.500/- per month and in multiples of Re. 1/- thereafter for minimum 12 months
- (3) Rs.1000/- per month and in multiples of Re. 1/- thereafter for minimum 6 months
- (4) Rs.500/- per quarter and in multiples of Re. 1/- thereafter for minimum 12 quarters
- (5) Rs.1500/- per quarter and in multiples of Re. 1/- thereafter for minimum 4 quarters
- (6) Rs. 5000/- per year and in multiples of Rs. 500/- thereafter for minimum 2 years

The cheques should be drawn in favour of “Reliance Medium Term Fund A/c PAN” or “Reliance Medium Term 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 also avail more than one SIP for the same debit date.

### **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.

The maximum installment amount in case of Micro SIP shall be as follows:

1. Rs.4000 per month for Monthly frequency.
2. Rs.12000 per quarter for Quarterly frequency.
3. Rs.50000 per year for Yearly frequency.

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)/ KYC Identification NO (KIN) acknowledgement issued by KRA / (Central KYC Registry) 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, 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.

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 Inasure 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 date 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.

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.

**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.

**Termination of SIP:**

In case of three consecutive failures due to insufficient balance in bank account while processing request for SIP, RNLAM 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.



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 RNLAM 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. RNLAM 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.

## ii. 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 then 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) RNLAM 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) Unitholder has to ensure to maintain minimum balance in accordance with Plans selected in the Transferor Scheme 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 processed based on the clear balance available in the scheme. However, future STPs will continue to be active. This will help the investor to continue his STP facility seamlessly. Also if the investor continues to have insufficient balance / unclear units for three consecutive months, RNLAM will have the right to discontinue the future STPs at its own discretion.
- (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 RNLAM 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) RNLAM 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.

RNLAM 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.

**iii. RELIANCE SALARY ADVANTAGE**

The Salient Features of Reliance Salary AddVantage 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 Addvantage.
- In case of processing of a SIP under Salary Addvantage, 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 / RNLAM 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 Addvantage facility.
- This facility shall be offered only to resident individual investors of the scheme.

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

**iv. 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.

<p>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</p> <p>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.</p> <p>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.</p> <p>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.</p> <p><b>Notes</b></p> <p>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</p> <p>The Trustee/AMC reserves the right to modify the facilities at any time in future on a prospective basis.</p> <p><b>v. SYSTEMATIC WITHDRAWAL PLAN (SWP)</b></p> <p>Unitholders may utilize the SWP to receive regular monthly / quarterly / Half yearly/ Yearly 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 RNLAM. 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.</p> <p>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.</p> <p>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<sup>^</sup> of the respective month/ quarter/ Half year/ Year. The same 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.</p> <p><sup>^</sup> If such day happens to be a holiday, it will be processed on next working day</p> <p>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.</p> <p>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.</p> <p>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 Plan</p> <p>RMF / RNLAM reserve the right to introduce, change, modify or withdraw the features available in this facility from time to time.</p> <p><b>vi. FLEXIBLE ASSET SELECTION TOOL (FAST)</b></p> <p>FAST (Flexible Asset Selection Tool) is a unique investment selection tool, designed specifically to understand every investors specific needs. FAST aims to provide “embedded 360<sup>o</sup> financial solutions” suitable for all types of investors having different goals &amp; 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 &amp; 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.</p> <p>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</p>
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- 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. **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. **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. 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.

RNLAM 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. RNLAM / 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.

**vii. 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.

**C. Date Based Trigger:** Investors can now choose any particular date to activate the trigger. Date based trigger facility enables investors to redeem / switch investments from a particular scheme on a pre-determined date to any other eligible open ended scheme offered by Reliance Mutual Fund. The trigger would be activated on the date mentioned by the investor. Trigger will be processed with NAV of the specified date under this facility or with NAV of the subsequent business day if the specified date is a non-business day.

The unit holders can now opt for the following action, on the date of happening of the relevant events/triggers opted under the trigger facility:

1. Full/ Partial redemption
2. Redemption to the extent of capital appreciation only
3. Full/ Partial 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.

Trigger facility shall be activated after 7 calendar days of the receipt of trigger request. 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.

NAVs 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 / RNLAM 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.

**viii. Reliance SMART ST<sub>E</sub>P**

Reliance SMART ST<sub>E</sub>P works on a proprietary scientific model, which consolidates bull & bear phases in one cycle, so as to portray the current positioning of the market. Thus, Reliance SMART ST<sub>E</sub>P works on a simple concept of "INVEST MORE when the current stock market is positioned at lower levels, INVEST LESS when current stock market is positioned at higher levels

**Investment process flow:** At the time of enrolment of the facility, the investor selects any one of the Transferor (Liquid/Debt) Scheme, any one of the Transferee (Equity) Scheme and one plan out of the 4 plans. The investment is made initially in any of the Transferor (Liquid/Debt) Schemes selected by the investor either in lump sum or SIP mode. The system would calculate the monthly amount to be transferred under the selected plan, 2 trading days before the transfer date (10th of every month), based on the scientific model.

However actual amount shall be transferred from Transferor (Liquid/Debt) Scheme and invested in the Transferee (Equity) Scheme on 10th of every month. In case 10th is a non – transaction day, the amount shall be transferred on next working day.



