Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

The Board of Trustees on April 23, 2010.

This Scheme Information Document is dated June 26, 2014 and was approved by

Every person who desires to apply for or otherwise acquire any units of the Mutual Fund may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

As required, a copy of this Scheme Information Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter NSE/LIST/155185-J dated January 03, 2011 permission to the Mutual Fund to use the Exchange’s name in this Scheme Information Document as one of the stock exchanges on which the Mutual Fund’s units are proposed to be listed subject to, the Mutual Fund fulfilling the various criteria for listing. The Exchange has scrutinized this Scheme Information Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Mutual Fund. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Scheme Information Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Scheme Information Document; nor does it warrant that the Mutual Fund’s units will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Mutual Fund, its sponsors, its management or any scheme of the Mutual Fund.

The investors are advised to refer to the Statement of Additional Information (SAI) for details of Reliance Mutual Fund, Tax and Legal issues and general information on www.reliancemutual.com.

SAI is incorporated by reference (is legally a part of the Scheme Information Document). For a free copy of the current SAI, please contact your nearest Investor Service Centre or log on to our website.

The Scheme Information Document should be read in conjunction with the SAI and not in isolation.

Disclaimer:

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Continuous offer of the Units of the face value of Rs. 10 each for cash at NAV based prices (subject to applicable load)

<table>
<thead>
<tr>
<th>Product Label</th>
<th>This product is suitable for investors who are seeking*:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• regular returns &amp; growth of capital over the term of the fund, with the flexibility to enter / exit at fixed intervals</td>
</tr>
<tr>
<td></td>
<td>• investment in fixed income securities, money market and G-sec instruments</td>
</tr>
<tr>
<td></td>
<td>• low risk.</td>
</tr>
</tbody>
</table>

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Note: Risk may be represented as:

- **(BLUE)** investors understand that their principal will be at low risk
- **(YELLOW)** investors understand that their principal will be at medium risk
- **(BROWN)** investors understand that their principal will be at high risk

NAME OF MUTUAL FUND
Reliance Mutual Fund (RMF)

NAME OF ASSET MANAGEMENT COMPANY
Reliance Capital Asset Management Limited (RCAM)
CIN : U65910MH1995PLC220793

NAME OF TRUSTEE COMPANY
Reliance Capital Trustee Co. Limited (RCTC)
CIN : U65910MH1995PLC220528

Corporate office (RMF, RCAM, RCTC)
12th floor, One Indiabulls Centre, Tower 1
Jupiter Mills Compound, 841, Senapati Bapat Marg,
Elphinstone Road, Mumbai - 400 013
Tel No. - 022-30994600, Fax No. - 022-30994699
Website : www.reliancemutual.com

Registered Office (RCAM, RCTC) :
H Block, 1st Floor, Dhirubhai Ambani Knowledge City,
Koparkhairne, Navi Mumbai - 400 710.

NAME OF SPONSOR COMPANY
Reliance Capital Limited
Registered Office:
H Block, 1st Floor, Dhirubhai Ambani Knowledge City,
Koparkhairne, Navi Mumbai - 400 710.
Tel. 022 - 30327000, Fax. 022 - 30327202
Website : www.reliancecapital.co.in
<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Particulars</th>
<th>Page Nos.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Highlights / Summary of the Scheme</td>
<td>1</td>
</tr>
<tr>
<td>2.</td>
<td>SECTION I - INTRODUCTION</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>A. Risk factors</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>B. Requirement of Minimum Investors in the Scheme</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>C. Special Considerations, if any.</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>D. Definitions and Abbreviations</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>E. Due Diligence by the Asset Management Company</td>
<td>9</td>
</tr>
<tr>
<td>3.</td>
<td>SECTION II - INFORMATION ABOUT THE SCHEME</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>A. Type of the Scheme</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>B. What is the investment objective of the Scheme?</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>C. How will the Scheme allocate its assets?</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>D. Where will the Scheme Invest?</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>E. What are the investment strategies?</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>F. Fundamental attributes</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>G. How will the Scheme benchmark its performance?</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>H. Who manages the Scheme?</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>I. What are the investment restrictions?</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>J. How has the Scheme performed?</td>
<td>18</td>
</tr>
<tr>
<td>4.</td>
<td>SECTION III - UNITS AND OFFER</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>A. New Fund Offer (NFO)</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>B. Ongoing Offer Details</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>C. Periodic disclosures</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>D. Computation of NAV</td>
<td>31</td>
</tr>
<tr>
<td>5.</td>
<td>SECTION IV - FEES AND EXPENSES</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>A. New Fund Offer (NFO) Expenses</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>B. Annual Scheme Recurring Expenses</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>C. Load structure</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>D. Waiver of load for Direct Applications</td>
<td>34</td>
</tr>
<tr>
<td></td>
<td>E. TRANSACTION CHARGES</td>
<td>34</td>
</tr>
<tr>
<td>6.</td>
<td>SECTION V - RIGHTS OF UNITHOLDERS</td>
<td>35</td>
</tr>
<tr>
<td>7.</td>
<td>SECTION VI - PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY</td>
<td>35</td>
</tr>
</tbody>
</table>
1. **Investment Objective**

The primary investment objective of the scheme is to seek to generate returns and growth of capital by investing in a diversified portfolio of the following securities which are maturing on or before the next specified transaction date of the scheme with the objective of limiting interest rate volatility:

- Central and State Government securities and
- Other fixed income/ debt securities

2. **Liquidity**

The units can be purchased from the AMC only during the Specified Transaction Period of the scheme. The applications for Sale/Switch in and Redemption/Switch out requests will be accepted during normal business hours on the first day of the Specified Transaction Period and up to 3.00 p.m. on the second day of the Specified Transaction Period.

No redemption/repurchase of units shall be allowed in the scheme except during the Specified Transaction Period. However, since the units are held in dematerialized form, so the investors can buy/sell units on a continuous basis on the stock exchanges(s) on which the units are listed and can be purchased/sold units during the trading hours like any other publicly traded stock, except during the temporary suspension period, if any.

As per SEBI Regulations, the Mutual Fund shall dispatch Redemption proceeds within 10 Working Days of receiving a valid Redemption request. In case the Redemption proceeds are not made within 10 Working Days of the date of receipt of a valid Redemption request, interest will be paid @ 15% per annum from the 11th day onwards or such other rate as may be prescribed by SEBI from time to time.

The AMC shall have the flexibility to change/alter the “Specified Transaction Period” depending upon the prevailing market conditions and in the interest of the unit holders.

3. **Benchmark**

Crisil Short Term Bond Fund Index

4. **Transparency/ NAV Disclosure**

1. In terms of Regulation 48(2) of the SEBI Mutual Funds Regulation 1996, and SEBI/IMD/CIR No. 12/147132/08 dated December 11, 2008 NAV shall be calculated and published at least in 2 daily newspapers on a daily basis. The Mutual Fund shall declare the Net asset value of the scheme on every business day on AMFI’s website www.amfiindia.com by 9.00 p.m. on the day of declaration of the NAV and also on www.reliancemutual.com.

2. Since the Scheme is listed on a recognized Stock Exchange, the listed price would be applicable on the respective Stock Exchange.

3. Publication of Abridged Half-yearly Financial Extracts in the Publications or as may be prescribed under the Regulations from time to time.

4. Communication of Portfolio on a half-yearly basis to the Unit Holders directly or through the Publications or as may be prescribed under the Regulations from time to time.

5. Dispatch of the Annual Reports of the scheme within the stipulated period as required under the Regulations.

6. The fund shall disclose the scheme’s portfolio in the prescribed format as on the last day of the month for all the schemes of RMF on or before the tenth day of the succeeding month or within such timelines as prescribed by SEBI from time to time on the RMF Website i.e. www.reliancemutual.com.

5. **Specified Transaction Period**

The Specified Date(s)/Period on/during which subscription/Redemption/Switch-out/Switchin may be made in the scheme provided such a day is a ‘Working Day’. In case such a day is a non-working day, then the immediate next working day shall be considered as the “Specified Transaction Period”.

The Specified Transaction Period for the scheme shall be for minimum two working days. The same is given below:

<table>
<thead>
<tr>
<th>Scheme Name</th>
<th>Frequency</th>
<th>Specified Transaction Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliance Interval Fund I – Half yearly Interval Fund – Series 2</td>
<td>Half- yearly</td>
<td>Specified Transaction Period (STP) will be the 181st day and 182nd day, from the date of allotment of units after closure of NFO. Subsequently, STP shall be the 181st day and 182nd day from the close of the immediately preceding STP of the scheme</td>
</tr>
</tbody>
</table>

In case one or both of the specified transaction days is a non- business day(s), then the immediate next business day(s) shall be considered for the “Specified Transaction Period”.

The AMC shall have the flexibility to change/alter the “Specified Transaction Period” depending the prevailing market conditions to protect the interest of the investors.

6. **Loads**

   (i) **Entry Load – Not Applicable**

In accordance with the requirements specified by the SEBI circular 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 RMF with effect from August 01, 2009.
The upfront commission on investment made by the investor, if any, will be paid to the ARN Holder (AMFI registered Distributor) directly by the investor, based on the investor's assessment of various factors including service rendered by the ARN Holder.

(ii) Exit Load –

(a) **During Specified Transaction Period**: Nil

(b) **Other than Specified Transaction Period**: Not Applicable

The Units under the scheme cannot be directly redeemed with the Fund as the units will be listed on the Stock Exchange(s). These units can be sold on a continuous basis on the Stock Exchange(s) where the units are listed during the trading hours on all trading days. The AMC reserves the right to change/alter the “Specified Transaction Period” and/or “Load Structure” depending upon the prevailing market conditions and in the interest of the unit holders.

The trustee/AMC reserves the right to change/modify the load on a future date on prospective basis.

Exit load if charged, by RMF to the unitholders shall be credited to the scheme immediately net of service tax, if any.

Pursuant to SEBI circular No.SEBI/IMD/CIR No. 14/120784/08 dated March 18, 2008, with effect from April 1, 2008, no entry load or exit load shall be charged in respect of bonus units and of units allotted on reinvestment of dividend.

7. **TRANSACTION CHARGES**:

In accordance with SEBI Circular No. IMD/ DF/13/ 2011 dated August 22, 2011, with effect from November 1, 2011, Reliance Capital Asset Management Limited (RCAM)/ RMF shall deduct a Transaction Charge on per purchase / subscription of Rs. 10,000/- and above, as may be received from new investors (an investor who invests for the first time in any mutual fund schemes) and existing investors. The distributors shall have an option to either “Opt-in / Opt-out” from levying transaction charge based on the type of product. Therefore, the “Opt-in / Opt-out” status shall be at distributor level, basis the product selected by the distributor at the Mutual Fund industry level. Such charges shall be deducted if the investments are being made through the distributor/agent and that distributor / agent has opted to receive the transaction charges as mentioned below:

- **For the new investor a transaction charge of Rs 150/- shall be levied for per purchase / subscription of Rs 10,000 and above;**
- **For the existing investor a transaction charge of Rs 100/- shall be levied for per purchase / subscription of Rs 10,000 and above.**

The transaction charge shall be deducted from the subscription amount and paid to the distributor/agent, as the case may be and the balance shall be invested. The statement of account shall clearly state that the net investment as gross subscription less transaction charge and give the number of units allotted against the net investment.

Transaction charges shall not be deducted if:

(a) The amount per purchases /subscriptions is less than Rs. 10,000/-;

(b) The transaction pertains to other than purchases/ subscriptions relating to new inflows such as Switch/STP/ DTP, etc.

(c) Purchases/Subscriptions made directly with the Fund through any mode (i.e. not through any distributor/agent).

(d) Subscription made through Exchange Platform irrespective of investment amount.

8. **Plans & Options**

i. **Growth Plan**
   a. Growth Option

ii. **Dividend Plan**
   a. Dividend Payout Option
   b. Dividend Reinvestment Option

iii. **Direct Plan – Growth Plan**
   a. Growth Option

iv. **Direct Plan – Dividend Plan**
   a. Dividend Payout Option
   b. Dividend Reinvestment Option

However distribution of dividends will be subject to the availability of distributable surplus.

Direct Plan is only for investors who purchase /subscribe Units in a Scheme directly with the Fund (i.e. investments not routed through an AMFI Registration Number (ARN) Holder).

For default Plans/Option, please refer the para titled “Plans / Options offered” covered under Section III- “UNITS AND OFFER”.

The AMC, in consultation with the Trustees reserves the right to discontinue/ add more plans/ options at a later date subject to complying with the prevailing SEBI guidelines and Regulations.

9. **Minimum Application Amount**

**During Specified Transaction Period:**

i. For First Purchase (All Options/Plans)
   Rs. 5,000/- and in multiples of Re.1/- thereafter
ii. Additional Subscription / Investment Amount (All Options/s)

Rs. 1,000/- and in multiples of Re.1/- thereafter

Other than Specified Transaction Period:
No redemption/repurchase of units shall be allowed in the scheme except during the Specified Transaction Period. However, since if the units are held in dematerialized form, so the investors can buy/sell units on a continuous basis on the stock exchanges(s) on which the units are listed and can be purchased/sold units during the trading hours like any other publicly traded stock, except during the temporary suspension period, if any.

RCAM may revise the minimum / maximum amounts and the methodology for new/additional subscriptions, as and when necessary. Such change may be brought about after taking into account the cost structure for a transaction/account and /or Market practices and/or the interest of existing unitholders.

Further, such changes shall only be applicable to transactions from the date of such a change, on a prospective basis.

10. Physical / Dematerialization

The Unit holders are given an Option to hold the units by way of an Account Statement or in Dematerialized ('Demat') form. Unit holders opting to hold the units in demat form must provide their Demat Account details in the specified section of the application form. The Unit holder intending to hold the units in Demat form are required to have a beneficiary account with the DP (registered with NSDL / CDSL as may be indicated by the Fund at the time of launch of the scheme) and will be required to indicate in the application the DP’s name, DP ID Number and the beneficiary account number of the applicant with the DP.

In case Unit holders do not provide their Demat Account details, an Account Statement shall be sent to them. Such investors will not be able to trade on the stock exchange till the holdings are converted in to demat form.

Unit holders may please note that request for conversion of units held in non-demat form into electronic / demat form can be submitted to their Depository Participants. These units once converted into demat/electronic mode will then be eligible for trading on the NSE or other recognized stock exchanges in India as decided by the AMC from time to time.

11. Transfer of Units

Units held in Demat form are transferable in accordance with the provisions of SEBI (Depositories and Participants) Regulations, as may be amended from time to time. Transfer can be made only in favor of transferees who are capable of holding units and having a Demat Account.

The delivery instructions for transfer of units will have to be lodged with the DP in requisite form as may be required from time to time and transfer will be effected in accordance with such rules / regulations as may be in force governing transfer of securities in dematerialized mode.
I – INTRODUCTION

A. RISK FACTORS

1. STANDARD RISK FACTORS

   i. Mutual Funds and securities investments are subject to investment risks such as trading volumes, settlement risk, liquidity risk, and default risk including the possible loss of principal and there is no assurance or guarantee that the objectives of the Scheme will be achieved.

   ii. As the price / value / interest rate of the securities in which the scheme invests fluctuates, the NAV of the units issued under the Scheme can go up or down depending on the factors and forces affecting the capital markets.

   iii. Past performance of the Sponsor/AMC/Mutual Fund is not indicative of the future performance of the Scheme.

   iv. Reliance Interval Fund I – Half yearly Interval Fund – Series 2 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.

   v. 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.

   vi. The present scheme is not a guaranteed or assured return 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 of the scheme.

2. SCHEME SPECIFIC RISK FACTORS

   i. Risks associated with investing in Bonds

      Investment in Debt is subject to price, credit, and interest rate risk. 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.

