



Reliance Diversified Power Sector
An Open Ended Power Sector Scheme

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Positioning of the Fund

The fund focuses on companies related to power sector. It provides opportunity to diversify within the sector, with focused approach and flexibility to invest in power distribution, transmission and generation related companies.

Investment Philosophy

An Investment Opportunity to participate in India's key driver of sustainable growth

- India's first Diversified Power Sector Fund
- Flexibility to invest 0% - 100% in equity or 0% - 100% in debt.
- Open-ended fund – easy entry & exit.
- To invest exclusively in power and power related industries.
 - Positive on the sector over medium to long term.
 - One of the few sectors where demand is vast.
 - Opportunities across sectors including generation, distribution, equipment, financing etc.
 - Portfolio focused on creating long term risk adjusted out performance.

Risk Profile

A Moderate Multi cap Oriented Fund

Dividend History

*The Long Distance Runner
Capitalization on power sector's initial growth pushed this fund to greater heights*

Dividend History

Dividend History			
Date	Rate (Re/ Unit)	Cum Dividend NAV	*EX Dividend NAV
29/12/2005	4.00	22.7957	18.9886
21-Feb-07	2.50	30.4120	27.4754
17-Aug-07	3.00	35.0854	32.5381
28-Mar-08	1.50	44.8514	42.1742
26-Mar-09	2.00	27.1657	25.3848
30-Mar-10	2.50	49.1336	46.7484
18-Mar-11	1.50	39.4353	37.8239

Past performance may or may not be sustained in the future; "Pursuant to the payment of Dividend, the NAV will fall to the extent of payout and statutory levy, if any" Dividend distribution is subject to availability & adequacy of distributable surplus. The Mutual Fund is not assuring that it will make periodical dividend distributions, though it has every intention of doing so. After the payment of dividend, the per unit NAV falls to the extent of the dividend payout and distribution taxes, if any. Performance of dividend plan/option would be net of applicable statutory levy, if any. * NAV on the 1st transaction day after Record Date, which includes the mark to market impact also. **Face Value of Rs.10**

Sector View & Outlook

Looking Back

Bn Units	FY03	FY10	FY11*
Power Demand	546	830	862
Power Supply	498	746	789
Deficit %	8.8	10.1	8.5

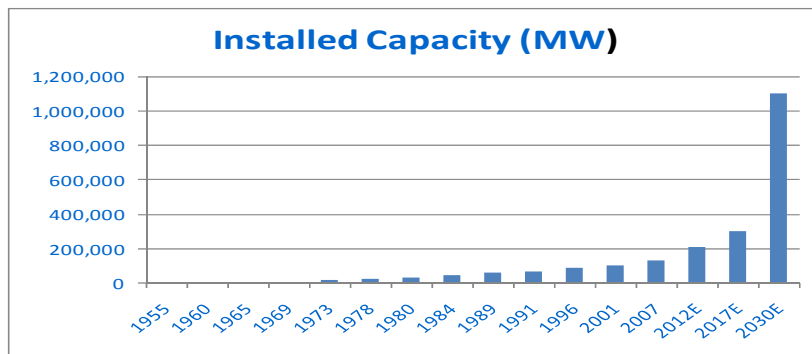
Source: CEA, FY11 YTD numbers

- ❑ Installed capacity in India grew from 108 GW in FY03 to 170 GW in FY11, still deficit remains at ~9%.
- ❑ Peak demand supply mismatch scenario worsened more. Current Deficit is around 10%
- ❑ Policy framework evolved with increasing private sector participation and beginning of distribution reforms.