**Plans Available:** Investor may choose one of the following plans

Plan	Low	Medium	High
Plan A	Rs.500	Rs.1,000	Rs.1,500
Plan B	Rs.1,500	Rs.3,000	Rs.4,500
Plan C	Rs.8,000	Rs.12,000	Rs.16,000
Plan D	Rs.15,000	Rs.22,500	Rs.30,000
Plan E	X	1.5X	2X

The lowest amount (X) will be decided by the investor at the time of enrollment for “Plan E”. The lowest investment amount (X) in “Plan E” will be Rs.30,000 & in multiples of Rs.500 thereafter. Please note that Reliance Tax Saver (ELSS) Fund will be not be considered as eligible Transferee Scheme in Plan E.

Investor should clearly indicate plans as mentioned above. Please note that if no Plan is mentioned/indicated in the application form, Plan A shall be considered as default Plan.

**Eligible Transferor :** All Open ended Liquid and Debt Schemes of RMF.

**Eligible Transferee(Equity) Schemes:** All Open ended Equity Schemes except Reliance NRI Equity Fund.

**Minimum Investment Amount in Transferor (Liquid/ Debt) Scheme:**

**For new investors**

- i. **Lumpsum Investment** – As applicable in respective Scheme
- ii. **Systematic Investment Plan (SIP)** -As applicable in respective Scheme. SIP Facility is presently available in Reliance Floating Rate Fund- Short Term Plan, Reliance Liquid Fund - Treasury Plan, Reliance Medium Term Fund, Reliance Gilt Securities Fund, Reliance Monthly Income Plan, Reliance Income Fund and Reliance Regular Savings Fund - Debt Option and Reliance Money Manager Fund.

**For existing investors** - Existing investors have to maintain the minimum investment amount (as applicable in the respective SID) to keep the account in operation. Existing investors have to maintain below mentioned minimum balance for starting Reliance SMART ST<sub>E</sub>P.

Minimum Balance Amount in Transferor (Liquid/Debt) Scheme for starting Reliance SMART ST<sub>E</sub>P

Investors shall have to maintain below mentioned minimum balance in a particular option of the transferor scheme. In case of insufficient balance in the account / folio, the application for Reliance SMART ST<sub>E</sub>P shall be rejected.

**a. For new investors**

**Non-Liquid scheme:** Rs. 10,000/- or the minimum amount as stated in the Scheme Information Document of the respective transferor scheme, whichever is higher.

**Liquid scheme (Except Reliance Liquid Fund – Treasury Plan) :** Rs. 25,000/- or the minimum amount as stated in the Scheme Information Document of the respective transferor scheme, whichever is higher. No minimum balance shall be required for Reliance Liquid Fund – Treasury Plan to start investing via Reliance SMART ST<sub>E</sub>P.

**b. For existing investors**

**Non-Liquid scheme:** Rs. 10,000/-

**Liquid scheme (Except Reliance Liquid Fund – Treasury Plan) :** Rs. 25,000/-. No minimum balance shall be required for Reliance Liquid Fund – Treasury Plan to start investing via Reliance SMART ST<sub>E</sub>P.

**Minimum Tenure of Investment in Transferor (Liquid/Debt) Scheme:** For lumpsum investment is not applicable. For SIP, minimum tenure is as applicable in the respective scheme. Tenure of Investment under Reliance SMART ST<sub>E</sub>P: Minimum tenure is 1 year & in multiples of 1 year thereafter. There is no maximum tenure of investment under Reliance SMART ST<sub>E</sub>P.

**Load structure:**

**Entry Load** – Not Applicable (Transferor (Liquid/Debt) Scheme and Transferee (Equity) Scheme).

**Exit Load** – As applicable in the respective Transferor (Liquid/Debt) Scheme and Transferee (Equity) Scheme.

**Scheme Other Important Points:**

1. Reliance SMART ST<sub>E</sub>P shall be automatically terminated if all the units are liquidated or withdrawn from the Transferor.(Liquid/Debt) Scheme or pledged or upon receipt of intimation of death of the unit holder.
2. Investors have to maintain minimum balance in accordance with Plans selected in the Transferor (Liquid/ Debt) Scheme on the transfer date. In case of insufficient balance / unclear units on the date of transfer in the folio the transaction will be rejected. However, Reliance SMART ST<sub>E</sub>P will be continued.
3. Reliance SMART ST<sub>E</sub>P facility shall be available for all sub options except for Daily Dividend Option (wherever applicable) of the above mentioned Transferor (Liquid/Debt) Scheme.
4. Application shall be submitted atleast fifteen calendar days before the commencement of first execution date of Reliance SMART ST<sub>E</sub>P.

5. Investors can discontinue Reliance SMART STEP facility by providing a written notice to the Designated Investor Service Centers atleast 15 calendar days prior to the due date of the next transfer date.
  6. Investors should clearly indicate from and to which scheme / option he / she wish to transfer their investment. Please note that if no Transferor (Liquid/Debt) Scheme is mentioned in the application form the application shall be rejected. However if no Transferee (Equity) Scheme is mentioned, Reliance Growth Fund - Growth Option shall be considered as default scheme.
- RNLAM 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.