      Investing in Bonds and Fixed Income securities are subject to the risk of an Issuer’s inability to meet principal and interest payments obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk).

      The timing of transactions in debt obligations, which will often depend on the timing of the Purchases and Redemptions in the Scheme, may result in capital appreciation or depreciation because the value of debt obligations generally varies inversely with the prevailing interest rates.

      a. Interest Rate Risk

         As with all debt securities, changes in interest rates will affect the Scheme’s Net Asset Value as the prices of securities generally increase as interest rates decline and generally decrease as interest rates rise. Prices of longer-term securities generally fluctuate more in response to interest rate changes than do shorter-term securities. Interest rate movements in the Indian debt markets can be volatile leading to the possibility of large price movements up or down in debt and money market securities and thereby to possibly large movements in the NAV.

      b. Liquidity or Marketability Risk

         This refers to the ease at which a security can be sold at or near its true value. The primary measure of liquidity risk is the spread between the bid price and the offer price quoted by a dealer. Liquidity risk is characteristic of the Indian fixed income market.

      c. Credit Risk

         Credit risk or default risk refers to the risk which may arise due to default on the part of the issuer of the fixed income security (i.e. will be unable to make timely principal and interest payments on the security). Because of this risk debentures are sold at a yield spread above those offered on Treasury securities, which are sovereign obligations and generally considered to be free of credit risk. Normally, the value of a fixed income security will fluctuate depending upon the actual changes in the perceived level of credit risk as well as the actual event of default.

      d. Reinvestment Risk

         This risk refers to the interest rate levels at which cash flows received from the securities in the Scheme or from maturities in the Scheme are reinvested. The additional income from reinvestment is the “interest on interest” component. The risk refers to the fall in the rate for reinvestment of interim cash flows.

      e. Risks associated with various types of securities

        | CREDIT RISK                  | LIQUIDITY RISK     | PRICE RISK                          |
        |------------------------------|--------------------|-------------------------------------|
        | Listed                       | Depends on credit quality | Relatively Low                       | Depends on duration of instrument |
        | Unlisted                     | Depends on credit quality | Relatively High                      | Depends on duration of instrument |
        | Secured                      | Relatively low      | Relatively High                      | Depends on duration of instrument |
        | Unsecured                    | Relatively high     | Relatively High                      | Depends on duration of instrument |
        | Rated                        | Relatively low and depends on the rating | Relatively Low                       | Depends on duration of instrument |
        | Unrated                      | Relatively high     | Relatively High                      | Depends on duration of instrument |

Different types of securities in which the scheme would invest as given in the Scheme Information Document carry different levels and types of risk. Accordingly, the scheme’s risk may increase or decrease depending upon its investment pattern e.g. corporate bonds, carry a higher level of risk than Government securities. Further even among corporate bonds, bonds which are AAA rated are comparatively less risky than bonds which are AA rated.
ii. Risk associated with investing in Derivatives
   a. Valuation Risk
      The risk in valuing the debt derivative products due to inadequate trading data with good volumes. Derivatives with longer duration would have higher risk vis-à-vis the shorter duration derivatives.
   b. Mark to Market Risk
      The day-to-day potential for an investor to experience losses from fluctuations in underlying stock prices and derivatives prices.
   c. Systematic Risk
      The risks inherent in the capital market due to macro economic factors like inflation, GDP and global events.
   d. Liquidity Risk
      The risks stemming from the lack of availability of derivatives products across different maturities and with various risk appetite.
   e. Implied Volatility
      The estimated volatility in an underlying security's price and derivative price.
   f. Interest Rate Risk
      The risk stemming from the movement of Interest rates in adverse direction. As with all the debt securities, changes in the interest rates will affect the valuation of the portfolios.
   g. Counterparty Risk (Default Risk)
      Default risk is the risk that losses will be incurred due to the default by the counterparty for over the counter derivatives.
   h. System Risk
      The risk arising due to failure of operational processes followed by the exchanges and OTC participants for the derivatives trading.

iii. Risk attached with the use of derivatives
   a. As and when the Scheme trades in the derivatives market there are risk factors and issues concerning the use of derivatives that investors should understand. Derivative products are specialized instruments that require investment techniques and risk analysis different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but of the derivative itself. Derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the portfolio and the ability to forecast price or interest rate movements correctly. There is a possibility that a loss may be sustained by the portfolio as a result of the failure of another party (usually referred to as the “counterparty”) to comply with the terms of the derivatives contract. Other risks in using derivatives include the risk of mispricing or improper valuation of derivatives and the inability of derivatives to correlate perfectly with underlying assets, rates and indices.
   b. Derivative products are leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investor. Execution of such strategies depends upon the ability of the fund manager to identify such opportunities. Identification and execution of the strategies to be pursued by the fund manager involve uncertainty and decision of fund manager may not always be profitable. No assurance can be given that the fund manager will be able to identify or execute such strategies.
   c. The risks associated with the use of derivatives are different from or possibly greater than, the risks associated with investing directly in securities and other traditional investments.

iv. Risks associated with Listing of Units
    Listing of the units of the fund does not necessarily guarantee their liquidity and there can be no assurance that an active secondary market for the units will develop or be maintained. Consequently, the Fund may quote below its face value / NAV. There have been times in the past, when settlements have been unable to keep pace with the volume of securities transactions, making it difficult to conduct further transactions. Delays or other problems in settlement of transactions could result in temporary periods when the assets of the Scheme are not invested and no return is earned thereon.
    The liquidity and valuation of the Scheme's investments due to its holdings of unlisted securities may be affected if they have to be sold prior to their target date of disinvestment.

v. Risk factors associated with repo transactions in corporate bonds
   a. The market for the aforesaid product is over the counter (OTC) and illiquid. Hence, repo obligations cannot be easily sold to other parties. If a counterparty fails, the scheme would have to take recourse to the collateral provided. If a counterparty fails to repay and the value of the collateral falls beyond the haircut, then the Scheme would be exposed to a loss of interest or principal.
   b. Further, the exposure to debt securities provided as collateral, and the issuer of the debt securities makes a default, the scheme may lose the whole, or substantial portion of the amount. This risk is somewhat mitigated by the fact that only bonds which have credit rating of AA and above can be accepted as collateral for repo transactions.

vi. Other Scheme Specific Risk factors
   a. The liquidity of the Scheme’s investments may be inherently restricted by trading volumes, settlement periods and transfer procedures. In the event of an inordinately large number of redemption requests, or of a re-structuring of the Scheme’s investment portfolio, these periods may become significant.
   b. Although, the objective of the Fund is to generate optimal returns, the objective may or may not be achieved. The investors may note that if the AMC/Investment Manager is not able to make right decision regarding the timing of investments in market, it may result in negative returns.
   c. The NAV of the scheme to the extent invested in Debt and Money market securities are likely to be affected by changes in the
The AMC may, considering the overall level of risk of the portfolio, invest in lower rated/unrated securities offering higher yields. This may increase the risk of the portfolio.

e. Securities which are not quoted on the stock exchanges are inherently illiquid in nature and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges or offer other exit options to the investor, including a put option. The AMC may choose to invest in unlisted securities that offer attractive yields. This may increase the risk of the portfolio.

f. While securities that are listed on the stock exchange carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges. Money market securities, while fairly liquid, lack a well-developed secondary market, which may restrict the selling ability of the Scheme and may lead to the Scheme incurring losses till the security is finally sold.

g. Investment decisions made by the AMC may not always be profitable, even though it is intended to generate capital appreciation and maximize the returns by actively investing.

h. The tax benefits available under the scheme are as available under the present taxation laws and are available only to certain specified categories of investors and that is subject to fulfillment of the relevant conditions. The information given is included for general purposes only and is based on advise that the AMC has received regarding the law and the practice that is currently in force in India and the investors and the Unitholders should be aware that the relevant fiscal rules and their interpretation may change. As is the case with any investment, there can be no guarantee that the tax position or the proposed tax position prevailing at the time of investment in the Scheme will endure indefinitely. In view of the individual nature of tax consequences, each Investor/Unitholder is advised to consult his/her own professional tax advisor.

B. REQUIREMENT OF MINIMUM INVESTORS IN THE SCHEME

The Scheme shall have a minimum of 20 investors and no single investor shall account for more than 25% of the corpus of the Scheme. These conditions will be complied with immediately after the close of the NFO itself i.e. at the time of allotment. In case of non-fulfilment with the condition of minimum 20 investors, the Scheme shall be wound up in accordance with Regulation 39 (2) (c) of SEBI (MF) Regulations automatically without any reference from SEBI. In case of non-fulfilment with the condition of 25% holding by a single investor on the date of allotment, the application to the extent of exposure in excess of the stipulated 25% limit would be liable to be rejected and the allotment would be effective only to the extent of 25% of the corpus collected. Consequently, such exposure over 25% limits will lead to refund within 5 business days of closure of the New Fund Offer.

The aforesaid provision will be applicable for the allotments made during the Specified Transaction Periods.

C. SPECIAL CONSIDERATIONS, IF ANY

1. Income Distribution

The Mutual Fund is not assuring or guaranteeing that it will be able to make regular periodical income distributions to its Unitholders, though it has every intention to manage the portfolio so as to make periodical income distributions. Income distributions will be dependent on the availability of distributable and the returns achieved by the Asset Management Company through active management of the portfolio. Periodical income distributions may therefore vary from period to period, based on investment results of the portfolio.

2. Right to limit Purchase of units and/or Right to limit Redemption of units

The Trustee may, in the general interest of the Unit holders of the Scheme under this Scheme Information Document and keeping in view the unforeseen circumstances / unusual market conditions, limit the total number of Units which may be redeemed on any Business Day to 5% of the total number of Units then issued and outstanding under any Scheme or such other percentage as the Trustee may determine.

The Trustee may, at its sole discretion in response to unforeseen circumstances or unusual market conditions including, but not limited to, extreme volatility of the stock, fixed income and money markets, extended suspension of trading on the stock exchanges, natural calamities, communication breakdowns, internal system breakdowns, strikes, bandhs, riots or other situations where the Trustee in consultation with RCAM, considers that such suspension is necessary, limit the total number of Units which may be redeemed on any Business Day to 5% of the total number of Units then in issue or such higher percentage as the Trustee may determine in any particular case.

Any Units, which by virtue of these limitations are not redeemed on a particular Business Day, will be carried forward for redemption to the next Business Day, in the order of receipt. Redemptions so carried forward will be priced on the basis of the Redemption Price of the Business Day on which redemption is made. Under such circumstances, to the extent multiple redemption requests are received at the same time on a single Business Day, redemption’s will be made on pro-rata basis, based on the size of each redemption request, the balance amount being carried forward for redemption to the next Business Day(s).

3. Suspension of Purchase of units and / or Redemption of units

The purchase and / or redemption of Units may be suspended, temporarily or indefinitely, by RCAM, in consultation with the Trustees, when any of the following conditions exist at one/more Designated Investor Service Centres:

   a. The stock market stops functioning or trading is restricted
   b. Periods of extreme volatility in the stock market, fixed income or money market, which, in the opinion of the Investment Manager, are prejudicial or detrimental to the interest of the investors
   c. Natural calamity
   d. For any bulk processing like dividend, mergers, etc.
### D. DEFINITIONS AND ABBREVIATIONS

In this Scheme Information Document, the following words and expressions shall have the meaning specified below, unless the context otherwise requires:

