

**Reliance Index Fund - Sensex Plan
(An Open Ended Index Linked Scheme)
Passively Managed Large Cap Oriented Fund**

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Positioning of the Fund

| | | Returns | | |
|------|--------|---------|--------|-----|
| | | High | Medium | Low |
| Risk | High | | | |
| | Medium | | | |
| | Low | | | |

- ❖ *A Conservative Large Cap Oriented Index Linked Fund*
- ❖ *The fund aims to provide regular income in form of defined dividend frequency**

**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. Pursuant to payment of dividend the NAV of the scheme would fall to the extent of payout and statutory levy, if any.*

Investment Philosophy

- ❑ Passively managed fund which aims to mirror BSE SENSEX so as to commensurate with the performance of the underlying Index, subject to tracking errors.
- ❑ Ideal for those investors who would like to participate in the India growth story by investing in well-diversified portfolio of well known large cap companies.
- ❑ The funds will aim to charge relatively low expense as compared to other actively managed equity funds.

What are Index Funds?

- ❑ Index funds are mutual funds that endeavor to track/replicate the constituents of the target index.
- ❑ Index Funds generally hold securities in the same proportion as the target index.
- ❑ Index Funds are passively managed funds :
 - There is no active selection of stocks by the Fund Manager.

- The portfolio is rebalanced periodically only when companies enter/exit the index.
- ❑ The expense ratio of index funds are generally less than actively managed equity funds.
- ❑ Index funds in India, generally track S&P CNX Nifty & BSE Sensex Indices.

Why One Should Invest In Index Funds?

- ❑ Index funds are the simplest of the mutual fund products to understand, even for a layman who just has a vague idea about the equity markets.
- ❑ Provides an opportunity to participate in India growth story by investing in well-diversified portfolio of fundamentally strong, highly liquid, well known companies.
- ❑ Index funds aims to minimize unsystematic risk (risk pertaining to companies, sectors etc) of an investor's portfolio to a certain extent.
- ❑ Performance of the portfolio is generally in tune with the performance of the target index:
 - Any variation in performance (known as tracking error) is generally due to the % of cash allocation & expenses of the fund.
- ❑ Lower management fees & lower portfolio turnover makes it cost efficient.

BSE SENSEX – One of the Best Representatives of India Growth Story

- ❑ BSE SENSEX is a true representative of Indian Economy, since the constituents are blue chip companies which are the most liquid, biggest & widely owned companies.
- ❑ As the oldest index (since 1986), BSE Sensex is a 30 stock index representing large, well-established & financially sound companies across 11 key sectors.
- ❑ BSE SENSEX Index is widely accepted among the Indian & Global Investors.
- ❑ It is professionally maintained & provides the time series data over a fairly long period of time, thus, capturing all heightened activities of bull & bear runs, in the most judicial manner.

Source: www.bseindia.com, 11 Jan,2012

Portfolio & Scheme Features As on 31st December, 2011

Asset Allocation as on 31st December, 2011

| | |
|--|--------------|
| Equities | 99.69 |
| Cash & Other Receivables | 0.31 |
| Benchmark | BSE Sensex |
| Fund Manager | Krishan Daga |
| Quarterly AAUM as on 31 st Dec,2011 | Rs 3 Cr |

Portfolio of Reliance Index Fund - Sensex Plan

as on 31/12/2011

| Holdings | Weightage % |
|---|--------------------|
| Equities- | |
| Infosys Ltd | 10.60 |
| Reliance Industries Ltd | 9.80 |
| ITC Ltd | 8.56 |
| Housing Development Finance Corporation Ltd | 7.11 |
| HDFC Bank Ltd | 6.26 |
| ICICI Bank Ltd | 6.19 |
| Tata Consultancy Services Ltd | 5.36 |
| Larsen & Toubro Ltd | 4.29 |
| State Bank of India | 3.63 |
| Bharti Airtel Ltd | 3.59 |
| Oil & Natural Gas Corporation Ltd | 3.45 |
| Hindustan Unilever Ltd | 3.45 |
| Tata Motors Ltd | 2.64 |
| Mahindra & Mahindra Ltd | 2.63 |
| NTPC Ltd | 2.08 |
| Wipro Ltd | 1.92 |
| Bajaj Auto Ltd | 1.80 |
| Tata Steel Ltd | 1.77 |
| Sun Pharmaceutical Industries Ltd | 1.61 |
| Bharat Heavy Electricals Ltd | 1.59 |
| Hero MotoCorp Ltd | 1.51 |
| Jindal Steel & Power Ltd | 1.50 |
| Coal India Ltd | 1.49 |
| Cipla Ltd | 1.31 |
| Hindalco Industries Ltd | 1.22 |
| Tata Power Co Ltd | 1.14 |
| Sterlite Industries Ltd | 1.06 |
| Maruti Suzuki India Ltd | 1.04 |
| Equity Less Than 1% of Corpus | 1.09 |
| Sub Total of Equities | 99.69 |
| Cash and Other Receivables | 0.31 |
| Grand Total | 100.00 |

Scheme Features of Reliance Index Fund – Sensex Plan

| | |
|--------------------------------|---|
| Investment Objective | The primary investment objective of the scheme is to replicate the composition of the SENSEX, with a view to generate returns that are commensurate with the performance of the SENSEX, subject to tracking errors. |
| Nature of the Scheme | An Open Ended Index Linked Scheme |
| Asset Allocation | Equities & equity related securities covered by SENSEX - 95% to 100% Cash/CBLO/Repo & Reverse Repo & Money Market instruments (CPs, CDs, T-bills, Mibor linked instruments with daily Put/Call options & overnight Interest rate Reset Linked Instruments) but excluding Subscription and Redemption Cash Flow # - 0% to 5% <i>#Subscription Cash Flow is the subscription money in transit before deployment and Redemption Cash Flow is the money kept aside for meeting redemptions.</i> |
| Choice of Plans/Options | (a) Growth Plan (1) Growth Option (2) Bonus Option (b) Dividend Plan (Payout Option & Reinvestment Option) (1) Quarterly Dividend Option (2) Half Yearly Dividend Option (3) Annual Dividend Option |
| Minimum Investment | Rs. 5000 & in multiples of Re 1 thereafter |
| Load Structure | Entry Load* : Not Applicable |
| | Exit Load : |
| | 1% of the applicable NAV if redeemed or switched out on or before completion of 1 year from the date of allotment of units. There shall be no exit load after completion of 1 year from the date of allotment of units <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> |

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Reliance Index Fund – Sensex Plan (An Open Ended Index Linked Scheme): The primary investment objective of the scheme is to replicate the composition of the Sensex, with a view to generate returns that are commensurate with the performance of the Sensex, subject to tracking errors.

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.

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 Index Fund – Sensex Plan 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 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, please refer to the Scheme Information Document & Key Information Memorandum, which is available at all the DISC, Distributors and www.reliancecapital.com. **Please read the Scheme Information Document and Statement of Additional Information carefully before investing.**