**Note :**

- Pursuant to Addendum no. 66 dated June 11, 2015 investors were informed about the discontinuation of subscription under the Bonus plan/option of the scheme w.e.f June 25, 2015 ("effective date"). Further, in case of investments through the SIP and any other special products (as mentioned in the SID) which were registered under the Bonus Plan/Option of the scheme prior to the effective date, the future transactions shall be processed under the Growth option of the scheme.
- In case of investments through the Systematic Investment Plan (SIP) / SIP Insure / Systematic Transfer Plan (STP) / Reliance Salary AdvVantage, which were registered without ARN Code under the existing plan (other than Direct Plan) prior to the January 1, 2013, the future transactions shall be processed under the Direct Plan of the same scheme. In case above said investments, which were registered with ARN Code under the existing plan (other than Direct Plan) prior to the January 1, 2013, and if the investors wishes to invest their future transactions under the direct plan they would be required to re-register afresh request.  
All the terms & conditions of the SIP insure as applicable on the day of registration would continue for the existing Direct Investments, whose future transactions would be processed under Direct Plan.  
In case of investments (with ARN code or without ARN code) through the following mode, the futures transactions shall continue to remain under the existing plan (other than Direct Plan) prior to the January 1, 2013. In case such investors wish to invest their future transactions/ investments under the Direct Plan through the below mentioned mode, they are required to re-register afresh for such special products.  
*I. Dividend Transfer Plan (DTP)      II. Trigger Facility                      III. Reliance Smart Step*  
*IV. Flexible Asset Selection Tool (FAST) etc*

**B. SPECIAL FACILITIES**

**i. ALTERNATE MEANS OF TRANSACTIONS - ONLINE TRANSACTIONS**

Facility of online transactions is available on the official website of Reliance Mutual Fund i.e. www.reliancecmutual.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 Nippon Life Asset Management Limited, from time to time and any law for the time being in force.

**ii. 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 RNLAM. 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, RNLAM 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/RNLAM/ 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/ RNLAM/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/ RNLAM/ its Registrar shall discharge RMF/ RNLAM 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/ RNLAM 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.
- 7 Pursuant to SEBI circular nos. CIR/MRD/DSA/32/2013 dated October 04, 2013 and CIR/MRD/ DSA/33/2014 dated December 09, 2014.
  - a. Mutual fund Distributor (MF distributor) registered with Association of Mutual Funds in India (AMFI) and permitted by the concerned recognized stock exchanges shall be eligible to use recognized stock exchanges' infrastructure to purchase, redeem and switch mutual fund units on behalf of their clients, directly from RMF/ RNLAM.
  - b. The MF distributors shall not handle payout and pay in of funds as well as units on behalf of investor. Pay in will be directly received by recognized clearing corporation and payout will be directly made to investor account. In the same manner, units shall be credited and debited directly from the demat account of investors.
  - c. Non-demat transactions are also permitted through stock exchange platform.
- 8 At Present, the switch facility in the units of RMF schemes shall be made available only on BSE StAR MF platform (for other Stock Exchanges platform this facility will be made available as and when it will be introduced by them). Further, Switch transactions shall be accepted for units held in demat mode as well as in physical mode.

### iii. 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.reliancemf.com> and <http://m.reliancemutual.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 / RNLAM reserve the right to introduce, change, modify or withdraw the features available in this facility from time to time.

### iv. SUBSCRIPTION THROUGH VISA MASTER CARD 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 Master Card 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 Nippon Life Asset Management Limited (RNLAM) 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 RNLAM or its Registrar & Transfer Agent shall reject the transaction with due intimation to the investor. RNLAM 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/RNLAM, from time to time and any law for the time being in force. RMF / RNLAM reserve the rights to introduce, change, modify or withdraw the features available in this facility from time to time.

**v. 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 RNLAM 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 18years 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/RNLAM 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, RNLAM / 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.

For availing the Card facility, it is necessary for the investor to make either Reliance Liquid Fund -Treasury Plan, Reliance Liquid Fund - Cash Plan & Reliance Money Manager Fund as the Primary Scheme Account.

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 Liquid Fund - Cash 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 Liquid Fund - Cash 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 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 Liquid Fund - Cash 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 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 any other Plan/Option, and the investor desires to change the Primary Plan/Option for the card, the investor will have to place a separate request with RMF for change in primary scheme.

**vi. 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 2.p.m. 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 2.00 pm 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/RNLAM reserve the right to introduced, change, modify or withdraw the features available in this facility from time to time.

**vii. 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.reliancemutual.com](http://www.reliancemutual.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 RNLAM/RMF also has an auto debit tie up with ICICI Bank, IDBI Bank and State Bank of India. RNLAM/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 RNLAM. If no confirmation of registration or rejection is received, the RNLAM 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/RNLAM responsible for the same.
8. If investor email is available with RNLAM/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 RNLAM/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 RNLAM/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
- Tenure – Perpetual.
- No of days required to start SIP – 10 calendar days

Investor has to send a SMS to Reliance Mutual Fund on 9664001111

For List of schemes codes, Terms & conditions and further details , please visit [www.reliancemutual.com](http://www.reliancemutual.com)

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, RNLAM responsible for the same.
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 RNLAM/RMF on the registered mobile number or email id of the Unit holder.
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.
9. In case the investor receives multiple confirmations against a single transaction, the same needs to be brought to the attention of the RNLAM/RMF.  
If the Investor(s) believes there has been any an unauthorized transaction effected, the investor shall notify the RNLAM/RMF immediately.
10. If only the mobile number of the investor is registered with RNLAM / 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 & Exchange (Mutual Funds) Regulations, 1996, will be dispatched/sent through physical mode on the registered address & SMS, other communication as required under Securities & Exchange (Mutual Funds) Regulations, 1996