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allotment of Units</td>
<td>For Subscriptions received at the DISC’s within the cut-off timings and considered accepted for that day, the units will be allotted on the T day. Where the T day is the transaction day, provided the application is received within the cut-off timings for the transaction day.</td>
</tr>
<tr>
<td>Applicable Net Asset Value (NAV)</td>
<td>Applicable NAV is the Net Asset Value per Unit at the close of the Business Day on which the application for purchase or redemption/switch is received at the designated investor service centre and is considered accepted on that day. An application is considered accepted on that day, subject to it being complete in all respects and received prior to the cut-off time on that Business Day.</td>
</tr>
<tr>
<td>Asset Management Company (AMC/RCAM)/ Investment Manager</td>
<td>Reliance Capital Asset Management Limited, the Asset Management Company incorporated under the Companies Act, 1956, and authorized by SEBI to act as the Investment Manager to the Schemes of Reliance Mutual Fund.</td>
</tr>
<tr>
<td>CBLO</td>
<td>Collaterised Borrowing and Lending Obligation (CBLO) is a money market instrument, approved by RBI, (developed by CCIL) for the benefit of the entities who have either been phased out from inter bank call money market or have been given restricted participation in terms of ceiling on call borrowing and lending transactions and who do not have access to the call money market. CBLO is a discounted instrument issued in electronic book entry form for the maturity period ranging from one day to one year</td>
</tr>
<tr>
<td>Collecting Bank</td>
<td>Branches of Banks for the time being authorized to receive application(s) for units, as mentioned in this document.</td>
</tr>
<tr>
<td>Continuous Offer</td>
<td>Offer of the Units when the scheme becomes open-ended after the closure of the New Fund Offer.</td>
</tr>
<tr>
<td>Custodian</td>
<td>Deutsche Bank, NV Mumbai, acting as Custodian to the Scheme, or any other custodian who is appointed by the Trustee.</td>
</tr>
<tr>
<td>Depository</td>
<td>Depository as defined in the Depositories Act, 1996 (22 of 1996)</td>
</tr>
<tr>
<td>Designated Investor Service Centres (DISC) / Official point of acceptance for transaction)</td>
<td>Any location as may be defined by the Asset Management Company from time to time, where investors can tender the request for subscription, redemption or switching of units, etc.</td>
</tr>
<tr>
<td>Dividend</td>
<td>Income distributed by the Scheme on the Units</td>
</tr>
<tr>
<td>Entry Load</td>
<td>Load on subscriptions / switch in.</td>
</tr>
<tr>
<td>Exit Load</td>
<td>Load on redemptions / switch out.</td>
</tr>
<tr>
<td>Foreign Institutional Investors (FII)</td>
<td>Foreign Institutional Investors, registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.</td>
</tr>
<tr>
<td>ISIN</td>
<td>International Security identification Number. It is a unique security code that differentiates each and every script from all other script.</td>
</tr>
<tr>
<td>Interval Fund</td>
<td>A fund that is open for sale or redemption intermittently, during specified /pre-determined intervals.</td>
</tr>
<tr>
<td>Investment Management Agreement (IMA)</td>
<td>The Agreement entered into between Reliance Capital Trustee Co. Limited and Reliance Capital Asset Management Limited by which RCAM has been appointed the Investment Manager for managing the funds raised by RMF under the various Schemes and all amendments thereof.</td>
</tr>
<tr>
<td>KIM</td>
<td>Key Information Memorandum required in terms of regulation 29 (4)</td>
</tr>
<tr>
<td>Load</td>
<td>A charge that may be levied as a percentage of NAV at the time of entry into the scheme/plans or at the time of exiting from the scheme/ plans.</td>
</tr>
<tr>
<td>Local Cheque</td>
<td>A Cheque handled locally and drawn on any bank, which is a member of the banker’s clearing house located at the place where the application form is submitted.</td>
</tr>
<tr>
<td>Mutual Fund Regulations (Regulations)</td>
<td>Securities and Exchange Board of India (Mutual Funds) Regulations as amended from time to time and such other Regulations as may be in force from time to time to regulate the activities of Mutual Funds.</td>
</tr>
<tr>
<td><strong>Net Asset Value (NAV)</strong></td>
<td>Net Asset Value of the Units of the Scheme is calculated in the manner provided in this Scheme Information Document or as may be prescribed by Regulations from time to time. The NAV will be computed up to four decimal places.</td>
</tr>
<tr>
<td>--------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Non-Resident Indian (NRI)</strong></td>
<td>Non-Resident Indian.</td>
</tr>
<tr>
<td><strong>Person of Indian Origin (PIO)</strong></td>
<td>Person of Indian Origin</td>
</tr>
<tr>
<td><strong>POS</strong></td>
<td>Point of Service</td>
</tr>
<tr>
<td><strong>POA</strong></td>
<td>Power of Attorney</td>
</tr>
<tr>
<td><strong>Plans/Options</strong></td>
<td>Reliance Interval Fund I – Half yearly Interval Fund – Series 2</td>
</tr>
<tr>
<td></td>
<td>The scheme has the following Plans / Options.</td>
</tr>
<tr>
<td></td>
<td>i. Growth Plan</td>
</tr>
<tr>
<td></td>
<td>a. Growth Option</td>
</tr>
<tr>
<td></td>
<td>ii. Dividend Plan</td>
</tr>
<tr>
<td></td>
<td>a. Dividend Payout Option</td>
</tr>
<tr>
<td></td>
<td>b. Dividend Reinvestment Option</td>
</tr>
<tr>
<td></td>
<td>iii. Direct Plan – Growth Plan</td>
</tr>
<tr>
<td></td>
<td>a. Growth Option</td>
</tr>
<tr>
<td></td>
<td>iv. Direct Plan – Dividend Plan</td>
</tr>
<tr>
<td></td>
<td>a. Dividend Payout Option</td>
</tr>
<tr>
<td></td>
<td>b. Dividend Reinvestment Optionon</td>
</tr>
<tr>
<td><strong>Purchase Price</strong></td>
<td>Purchase Price to the investor of Units of any of the plans computed in the manner indicated in this Scheme Information Document.</td>
</tr>
<tr>
<td><strong>Redemption Price</strong></td>
<td>Redemption Price to the investor of Units of any of the plans computed in the manner indicated in this Scheme Information Document.</td>
</tr>
<tr>
<td><strong>Registrar / Karvy</strong></td>
<td>Karvy Computershare Pvt. Ltd., who have been appointed as the Registrar or any other Registrar who is appointed by RCAM.</td>
</tr>
<tr>
<td><strong>Reserve Bank of India (RBI)</strong></td>
<td>Reserve Bank of India, established under the Reserve Bank of India Act, 1934.</td>
</tr>
<tr>
<td><strong>Registrar / Karvy</strong></td>
<td>Karvy Computershare Private Ltd., who have been appointed as the Registrar; or any other Registrar who is appointed by RCAM.</td>
</tr>
<tr>
<td><strong>Reliance Capital Limited (RCL) / Sponsor / Settlor</strong></td>
<td>Reliance Capital Limited</td>
</tr>
<tr>
<td><strong>Reliance Capital Trustee Co. Limited (RCTC) / Trustee / Trustee Company</strong></td>
<td>Reliance Capital Trustee Co. Limited, a Company incorporated under the Companies Act, 1956, and authorized by SEBI and by the Trust Deed to act as the Trustee of RMF.</td>
</tr>
<tr>
<td><strong>Reliance Mutual Fund (RMF) / Mutual Fund / the Fund</strong></td>
<td>Reliance Mutual Fund (formerly known as Reliance Capital Mutual Fund), a Trust under Indian Trust Act, 1882 and registered with SEBI vide registration number MF/022/95/1 dated June 30, 1995.</td>
</tr>
<tr>
<td><strong>Reserve Bank of India (RBI)</strong></td>
<td>Reserve Bank of India, established under the Reserve Bank of India Act, 1934.</td>
</tr>
<tr>
<td><strong>Scheme</strong></td>
<td>Reliance Interval Fund I – Half yearly Interval Fund – Series 2 (A Debt Oriented Interval Scheme)</td>
</tr>
<tr>
<td><strong>Scheme Information Document (SID)</strong></td>
<td>Scheme Information Document issued by Reliance Mutual Fund, offering units of Reliance Interval Fund I – Half yearly Interval Fund – Series 2 for Subscription, that sets forth the information about the Scheme that a prospective investor ought to know before investing. (SID is to be read in conjunction with SAI)</td>
</tr>
<tr>
<td><strong>Specified Transaction Period</strong></td>
<td>The Specified Date(s) / Period on / during which subscription / Redemption / Switch-out / Switchin may be made in the scheme without Load, provided such a day is a 'Working Day'. In case such a day is a non-working day, then the immediate next working day shall be considered as the &quot;Specified Transaction Period&quot;. The Specified Transaction Period for the scheme shall be for minimum two working days.</td>
</tr>
<tr>
<td><strong>Statement of Additional Information (SAI)</strong></td>
<td>Statement of Additional Information.</td>
</tr>
<tr>
<td><strong>Switching Option</strong></td>
<td>Investors may opt to switch Units between the available plans under the Scheme at NAV based prices after completion of lock in period, if any. Switching will also be allowed into/from any other eligible open-ended Schemes of the Fund either currently in existence or a Scheme(s) that may be launched / managed in future, as per the features of the scheme. Such Switches can be made only during Specified Transaction Period.</td>
</tr>
</tbody>
</table>
The Securities and Exchange Board of India (SEBI) : Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time, including by way of circulars or notifications issued by SEBI and the Government of India.

Trust Deed : The Trust Deed entered into on April 24, 1995 between the Sponsor and the Trustee, and all amendments thereof.

Trust Fund : The corpus of the Trust, unit capital and all property belonging to and/or vested in the Trustee.

Unit : The interest of the investors in any of the plans, of the scheme which consists of each Unit representing one undivided share in the assets of the corresponding plan of the scheme.

Unitholder : A person who holds Unit(s) under the scheme.

Unitholders of Record : Unitholders whose names appear on the unitholders register of the concerned plan/(s) on the date of determination of Dividend/Bonus, subject to realisation of the cheque.

Words and Expressions used in this Scheme Information Document and not defined : Same meaning as in Regulations

Working Day/Business Day : Any day, provided such day is not a Saturday or Sunday or any day on which Banks in Mumbai are Closed for commercial transactions and The Stock Exchange , Mumbai and/or National Stock Exchange of India Limited are closed for transactions or a day on which banks are open but The Stock Exchange, Mumbai and/or The National Stock Exchange of India Limited are closed for transactions or a day on which sale of units is suspended by the AMC or a day on which normal business could not be transacted due to storms, floods, bandhs, strikes etc, subject to modifications by RCAM from time to time.

E. DUE DILIGENCE BY THE ASSET MANAGEMENT COMPANY

It is confirmed that:

1. The Draft Scheme Information Document of Reliance Interval Fund I – Half yearly Interval Fund – Series 2, forwarded to SEBI, is in accordance with the SEBI (Mutual Funds) Regulations, 1996 and the guidelines and directives issued by SEBI from time to time.

2. All legal requirements connected with the launching of the Scheme as also the guidelines, instructions etc., issued by the Government and any other competent authority in this behalf, have been duly complied with.

3. The disclosures made in the Scheme Information Document are true, fair and adequate to enable the investors to make a well informed decision regarding investment in the proposed Scheme.

4. All the intermediaries named in the Scheme Information Document and Statement of Additional Information are registered with SEBI and their registrations are valid, as on date, to the best of our knowledge and belief.

Mumbai
June 26, 2014

Muneesh Sud
Chief Legal & Compliance Officer

Note: The Due Diligence Certificate as stated above was submitted to the Securities and Exchange Board of India on June 26, 2014
II - INFORMATION ABOUT THE SCHEME

A. TYPE OF THE SCHEME

A Debt Oriented Interval Scheme

B. WHAT IS THE INVESTMENT OBJECTIVE OF THE SCHEME?

The primary investment objective of the scheme is to seek to generate returns and growth of capital by investing in a diversified portfolio of the following securities which are maturing on or before the next specified transaction date of the scheme with the objective of limiting interest rate volatility:

- Central and State Government securities and
- Other fixed income/ debt securities

C. HOW WILL THE SCHEME ALLOCATE ITS ASSETS?

<table>
<thead>
<tr>
<th>Instruments</th>
<th>Asset Allocation</th>
<th>Risk Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money Market Instruments</td>
<td>100%</td>
<td>Low</td>
</tr>
<tr>
<td>Government Securities &amp; Debt Instruments</td>
<td>40%</td>
<td>Medium To Low</td>
</tr>
</tbody>
</table>

The Scheme will not invest in Securitised Debt, Foreign/Overseas Securities, Securities Lending or engage in Short Selling. Further the scheme may invests in “Repos” (repos including repo in corporate bonds). Investments shall be permitted only in such securities which mature on or before the opening of the immediately following specified transaction period. The investment manager would have the flexibility to invest the debt component into floating rate debt securities in order to reduce the impact of rising interest rates in the economy. Derivatives may be used to create synthetic fixed rate bond/ floating rate bonds. Gross investments in securities under the Scheme which includes Debt securities, Money Market Instruments and derivatives will not exceed 100% of the net assets of the Scheme. Subject to the limits as contained in the SEBI Circular No. Cir/IMD/DF/11/2010 Dated August 18, 2010 or August 18, 2010 or such other guidelines as issued by SEBI for time to time. The scheme reserves the right to invest its entire allocation in debt and money market securities in any one of the fixed income security classes. The sum total of derivative contracts outstanding shall not exceed 50% of the net asset of the scheme.

The AMC reserves the right to change the above asset allocation pattern in the interest of the investors depending on the market conditions for a short term period of defensive consideration. In case any deviation from the asset allocation, the fund manager will carry out rebalancing within 15 days. Where the portfolio is not re-balanced within 15 Days, justification for the same shall be placed before the Investment Committee and reasons for the same shall be recorded in writing. The Investment Committee shall then decide on the course of action. However, at all times the portfolio will adhere to the overall investment objectives of the Scheme.

RCAM will ensure that total exposure of the scheme in a particular sector (excluding investments in Bank CDs, CBLO, G-Secs, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks and such other instruments if any, as may be specified by SEBI from time to time) shall not exceed 30% or such other percentage of the net assets of the scheme, as prescribed by SEBI from time to time, unless the scheme has specifically been exempted from the requirement by SEBI.

An additional exposure to financial services sector (over and above the limit of 30%) not exceeding 10% of the net assets of the scheme shall be allowed by way of increase in exposure to Housing Finance Companies (HFCs) rated AA and above and registered with National Housing Bank (NHB). However, such total investment/ exposure in HFCs shall not exceed 30% of the net assets of the scheme or such other percentage of the net assets of the scheme, as prescribed by SEBI from time to time.

An example of the sector limit is given: Scheme AUM: Rs 100 Crs. The maximum investment in any particular sector would be Rs. 30 Crs.

Note: The sector classification shall be basis the data provided by Association of Mutual Fund in India

Change in the investment pattern:

Subject to the SEBI Regulations, the asset allocation pattern indicated above may change from time to time, keeping in view market conditions, market opportunities, applicable regulations, and political and economic factors. It must be clearly understood that the percentages stated above are only indicative and not absolute. These proportions can vary substantially depending upon the perception of the Investment Manager; the intention being at all times to seek to protect the interests of the Unit holders. Such changes in the investment pattern will be for short term and for defensive considerations only.

The Fund shall provide exit option in accordance with the Regulations, if there is any change in the Fundamental Attributes, pursuant to the change in Investment Pattern.

D. WHERE WILL THE SCHEME INVEST?

1. Under the Scheme, the investment managers would have the flexibility to invest the debt component into floating rate debt securities in order to reduce the impact of rising interest rates in the economy.
2. Derivatives may be used to create synthetic fixed rate bond/ floating rate bonds. Gross investments in securities under the Scheme which includes Debt securities, Money Market Instruments and derivatives will not exceed 100% of the net assets of the Scheme.
3. Subject to the limits as contained in Schedule VII to the SEBI (Mutual Funds) Regulations, 1996, the scheme reserves the right to invest its entire allocation in debt and money market securities in any one of the fixed income security classes.
4. Investments in rated fixed income securities will be in securities rated by at least one recognized rating agency. Investments in unrated securities will be made with the approval of the Investment Committee of RCAM, within the parameters laid down by the Board of Directors of the AMC & the Trustees.
5. Money Market instruments includes commercial papers, commercial bills, treasury bills, Corporate Debt, Government Securities having residual maturity up to one year, call or notice money certificate of deposit, and any other like instruments as specified by the Reserve Bank of India from time to time.
6. Short-term debt considerations for this scheme include maintaining an adequate float to meet expenses, and other liquidity needs.
7. Short Term Deposit may also be made in the scheme as per the regulations laid down by SEBI.
8. The Fund may also enter into “Repo” (Repos including repo in corporate bonds), hedging or such other transactions as may be allowed to Mutual Funds from time to time.

In line with SEBI circular dated November 11, 2011 investments in corporate bond repo shall be made basis the policy approved by the Board of RCAM and RRTC. The significant features are as follows:

i. As specified in the SEBI Circular dated November 15, 2012, the base of eligible securities for mutual funds to participate in repo in corporate debt securities, is from AAA rated to AA and above rated corporate debt securities.

ii. Category of counterparty & Credit rating of counterparty RMF schemes shall enter in lending via Repo only with Investment Grade counterparties (as required by SEBI Regulations) which are part of the approved debt universe (i.e. on which we have limits).

iii. Restriction pertaining to tenor of Collateral For FMPs, the tenor of the collateral should expire before the maturity of the scheme. For other schemes, the collateral should comply with the maturity restrictions placed, if any, for those schemes in the Debt Investment Policy.

iv. The Gross exposure of the scheme to repo transactions in corporate debt securities shall not be more than 10% of the net asset value. All investment restrictions stated above shall be applicable at the time of making investment.

v. Applicable haircut RBI in its circular dated November 09, 2010 had indicated the haircut to be applied for such transactions as follows:

<table>
<thead>
<tr>
<th>S.No</th>
<th>Rating</th>
<th>Minimum Haircut</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>AAA</td>
<td>10%</td>
</tr>
<tr>
<td>2</td>
<td>AA+</td>
<td>12%</td>
</tr>
<tr>
<td>3</td>
<td>AA</td>
<td>15%</td>
</tr>
</tbody>
</table>

The above haircuts are minimum stipulated haircuts where the repo period is overnight or where the remargining frequency (in case of longer tenor repos) is daily. The RBI had earlier recommended a haircut of 25%. It is proposed that we maintain a minimum haircut of 15% for all repo contract of less than 3 months, and 25% for other contracts, unless a lower haircut is approved by the Investment Committee. The Fund Manager may refer to the rating-haircut matrix published by FIMMDA, to determine the appropriate haircut.

The scheme does not intend to make any investments in Foreign / Overseas Securities.

9. The scheme intends to invest its assets in fixed income securities of Government of India and/or State Government to the extent of SEBI prescribed limits. Such securities may be:
   a. Supported by the ability to borrow from the Treasury
   b. Supported by Sovereign guarantee or the State Government or
   c. Supported by Government of India / State Government in some other way.

The above will depend upon the nature of securities invested.

10. The schemes may also enter into repurchase and reverse repurchase obligations in all securities (including Repo in corporate bonds) held by them as per the guidelines and regulations applicable to such transactions. It is the intention of the scheme to trade in the derivatives market as per the Regulations.

11. The above-mentioned securities could be listed, unlisted, secured, unsecured, rated or unrated and may be acquired through initial public offerings, secondary market offerings, private placements, rights offers etc.

12. To avoid duplication of portfolios and to reduce expenses, the Scheme may invest in any other schemes of the Fund. Further, in compliance with SEBI Regulation, a Scheme may invest in another scheme under the same asset management company or any other mutual fund without charging any fees, provided that aggregate inter-scheme investment made by all schemes under the same management or in schemes under the management of any other asset management company shall not exceed 5% of the net asset value of the mutual fund.

13. While it is the intention of the Scheme to maintain the maximum exposure guidelines provided in the table above, there may be instances when these percentages may be exceeded. Typically, this may occur while the Scheme is new and the corpus is small thereby causing diversification issues.

