



Reliance Infrastructure Fund
An Open Ended Equity Scheme

Index

Positioning of the Fund.....

Investment Philosophy.....

Risk Profile.....

Sector View & Outlook.....

Portfolio & Scheme Features.....

Positioning of the Fund

The fund aims to invest in companies operating and listed in India engaged in infrastructure & infrastructure related activities. It follows a multi cap strategy with a medium to long term investment horizon

Investment Philosophy

- ❑ Would be a high beta sector portfolio inclined towards growth stocks.
- ❑ Attempt to capture opportunities across infrastructure spectrum.
- ❑ Multi – Cap Strategy that aims to participate in investment opportunities across all sub sectors of Infrastructure and market capitalization with no specific reservation on any particular sub sector or market cap.

Risk Profile

A Moderate Multi cap Oriented Fund

Sector View & Outlook

Sector View & Outlook

Looking back

- ❑ 17480 KM of road projects awarded during FY05-11 by NHAI.
- ❑ 66GW of power capacity installed during FY02-11, taking total installed capacity to 173GW.
- ❑ 100 GW+ of power generation capacity under construction.
- ❑ First phase of Delhi Metro Completed with investment of Rs 106 Bn.
- ❑ The Delhi Airport Metro expressway is also completed with investments of Rs57 Bn.
- ❑ Mundra Port, the largest private port in India, started operation in 2004. Now one of the top 10 ports in India.
- ❑ Four of the top five airports in India (Delhi, Mumbai, Hyderabad and Bangalore) privatized.
- ❑ Work on Dedicated Freight Rail Corridor started.

What Lies ahead

- ❑ 33,690 KM of road projects to be awarded by FY14 by NHAI, more than 2X of what we did in last five years.
- ❑ Power generation capacity to increase to 300GW by FY17, replicating achievement of last 60 years in next six years.
- ❑ Power Transmission and Distribution sector to see investment of Rs 4500 Bn during 11th plan and Rs 6400 Bn during 12th plan.
- ❑ Soon to start third phase of Delhi Metro to see investment of Rs 347 Bn.
- ❑ Seven new cities are expected to make investment of Rs 605 Bn in metro projects.
- ❑ Sound domestic banking system capable to support debt funds.

Infrastructure... Miles to Go

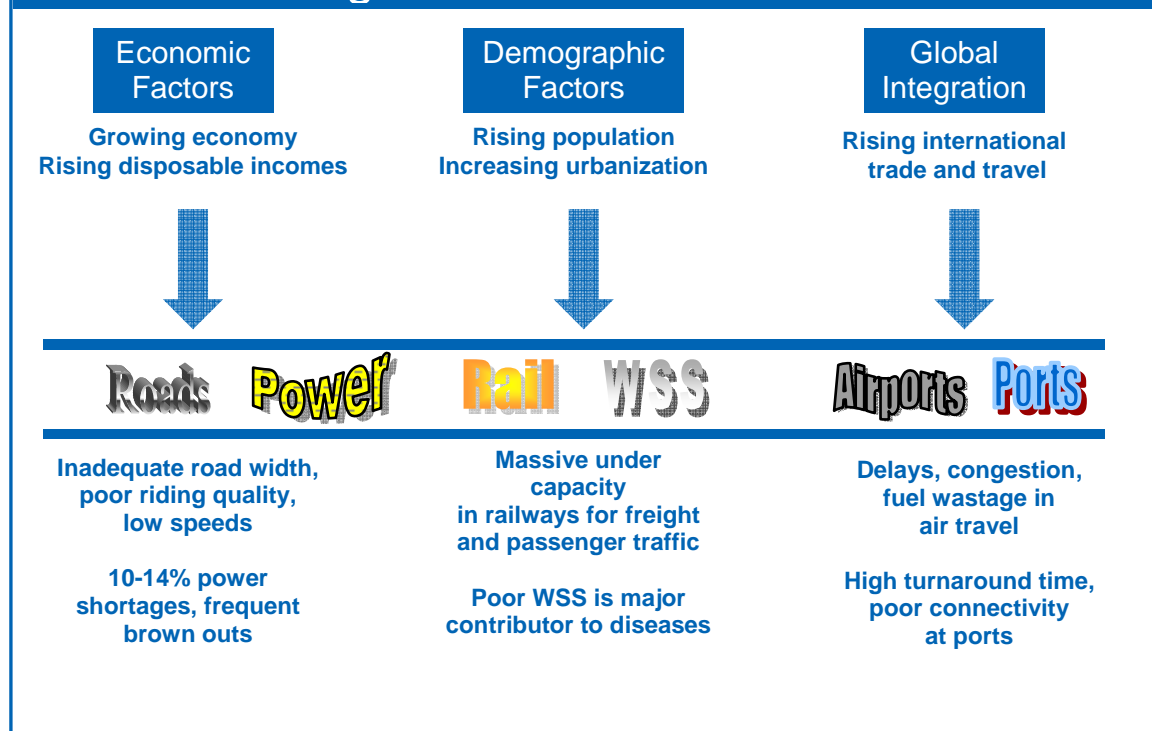
Comparison of Infrastructure Facilities			
Particulars	India	US	China
Electric consumption per capita (KwH)	618	14240	1684
Roads per mn people (km)	2983	21443	1471
Steel Consumption per capita (kg)	34	357	244
Rail route per mn people (km)	56	755	57
Cargo handled at ports per capita (kg)	572	7953	4265
No. of passengers handled at airports per 1,000 persons	71	4780	151