**(iii) Terms and conditions - Website of Reliance Mutual Fund [www.reliancemutual.com](http://www.reliancemutual.com)**

1. Investors having registered Invest Easy - Individuals registered in the folio can now subscribe to the schemes of Reliance Mutual Fund through our website [www.reliancemutual.com](http://www.reliancemutual.com) and make the payment through Invest Easy Facility.
2. This facility is In addition to the existing mode of payment like Net Banking / Debit Card.
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.
4. If only the email id of the investor is registered with RNLAM / RMF, investor can execute the following transactions:
  - Transaction through Call Center.
  - Transaction through mobile WAP (Web Access Portal) Site.
  - Transaction through RMF website

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 & 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.

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

**viii. ONE TIME BANK MANDATE REGISTRATION**

In order to ease out operational hassle, RNLAM has introduced this facility which enables the investors to register a onetime bank mandate. Through this facility an Investor can instruct RNLAM 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 / confirmation / 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. Investors who are currently registered under Invest Easy - Individuals facility may avail this facility without registering the One Time Bank Mandate.

RMF/RNLAM reserves the right to introduced, change, modify or withdraw the features available in these facilities from time to time.

**9. Official Points of Acceptance of Transaction through MF utility:**

RNLAM has entered into an agreement with MF Utilities India Private Limited ("MFUI"), a "Category II - Registrar to an Issue" under SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, for usage of MF Utility ("MFU") - a shared services initiative of various asset management companies, which acts as a transaction aggregator for transacting in multiple schemes of various mutual funds with a single form and a single payment instrument.

Accordingly, all the authorized POS and website/mobile application of MFUI (available currently and also updated from time to time) shall be eligible to be considered as 'official points of acceptance' for all financial and non-financial transactions in the schemes of RMF either physically or electronically with effect from February 6, 2015. The list of POS of MFUI is published on the website of MFUI at [www.mfuindia.com](http://www.mfuindia.com).

Applicability of NAV shall be based on time stamping as evidenced by confirmation slip given by POS of MFUI and also the realization of funds in the Bank account of Reliance Mutual Fund (and NOT the time of realization of funds in the Bank account of MFUI) within the applicable cut-off timing. The Uniform Cut - off time as prescribed by SEBI and mentioned in the SID / KIM shall be applicable for applications received through such facilities.

Investors are requested to note that MFUI will allot a Common Account Number ("CAN") i.e. a single reference number for all investments in the mutual fund industry for transacting in multiple schemes of various mutual funds through MFU and to map existing folios, if any. Investors can create a CAN by submitting the CAN Registration Form and necessary documents at the POS. The AMC and/or its Registrar and Transfer Agent shall provide necessary details to MFUI as may be needed for providing the required services to investors/distributors through MFU. Investors are requested to visit the website of MFUI i.e. [www.mfuindia.com](http://www.mfuindia.com) to download the relevant forms.

For any queries or clarifications related to MFU, please contact the Customer Care of MFUI on 1800-266-1415 (during the business hours on all days except Sunday and public holidays) or send an email to [clientservices@mfuindia.com](mailto:clientservices@mfuindia.com).



**10. ACCEPTANCE OF “CASH” AS A MODE OF SUBSCRIPTION:**

Acceptance of “Cash” as a payment mode for subscription application in the Schemes of Reliance Mutual Fund has been introduced.

**The Details / Process and conditions for acceptance of such investments are as follows:**

**Eligible investors:**

The facility is available only for below mentioned category of investors who are KRA-KYC / Central KYC Registry (CKYC ) compliant and have a bank account:

- Resident Individuals.
- Minors (investing through Guardian)
- Sole Proprietorships.

**Subscription Limit:**

In line with the SEBI guidelines, currently subscription through cash can be accepted only upto Rs. 50,000/- per investor, per financial year. Limit would be tracked on the basis PAN or PEKRN acknowledgement issued by KRA / KYC Identification NO (KIN) issued by Central KYC Registry).

**Mode of Acceptance of Application:**

Applications for Subscription through Cash shall be accepted only in the physical form at any of the Designated Investor Service Centres (DISC) of RMF.

**Cash Collection Facility:**

Currently, RNLAM has made arrangement with Axis Bank Limited to accept cash (along with the duly filled in Cash Deposit Slip) on behalf of RMF/RNLAM. However, going forward, RNLAM may tie up with any other financial institution(s) through which the facility of cash collection may be provided. Details of the same shall be available on the website i.e. www.reliance mutual.com. The Bank shall act only as an aggregator for receipt of cash at the various Bank branches towards subscriptions under various schemes of RMF. The Bank would be remitting the cash collected to the Fund's schemes usually by the next business day.