14. Investments may be in listed or unlisted debt instruments, as permitted under SEBI Regulations. These would cover primary/secondary market purchases, Public Offers, private placements, rights offers, etc., subject to SEBI Regulations.

15. Investments in debentures, bonds and other fixed income securities will usually be in instruments, which have been assigned investment grade ratings by an approved rating agency. The instruments may be rated / unrated and listed / unlisted. In cases where the debt instrument is unrated, specific approval from the Investment Committee of RCAM shall be obtained. However, the same shall be subject to limitations as contained in clause 1 and 1A, reproduced herein below, of Schedule VII to SEBI (Mutual Funds) Regulations, 1996.

16. A mutual fund scheme shall not invest more than 15% of its NAV in debt instruments issued by a single issuer which are rated not below investment grade by a credit rating agency authorised to carry out such activity under the Act. Such investment limit may be extended to 20% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of asset management company; provided that such limit shall not be applicable for investments in Government securities and money market instruments.

17. A mutual fund scheme shall not invest more than 10% of its NAV in unrated debt instruments issued by a single issuer and the total investment in such instruments shall not exceed 25% of the NAV of the scheme. All such investments shall be made with the prior approval of the Board of Trustees and the Board of asset Management Company.

18. The final portfolio will depend on the availability and desirability of assets in terms of maturity profile, asset quality and yields. The portfolio formulation is a dynamic process and thus, an instrument which is attractive today may not be attractive tomorrow.
19. The scheme may invest in the liquid schemes launched by SEBI registered Mutual Fund or schemes that invest predominantly in money market instruments / securities.

(i) CREDIT EVALUATION POLICY FOR INVESTMENTS IN DEBT SECURITIES

Credit evaluation is a continuous process. It applies not only for issuers where investments are being evaluated for the first time but also for those where we already have credit exposures.

In a detailed credit evaluation process, the following aspects are covered.

1. An in-depth review of the sector in which company operates. In this process, research team also measures the micro and macro risks associated with the sector and its possible impact on the overall business environment of the issuer. In addition, issuer’s market position is evaluated vis-à-vis competition.

2. Issuer analysis involves both qualitative and quantitative aspects.
   a. Qualitative analysis is related to quality of management, corporate governance, promoter background, parents support etc. Any synergy / cross dependence with any of the other promoter companies is also scrutinized.
   b. Quantitative analysis is related with balance sheet management, profitability indicators, ratio analysis, capex programmes, growth plans, leverage and cash management policy etc.

3. The due diligence process involves both primary and secondary sources for research.
   a. Secondary sources of information like publicly available data including annual reports and other public filings, rating and other research reports, industry research reports are studied in detail.
   b. Primary research activities like direct interaction with the issuer at various levels, interaction with the rating agencies, the company’s bankers, competitors in the industry and stock market participants (market intelligence), is given a very high weightage.

4. Both for plain vanilla transactions and especially for structured transactions, legal due diligence is an integral part of the overall risk evaluation policy. Depending on the scope and complexity of transactions both internal as well as external legal exercises are undertaken.

Based on the above analysis, the credit research team presents a case for investing / avoiding investments for any new issuer / structure. Post these discussions formal proposals are prepared for issuers / structures where limits are being sought.

The approval for such limits is sought, based on certain criterion that is laid out as part of the investment policy. Depending on the rating, tenor, and proposed exposures, approvals are taken at the Head of Fixed Income / Investment Committee / Board levels.

As mentioned earlier, credit evaluation is a continuous exercise. For all issuers / structures where we have current exposures regular evaluation is carried out on a periodic basis. The periodicity of such evaluation depends on the exposure, credit comfort on the said issuer / structure and the overall credit environment.

Apart from regular credit updates both internally and at the Investment Committee levels, the board is also appraised on a periodic basis, on all the credit exposures, their performance and the credit department’s views on them going forward.

(ii) LIST OF SECTORS WHERE RCAM / RMF WOULD NOT BE INVESTING

The scheme will not invest in real estate sector and airline sector.

(iii) TYPE OF INSTRUMENTS IN WHICH THE SCHEMES PROPOSE TO INVEST

For the type of instruments in which the schemes propose to invest viz. CPs, CDs, Treasury bills etc. is detailed in point no. D (where will the scheme invest – Point 1 to 19)

(iv) INTENDED PORTFOLIO ALLOCATION

As per SEBI Circular No IMD/ DF/12 /2011 dated August 1, 2011 on Indicative portfolio or yield of the scheme, the intended allocation for Reliance Interval Fund - Half Yearly Interval Fund - Series 2 is as mentioned below. The floors / ceilings as disclosed below are within a range of 5% of the intended allocation (in %)

<table>
<thead>
<tr>
<th>Instruments</th>
<th>Credit Rating</th>
<th>A1+</th>
<th>AAA</th>
<th>AA</th>
<th>A</th>
<th>BBB</th>
<th>NA</th>
</tr>
</thead>
<tbody>
<tr>
<td>CDs</td>
<td></td>
<td></td>
<td>50%</td>
<td>55%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CPs</td>
<td></td>
<td></td>
<td>45%</td>
<td>50%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NCDs / Bonds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>*CBLO/Reverse Repos (repos including repo in corporate bonds )/Governement securities/T-Bills/Liquid Schemes</td>
<td></td>
<td>0%</td>
<td>5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*CBLO/ Reverse Repos (repos including repo in corporate bonds)/Governement securities/T-Bills are not rated instruments. However Liquid Schemes may or may not be rated. NA – Not Applicable

At the time of deployment, the Scheme will seek to invest into rated AA- or better fixed income assets issued by various entities operating in different sectors as defined by AMFI, while adhering to the sector cap limit as detailed in asset allocation pattern of the scheme.

The sector restriction applicable to the scheme is replicated below under point number 6.

It may be noted that detailing of credit rating/instruments shall be made similar to the current format as indicated above, at the time of launch of the scheme depending on its tenor and nature.

There shall be no variations between intended portfolio allocation as may be issued at the time of launch and final portfolio except on account of

1. The scheme shall endeavour to invest in instruments having credit rating as indicated above or higher.

As per SEBI circular CIR/MIRSD/4/2011 dated June 15, 2011, Modifier “*(plus) or “-(minus) can be used with the rating symbols as they reflect the comparative standing within the category. For eg: in case AA has been mentioned, it will include AA- as well as AA+.
In case an instrument has more than one publicly available rating, the more conservative rating will be considered for the purpose of investment. If an instrument is rated A1+, it will be equivalent to AAA for the above matrix.

For external factors such as revision in credit rating of instruments, valuation of security, etc. It may be noted that

- All the investment rating etc will be considered at the time of making the investments only i.e at the time of deployment (for the purpose of comparison).
- Positive movement of rating for a particular instrument may be continued to be allowed.

However, in case of downgrades of a particular instrument, the portfolio manager shall rebalance the portfolio within a time period of not more than 30 days provided such a rebalancing would be allowed.

2. In case desired maturity and credit quality CP/NCDs are not available or also on the basis of the risk reward analysis, the scheme may invest in Bank CDs of highest rating (A1+ or equivalents)/CBLOs/Reverse Repos (Repo not including repo in corporate bonds)/Government Securities /T-Bills /Liquid Schemes. Such deviation may continue till maturity (i.e. on or before the opening of the immediately following specified transaction period), if suitable instruments of desired credit quality are not available.

3. Further, the above allocation may vary during the tenure of the scheme. Some of these instances are: (i) coupon inflow; (ii) the instrument is called or bought back by the issuer (iii) in anticipation of any adverse credit event (iv) cash flow/cash balance of less than Rs 5 Cr e.t.c. In case of such deviations, the scheme may invest in Bank CDs (A1+ or equivalents) / CBLOs/ Reverse Repos (Repo including repo in corporate bonds) /G-sec/ T-Bills / Liquid Schemes. Such deviation may continue till maturity (i.e. on or before the opening of the immediately following specified transaction period), if suitable instruments of desired credit quality are not available. Incase where cash is generated in the above instances and is deployed in short term deposits, such deployment will only be for temporary parking in line with SEBI regulations.

4. In case of individual securities maturity prior to the maturity date (i.e. on or before the opening of the immediately specified transaction period) of the scheme and at the time of construction of the portfolio, investments may be made in cash and cash equivalents such as CBLO, Repo (Repo including repo in corporate bonds), T-Bills, Liquid Schemes, CDs and short term bank Deposits

5. In case where investments in any Unrated Instruments is indicated and if they are not available, the scheme may invest in Bank CDs having credit rating indicated in the table above. The scheme shall not invest more than 10% of its NAV in unrated debt instruments issued by a single issuer and the total investment in unrated instruments shall not exceed 25% of the NAV of the scheme.

6. RCAM will ensure that total exposure of the scheme in a particular sector (excluding investments in Bank CDs, CBLO, G-sec, T-Bills and AAA rated securities issued by Public Financial Institutions and Public Sector Banks and such other instruments if any, as may be specified by SEBI from time to time) shall not exceed 30% of such other percentage of the net assets of the scheme, as prescribed by SEBI from time to time, unless the scheme has specifically been exempted from the requirement by SEBI.

An additional exposure to financial services sector (over and above the limit of 30%) on the basis of the risk reward analysis, the scheme may invest in Bank CDs having credit rating indicated in the table above. The scheme shall not invest more than 10% of its NAV in unrated debt instruments issued by a single issuer and the total investment in unrated instruments shall not exceed 25% of the NAV of the scheme.

An example of the sector limit is given: Scheme AUM: Rs 100 Crs. The maximum investment in any particular sector would be Rs. 30 Crs.

Further, to clarify please note that all the above mentioned provisions and investments made in line with the above mentioned circumstances/variations are independent of this scenario (30% sector limit and exceptions on the same as detailed in point No. 6).

For the purpose of achieving / reverting back to desired portfolio allocation, wherever any time lines are mentioned, the fund manager will endeavor to achieve the same, on best effort basis and in the best interest of the investors taking into account market conditions and availability of desired credit and maturity.

It may be noted that the intended portfolio allocation will be determined at the time of launch of the scheme whereas the final portfolio for the purpose of determining deviations, if any, will be considered after 15 business days from the allotment. Basis the same, RCAM will report in the next meeting of Board of Directors of Reliance Capital Asset Management Limited (RCAM) and Reliance Capital Trustee Co Limited the publicized percentage allocation and final portfolio at the time of launch of each interval.

Further, prior to the opening of each Specified Transaction Period(s) under the scheme, the Intended Portfolio Allocation (alongwith notes thereto, if any) shall be disclosed/notified by the RCAM by way of Addendum atleast 7 business days prior to the opening of any Specified Transaction Period(s) under the scheme and the same shall also be filed with SEBI within the said timelines.

Such modifications in intended portfolio allocation and/or in Floors and Ceiling within a range of 5% for any instruments and/or notes thereto, from time to time, shall not be deemed as change in fundamental attribute for the scheme in terms of provisions of sub regulation (15A) of Regulation 18 of the SEBI (MF) Regulations.)

E. WHAT ARE THE INVESTMENT STRATEGIES?

The fund management team will endeavor to maintain a consistent performance in the scheme by maintaining a balance between safety, profitability and high liquidity aspects of various investments. The fund manager will try to achieve an optimal risk return balance for management of the fixed income portfolios. The investments in debt instruments carry various risks like interest rate risk, liquidity risk, default risk, purchasing power risk etc. While they cannot be done away with, they can be minimized by diversification and effective use of hedging techniques. The fund management team will take an active view of the interest rate movement by keeping a close watch on various parameters of the Indian economy, as well as developments in global markets.

Investment views / decisions will be taken on the basis of the following parameters:

1. Prevailing interest rate scenario
2. Quality of the security / instrument (including the financial health of the issuer)
3. Maturity profile of the instrument
4. Liquidity of the security
5. Growth prospects of the company / industry
6. Any other factors in the opinion of the fund management team
Debt Market in India

Accounts are generally settled on a net basis on predetermined settlement dates. Accordingly, on each agreed payment date, amounts owed by each party is calculated by applying the agreed rate i.e. fixed in one case and floating in the other, on the notional amount. The party, who owes the higher amount, i.e. the difference between the interest rate amount and the floating interest rate amount or vice versa, makes a payment of the net amount, no principal amount is exchanged.

Debt Market in India

The Indian Debt market is facing major shift in the recent times. The substantial growth in Mutual Fund collections in the past few years have provided an easy route for the investors to channelize their savings into the debt market, which otherwise is largely dominated by Banks and other Institutional investors.

At present, the Indian debt market is dominated by issues of Central Government bonds, Corporate Debentures and PSU Bonds.

Brief details about the instruments are given below as on June 17, 2014.

<table>
<thead>
<tr>
<th>Instruments</th>
<th>Listed/ Unlisted</th>
<th>Current Yield Range As on June 17, 2014</th>
<th>Liquidity</th>
<th>Risk profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Government Securities</td>
<td>Listed</td>
<td>8.37%–8.72%</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Corporate Debentures / PSU Bonds</td>
<td>Listed</td>
<td>8.87%–9.14%</td>
<td>Moderate</td>
<td>Low</td>
</tr>
<tr>
<td>CDs (short term)</td>
<td>Unlisted</td>
<td>8.55%–8.95%</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Call Money</td>
<td>Unlisted</td>
<td>8.00%–8.90%</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td>Mibor linked Papers</td>
<td>Listed</td>
<td>125–135 bps</td>
<td>Low</td>
<td>Low</td>
</tr>
</tbody>
</table>

A brief description about yields presently available on Central Govt. Securities /Bonds & Debentures of various maturities is as follows:

**Annualised yields (as June 17, 2014) are:**

<table>
<thead>
<tr>
<th>Yrs</th>
<th>=&lt; 1yr</th>
<th>2–6yrs</th>
<th>7–10yrs</th>
<th>11–20 yrs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Government securities</td>
<td>8.67%–8.78%</td>
<td>8.55%–8.84%</td>
<td>8.78%–8.91%</td>
<td>8.69%–8.91%</td>
</tr>
</tbody>
</table>

The price and yield on various debt instruments fluctuate from time to time depending upon the macro economic situation, inflation rate, overall liquidity position, foreign exchange scenario, etc. Also, the price and yield varies according to maturity profile, credit risk etc.

Derivatives and Hedging Products

The scheme may use derivative instruments like Interest rate swaps, Forward rate agreements or such other derivative instruments as may be introduced from time to time for the purpose of hedging and portfolio balancing as may be permitted under the Regulations and Guidelines. The sum total of derivative contracts outstanding shall not exceed 50% of the net assets of the scheme.

An interest rate swap is a financial contract between two parties exchanging a stream of interest payments for a notional principal amount on multiple occasions during a specified period.

Typically, one party receives a pre-determined fixed rate of interest while the other party, receives a floating rate, which is linked to a mutually agreed benchmark with provision for mutually agreed periodic resets.

The fund intends to use derivatives for hedging & portfolio balancing as permitted under the SEBI Regulations & Guidelines.

To hedge & balance the portfolio derivative instruments like interest rate swaps & forward rate agreements would be used to create synthetic fixed rate bonds/ floating rate bonds. We wish to submit that, creation of synthetic fixed rate bonds/ floating rate bonds is a hedging and portfolio rebalancing technique.

An example is stated below to explain the said proposition.

Swaps can be used to create synthetic fixed rate instruments.