Source: Published Media, Global Research 2007-08

World Bank's "Global Competitiveness Report 2008-09"

- ❑ 'Inadequate supply of infrastructure'
 - Most problematic factor for doing business in India.
- ❑ India ranked 50th out of 134 countries in the Global Competitive Index 2008-09.
 - Ranked 72th on the quality of infrastructure.
- ❑ India lags behind in infrastructure facility usage compared to US, UK & China.

Factors Driving Demand For Better Infrastructure



Growth Drivers intact – Planned Infrastructure Expenditure in XIth FYP

Sector	2007-08	2008-09	2009-10	2010-11	2011-12	Total XI th FYP
Power	74,205	92,829	116,541	146,914	186,038	616,527
Roads	51,352	54,318	58,729	67,901	79,516	311,816
Telecom	33,075	39,834	50,293	63,408	80,390	267,000
Railway	33,207	39,964	48,626	59,738	76,466	258,001
Irrigation	27,002	33,839	42,625	53,946	65,718	223,130
Water Supply & Sanitation	25,840	31,110	37,868	46,555	57,754	199,127
Ports	9,691	11,740	14,271	17,397	20,841	73,940
Airports	6,223	6,459	6,814	7,296	7,956	34,748
Storage	3,777	4,098	4,446	4,824	5,234	22,379
Gas	2,984	3,454	4,005	4,651	5,407	20,500
Total Investment	267,356	317,645	384,218	472,630	585,320	2,027,168
Total (USD Billion)	65	77	94	115	143	494
Investment as % of GDP	6.0	6.5	7.2	8.1	9.2	7.5

Rs. Crore (At 2006-07 prices), Exchange Rate of Rs.41/\$(2006-07)

Source: Investment in Infrastructure during the Eleventh Plan published by The Secretariat for the Committee on Infrastructure

...With much bigger outlay of USD 1,128 Billion in XIIth FYP

Projected GCFI (XII th Plan)	2011E-12E	2012E-13E	2013E-14E	2014E-15E	2015E-16E	2016E-17E
GDP at Market Prices	6,347,900	6,919,300	7,542,000	8,220,800	8,960,600	9,767,100
Rate of growth of GDP (%)	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
GCF in Infrastructure as a % of GDP	9.00%	9.25%	9.50%	9.75%	10.00%	10.25%
GCF in Infrastructure (Rs. Crore)	571,311	640,035	716,490	801,528	896,060	1,001,128
Total GCFI (Rs. Crore)	4,626,552					
Total GCFI (USD Billion)	1,128					