**Procedure for Subscription through Cash:**

Investors willing to subscribe through cash as a payment mode will have to follow the below procedure:

1. Collect the application form and Cash Deposit Slip (available in triplicate) from the Designated Investor Service Centre (DISC) of RMF / RNLAM.
2. Investor must first submit the duly filled in application form, KYC / KRA / CKYC acknowledgement and duly filled Cash Deposit Slip at the DISC (copy for submission to RMF / RNLAM).
3. Branch executive shall time stamp the application form, RMF copy of Cash deposit slip and acknowledgement portion available in the application form. Acknowledgement portion shall be returned to the investor as a confirmation of receipt of application.
4. Investor will have to visit the nearest branch of Axis Bank Limited and deposit cash by using the Cash Deposit Slip collected from DISC, on the same day or latest by next business day else the application shall be liable for rejection.
5. Axis Bank Limited shall retain bank copy of the Cash Deposit slip and provide customer copy to the investor along with the acknowledgement of cash deposition.

**NAV Applicability:****For Liquid scheme(s):**

Applicability of NAV shall be based on receipt of application and also the realization of funds in the Bank account of respective liquid scheme (and NOT the time of deposit of Cash in the Bank) within the applicable cut-off timing.

However, if the credit is received in the Bank account of liquid scheme but investor has not yet submitted the application form, units will be allotted as per receipt of application (time-stamping)

**For all scheme(s) other than liquid scheme(s):**

Applicability of NAV shall be based on receipt of application (as per time-stamping). Rejection of application: Application shall be rejected if:

- a. Subscription Limit is Exhausted: The amount of subscription through cash (including the subscriptions made through cash during the financial year) exceeds Rs. 50,000/-.
- b. Application is incomplete: Unit allotment for transactions accepted as DISCs of RMF is subject to verification at the time of final processing. Application shall be liable for rejection if the same is found to be incomplete in any aspect.

Payment of Proceeds: Payment in the form of refunds, redemptions, dividend, etc. with respect to Cash investments shall be paid only through banking channel i.e. in the bank account registered in the folio.

**Other important points:**

- a. In case of mismatch in the amount mentioned in application form and cash deposited in bank, units shall be allotted as per credit received from bank.
- b. Cash deposited but application not submitted: If cash is deposited directly at branch of Axis Bank Limited and application is not submitted at DISC of RMF, amount shall be refunded to investor based on receipt of following documents:
  - Existing Investor: Request letter, Bank acknowledged deposit slip copy.
  - New Investor: Request letter containing the bank details in which the refund needs to be issued, bank acknowledged deposit slip copy and PAN card copy or any other valid id proof.

Investors are requested to note that subscription through this mode shall be accepted subject to compliance with Prevention of Money Laundering Act, 2002 and Rules framed thereunder, SEBI Guidelines for the same and such other AML rules, regulations and guidelines as may be applicable from time to time.