Let us take the example of a 3 Yr floating rate bond with a spread of 50 bps (basis points) over a benchmark. Ordinarily, this fetches the investor a yield of the benchmark (which is floating) plus 50 bps on an annualized basis. However, by receiving the 3 yr fixed rate on the swap side, what happens is that the bond gets converted into a fixed rate bond. Let us assume that the 3 yr swap on the same benchmark is received for the same principal amount at the rate 7.25%. Broadly then, the investor receives fixed cash flows of 7.25%, pays the floating benchmark rate, and receives the floating rate of the bond (which comprise the benchmark rate and the “spread” of 50 bps). The floating cash flows of the benchmark cancel each other out and the investor is left with a synthetic fixed rate bond yielding him 7.75% (7.25% plus the ‘spread’ of 50 bps). Thus through the swap, the floating rate bond gets converted ‘synthetically’ into a fixed rate bond.

Accounts are generally settled on a net basis on predetermined settlement dates. Accordingly, on each agreed payment date, amounts owed by each party is calculated by applying the agreed rate i.e. fixed in one case and floating in the other, on the notional amount. The party, who owes the higher amount, i.e. the difference between the interest rate amount and the floating interest rate amount or vice versa, makes a payment of the net amount, no principal amount is exchanged.

Generally, interest rate swaps involve exchange of a fixed rate to a floating rate of interest or vice versa. These are known as Plain Vanilla Swaps. The RBI has currently allowed only these swaps in the Indian market.

Example

The most common type of swaps is where one party agrees to pay a fixed rate of interest (fixed-rate payer) to the other party who agrees to pay a floating rate of interest (floating-rate payer). The payments are exchanged on designated dates during the life of the contract at agreed rates.

Suppose, the view on interest rate is that they would come down over the next three months if a particular investment is yielding a rate of...
return at 10% p.a. currently, the Fund Manager would like to lock-in this rate of return which in a downward interest rate scenario would appear attractive.

He, then, enters into a swap transaction with a counterparty that is willing to pay a fixed rate of 10% p.a. and accept a floating rate linked to say, MIBOR which would vary everyday but is currently at 7% p.a. The transaction would be represented thus: Receives fixed rate@10% p.a.

RMF Counterparty B
Pays Floating Rate MIBOR

Note
1. No principal amount is exchanged. A notional principal amount is agreed upon for interest calculation purposes.
2. Only the difference between the two rates is exchanged at agreed intervals or payment dates. When fixed interest rate amount is higher, the fixed rate payer pays the difference amount i.e. fixed interest rate amount minus the floating interest rate amount or vice-versa.

Forward Rate Agreements (FRAs)
A FRA is a financial contract between parties agreeing to exchange interest payments for a notional principal amount on settlement dates for a specified period from start date to maturity date.
A FRA enables parties to fix interest cost on a future borrowing or fix an interest rate for a future investment.

Hedging a future asset
Example: Suppose, RMF has funds to invest after two months for a period of three months. The Fund Manager expects interest rates to soften in the next two months. He, therefore, would like to lock-in the interest rate today for his investment to be made after two months. The instrument in which he wishes to invest is a 91-day Treasury Bill at 8.25% p.a. He, therefore, enters into an agreement where he sells a 2 x 5 FRA for a notional principal amount. 2 represent the start date of the FRA and 5 represents the maturity date or end date.

The details will be as under
Asset : 91-day T' Bill
Tenor : 3 months commencing from 2 months from date of agreement.
Indicative 2 x 5 : 8.25% p.a.
Benchmark : 91-day T' Bill cut-off yield on the last auction preceding settlement date
So RMF receives 8.25% p.a. on the notional amount on settlement date. Counterparty will receive 91-day T' Bill cut-off rate on the 91-day T' Bill auction, on the auction just preceding the settlement date.
Both, IRS and FRAs can be thus effectively used as hedging products for interest rate risks.

Example: The most common type of swaps is where one party agrees to pay a fixed rate of interest (fixed-rate payer) to the other party who agrees to pay a floating rate of interest (floating-rate payer). The payments are exchanged on designated dates during the life of the contract at agreed rates.

Suppose, the view on interest rate is that it would come down over the next three months if a particular investment is yielding a rate of return at 10% p.a. currently, the Fund Manager would like to lock-in this rate of return which in a downward interest rate scenario would appear attractive.

He, then, enters into a swap transaction with a counterparty that is willing to pay a fixed rate of 10% p.a. and accept a floating rate linked to say, MIBOR which would vary everyday but is currently at 7% p.a. The transaction would be represented thus: Receives fixed rate@10% p.a.

In terms of SEBI Circular Cir/IMD/DF/11/2010 dated August 18, 2010, following shall be applicable:
1. The cumulative gross exposure through debt and derivative positions should not exceed 100% of the net assets of the scheme.
2. Mutual Funds shall not write options or purchase instruments with embedded written options.
3. Cash or cash equivalents with residual maturity of less than 91 days may be treated as not creating any exposure.
4. Mutual Funds may enter into plain vanilla interest rate swaps for hedging purposes. The counterparty in such transactions has to be an entity recognized as a market maker by RBI. Further, the value of the notional principal in such cases must not exceed the value of respective existing assets being hedged by the scheme. Exposure to a single counterparty in such transactions should not exceed 10% of the net assets of the scheme.

Risk Factors
Derivatives products carry the credit risk (risk of default by counterparty), market risk (due to market movements) and liquidity risk (due to lack of liquidity in derivatives).
1. No principal amount is exchanged. A notional principal amount is agreed upon for interest calculation purposes.
2. Only the difference between the two rates is exchanged at agreed intervals or payment dates. When fixed interest rate amount is higher, the fixed rate payer pays the difference amount i.e. fixed interest rate amount minus the floating interest rate amount or vice-versa.

F. FUNDAMENTAL ATTRIBUTES
Following are the Fundamental Attributes of the scheme, in terms of Regulation 18 (15A) of the SEBI (MF) Regulations:

1. Type of scheme
A Debt Oriented Interval Scheme

2. Investment Objectives
   i. Main Objective: Refer to Section II - B : What is the Investment Objective of the Scheme?
   ii. Investment pattern : Refer to Section II - C : How will the Scheme allocate its assets?

3. Terms of Issue
   i. Liquidity provisions such as listing, repurchase, redemption
      The Regulations require that every Interval Fund scheme shall be mandatorily listed on a recognised stock exchange. The units of the
plan under the scheme will be listed on the National Stock Exchange Ltd. (NSE). However the trustees reserve the right to list the units of the plan on any other Stock Exchange. Since units are proposed to be listed on the NSE, an investor can buy/sell units of the Plan under the Scheme on a continuous basis on the NSE and/or any other recognized stock exchanges where units will be listed during non Specified Transaction Period.

Investors holding the units by way of an account statement (physical form) will not be able to trade their units on Stock Exchange. The Units of the Scheme are available for trading and transfer only in demat mode via the stock exchanges.

The requirement of minimum investment will not be applicable on listing of units. The trading lot is one unit of the Plan. Investors can purchase units at market prices, which may be at a premium /discount to the NAV of the scheme depending upon the demand and supply of units at the exchanges.

Buying / selling units on the stock exchange are just like buying / selling any other normal listed securities. If an investor has bought units, an investor has to pay the purchase amount to the broker /sub-broker such that the amount paid is realized before the funds pay-in day of the settlement cycle on the exchange. If an investor has sold units, an investor has to deliver the units to the broker/sub broker before the securities pay-in day of the settlement cycle on the exchange.

ii. Aggregate fees and expenses charged to the scheme

New Fund Offer (NFO) Expenses

Refer to Section IV - A : New Fund Offer (NFO) Expenses

Annual Scheme Recurring Expenses

Refer to Section IV - B : Annual Scheme Recurring Expenses

iii. Any safety net or guarantee provided

Not Applicable

In accordance with Regulation 18(15A) of the SEBI (MF) Regulations, the Trustees shall ensure that no change in the fundamental attributes of the Scheme(s) and the Plan(s) / Option(s) there under or the trust or fee and expenses payable or any other change which would modify the Scheme(s) and the Plan(s) / Option(s) there under and affect the interests of Unitholders is carried out unless:

- A written communication about the proposed change is sent to each Unitholder and an advertisement is given in one English daily newspaper having nationwide circulation as well as in a newspaper published in the language of the region where the Head Office of the Mutual Fund is situated; and
- The Unitholders are given an option for a period of 30 days to exit at the prevailing Net Asset Value without any exit load

G. HOW WILL THE SCHEME BENCHMARK ITS PERFORMANCE?

Crisil Short Term Bond Fund Index

A long term instrument with tenure of twelve to twenty four months has similar instruments as constituted in Crisil Short Term Bond Fund Index. The portfolios are similar not only in terms of the construct but also in terms of risk return parameters. Using this benchmark shall provide the investor with an independent and representative comparison with the fund portfolio

H. WHO MANAGES THE SCHEME?

<table>
<thead>
<tr>
<th>Name of the Fund Manager</th>
<th>Age</th>
<th>Educational Qualification</th>
<th>Type and Nature of past experience including assignments held during the past 10 years</th>
<th>Name of the Scheme managed</th>
</tr>
</thead>
</table>

I. WHAT ARE THE INVESTMENT RESTRICTIONS?

The investment policy of the scheme complies with the rules, regulations and guidelines laid out in SEBI (Mutual Funds) Regulations, 1996. As per the Regulations, specifically the Seventh Schedule, the following investment limitations are currently applicable:

1. The scheme being an interval scheme shall invest only in such securities which mature on or before the date of maturity of each interval.
2. The Scheme shall not invest more than 15% of its NAV in debt instruments issued by a single issuer, which are rated not below investment grade by a credit rating agency. This investment limit may be extended to 20% of the NAV of the Scheme with the prior approval of the Board of the Trustee Company and the Board of the AMC. This limit shall not apply to investments in government securities and money market instruments.
3. The Scheme shall not invest more than thirty percent of its net assets in money market instruments of an issuer:

Provided that such limit shall not be applicable for investments in Government securities, treasury bills and collateralized borrowing and lending obligations.
4. The scheme shall not invest more than 10% of its NAV in unrated debt instruments issued by a single issuer and the total of such instruments shall not exceed 25% of the NAV of the scheme. All such investments will be made with the prior approval of the Investment committee of RCAM basis the parameters laid down by the Board of Directors of AMC & the Trustees. Further, approval of the Board of Directors of AMC & the Trustee shall be taken whenever required in line with the SEBI Regulations.

Note: Debentures, irrespective of any residual maturity period (above or below one year), shall attract the investment restrictions as applicable for debt instruments as specified above. Further, it is clarified that the investment limits mentioned above are applicable to all debt securities which are issued by public bodies/organizations such as electricity boards, municipal corporations, state transport corporations etc. guaranteed by either central or state government. Government securities issued by central/state government or on its behalf by RBI are exempt from the above referred investment limits.

5. Transfers of investments from one scheme to another scheme in the Mutual Fund shall be allowed only if:
   a. Such transfers are done at the prevailing market price for quoted instruments on spot basis;
   b. The securities so transferred shall be in conformity with the investment objectives & policies of the Scheme to which such transfer has been made.

6. The Scheme may invest in another scheme under the same asset management company or in any other mutual fund without charging any fees, provided the aggregate inter scheme investments made by all Schemes under the same management company or in schemes under the management of any other AMC shall not exceed 5% of NAV of the Mutual Fund. [Provided that this clause shall not apply to any fund of funds scheme.]

7. The Mutual Fund shall buy and sell securities on the basis of deliveries and shall in all cases of purchases, take delivery of relative securities and in all cases of sale, deliver the securities and shall not in any case put itself in a position whereby it has to make short sale or carry forward transactions or engage in badla finance:

   Provided that a mutual fund may engage in short selling of securities in accordance with the framework relating to short selling and securities lending and borrowing specified by the Board. However, the scheme shall not engage in Short Selling and Securities lending therefore the said clause shall not be applicable.

   Provided further that a mutual fund may enter into derivatives transactions in a recognized stock exchange, subject to the framework specified by the Board.

   Provided further that sale of government security already contracted for purchase shall be permitted in accordance with the guidelines issued by the Reserve Bank of India in this regard.

8. The Fund shall get the securities purchased transferred in the name of the Fund on account of the concerned scheme, wherever investments are intended to be of a long-term nature.

9. The fund's schemes shall not make any investment in:
   a. Any unlisted security of an associate or group company of the sponsor
   b. Any security issued by way of private placement by an associate or group company of the sponsor
   c. The listed securities of group companies of the sponsor which is in excess of 25% of the net assets of the scheme.

10. The Scheme shall not invest in a fund of funds scheme.

11. Pending deployment of funds of the scheme in securities in terms of the investment objectives and policies of the scheme, the Mutual Fund can invest the fund of the scheme in short term deposits of scheduled commercial banks subject to the guidelines as applicable from time to time.

Pursuant to the SEBI Circular No. SEBI/IMD/CIR No. 1/91171 /07 dated April 16, 2007, where the cash in the scheme is parked in short term deposits of Scheduled Commercial Banks pending deployment, the scheme shall abide by the following guidelines:

   ● “Short Term” for parking of funds shall be treated as a period not exceeding 91 days
   ● Such short-term deposits shall be held in the name of the Scheme.
   ● The scheme shall not park more than 15% of the net assets in short term deposit(s) of all the scheduled commercial banks put together. However, such limit may be raised to 20% with prior approval of the Trustee.
   ● Parking of funds in short term deposits of associate and sponsor scheduled commercial banks together shall not exceed 20% of total deployment by the Mutual Fund in short term deposits.
   ● The scheme shall not park more than 10% of the net assets in short term deposit(s), with any one scheduled commercial bank including its subsidiaries.
   ● The scheme shall not park funds in short term deposit of a bank, which has invested in the Scheme

12. In case any company has invested more than 5% of the net asset value of a scheme, the investment made by that scheme or by any other scheme of the same Mutual Fund in that company or its subsidiaries, if any, shall be brought to the notice of the Trustees by RCAM and be disclosed in the half-yearly and annual accounts with justification for such investment provided that the latter investment has been made within one year of the date of the former investment calculated on either side.

13. The Scheme will comply with any other regulations applicable to the investments of mutual funds from time to time.

14. Aggregate value of ‘illiquid securities’ of the Scheme, which are defined as non-traded and thinly traded shall not exceed 15% of the total assets of the Scheme.

15. RCAM will ensure that total exposure of the scheme in a particular sector (excluding investments in Bank CDs, CBLO, G-Secs, T-Bills and other rated securities issued by Public Financial Institutions and Public Sector Banks and such other instruments if any, as may be specified by SEBI from time to time) shall not exceed 30% or such other percentage of the net assets of the scheme, as prescribed by SEBI from time to time, unless the scheme has specifically been exempted by SEBI. An additional exposure to financial services sector (over and above the limit of 30%) not exceeding 10% of the net assets of the scheme shall be allowed by way of increase in exposure to Housing Finance Companies (HFCs) rated AA and above and registered with National Housing Bank (NHB). However, such total investment/ exposure in HFCs shall not exceed 30% of the net assets of the scheme or such other percentage of the net assets of the scheme, as prescribed by SEBI from time to time.

16. The Gross exposure of the scheme to repo transactions in corporate debt securities shall not be more than 10% of the net asset scheme.

17. The Fund shall not borrow except to meet temporary liquidity needs of the Fund for the purpose of repurchase / Redemption of Units or payment of interest and Dividend to the Unitholders.

Provided that the Fund shall not borrow more than 20% of the net assets of any individual Scheme and the duration of the borrowing shall not exceed a period of 6 months.

In case of borrowing through repo transactions the tenor of such transaction shall not exceed a period of six months.

The scheme shall participate Repo in corporate debt securities in accordance with directions issued by RBI and SEBI from time to time.
19. The scheme shall participate Repo in corporate debt securities in accordance with SEBI Circular CIR / IMD / DF / 19 / 2011 dated November 11, 2011 and such other directions issued by RBI and SEBI from time to time. 

The Gross exposure of the scheme to repo transactions in corporate debt securities shall not be more than 10% of the net asset of the scheme.

