

**Reliance Small Cap Fund**  
**(An Open Ended Equity Scheme)**  
**A Fund with a Very Aggressive Investment Style**

**Index**

**Positioning of the Fund.....**

**Investment Philosophy.....**

**Risk Profile.....**

**Key benefits of investing Small Caps.....**

**Portfolio & Scheme Features.....**

**Positioning of the Fund**

		Returns		
		High	Medium	Low
Risk	High	Reliance Small Cap Fund		
	Medium			
	Low			

- ❑ *A relatively high risk/ high return oriented fund which shall predominantly invest in small cap companies/stocks with an objective to maximize the returns and at the same time trying to minimize the risk by reasonable diversification.*
- ❑ *Reliance Small Cap Fund will be a vital part of an investor’s core portfolio that aims to create an alpha for his/her investments.*

**Investment Philosophy**

- ❑ A relatively high risk/high return oriented fund characterized by volatility which will get smoothed out over long term investment horizon.
- ❑ With an endeavor to maximize returns & minimize risks by reasonable diversification, primary focus would be on small cap stocks.
  - Investment in Equities of Small Cap Companies : 65%-100%\*
  - Investment in Equities of any other Companies : 0%-35%\*
  - Investment in Debt & Money Market Securities : 0% - 35%\*
- ❑ Small cap stocks, for the purpose of the fund are defined as stocks whose market capitalization is in between the highest & lowest market capitalization of companies on BSE Small Cap Index at the time of investment.
- ❑ Investment with a longer term horizon.

\* Please refer detailed asset allocation in Scheme Features on Pg 6

**Risk Profile**

*A Very Aggressive Small Cap Oriented Fund*

**Key Benefits of Investing in Small Caps**



- ❑ Select small caps are potential large caps of tomorrow because of their twin benefits of high growth prospects & relatively under valuation.
- ❑ Small caps are relatively under researched, under owned and undervalued as compared to large caps, thus providing an opportunity to be re-rated.
- ❑ With presence in all emerging sectors of India, small caps have the ability to become multi-baggers which are a true reflection of entrepreneurial spirit, new opportunities and creation of global behemoths.

**Portfolio & Scheme Features As on 31<sup>st</sup> Dec, 2011**

<b>Asset Allocation as on 31<sup>st</sup> Dec, 2011</b>	
Equities	85.92
Cash & Other Receivables	14.08
Benchmark	BSE Small Cap Index
Fund Manager	Sunil Singhanian
Quarterly AAUM as on 31 <sup>st</sup> Dec, 2011	Rs 444 Crs

<b>Portfolio of Reliance Small Cap Fund</b>	
<b>as on 31/12/2011</b>	
<b>Holdings</b>	<b>Weightage %</b>
<b>Equities-</b>	
ABG Shipyard Ltd	4.67
FAG Bearings India Ltd	4.13
Persistent Systems Ltd	3.46
Strides Arcolab Ltd	2.94
Biocon Ltd	2.77
Federal Bank Ltd	2.61
Rain Commodities Ltd	2.59
Orient Paper & Industries Ltd	2.56
MRF Ltd	2.47
Atul Ltd	2.38
Solar Industries (I) Ltd	2.35
Tata Elxsi Ltd	2.26
Indoco Remedies Ltd	2.17
Kirloskar Pneumatic Company Ltd	2.11
Greaves Cotton Ltd	2.05
Sundram Fasteners Ltd	2.04
Navin Fluorine International Ltd	2.02
Take Solutions Ltd	1.94
Setco Automotive Ltd	1.83
Kajaria Ceramics Ltd	1.78
Ashoka Buildcon Ltd	1.76
Unichem Laboratories Ltd	1.66
Power Finance Corporation Ltd	1.64
Allcargo Logistics Ltd	1.63
Gujarat Apollo Industries Ltd	1.60
Venkys India Ltd	1.57
Oriental Bank of Commerce	1.49
Clariant Chemicals India Ltd	1.47
Tata Sponge Iron Ltd	1.33
Polyplex Corporation Ltd	1.30
Elecon Engineering Ltd	1.29
Reliance Broadcast Network Ltd	1.28
ICRA Ltd	1.24
Career Point Ltd	1.15

Kirloskar Brothers Ltd	1.11
Century Enka Ltd	1.10
Equity Less Than 1% of Corpus	12.17
<b>Sub Total of Equities</b>	<b>85.92</b>
Derivatives,Cash and Other Receivables	14.08
<b>Grand Total</b>	<b>100.00</b>

## Scheme Features

<b>Investment Objective</b>	The primary investment objective of the scheme is to generate long term capital appreciation by investing predominantly in equity and equity related instruments of small cap companies and the secondary objective is to generate consistent returns by investing in debt and money market securities
<b>Nature of the Scheme</b>	An Open Ended Equity Scheme
<b>Asset Allocation</b>	<p>Equity &amp; Equity Related Securities of small cap companies including derivatives# - 65%-100%</p> <p>Equity &amp; Equity Related Securities of any other companies including derivatives# - 0%-35%</p> <p>Debt &amp; Money Market Securities ** 0% - 35%</p> <p><b>** including securitized debt upto 30%</b>  <b># The Scheme proposes to invest at least 65% of the corpus in Equity &amp; equity related instruments of small cap companies which may go upto 100% of the corpus. The investment in Equity &amp; equity related instruments of any other companies other than small cap companies will be in the range of 0-35% of the corpus.</b></p>
<b>Choice of Plans/Options</b>	Growth Plan: Growth & Bonus Option Dividend Plan : Dividend Payout Option & Dividend Reinvestment Option
<b>Minimum Investment</b>	Rs. 5000 & in multiples of Re 1 thereafter
<b>Maximum Subscription Limit</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Fresh /additional subscriptions/ switch-ins Rs. 5 Lakh per investor (including all folios) at any point in time.</li> <li><input type="checkbox"/> Subscription through Systematic Investment Plan , Systematic Transfer Plan for each installment being less than or equal to Rs 5 lakh per installment per investor ( including all folios)</li> </ul>
<b>Load Structure</b>	<p>Entry Load* : Not Applicable</p> <p>Exit Load :</p> <p>2% If redeemed or switched out on or before completion of 12 months from the date of allotment of units</p> <p>1% If redeemed or switched out after 12 months but on or before completion of 24 months from the date of allotment of units</p> <p>Nil If redeemed or switched out after the completion of 24 months from the date of allotment of units</p> <p><i>*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 accepted by the Fund with effect from August 01, 2009.</i></p>

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**Investment Objective : Reliance Small Cap 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 small cap companies and the secondary objective is to generate consistent returns by investing in debt and 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

**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.

**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 Small Cap 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 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 in the Scheme. 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. For Scheme specific risk factors and more details, please refer to the Scheme Information Document & Key Information Memorandum, which is available at all the DISC, Distributors and [www.reliancecapital.com](http://www.reliancecapital.com). **Please read the Scheme Information Document and Statement of Additional Information carefully before investing.**