<b>Accounts Statements</b>	<p>In accordance with SEBI Circular No. Cir/ IMD/ DF/16/ 2011 dated September 8, 2011 and SEBI Circular no. CIR/MRD/DP/31/2014 dated November 12, 2014 the investor whose transaction has been accepted by the RNLAM/RMF shall receive a confirmation by way of email and/or SMS within 5 Business Days from the date of receipt of transaction request, same will be sent to the Unit holders registered e-mail address and/or mobile number.</p> <p>Thereafter, a Consolidated Account Statement (“CAS”) shall be issued in line with the following procedure:</p> <ol style="list-style-type: none"> <li>1. Consolidation of account statement shall be done on the basis of PAN. In case of multiple holding, it shall be PAN of the first holder and pattern of holding.</li> <li>2. The CAS shall be generated on a monthly basis and shall be issued 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.</li> <li>3. In case there is no transaction in any of the mutual fund folios then CAS detailing holding of investments across all schemes of all Mutual Funds will be issued on half yearly basis [at the end of every six months (i.e. September/ March)]</li> <li>4. Investors having MF investments and holding securities in Demat account shall receive a Consolidated Account Statement containing details of transactions across all Mutual Fund schemes and securities from the Depository by email / physical mode.</li> <li>5. Investors having MF investments and not having Demat account shall receive a Consolidated Account Statement from the MF Industry containing details of transactions across all Mutual Fund schemes by email / physical mode.</li> </ol> <p>The word ‘transaction’ shall include purchase, redemption, switch, dividend payout, dividend reinvestment, systematic investment plan, systematic withdrawal plan, and systematic transfer plan.</p> <p>CAS shall not be received by the Unit holders for the folio(s) wherein the PAN details are not updated. 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 RNLAM/RMF for each calendar month on or before 10th of the immediately succeeding month.</p> <p>In case of a specific request received from the Unit holders, RNLAM / RMF will provide the account statement to the investors within 5 Business Days from the receipt of such request.</p>
<b>Dividend</b>	The dividend warrants shall be dispatched to the unitholders within 30 days of the date of declaration of the dividend.
<b>Redemption</b>	The redemption or repurchase proceeds shall be dispatched to the unit holders within 10 Business Days from the date of redemption or repurchase.
<b>Delay in payment of redemption / repurchase / subscription proceeds</b>	<p>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> <p>No interest will be payable on any subscription money refunded within 5 business days. If the Fund refunds the amount after 5 business 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 5 business 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>RNLAM 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> <p>For detailed features of Reliance Any Time Money Card, please refer "Special Product Available" Section of Scheme Information Document.</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>Payment of Redemption proceeds, for all open ended schemes, also enclosed SID</p> <p><b>Resident Investors</b></p> <p>The Fund proposes to pay redemption proceeds in the following manner:</p> <ol style="list-style-type: none"> <li>Directly to the bank account of unitholders through Direct Credit / RTGS / NEFT: Direct credit facility will be available only with select bankers with whom the Mutual Fund currently has a 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 payment of redemption proceeds to the unitholder's bank account.</li> <li>For cases not covered above: 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.</li> </ol> <p><b>Non Resident Investors</b></p> <ol style="list-style-type: none"> <li>Repatriation Basis: 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 or NRSR account, if desired by the unitholder.</li> <li>Non Repatriation Basis: When units have been purchased from funds held in the unitholders' non-resident (Ordinary) account, the proceeds will be sent to the unitholders Indian address for crediting to the unitholders' Non-Resident (Ordinary) account.</li> </ol> <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 RNLAM through one of the banking channels which will enable RNLAM to validate the investor data with the Bank records. It may be noted that if RNLAM unable to provide such credits due to various reasons, then payment will be made in accordance with the mode as specified.</p> <p>The Fund may make other arrangements for effecting payment of redemption proceeds in future.</p>
<b>Despatch of Proceeds</b>	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 a valid redemption request at the Designated Investor Service Centers. However, under normal circumstances, the Mutual Fund shall endeavour to despatch the redemption proceeds within one working days from the date of receipt of a valid redemption request at the Designated Investor Service Center. All payments shall be despatched by ordinary mail (with or without UCP) or Registered Post or by Courier, unless otherwise required under the Regulations, at the risk of the unitholder.
<b>Effect of Redemptions</b>	<p><b>On the Fund:</b> 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><b>On the unitholder's account:</b> 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>	<p>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 Service Centres. Alternatively, the investor can quote his existing folio number and use an Common Application form to make additional purchases under the same plan/option in the Scheme.</p> <p>Unitholders may switch their repurchase able holdings (which are not under any lien) in this scheme 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>However, RNLAM, 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 declare 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>RNLAM 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>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 Direct Plan to Direct Plan of the Scheme or vice versa. (subject to statutory taxes and levies, if any)</p> <p>Please refer SAI for further details.</p>
<b>Accounting of Units on Flexible / First In First Out (FIFO) Basis</b>	<p>Should a unitholder, who holds Units allotted during the Initial Offer or on an ongoing basis, buy more Units subsequently and later opt for redemption, the unitholder shall need to advise the Fund as to which of his units he is redeeming. In the absence of any such advice, it shall be redeemed on a first in-first out basis, i.e. the Units allotted first shall be redeemed first.</p>
<b>Fractional Units</b>	<p>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.</p>
<b>Transfer, Transmission, Nomination, Lien, Pledge, Duration of the Scheme, Mode of Holding, Borrowing and Underwriting</b>	<p><b>Please refer SAI for details.</b></p>
<b>Third party Cheques</b>	<p>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.</p>
<b>Multiple Bank accounts</b>	<p>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.reliancecmutual.com">www.reliancecmutual.com</a>. For more details refer to SAI.</p>
<b>Know Your Client (KYC) Norms</b>	<p>Know Your Client (KYC) Norms With effect from 1st January 2011, KYC (Know Your Customer) norms are mandatory for investors for making investments in Mutual Funds, irrespective of the amount of investment Further, in order to reduce hardship and help investors dealing with SEBI intermediaries, SEBI issued three circulars - MIRSD/SE/Cir-21/2011 dated October 05, 2011, MIRSD/Cir-23/2011 dated December 02, 2011 and MIRSD/Cir-26/2011 dated December 23, 2011 informing SEBI registered intermediaries as mentioned therein to follow, with effect from January 01, 2012, a uniform KYC compliance procedure for all the investors dealing with them on or after that date. SEBI also issued KYC Registration Agency ("KRA") Regulations 2011 and the guidelines in pursuance of the said Regulations and for In-Person Verification ("IPV"). SEBI has issued circular no. CIR/MIRSD/ 66 /2016 dated July 21, 2016 and no. CIR/MIRSD/120 /2016 dated Nov. 10, for uniform and smooth implementation of CKYC norms for onboarding of new investors in Mutul funds with effect from 1st Feb 2017. For more details refer to SAI.</p>