The cumulative gross exposure through repo transactions in Corporate debt securities along with debt and derivative positions shall not exceed 100% of the net assets of the scheme or guidelines as may be specified by SEBI from time to time.

All investment restrictions stated above shall be applicable at the time of making investment.

The Scheme will not enter into any transaction which exposes it to unlimited liabilities or results in the encumbering of its assets in any way so as to expose them to unlimited liability.

The Scheme will comply with any other regulations applicable to the investments of mutual funds from time to time.

These investment limitations / parameters as expressed / linked to the net asset / net asset value / capital, shall in the ordinary course, apply as at the date of the most recent transaction or commitment to invest. Changes do not have to be effected merely because of appreciation or depreciation in value or by reason of the receipt of any rights, bonuses or benefits in the nature of capital or of any scheme of arrangement or for amalgamation, reconstruction or exchange, or at any repayment or redemption or other reason outside the control of the Fund, any such limits would thereby be breached. If these limits are exceeded for reasons beyond its control, AMC shall adopt as a priority objective the remedying of that situation, taking due account of the interests of the Unit holders.

Internal Norms for Investment Restrictions:

At RMF, to ensure robust risk management and adequate portfolio diversification internal Investment policy for various debt schemes has been framed. The investment policy at RMF specifies limits both on overall basis (across all schemes) as well as on individual scheme level. Guidelines for following parameters for liquid as well as non liquid schemes have been specified in the policy:

1. Eligible Instruments: Defines the eligible instruments where the scheme can invest.
2. Minimum Liquidity: Defines the instruments considered as liquid instruments and the minimum investments in these instruments as a percentage of total net assets.
3. Maximum Illiquid component: Defines the instruments considered as illiquid and the maximum investment that can be made in these instruments as a percentage of net assets.
4. Rating: Defines minimum and/or maximum investment in a particular rating as a percentage of total portfolios.
5. Maturity: Defined the weighted average maturity of a portfolio. Also defines the weighted average maturity, maximum and maturity for certain asset types like corporate bond, Gilts etc.

The Trustee Company / AMC may alter these above stated limitations from time to time, and also to the extent the Regulations change, so as to permit the Scheme to make its investments in the full spectrum of permitted investments in order to achieve its investment objectives & policies. As such all investments of the Scheme shall be made in accordance with the Regulations, including Schedule VII thereof, and the Fundamental Attributes of this Scheme.

INVESTMENT BY THE AMC IN THE SCHEME:

In line with SEBI Regulations and circulars issued by SEBI from time to time, the AMC may invest its own funds in the scheme(s). Further, the AMC shall not charge any fees on its investment in the Scheme(s), unless allowed to do so under SEBI Regulations in the future.

J. HOW HAS THE SCHEME PERFORMED?

The Performance of the scheme is as on May 30, 2014

RELIANCE INTERVAL FUND I – HALF YEARLY INTERVAL FUND - SERIES 2

<table>
<thead>
<tr>
<th>Compounded Annualised Returns</th>
<th>Scheme Returns %</th>
<th>Benchmark Returns %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Returns for the last 1 year</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>Returns for the last 3 years</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>Returns for the last 5 years</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>Returns since inception (Inception date September 25, 2013)</td>
<td>6.46</td>
<td>8.13</td>
</tr>
</tbody>
</table>

Absolute Returns for each financial year for the last 5 years

Past performance may or may not be sustained in future

Calculation assume that all payouts during the period have been re-invested in the units of the scheme at the then prevailing NAV.

All the returns are of Growth Plan – Growth Option

Face Value of the Scheme is Rs. 10/- Per unit
### III - UNITS AND OFFER

This section provides details you need to know for investing in the scheme.

#### A. NEW FUND OFFER (NFO)

<table>
<thead>
<tr>
<th>Minimum Target amount</th>
<th>Rs. 20 Crore for each series and for every Specified Transaction Period.</th>
</tr>
</thead>
</table>

**Plans / Options offered**

<table>
<thead>
<tr>
<th>The Scheme will have four plans i. Growth Plan ii. Dividend Plan iii. Direct Plan - Growth Plan iv. Direct Plan - Dividend Plan. Each plan will have the following options:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Growth Option / Direct Plan - Growth Option</strong></td>
</tr>
<tr>
<td>i. Growth Option</td>
</tr>
<tr>
<td>No dividend distribution is envisaged under this option. The income attributable to the units allotted under this option will continue to remain invested in the option and will be reflected in the Net Asset Value of units under the option.</td>
</tr>
<tr>
<td><strong>2. Dividend Option / Direct Plan - Dividend Option</strong></td>
</tr>
<tr>
<td>i. Dividend Payout option</td>
</tr>
<tr>
<td>ii. Dividend Reinvestment Option</td>
</tr>
</tbody>
</table>

Distribution of dividend will be subject to the availability of distributable surplus, as computed in accordance with the SEBI Regulations after the deduction of TDS and applicable surcharge, if any. However, the Trustees reserves the right to declare dividends during the interim period provided all investors in Dividend option are into Dividend payout option. There is no assurance or guarantee as to the rate and frequency of dividend distribution. Dividends as and when declared will be paid to eligible unitholders of record, within 30 days of the declaration of dividend. The actual date of declaration of dividend will be notified by display at the designated investor service centers.

In case if no Plan is mentioned / indicated in the Application form, the units will, by default, be allotted under the Growth Plan. Similarly, for the Dividend Plan, if no Option (payout or reinvestment) is indicated, the applicant will be deemed to have applied for the Dividend Reinvestment Option of the Dividend Plan.

In case ARN code is mentioned in the application form, but “Direct Plan” is indicated against the Scheme name, ARN code will be ignored and the application will be processed under Direct Plan. If the investor does not mention Direct against the scheme name and the ARN code is also not provided the default allotment would be made in the Direct Plan.

**Record Date:** The dividend record dates shall be both, the first & second day of the Specified Transaction Period for each of the schemes. Investors are required to clearly indicate the plans/options in the application form of the scheme. In the absence of clear indication as to the choice of option (Growth or Dividend Payout), by default, the units will be allotted under the Growth Option of the scheme.

The AMC reserves the right to change the record date from time to time. However, it must be distinctly understood that the actual declaration of dividend and the frequency thereof will inter-alia, depend on the availability of distributable profits as computed in accordance with SEBI (MF) Regulations.

**For Subscriptions including Switch ins under Dividend Option**

In respect of valid applications for subscriptions received upto 3 p.m. on the aforesaid Record Date along with a local cheque or a demand draft payable at par at the place where the application is received, the Ex-Dividend NAV of the day on which application is received shall be applicable. The investors will not be eligible for dividend declared, if any, on the aforesaid Record Date;

In respect of valid applications for subscription received after 3 p.m. on the aforesaid Record Date and/or upto 3.00 p.m. on the second day of the Specified Transaction Period the closing NAV of the said second day shall be applicable;

In respect of valid applications received after 3.00 p.m. on the second day of the Specified Transaction Period the closing NAV of the next working day shall be applicable, provided such a day is / has been declared as a Specified Transaction day for the fund. Otherwise, the application will be liable for rejection.

In respect of purchase of units in Income / Debt Oriented scheme with amount equal to or more than Rs.1 Crore, the applicable NAV shall be subject to the provisions of SEBI Circular Cir / IMD / DF / 19 / 2010 dated November 26, 2010 on uniform cut-off timings for applicability of NAV. With regard to Unit holders who have opted for Dividend Reinvestment facility, the dividend due will be reinvested by allotting Units for the Income distribution / Dividend amount at the prevailing Ex-Dividend NAV per Unit on the record date.

**For Redemptions including Switch out under Dividend Option**

In respect of valid applications received upto 3 p.m. by the Mutual Fund, on the aforesaid Record Date the Ex-Dividend NAV of the date of receipt of application shall be applicable and the investors will be eligible.
Allotment

All applicants, whose applications are valid in all respects and whose payment has been received in full and firm allotment of units. The process of allotment of units and mailing of account statement will be completed within 5 business days from the date of closure of the specified transaction period. The AMC / Fund retain the right to reject any application without assigning any reason.

Upon allotment, an Account Statement, showing the number of units, allotted will be sent to each unit holder. The Account Statement shall be non-transferable.

The Fund reserves right to provide the account statement / transaction confirmation slip to investor through an alternative mechanism as may be decided by the Fund, from time to time with the consent of the investor, which may include electronic means of communication such as e-mail. For example, if an investor redeems or switches his units to another scheme / plan through the internet, then an on-line account statement / transaction confirmation may be provided to the investor or the same may be sent to his email address.

All Units will rank pari passu amongst Units within the same Scheme / Series / Plan as to assets, earnings and the receipt of dividend distribution, if any.

Refund

If any application is rejected, full amount will be refunded within 5 business days of closure of the Specified Transaction Period. No interest will be payable on any subscription money refunded within 5 business days. If refunded later than 5 business days, interest @ 15% p.a. for delay period will be paid to the applicant and borne by the AMC for the period from the day following the date of expiry of 5 business days until the actual date of the refund.

Refund orders will be marked “A/c. payee only” and drawn in the name of the applicant in the case of a sole applicant and in the name of the first applicant in all other cases, mentioning the bank account number and bank name of the sole / first applicant, as specified in the application form. In case the bank account details are not available or incomplete, the refund order will be issued without the bank account details of the applicant at the applicant’s own risk.

The bank and/or collection charges, if any, will be borne by the applicant. All the refund payments will be sent by registered post or courier service or as required under the Regulations.
### Who can invest

This is an indicative list and you are requested to consult your financial advisor to ascertain whether the scheme is suitable to your risk profile.

<table>
<thead>
<tr>
<th>Number</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Resident Indian adult individuals, either singly or jointly (not exceeding three);</td>
</tr>
<tr>
<td>2.</td>
<td>Minor through parent / lawful guardian; (please see the note below)</td>
</tr>
<tr>
<td>3.</td>
<td>Non-Resident Indians (NRIs) / Persons of Indian Origin (PIO) on full repatriation basis or on non-repatriation basis;</td>
</tr>
<tr>
<td>4.</td>
<td>A Hindu Undivided Family (HUF) through its Karta;</td>
</tr>
<tr>
<td>5.</td>
<td>Companies, bodies corporate, public sector undertakings, association of persons or bodies of individuals and societies registered under the Societies Registration Act, 1860;</td>
</tr>
<tr>
<td>6.</td>
<td>Religious and Charitable Trusts, Wakfs or endowments of private trusts (subject to receipt of necessary approvals as required) and Private Trusts authorised to invest in mutual fund schemes under their trust deeds;</td>
</tr>
<tr>
<td>7.</td>
<td>Partnership Firms constituted under Partnership Act, 1932;</td>
</tr>
<tr>
<td>8.</td>
<td>Banks (incl. Co-operative Banks and Regional Rural Banks) and Financial Institutions;</td>
</tr>
<tr>
<td>9.</td>
<td>Army, Air Force, Navy and other para-military funds and eligible institutions;</td>
</tr>
<tr>
<td>10.</td>
<td>Scientific and Industrial Research Organisations;</td>
</tr>
<tr>
<td>11.</td>
<td>Provident / Pension / Gratuity and such other Funds as and when permitted to invest;</td>
</tr>
<tr>
<td>12.</td>
<td>International Multilateral Agencies approved by the Government of India / RBI;</td>
</tr>
<tr>
<td>13.</td>
<td>The Trustee, AMC or Sponsor or their associates (if eligible and permitted under prevailing laws); and</td>
</tr>
<tr>
<td>14.</td>
<td>A Mutual Fund through its schemes, including Fund of Funds schemes.</td>
</tr>
<tr>
<td>15.</td>
<td>Foreign Institutional Investors (FIIs) registered with SEBI on full repatriation basis;</td>
</tr>
<tr>
<td>16.</td>
<td>Qualified Foreign Investors (QFI) for details refer SAI.</td>
</tr>
</tbody>
</table>

It is expressly understood that at the time of investment, the investor has the express authority to invest in units of the Scheme and the AMC / Trustee / Mutual Fund will not be responsible if such investment is ultra-vires the relevant law/ rules / regulations.

**Note**: Subscriptions restricted from the person’s of U.S. and CANADA:

As per the requirements of the U.S. Securities and Exchange Commission (SEC), persons falling within the definition of the term “U.S. Person” under the US Securities Act of 1933 and corporations or other entities organized under the laws of U.S. are not permitted to make investments in securities not registered under the Securities Act of 1933. [The term “US Person” means any person that is a United States person within the meaning of Regulation S under the United States Securities Act of 1933 or as defined by the U.S. Commodity Futures Trading Commission or as per such further amended definitions, interpretations, legislations, rules etc, as may be in force from time to time.]

The scheme of Reliance Mutual Fund is presently not registered under the relevant laws, as applicable in the territorial jurisdiction of United States of America.

In view of the same, the Units made available under the SAI or under the SID of the scheme, may not be directly or indirectly offered or sold in any provincial or territorial jurisdiction in U.S. or to or for the benefit of the residents thereof. Accordingly, the Persons, corporations and other entities organized under the applicable laws of the U.S. will not be permitted to make any fresh purchases/additional purchases/switches in any Scheme of Reliance Mutual Fund, in any manner whatsoever.

The scheme of Reliance Mutual Fund is not registered in any provincial or territorial jurisdiction in Canada as per the local applicable laws and Units of the Scheme have not been qualified for sale in any Canadian jurisdiction under the applicable securities laws.

Hence, the Units made available under the SAI or under the SID of the scheme, may not be directly or indirectly offered or sold in any provincial or territorial jurisdiction in Canada or to or for the benefit of residents thereof. Accordingly, the Persons, corporations and other entities organized under the applicable laws of the Canada will not be permitted to make any fresh purchases/additional purchases/switches in any Scheme of Reliance Mutual Fund, in any manner whatsoever.

If an existing Investor subsequently becomes a resident of U.S. or Canada, then such Investor will not be able to purchase any additional Units of the Scheme.

The Fund reserves the right to include / exclude new / existing categories of investors to invest in the Schemes, subject to SEBI Regulations and other prevailing statutory regulations, if any.

The Fund reserves the right to include / exclude new / existing categories of investors to invest in the Schemes, subject to SEBI Regulations and other prevailing statutory regulations, if any.

### Where can you submit the filled up applications.

Investors may submit the duly completed application forms along with the payment instrument at any of the Designated Investor Service Centres mentioned in this Scheme Information Document or any other location designated as such by the AMC, at a later date. The addresses of the Designated Investor Service Centres are given at the end of this Scheme Information Document and also on the website, www.reliancemutual.com

Investors in cities other than where the Designated Investor Service Centres (DISC) are located, may forward their application forms to any of the nearest DISC, accompanied by Demand Draft/s payable locally at that DISC.

### How to Apply

Please refer to the SAI and Application form for the instructions.
Note:
In case of application under a Power of Attorney or by a limited company or a corporate body or an eligible institution or a registered society or a Minor unit holder, upon becoming a major, is required to inform the AMC/Registrar about attaining majority and provide this specimen signature duly authenticated by his banker as well as his details of bank account and PAN to enable the Registrar to update the records and allow him to operate the Account in his own right / capacity as an individual.

Subject to the Regulations, any application for Units may be accepted or rejected in the sole and absolute discretion of the Trustee. For example, the Trustee may reject any application for the Purchase of Units if the application is invalid or incomplete or if, in its opinion, increasing the size of any or all of the Schemes’ Unit capital is not in the general interest of the Unit Holders, or if the Trustee for any other reason does not believe that it would be in the best interest of the Schemes or its Unit Holders to accept such an application.

The AMC / Registrars may need to obtain from the investor proof of identity or such other details relating to a subscription for units as may be required under any applicable laws, which may result in delay in processing the application.