Rs. Crore (At 2006-07 prices), Exchange Rate of Rs.41/\$ (2006-07)

Source: Planning Commission of India

Estimates: GDP to grow at 9% per year, GCFI as % of GDP to increase from 9% in 2011-12 to 10.25% in 2016-17

Sector Outlook

- We expect that this Sector can offer excellent wealth creation opportunity over medium to long term.
- Large size investments possible in this sector.
- Government has increased FII limit for investment in corporate bonds in infrastructure sector by US\$20 Bn and tax free Infra bonds of Rs300 Bn can be issued by government undertaking as against Rs200 Bn earlier. These measures should improve financing for the sector.
- Returns can be steady and expected to outperform the market.
- Recent correction makes this sector even more attractive for foreign investors and domestic institutional investors alike.

Common Source: CEA, NHA website, Planning commission and World Economic Forum report on global competitiveness

Portfolio & Scheme Features As on 31st Dec, 2011

Asset Allocation as on 31 st Dec, 2011	
Equities	92.23%
Cash & Other Receivables	7.77%
Benchmark	BSE 100
Fund Manager	Sunil Singhanian
Quarterly AAUM as on 31st Dec, 2011	Rs 671 Crs

Portfolio of Reliance Infrastructure Fund	
as on 31/12/2011	
Holdings	Weightage %
Equities-	
Jindal Saw Ltd	6.22
NTPC Ltd	5.63
Era Infra Engineering Ltd	4.45
ICICI Bank Ltd	4.21
Jaiprakash Associates Ltd	4.18
Larsen & Toubro Ltd	3.93
Jindal Steel & Power Ltd	3.87
KSB Pumps Ltd	3.83
Infrastructure Development Finance Company Ltd	3.70
Reliance Infrastructure Ltd	3.59
Marg Ltd	3.35
SPML Infra Ltd	3.10
Tata Power Co Ltd	3.07
Jayaswal Neco Industries Ltd	2.91
Sterlite Industries Ltd	2.89
MBL Infrastructures Ltd	2.81
PSL Ltd	2.56
Oil & Natural Gas Corporation Ltd	2.43
Hindustan Construction Co Ltd	2.41
Hindustan Zinc Ltd	2.32
IRB Infrastructure Developers Ltd	2.29
Texmaco Rail & Engineering Ltd	1.85
Torrent Power Ltd	1.84
IL&FS Transportation Networks Ltd	1.82
Gayatri Projects Ltd	1.66
Anant Raj Industries Ltd	1.46
Supreme Infrastructure India Ltd	1.44
Diamond Power Infrastructure Ltd	1.31
BEML Ltd	1.17
Cairn India Ltd	1.10
Phillips Carbon Black Ltd	1.07
Equity Less Than 1% of Corpus	3.76
Sub Total of Equities	92.23
Cash and Other Receivables	7.77
Grand Total	100.00

Investment Objective	The primary investment objective of the scheme is to generate long term capital appreciation by investing predominantly in equity and equity related instruments of companies engaged in infrastructure and infrastructure related sectors and which are incorporated or have their area of primary activity, in India and the secondary objective is to generate consistent returns by investing in debt & money market securities .
Inception Date	20 th July, 2009
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 <small>*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</small>

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: Reliance Infrastructure Fund (An Open Ended Equity Scheme): The primary investment objective of the scheme is to generate long term capital appreciation by investing predominantly in equity and equity related instruments of companies engaged in infrastructure and infrastructure related sectors and which are incorporated or have their area of primary activity, in India and the secondary objective is to generate consistent returns by investing in debt & money market securities.

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 Infrastructure Fund is only the name of the Scheme and does not in any manner indicate either the quality of the respective Schemes or their 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.**