### C. PERIODIC DISCLOSURES

<b>Net Asset Value</b> 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.	<p>The NAV will be calculated and disclosed at the close of every Business Day which shall be published in at least two daily newspapers and also uploaded on the AMFI site <a href="http://www.amfiindia.com">www.amfiindia.com</a> and Reliance Mutual Fund site i.e. <a href="http://www.reliancecmutual.com">www.reliancecmutual.com</a>.</p>
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<p><b>Half yearly Disclosures: Portfolio / Financial Results</b> 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>	<p><b>(i) Half Yearly disclosure of Un-Audited Financials for the Schemes of RMF:</b> 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. www.reliancemutual.com and that of AMFI www.amfiindia.com. 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>Half Yearly Results</b></p>	<p><b>(ii) Half Yearly disclosure of Scheme’s Portfolio:</b> 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. www.reliancemutual.com. and that of AMFI www.amfiindia.com . 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>																																			
<p><b>Monthly Disclosure of Schemes’ Portfolio Statement</b></p>	<p>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.</p>																																			
<p><b>Annual Report</b></p>	<p>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. 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 RNLAM / RMF as under: (i) by e-mail only to the Unit holders whose e-mail address is available with us, (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. The physical copy of the schemewise annual report or abridged summary shall be made available to the investors at the registered office of RNLAM. A link of the scheme annual report or abridged summary shall be displayed prominently on the website of RNLAM i.e at www.reliancemutual.com</p>																																			
<p><b>Associate Transactions</b></p>	<p>Please refer to Statement of Additional Information (SAI).</p>																																			
<p><b>Taxation</b> 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.</p>	<p><b>Taxation of income earned on mutual fund units under the Income Tax Act 1961 as proposed by Finance Bill, 2017.</b></p> <p><b>Other than Equity Oriented Funds <sup>1</sup> - From April 1, 2017 to March 31, 2018</b></p> <table border="1" data-bbox="456 1003 1495 1346"> <thead> <tr> <th data-bbox="456 1003 692 1064">Income in the hands of →</th> <th data-bbox="692 1003 935 1064">Individual &amp; HUF</th> <th data-bbox="935 1003 1214 1064">Other than Individual &amp; HUF</th> <th data-bbox="1214 1003 1495 1064">NRI</th> </tr> </thead> <tbody> <tr> <td data-bbox="456 1064 692 1094"><b>Nature of Income ↓</b></td> <td data-bbox="692 1064 935 1094"></td> <td data-bbox="935 1064 1214 1094"></td> <td data-bbox="1214 1064 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<b>Notes</b>																																		
<p>1. equity oriented funds has been defined under sections 10(38) of the Indian Income Tax Act 1961 as under:  “equity oriented fund” means a fund —</p> <p>(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</p> <p>(ii) which has been set up under a scheme of a Mutual Fund specified under clause (23D) :  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><b>The above table is applicable to the units of other than equity oriented fund</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.</p> <p>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 there under.</p>																																		
<p>3. The Finance Act, 2012 provides for tax on long-term capital gains in case of non-residents @ 10% on transfer of capital assets, being unlisted securities, computed without giving effect to first &amp; second proviso to section 48 i.e. without taking benefit of foreign currency fluctuation and indexation benefit. Listed Securities mean securities defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (32 of 1956) and which are listed on any recognised stock exchange in India.</p> <p>Further, Finance (No.2) Act 2014 amends 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. The amendment is effective from July 11, 2014.</p>																																		
<p>4. Surcharge applicable for FY 2017-18:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="width: 12.5%;">If income below Rs. 0.50 crore</th> <th style="width: 12.5%;">If income exceeds Rs. 0.50 crore but less than Rs. 1 crores</th> <th style="width: 12.5%;">If income exceeds Rs. 1 crore but less than Rs. 10 crores</th> <th style="width: 12.5%;">If income exceeds Rs.10 crores</th> </tr> <tr> <td style="text-align: center;"><b>Assessee</b></td> <td style="text-align: center;">Surcharge</td> <td style="text-align: center;">Surcharge</td> <td style="text-align: center;">Surcharge</td> <td style="text-align: center;">Surcharge</td> </tr> </thead> <tbody> <tr> <td>Individual (including proprietorships), Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individual (BOI)</td> <td style="text-align: center;">NIL</td> <td style="text-align: center;">10%</td> <td style="text-align: center;">15%</td> <td style="text-align: center;">15%</td> </tr> <tr> <td>Co-operative Society, Local Authority and Partnership Firms (including LLPs)</td> <td style="text-align: center;">NIL</td> <td style="text-align: center;">NIL</td> <td style="text-align: center;">12%</td> <td style="text-align: center;">12%</td> </tr> <tr> <td>Indian Corporates</td> <td style="text-align: center;">Nil</td> <td style="text-align: center;">NIL</td> <td style="text-align: center;">7%</td> <td style="text-align: center;">12%</td> </tr> <tr> <td>Foreign Companies</td> <td style="text-align: center;">Nil</td> <td style="text-align: center;">NIL</td> <td style="text-align: center;">2%</td> <td style="text-align: center;">5%</td> </tr> </tbody> </table>						If income below Rs. 0.50 crore	If income exceeds Rs. 0.50 crore but less than Rs. 1 crores	If income exceeds Rs. 1 crore but less than Rs. 10 crores	If income exceeds Rs.10 crores	<b>Assessee</b>	Surcharge	Surcharge	Surcharge	Surcharge	Individual (including proprietorships), Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individual (BOI)	NIL	10%	15%	15%	Co-operative Society, Local Authority and Partnership Firms (including LLPs)	NIL	NIL	12%	12%	Indian Corporates	Nil	NIL	7%	12%	Foreign Companies	Nil	NIL	2%	5%
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Foreign Companies	Nil	NIL	2%	5%																														
<p>5. The tax rates will be increased by surcharge, education cess and secondary and higher secondary education cess as applicable.</p> <p>6. Non Listed securities mean securities other than Listed Securities.</p> <p>7. 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>8. 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:  <b>Mr. Bhalchandra Joshi, Head – Service Delivery and Operations Excellence</b>  Reliance Nippon Life Asset Management Limited  Reliance Centre, Off Western Express Highway,  Santacruz (East), Mumbai - 400 055.  Tel No. - 022- 33031000; Fax No. - 022- 33037662  Email: bhalchandra.y.joshi@relianceada.com</p>																																	

#### D. COMPUTATION OF NAV

The Net Asset Value (NAV) of the Units will be determined daily or as prescribed by the Regulations. The NAV shall be calculated in accordance with the following formula, or such other formula as may be prescribed by SEBI from time to time.

$$\text{NAV} = \frac{\text{Market/Fair Value of Scheme's Investments} + \text{Receivables} + \text{Accrued Income} + \text{Other Assets} - \text{Accrued Expenses} - \text{Payables} - \text{Other Liabilities}}{\text{Number of Units Outstanding}}$$

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.