Normal time taken to process redemption and/or purchase requests, as mentioned above, may not be applicable extraordinary circumstances as mentioned above.

An order/ request to purchase Units is not binding on and may be rejected by the Trustee, the AMC or Registrars, unless it has been confirmed in writing by the AMC or its agents and (or) payment has been received / realized.

B. ONGOING OFFER DETAILS

<table>
<thead>
<tr>
<th>Ongoing Offer Period</th>
<th>The Units of the Scheme will not be available for Subscriptions, Switch-in, Redemption and Switch out except during Specified Transaction Period. To provide liquidity to the investors, the units of the Scheme will be listed on NSE and / or on any of the recognized Stock Exchanges in India.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing price for subscription (purchase)/switch-in (from other schemes/plans of the mutual fund) by investors.</td>
<td>At the applicable NAV during Specified Transaction Period. The Units of the Scheme will not be available for subscriptions / switch-in (Inter Scheme or Inter Plan) except during Specified Transaction Period.</td>
</tr>
<tr>
<td>Purchase Price</td>
<td>The Purchase Price will be calculated in the following way: Purchase Price = Applicable NAV</td>
</tr>
</tbody>
</table>

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 RMF with effect from August 01, 2009.
Ongoing price for redemption (sale)/switch outs (to other schemes/plans of the Mutual Fund) by investors.
This is the price you will receive for redemptions/switch outs.

Cut off timing for subscriptions/redemptions/switches
This is the time before which your application (complete in all respects) should reach the official points of acceptance during Specified Transaction Period.

1. Subscriptions/Purchases including switch-ins
The following cut-off timings shall be observed by a mutual fund in respect of purchase of units of the scheme and their plans, and the following NAVs shall be applied for such purchase:

i. Purchases for an amount of Rs 2 lakh and above:
   - In respect of valid application received before 3.00 p.m. and funds for the entire amount of subscription/purchase as per the application are credited to the bank account of the scheme and are available for utilization before the cut-off time of 3.00 p.m., the closing NAV of the day shall be applicable;
   - In respect of valid application received after 3.00 p.m. and funds for the entire amount of subscription/purchase as per the application are credited to the bank account of the scheme and available for utilization before the cut-off time of the next business day, the closing NAV of the next business day shall be applicable;

ii. For switch-in of Rs 2 lakh and above
   a. Application for switch-in is received before the applicable cut-off time of 3.00 p.m;
   b. Funds for the entire amount of subscription/purchase as per the switch-in request are credited to the bank account of the respective switch-in schemes before the cut-off time;
   c. The funds are available for utilization before the cut-off time, by the respective switch-in schemes

iii. Purchases/switch-in for an amount of less than Rs 2 lakh:
   a. where the application is received upto 3.00 pm with a local cheque or demand draft payable at par at the place where it is received – closing NAV of the day of receipt of application;
   b. where the application is received after 3.00 pm with a local cheque or demand draft payable at par at the place where it is received – closing NAV of the next business day and;
   c. where the application is received with an outstation cheque or demand draft which is not payable on par at the place where it is received – closing NAV of day on which the cheque or demand draft is credited

It may be noted that pursuant to AMFI circular no. 135/BP/35/2012-13 dated February 18, 2013, the following practice of aggregating split transactions shall be followed and accordingly the closing NAV of the day on which the funds are available for utilization shall be applied where the aggregated amount of investments is Rs. 2 lacs and above:

a. All transactions received on the same day (as per Time stamp rule).

b. Transactions shall include purchases, additional purchases, excluding Switches, SIP/STP triggered transactions and various other eligible systematic transactions as mentioned in the para titled “Special Products” of the SID.

c. Aggregations shall be done on the basis of investor’s PAN. In case of joint holding, transactions with similar holding structures shall be aggregated.

d. All transactions shall be aggregated where investor holding pattern is same as stated above, irrespective of whether the amount of the individual transactions is above or below Rs 2 lacs.

e. Only transactions in the same scheme shall be clubbed. This will include transactions at plan / option level (Dividend, Growth, Direct).

f. Transactions in the name of minor, received through guardian should not be aggregated with the transaction in the name of same guardian.

Further, investors may please note that the said process is being followed in line with the directives specified by Association of Mutual Funds in India (“AMFI”). RMF / RCAM shall reserve the right to change / modify any of the terms with respect to processing of transaction in line with directives specified by Securities & Exchange of Board of India or AMFI from time to time.

2. Redemptions including switch-outs
The following cut-off timings shall be observed by a mutual fund in respect of repurchase of units in its other schemes and their plans, and the following NAVs shall be applied for such repurchase:

i. where the application received upto 3.00 pm – closing NAV of the day of receipt of application; and

ii. an application received after 3.00 pm – closing NAV of the next business day.
### Where can the applications for purchase/redemption switches be submitted?

Applications for purchase/redemption/switches are submitted at any of the Designated Investor Service Centres mentioned in this Scheme Information Document or any other location designated as such by the AMC, at a later date. The addresses of the Designated Investor Service Centres are given at the end of this Scheme Information Document and also on the website, [www.reliancemutual.com](http://www.reliancemutual.com).

Investors in cities other than where the Designated Investor Service Centres (DISC) are located, may forward their application forms to any of the nearest DISC, accompanied by Demand Draft/s payable locally at that DISC.

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### Minimum amount for purchase/redemption switches

#### During Specified Transaction Period:

<table>
<thead>
<tr>
<th>Description</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. For First Purchase (All Options/Plans)</td>
<td>Rs. 5,000/- and in multiples of Re.1/- thereafter</td>
</tr>
<tr>
<td>ii. Additional Subscription / Investment Amount (All Options/Plans)</td>
<td>Rs. 1,000/- and in multiples of Re.1/- thereafter</td>
</tr>
<tr>
<td>iii. Redemption / Switch - out (for all the plans / options)</td>
<td>can be for any amount or any number of units only during Specified Transaction Period.</td>
</tr>
</tbody>
</table>

**Other than Specified Transaction Period:**

No redemption/repurchase of units shall be allowed in the scheme except during the Specified Transaction Period. However, if the units are held in dematerialized form, so the investors can buy/sell units on a continuous basis on the stock exchanges(s) on which the units are listed and can be purchased/ sold units during the trading hours like any other publicly traded stock, except during the temporary suspension period, if any.

RCAM may revise the minimum / maximum amounts and the methodology for new/additional subscriptions, as and when necessary. Such change may be brought about after taking into account the cost structure for a transaction/account and/or Market practices and/or the interest of existing unitholders.

Further, such changes shall only be applicable to transactions from the date of such a change, on a prospective basis.

RCAM may revise the minimum / maximum amounts and the methodology for subscriptions as and when necessary, for subsequent plans. Such change may be brought about after taking into account the cost structure for a transaction/account and/or market practices etc.

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### Minimum balance to be maintained and consequences of non-maintenance.

Redemptions / Switch-outs during Specified Transaction Period can be for any amount or any number of units. The Fund may revise the minimum/maximum amounts and methodology for redemptions as and when necessary. Such change may be brought about after taking into account the cost structure for a transaction / account and / or Market practices and / or the interest of the unit holders. Further such changes shall be carried out on a prospective basis from the date of notification of such change and would not, in any manner, be prejudicial to the interests of the investors who have joined the scheme before such notification. Any changes would be informed to the unit holders by way of an advertisement.

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### Special Products available

Special features such as Systematic Investment Plan; Systematic Transfer Plan & Systematic Withdrawal Plan will not be available.

**MICRO SYSTEMATIC INVESTMENT PLAN ("MICRO SIP")/ PAN EXEMPT INVESTMENTS**

In line with SEBI letter no. OW/16541/2012 dated July 24, 2012 addressed to AMFI, Investments in the mutual fund schemes (including investments through Systematic Investment Plans (SIPs)) up to Rs. 50,000/- per investor per year shall be exempted from the requirement of PAN.

Accordingly, for considering the investments made by an investor up to Rs. 50,000/-, an aggregate of all investments including SIPs made by an investor in a Financial Year i.e. from April to March, shall be considered and such investors shall be exempted from the requirement of PAN.

However, requirements of Know Your Customer (KYC) shall be mandatory and investors seeking the above exemption of PAN will need to submit the PAN Exempt KYC Reference No (PEKRN) acknowledgement issued by KRA along with the application form.

This exemption is applicable only for individuals including NRIIs, minors acting through guardian, Sole proprietorship firms and joint holders*. Other categories of investors e.g. PIOs, HUFs, QFIs, non - individuals, etc. are not eligible for such exemption.

* In case of joint holders, first holder must not possess a PAN.

Lumpsum Investments / Systematic Investments Plan (SIP) / Switch / would be considered for tracking the above exemption limit.

Investors are requested to note that, incase where a lump sum investment is made during the financial year and subsequently a fresh SIP mandate request is given where the total investments for that financial year exceeds Rs. 50,000/-, such SIP application shall be rejected.

In case where a SIP mandate is submitted during the financial year and subsequently a fresh lumpsum investment is being made provided where the total investments for that financial year exceeds Rs. 50,000, such lump sum application will be rejected.

Redemptions if any, in the Micro Investment folio, shall not be considered for calculating the exemption limit for such financial year. Consolidation of folio shall be allowed only if the PEKRN in all folios is same along with other investor details.

Post Dated Cheques will not be accepted as a mode of payment for application of MICRO SIP. Reliance SIP Insure facility will not be extended to investors applying under the category of Micro SIPs.
In accordance with SEBI Circular No. Cir/ IMD/ DF/16/2011 dated September 8, 2011, the
Trustees reserve the right to make the Units transferable at a later date, subject to Regulations
by the respective DP's periodically.

The statement of holding of the beneficiary account holder for units held in demat will be sent
to receive in physical.

Note: If the investor(s) has/have provided his/their email address in the application form or
any subsequent communication in any of the folio belonging to the investor(s), RMF / Asset
Management Company reserves the right to use Electronic Mail (email) as a default mode to send
various communication which include account statements for transactions done by the investor(s).

The investor(s) may request for a physical account statement by writing or calling RMF's Investor
Service Center/ Registrar & Transfer Agent. In case of specific request received from the investor(s),
RMF shall endeavor to provide the account statement to the investor(s) within 5 working days from
the receipt of such request. RMF shall comply with SEBI Circular No. IMD/CIR/12/80083/2006
dates November 20, 2006 with respect to dispatch of the account statement.
| Dividend | The dividend warrants shall be dispatched to the unitholders within 30 days of the date of declaration of the dividend. |
| Dividend | The Fund proposes to pay dividend in the following manner: |
| Direct credit to the bank account of unitholders: | The Fund is arranging with select bankers to enable direct credits into the bank accounts of the investors at these banks. If an investor has an account with a bank with whom the fund has a tie up for direct credit, the dividend amount or redemption proceeds will be credited directly to the bank account, under intimation to the unit holder by post/email. As per the directive issued by SEBI, it is mandatory for an investor to declare his/her bank account number and accordingly, investors are requested to give their bank account details in the application form. The Mutual Fund, on a best effort basis, and after scrutinising the names of the banks where unitholders have their accounts, will allow direct credit to the unitholders’ bank accounts. Others: Unitholders who do not wish to avail the above mentioned direct credit facility will receive dividend payments through payable at par cheques/DDs. In locations where payable at par facility is not available, dividend payments will be made through demand drafts. All the dividend payments shall be in accordance and compliance with SEBI circular no. SEBI/IMD/ CIR No.1/64057/06 dated April 4, 2006 or any amendment thereto from time to time. |
| Redemption/Repurchase proceeds | No redemption/repurchase of units shall be allowed in the scheme except during the Specified Transaction Period. Investors wishing to exit other than the Specified Transaction Period may do so by selling their units through stock exchanges where the units of the scheme are listed. Redemption proceeds shall be dispatched to/credited in the bank account of the unit holders within 10 Business Days from the date of redemption. |
| Investor will have an option to switch out the redemption proceeds into any other scheme of Reliance Mutual Fund during the Specified Transaction Period. However, switch out facility will not be available for units held in dematerialized mode. |
| The trustees reserve the right to suspend/deactivate/freeze trading, ISIN of the Scheme and do all such matters during the Specified Transaction Period or at any time ten days prior to the Specified Transaction Period. The proceeds of the redemption will be payable to the person whose names are appearing in the beneficiary position details of which will be received from depositories after the suspension/deactivation/freezing of ISIN. |
| Redemption proceeds would be payable to investors as per the bank details provided in beneficiary position details received from depositories. |
| However, once the units are dematerialized and the investor sells to another investor through exchange or transfers the units to another investor through DP then the redemption instruction provided by the existing investor will not be valid for the new investor. For the new investor the redemption proceeds shall be dispatched to the designated bank account of the unit holder within 10 business days from the date of redemption or repurchase, subject to availability of all relevant documents and details. |
| Delay in payment of redemption/repurchase proceeds | The Asset Management Company shall be liable to pay interest to the unit holders at such rate as may be specified by SEBI for the period of such delay (presently @ 15% per annum). |
| How to Redeem | The Units can be redeemed at the Redemption Price. |
| A Unitholder has the option to request for a redemption either by amount (in Rupees) or by number of Units. If the redemption request indicates both amount (in Rupees) and number of Units, the latter will be considered. Where a Rupee amount is specified or deemed to be specified for redemption, the number of Units redeemed will be the amount redeemed divided by the Redemption Price. Alternatively, a unitholder can request closure of his account, in which case, the entire unit balance lying to the credit of his account will be redeemed. |
| The number of Units so redeemed will be subtracted from the unitholder’s account balance and a statement to this effect will be issued to the unitholder. In case the balance in unitholder’s account does not cover the amount of redemption request the Fund may close the unitholder’s account and send the entire such (lesser) balance to the unitholders. If an investor has purchased Units on more than one working day, the Units purchased prior in time (i.e. those Units which have been held for the longest period of time), will be deemed to have been redeemed first, i.e. on a First in First out Basis. Units purchased by cheque will not be redeemed until after realisation of the cheques/DD. |
| Note: The processing of Redemption/Switch/Various transaction request(s) where realization status is not available, RMF shall keep the units allotted to investor on hold for redemption/switch/Various transactions till the time the payment is realized towards such purchase transaction(s). The transaction slip can be used by the investor to make a redemption or Inter scheme Switch or Inter plan Switch or Inter Option Switch by entering the requisite details in the transaction slip and submitting the same at the Designated Investor Service Centre. Transaction slips can be obtained from any of the Designated Investor Service Centres. Alternatively the client can redeem the units online through our website. Currently this facility is available only for individual investors. |
| Where to submit the Redemption request | The unitholder should submit the transaction slip for a redemption / switch or request for closure of his / her account at any of the Designated Investor Service Centres. |
| Payment of Redemption Proceeds | **Resident Investors**

The Fund proposes to pay redemption proceeds in the following manner:

i. **Direct credit of redemption proceeds to the bank account of unitholders:** The Fund is arranging with selected banks to enable direct credits of redemption proceeds into the bank accounts of the investors at these banks. Such facility of direct credit will be available only with select bankers with whom the Mutual Fund currently has a CMS tie-up in place or will tie-up for such a facility at a later date. As per the directive issued by SEBI, it is mandatory for an investor to declare his / her bank account number and accordingly, investors are requested to give their bank account details in the application form. The Mutual Fund, on a best effort basis, and after scrutinizing the names of the banks where unitholders have their accounts, will instruct the bank for the direct credit of redemption proceeds to the unitholder’s bank account.

ii. **For cases not covered above:** Unitholders will receive redemption proceeds by cheques, marked “A/c. Payee only” and drawn in the name of the sole holder / first-named holder (as determined by the records of the Registrar). The Bank Name and Bank Account No., as specified in the Registrar’s records, will be mentioned in the cheque. In case any investor does not give his bank details, for any reason whatsoever, the Fund shall in no way be responsible for any loss, on payment made without the Payee Bank details in the instrument. The cheque will be payable at par in all the cities where such facility is available with the specified bankers. For other cities, Demand Drafts will be issued payable at the city of his residence after deducting the Demand Draft charges.

