



Reliance Equity Fund
An Open Ended Diversified Equity Scheme

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Positioning of the Fund

Large-cap Fund that aims to capitalize on long and short opportunities.

Investment Philosophy

In this fund we propose to invest in top 100 companies by Market Capitalization (either on BSE or NSE) and of companies which are available for trading in Derivative Segment. This means that investment gamut will be in so called large and liquid mid cap stocks of companies belonging to any/all sectors.

This hedging will be based on the Price Earning Multiple (P/E) of NSE which in simple terms would indicate that if the markets have become expensive or valuations have stretched or price of a stock has gone up substantially in relation to its earnings, we will endeavor to protect the interest of investors by hedging a particular percentage of portfolio (table is there for your reference). So at all points of time some part of our portfolio will remain hedged (depending on PE of Nifty)

Hedging in this Fund

The extent to which the portfolio will be hedged will be linked to the P/E of the Index as given in the indicative table below:

Weighted average PE ratio of S&P CNX Nifty	Portfolio Hedge as a % of Equity portfolio
Upto 12	0 -10
12 – 16	10 – 30
16 – 20	30 – 50
20 – 24	50 – 70
24 – 28	70 – 90
Above 28	90 – 100

The extent of hedging of the portfolio is determined based on the month-end weighted average PE ratio of the Index, which in this case will be the S&P CNX Nifty.

- The fund manager increases the % of exposure to derivatives when markets are high, i.e when PE ratio is high to limit the downside risk.
- The fund manager decreases the % of exposure in derivatives when markets are down, i.e. when PE ratio falls to help you capitalize on the upside potential.

Thus the rebalancing of the portfolio will be done on a monthly basis based on last month end's weighted average P/E.

A Moderate Large Cap Oriented Fund

Portfolio & Scheme Features As on 31st Dec, 2011

Asset Allocation as on 31st Dec, 2011	
Equities	94.35%
Cash & Other Receivables	5.65%
Benchmark	S&P CNX Nifty
Fund Manager	Omprakash Kuckian
Quarterly AAUM as on 31st Dec, 2011	Rs 1083 Crs

Portfolio of RELIANCE EQUITY FUND	
as on 31/12/2011	
Holdings	Weightage %
Equities-	
Reliance Industries Ltd	6.40
Infosys Ltd	5.68
Divis Laboratories Ltd	5.58
ICICI Bank Ltd	4.21
Dr. Reddy'S Laboratories Ltd	4.05
Financial Technologies India Ltd	4.01
HCL Technologies Ltd	3.98
Bharat Heavy Electricals Ltd	3.68
Tata Consultancy Services Ltd	3.57
Reliance Infrastructure Ltd	3.50
Housing Development Finance Corporation Ltd	3.35
Cipla Ltd	3.28
Reliance Communications Ltd	2.87
Oracle Financial Serv Software Ltd	2.86
Maruti Suzuki India Ltd	2.83
Jindal Steel & Power Ltd	2.79
Bank of Baroda	2.73
Oil & Natural Gas Corporation Ltd	2.63
Hindustan Petroleum Corporation Ltd	2.60
Engineers India Ltd	2.54
OTHER EQUITIES	21.22
Sub Total of Equities	94.35
Cash and Other Receivables	5.65
Grand Total	100.00

* Indicates Top Ten Holdings

Investment Objective	The primary investment objective of the scheme is to seek to generate capital appreciation & provide long-term growth opportunities by investing in a portfolio constituted of equity & equity related securities of top 100 companies by market capitalization & of companies which are available in the derivatives segment from time to time and the secondary objective is to generate consistent returns by investing in debt and money market securities.
Inception Date	30 th March 2006
Minimum Investment	Retail Plan : Rs. 5000 per plan per option & in multiples of Re 1 thereafter
	Institutional Plan : Rs. 5 Cr per plan per option & in multiples of Re.1 thereafter
Load Structure	Entry Load* :
	Not Applicable for Retail & Institutional Plan
	Exit Load: (w.e.f from 24th Aug 2009)
	Retail & Institutional Plan
	1% if redeemed or switched out on or before completion of 1 year from the date of allotment of units
	Nil if redeemed or switched out after completion of 1 year from the date of allotment of units
<p>*In terms of SEBI circular no. SEBI/IMD/CIR No.4/ 168230/09 dated June 30, 2009, no entry load will be charged by the Scheme to the investor effective August 1, 2009. Upfront commission shall be paid directly by the investor to the AMFI registered Distributors based on the investors' assessment of various factors including the service rendered by the distributor</p>	

Disclaimers

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Statutory Details: Reliance Mutual Fund has been constituted as a trust in accordance with the provisions of the Indian Trusts Act, 1882. **Sponsor:** Reliance Capital Limited. **Trustee:** Reliance Capital Trustee Co. Limited. **Investment Manager:** Reliance Capital Asset Management Limited (Registered Office of Trustee & Investment Manager: 'H' Block, 1st Floor, Dhirubhai Ambani Knowledge City, Koparkhairne, Navi Mumbai - 400 710, Maharashtra. . The Sponsor, the Trustee and the Investment Manager are incorporated under the Companies Act 1956. 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.

Investment Objective: The primary investment objective of the scheme is to seek to generate capital appreciation & provide long-term growth opportunities by investing in a portfolio constituted of equity & equity related securities of top 100 companies by market capitalization & of companies which are available in the derivatives segment from time to time and the secondary objective is to generate consistent returns by investing in debt and money market securities. **Terms of Issue:** The Scheme will offer for Subscription/ Switch-in and Redemption / Switch-out of Units on every Business Day on an ongoing basis.

Mutual Funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Scheme will be achieved. As with any investment in securities, the NAV of the Units issued under the Scheme can go up or down depending on the factors and forces affecting the capital markets. Reliance Equity Fund is only the name of the Scheme and does not in any manner indicate either the quality of the Scheme, its future prospects or returns. Past performance of the Sponsor/AMC/Mutual Fund is not indicative of the future performance of the 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 the distributable surplus in the Scheme. For details of scheme features apart from those mentioned above and scheme specific risk factors, please refer to the provisions of the Scheme Information Document. Scheme Information Document and KIM cum application form is available at all the DISCs/ Distributors of RMF/www.reliancecmutual.com. **Please read the Scheme Information Document & Statement of Additional Information carefully before investing.**