##### **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 up to 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.

## 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.

Being an ongoing Scheme details as regard NFO expenses have not been provided herein. 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. However, the initial issue expenses incurred at the time of New Fund Offer period of the scheme launched prior to the issue of the above mentioned circular shall be debited to the scheme to the extent of 6% of the funds raised and the same shall be amortized over a period not exceeding five years. Any expense more than 6% of the initial net assets 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	% of Net Assets
Investment Management and Advisory Fees	Upto 2.25%
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 2.25%</b>
Additional expenses under regulation 52 (6A) (c)#	Upto 0.20%
Additional expenses under Section 52 (6A) (b) for gross new inflows from specified cities	Upto 0.30%

(# 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. )

<b>Illustration – Impact of Expense Ratio on the Returns</b>	
<b>Value of Rs 1 lac on 12% annual returns in 1 year, considering 1% Expense Ratio</b>	
Amount Invested	100,000.00
NAV at the time of Investment	10.00
No of Units	10,000.00
Gross NAV at end of 1 year (assuming 12% annual return)	11.20
Expenses (assuming 1% Expense Ratio on average of opening and closing NAV)	0.11
Actual NAV at end of 1 year post expenses (assuming Expense Ratio as above)	11.09
Value of Investment at end of 1 year (Before Expenses)	112,000.00
Value of Investment at end of 1 year (After Expenses)	110,940.00

**Note:** Please note that the above is an approximate illustration of the impact of expense ratio on the returns, where the Gross NAV has been simply reduced to the extent of the expenses. In reality, the actual impact would vary depending on the path of returns over the period of consideration. Expenses will be charged on daily net assets.

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 SEBI Regulations.

Direct 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 RNLAM'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 2.25%;
- (ii) On the next Rs. 300 crore of the daily net assets 2.00%;
- (iii) On the next Rs. 300 crore of the daily net assets 1.75%;
- (iv) On the balance of the assets 1.50%;

The above expenses are fungible within the overall maximum limit prescribed under SEBI (Mutual Funds) Regulations, 1996, which means there will be no internal sub-limits on expenses and AMC is free to allocate them within the overall TER.

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 utilised 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 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 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.reliancemutual.com](http://www.reliancemutual.com) or may call at 30301111 or on toll free no. 1800 300 11111 or your distributor.

Type of Load	Load chargeable (as %age of NAV)
Entry <sup>1</sup>	Not Applicable
Exit <sup>2</sup>	<ul style="list-style-type: none"> <li>• 0.50% of the applicable NAV if redeemed or switched out on or before completion of 7 days from the date of allotment of units.</li> <li>• Nil, if redeemed after 7 days from the date of allotment of units</li> </ul> <p>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.</p>

Inter scheme Switch	At the applicable load in the respective Schemes.
Inter Plan/Inter Option Switch	<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.</p> <p>b) No Exit Load shall be levied for switch of investments made without ARN code, from Other than Direct Plan to Direct Plan of the Scheme or vice versa.</p>

#### **<sup>1</sup>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 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.

#### **<sup>2</sup>Exit Load**

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 units allotted on reinvestment of dividend. The investor is requested to check the prevailing load structure of the scheme before investing. For any change in load structure RNLAM will issue an addendum and display it on our website www.reliance mutual.com or Investor Service Centres.

Any imposition or enhancement in the load shall be applicable on prospective investments only. However, AMC shall not charge any load on issue of units allotted on reinvestment of dividend for existing as well as prospective investors. At the time of changing the load structure, the mutual funds may consider the following measures to avoid complaints from investors about investment in the schemes without knowing the loads:

- 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/ CDSC along with 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/CDSC.
- 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 RNLAM 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 Nippon Life Asset Management Limited (RNLAM)/ 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.

During last three years, there have been no monetary penalties imposed and/ or action by any financial regulatory body or governmental authority, against Sponsor(s), AMC, Board of Trustees, Trustee Company; for any 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. However, in respect of the consent terms filed by Reliance Nippon Life Asset Management Limited –Portfolio Management Services (RNLAM-PMS) with SEBI with respect to an inspection report, SEBI has issued a settlement order (Order no. CA/EFD/87/JAN/2016 dated January 14, 2016), in terms of which the underlying proceedings have been disposed off.

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 necessary clarifications, reliefs and if required, to carry out necessary amendments to the relevant provisions of the Income Tax Act, 1961. In addition to the above the AMC is party to certain litigations in various courts, commissions etc. which are in ordinary course of business & have no material impact.

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 Nippon Life Asset Management Limited**  
**(Formerly Reliance Capital Asset Management Limited)**  
[Asset Management Company for Reliance Mutual Fund]

Sd/-

Mumbai  
March 30, 2017

(Sundeep Sikka)  
Chief Executive Officer

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