Source: CEA

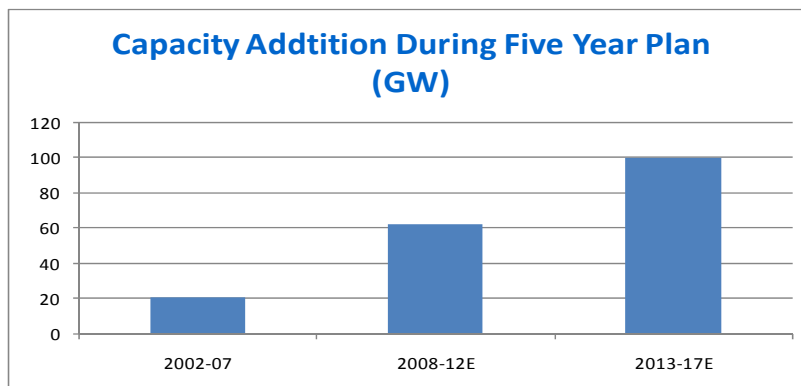
What Lies Ahead

- ❑ **Big leap** – 160 GW expected to be added in next 7 years, which was achieved in last 60 years.



RMF Research, 2030 MoP estimate to support 9% growth

- ❑ **Execution pick up visible** – 100 GW+ of thermal capacity under construction, 110 GW of thermal projects under advanced stage of planning & development.



10th Plan – CEA, Others RMF Research Estimate

- ❑ **Magnitude of investment** – Investment to continue in medium to long term.

Rs. Lakh Cr	Generation	Transmission	Distribution	Total
11th Plan	5.9	1.4	3.1	10.4
12th Plan	6.0	2.9	4.5	13.4

Source: CEA

Excellent Proposition for Long Term Investors

- ❑ Anticipated attractive returns of 15.5% for regulated projects.
- ❑ Attractive demand even without considering huge latent demand for power in the country.
- ❑ Returns likely to sustain over a long period of 25-30 years.
- ❑ Combination of merchant and PPA based business model can provide higher than regulated returns.
- ❑ Large investment possible.
- ❑ Benefit will accrue to
 - Developers
 - Manufacturers
 - Civil and Mechanical Contractors
 - Ancillaries

Sector Outlook

- ❑ Significantly big deficit of power supply and growing requirement of power due to growth of the economy is key determinant of our positive outlook for the sector. Despite increase in installed capacity from 108GW in FY03 to current ~170GW, peak deficit remains at 10%.
- ❑ India is likely to add over 150GW of capacity in next 6-7 years and over 100GW of capacity is currently under construction
- ❑ The sector provides good investment opportunities across segments including generation, distribution, equipment, financing etc
- ❑ Regulated projects provide sustained above average returns of ~15% on equity over long period of 20-25 years. In addition merchant power provides scope for improving returns in medium term.
- ❑ Inadequate coal availability, delay in clearances and land acquisition remains key near term concern for generation space while increasing competition remains a key concern for equipment suppliers

Common Source: CEA

Portfolio & Scheme Features As on 31st December, 2011

Asset Allocation as on 31 st December, 2011	
Equities	93.12 %
Debt, Cash & Other Receivables	6.88 %
Benchmark	India Power Index
Fund Manager	Sunil Singhania
Quarterly AAUM as on 31st December,2011	Rs 2373 Crs

Change in Portfolio (Top Ten Holdings) of Reliance Diversified Power Sector

Top Ten Holdings		
Holdings	Weightage %	
	Dec-11	Nov-11
Equities-		
Torrent Power Ltd	7.05	6.45
Cummins India Ltd	5.40	4.96
NTPC Ltd	5.20	4.73
Jindal Steel & Power Ltd	4.93	5.05
ICICI Bank Ltd	4.49	4.22
Jindal Stainless Ltd	4.25	3.74
Jaiprakash Associates Ltd	3.91	4.18
Tata Power Co Ltd	3.65	3.46
Reliance Industries Ltd	3.48	3.53
Reliance Infrastructure Ltd	3.38	3.62

Investment Objective	The primary investment objective of the scheme is to seek to generate continuous returns by actively investing in equity & equity related or fixed income securities of Power & other associated companies
Inception Date	10th May 2004
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
	*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

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 continuous returns by actively investing in equity & equity related or fixed income securities of Power & other associated companies. **Terms of Issue:** The NAV of the Scheme will be calculated and declared on every working day. The Scheme provides sale/ switch -in & repurchase /switch - out facility on all Business Days at NAV based prices.

Risk factors: 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 Diversified Power Sector 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.reliance mutual.com. **Please read the Scheme Information Document & Statement of Additional Information carefully before investing.**