**Non Resident Investors**

i. **Repatriation Basis:** When units have been purchased through remittance from abroad by cheque / draft issued from proceeds of the unitholders’ FCNR deposit or from funds held in the unitholders’ Non Resident (External) account kept in India, the proceeds can be remitted to the unitholder in foreign currency (any exchange rate fluctuation will be borne by the unitholder). The proceeds can also be sent to his Indian address for crediting to his NRE / FCNR / non-resident (Ordinary) account or NRSR account, if desired by the unitholder.

ii. **Non Repatriation Basis:** When units have been purchased from funds held in the unitholders’ nonresident (Ordinary) account, the proceeds will be sent to the unitholders Indian address for crediting to the unitholders’ Non–Resident (Ordinary) account. It may be noted that the investors of RMF shall be given the payout of redemption as an additional mode of payment through electronic mode as may be specified by Reserve Bank of India from time to time. This is an additional mode of payments over and above existing mode. In order to effect such payments through electronic mode, data validation exercise will be carried out by RCAM through one of the banking channels which will enable RCAM to validate the investor data with the Bank records. It may be noted that if RCAM unable to provide such credits due to various reasons, then payment will be made in accordance with the mode as specified.

The Fund may make other arrangements for effecting payment of redemption proceeds in future.

| Despatch of Proceeds | As per SEBI Regulations, the Mutual Fund shall despatch the redemption proceeds within the maximum period allowed, which is currently 10 working days from the date of receipt of the redemption request at the Designated Investor Service Centres. However, under normal circumstances, the Mutual Fund shall endeavour to despatch/ transfer the redemption proceeds to the unitholders bank account within one working day from the date of receipt of the redemption request at the Designated Investor Service Centres. A Transaction Confirmation Slip / Fresh Account Statement will also be sent to the Unitholders reflecting the new unit balance in his Account. For payments made other than through direct transfers, the redemption proceeds shall be despatched through ordinary mail (with or without UCP) or Registered Post or by Courier, unless otherwise required under the Regulations, at the risk of the unitholder. |
| Effect of Redemptions | **On the Fund:** The Unit capital and Reserves of the Scheme will stand reduced by an amount equivalent to the product of the number of Units redeemed and the Applicable NAV as on the date of redemption.

**On the unitholder’s account:** The balances in the unitholder’s account will stand reduced by the number of Units redeemed.
**Listing**

The Scheme will offer for Subscription / Switch-in and Redemption / Switch-out of Units without any load on Specified Transaction Period, once a month / once a quarter / once a Half year or once a year as the case may be on an ongoing basis. The units can be purchased from the AMC only during the Specified Transaction Period of the scheme. The applications for Sale / Switch in and Redemption / Switch out requests will be accepted during normal business hours on the first day of the Specified Transaction Period and up to 3.00 p.m. on the second day of the Specified Transaction Period. No redemption / repurchase of units shall be allowed with the Fund except during the Specified Transaction Period. If units are held in dematerialized form, investors can buy / sell units on a continuous basis on the stock exchanges(s) on which the units are listed and can be purchased / sold during the trading hours like any other publicly traded stock, except during the temporary suspension period, if any.

Moreover, no redemption / switch out will be allowed during the second day of the STP for purchase / switch ins made during the first day of the STP. As per SEBI Regulations, the Mutual Fund shall despatch Redemption proceeds within 10 Working Days of receiving a valid Redemption request. In case the Redemption proceeds are not made within 10 Working Days of the date of receipt of a valid Redemption request, interest will be paid @ 15% per annum from the 11th day onwards or such other rate as may be prescribed by SEBI from time to time. The AMC shall have the flexibility to change / alter the “Specified Transaction Period” depending upon the prevailing market conditions and in the interest of the unit holders.

**Dematerialization**

The Unit holders are given an Option to hold the units by way of an Account Statement or in Dematerialized (‘Demat’) form. Unit holders opting to hold the units in demat form must provide their Demat Account details in the specified section of the application form. The Unit holder intending to hold the units in Demat form are required to have a beneficiary account with the DP (registered with NSDL / CDSL as may be indicated by the Fund at the time of launch of the Plan) and will be required to indicate in the application the DP’s name, DP ID Number and the beneficiary account number of the applicant with the DP. In case Unit holders do not provide their Demat Account details, an Account Statement shall be sent to them. Such investors will not be able to trade on the stock exchange till the holdings are converted in to demat form.

Unitholders may please note that request for conversion of units held in non-demat form into electronic / demat form can be submitted to their Depository Participants. These units once converted into demat / electronic mode will then be eligible for trading on the NSE or other recognised stock exchanges in India, as decided by the AMC from time to time.

**Additional Purchases / Inter Scheme Switch / Inter Plan Switch / Inter Option Switch**

The transaction slip can be used by the investor to make additional purchases / Inter Scheme Switches / Inter Plan Switches or Inter Option Switches during Specified Transaction Period by entering the requisite details in the transaction slip and submitting the same along with the payment instrument (wherever applicable) at the Designated Investor Service Centre. The transaction slip is attached at the bottom of the Account Statement or can also be obtained from any of the Designated Investor Service Centres. Alternatively, the investor can quote his existing folio number and use an account opening form to make additional purchases under the same plan / option in the Scheme.

Unitholders may switch their repurchase able holdings (which are not under any lien) in this scheme to any other eligible RMF Scheme and vice versa. The transfer would be done at the applicable NAV based prices.

The difference in the applicable net asset values of the two schemes / plans / options will be reflected in the number of Units allotted.

As per the directives issued by SEBI, it is mandatory for an investor to declare his / her bank account number in the application form.

This is to safeguard the interest of unitholders from loss or theft of their redemption cheques / DDs. Investors are requested to provide their bank details in the Application Form failing which the same will be rejected as per current Regulations. The process and documentation requirement for Bank Mandate Update / Change in details of Bank Account for all individual investors (either singly / jointly) has been provided in SAI. The documents should be complete in all respects to the satisfaction of RMF, failing which RMF may, at its sole discretion, reject the change of bank mandate request and pay the redemption proceeds in the existing bank account registered with RMF, either through direct credit to such existing bank account or through a physical redemption warrant. RMF shall not be responsible for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, of whatsoever nature and by whatsoever name called, arising out of any such action.

RMF shall endeavor to process the request for change of Bank Mandate and thereafter redeem the specified units, within 10 working days, from the date of receipt of request. RMFs endeavor to dispatch the redemption proceeds within 3-4 working days of receipt of valid redemption request, shall not be applicable in case redemption request is accompanied by Change of Bank Mandate request.

RCAM reserves the right to change the procedures in respect of subscriptions or Inter-Scheme Switches or Inter-Plan / option Switches, from time to time.

Please refer SAI for further details.
### C. PERIODIC DISCLOSURES

<table>
<thead>
<tr>
<th>Liquidity</th>
<th>The units can be purchased from the AMC only during the Specified Transaction Period of the scheme. The applications for Sale/Switch in and Redemption/Switch out requests will be accepted during normal business hours on the first day of the Specified Transaction Period and upto 3.00 p.m. on the second day of the Specified Transaction Period. No redemption/repurchase of units shall be allowed with the Fund except during the Specified Transaction Period. However, since units are held in dematerialized form so investors can buy/sell units on a continuous basis on the stock exchanges(s) on which the units are listed and can be purchased/sold during the trading hours like any other publicly traded stock, except during the temporary suspension period, if any. Moreover, no redemption/switch out will be allowed during the second day of the STP for purchase switch ins made during the first day of the STP.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting of Units on Flexible / First In First Out (FIFO) Basis</td>
<td>Should a unitholder, who holds Units allotted during the Initial Offer or on an ongoing basis, buy more Units subsequently and later opt for redemption, the unitholder shall need to advise the Fund as to which of his units he intended to redeem. In the absence of any such advice, it shall be redeemed on a first in–first out basis, i.e. the Units allotted first shall be redeemed first.</td>
</tr>
<tr>
<td>Fractional Units</td>
<td>Allotment of units against subsequent purchases / redemption of Units on an ongoing basis shall be done in fractional units, rounded off upto three decimal places.</td>
</tr>
<tr>
<td>Transfer, Transmission, Nomination, Lien, Pledge, Duration of the Scheme and Mode of Holding</td>
<td>Available. Please refer SAI for details.</td>
</tr>
<tr>
<td>Third party Cheques</td>
<td>Third party Cheques Investment/subscription made through third party cheque(s) will not be accepted for investments in the units of Reliance Mutual Fund barring few exception issued by AMFI from time to time for the ‘third party payments’. For more details refer to SAI.</td>
</tr>
<tr>
<td>Multiple Bank accounts</td>
<td>The unit holder/ investor can register multiple bank account details under its existing folio by submitting separate form available on the website of the AMC at <a href="http://www.reliancemutual.com">www.reliancemutual.com</a>. For more details refer to SAI.</td>
</tr>
<tr>
<td>Know Your Client (KYC) Norms</td>
<td>In line with various guidelines issued by SEBI from time, it may be noted that KYC Compliance is mandatory for all investors with effective January 01, 2011 irrespective of the amount of their investment subject to various terms and conditions. Further, in order to reduce hardship and help investors dealing with various SEBI intermediaries, SEBI has now issued various circulars wherein it has mandated its Registered Intermediaries to follow a uniform KYC compliance procedure for all investor dealings across the various financial markets. For further details, investors are requested to refer to the SAI.</td>
</tr>
</tbody>
</table>

#### Net Asset Value

This is the value per unit of the scheme on a particular day. You can ascertain the value of your investments by multiplying the NAV with your unit balance. NAVs will be calculated up to four decimal places. The Mutual Fund shall declare the Net asset value of the scheme on every business day on AMFI’s website www.amfindia.com by 9.00 p.m. on the day of declaration of the NAV and also on their website. In case of any delay, the reasons for such delay would be explained to AMFI and SEBI within 2 working days. If the NAVs are not available before commencement of business hours on the following day due to any reason, Mutual Fund shall issue a press release providing reasons and explaining when the Mutual Fund would be able to publish the NAVs. The NAV shall be published at least in two daily newspapers every day. Since the Scheme is proposed to be listed on NSE and/or any other recognized Stock Exchange, the listed price would be applicable on the respective Stock Exchange.

#### Half yearly Disclosures: Portfolio / Financial Results

This is a list of securities where the corpus of the scheme is currently invested. The market value of these investments is also stated in portfolio disclosures.

#### Half Yearly Results

(i) **Half Yearly disclosure of Un-Audited Financials for the Schemes of RMF:**

Before expiry of one month from the close of each half year i.e. on March 31 or September 30, the Fund shall host a soft copy of half – yearly unaudited financial results on the website of the RMF i.e. www.reliancemutual.com and that of AMFI www.amfindia.com. A notice advertisement communicating the investors that the financial results shall be hosted on the website shall be published in one national English daily newspaper and in a newspaper in the language of the region where the Head Office of the fund is situated.

(ii) **Half Yearly disclosure of Scheme’s Portfolio:**

Before expiry of one month from the close of each half year i.e. on March 31 or September 30, the Fund will either publish the scheme’s portfolio details in the newspapers or send it to the unit holders in the format as prescribed by SEBI (Mutual Funds) Regulations, 1996. The same will also be hosted on the website of RMF i.e. www.reliancemutual.com. and that of AMFI www.amfindia.com. The publication of such statement shall be in one national English daily newspaper and in a newspaper in the language of the region where the Head Office of the fund is situated.

#### Monthly Disclosure of Schemes' Portfolio Statement

The fund shall disclose the scheme’s portfolio in the prescribed format as on the last day of the month for all the Schemes of RMF on or before the tenth day of the succeeding month or within such timelines as prescribed by SEBI from time to time.
Annual Report

Scheme wise Annual Report or an abridged summary thereof shall be mailed to all unitholders within four months from the date of closure of the relevant accounts year i.e. 31st March each year. In accordance with SEBI Circular No. IMD/ DF/16/ 2011 dated September 8, 2011, pertaining to mailing of annual report and/or abridged summary thereof, the same shall be sent by RCAM / RMF as under:

(i) by e-mail only to the Unit holders whose e-mail address is available with us,

(ii) in physical form to the Unit holders whose email address is not available with us and/or to those Unit holders who have opted / requested us for the same.

The physical copy of the schemewise annual report or abridged summary shall be made available to the investors at the registered office of RCAM. A link of the scheme annual report or abridged summary shall be displayed prominently on the website of RCAM i.e at www.reliancemutual.com

Associate Transactions

Please refer to Statement of Additional Information (SAI).

Taxation

The information is provided for general information only. However, in view of the individual nature of the implications, each investor is advised to consult his or her own tax advisors/authorised dealers with respect to the specific amount of tax and other implications arising out of his or her participation in the schemes.

Taxation of income earned on mutual fund units under the Income Tax Act 1961 as amended by Finance Act 2013

<table>
<thead>
<tr>
<th>Nature of Income ↓</th>
<th>Individual &amp; HUF (Resident)</th>
<th>Domestic Company</th>
<th>NRI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend Distribution Tax</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In Money market and Liquid schemes</td>
<td>28.325% (25% plus 10% surcharge plus 3% education cess)</td>
<td>33.99% (30% plus 10% surcharge plus 3% education cess)</td>
<td>28.325% (25% plus 10% surcharge plus 3% education cess)</td>
</tr>
<tr>
<td>In Other schemes</td>
<td>28.325% (25% plus 10% surcharge plus 3% education cess)</td>
<td>33.99% (30% plus 10% surcharge plus 3% education cess)</td>
<td>28.325% (25% plus 10% surcharge plus 3% education cess)</td>
</tr>
</tbody>
</table>

Capital Gains

| Long Term Capital Gain³ | ![Equity Oriented Fund](https://example.com) with indexation or 20% with indexation whichever is lower] + 3% Education cess" | ![Equity Oriented Fund](https://example.com) with indexation or 20% with indexation whichever is lower] + Surcharge + Education cess as applicable ⁴ | ![Equity Oriented Fund](https://example.com) with indexation or 20% with indexation whichever is lower] + 3% Education cess" |
| Short Term Capital Gain³ | Will be taxed at the normal rates depending upon the slab of each individual | 30% + Surcharge + Education cess as applicable ⁴ | Will be taxed at the normal rates depending upon the slab of each individual |

Securities Transaction Tax

| Securities Transaction Tax (STT) | | | |
| Nil | Nil | Nil |

Notes

1. "equity oriented funds has been defined under sections 10(38) of the Indian Income Tax Act 1961 as under:

   "equity oriented fund” means a fund —

   (i) where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty-five per cent of the total proceeds of such fund; and—

   (ii) which has been set up under a scheme of a Mutual Fund specified under clause (23D) :

Provided that the percentage of equity shareholding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures;”

Other than equity oriented fund shall be construed accordingly.

The above table is applicable to the units of other than equity oriented fund

2. The expression “money market mutual fund” has been defined under Explanation (d) to Section 115T of the Act, which means a scheme of a mutual fund which has been set up with the objective of investing exclusively in money market instruments as defined in sub-clause (p) of clause (2) of the Securities and Exchange Board of India (Mutual Funds) Regulations,1996.

The expression “liquid fund” has been defined under Explanation (e) to Section 115T which means a scheme or plan of a mutual fund which is classified by the Securities and Exchange Board of India as a liquid fund in accordance with the guidelines issued by it in this behalf under the Securities and Exchange Board of India Act, 1992 or regulations made thereunder.
3. Short Term Capital Gain would mean gain on sale/redemption/repurchase of mutual fund units held for not more than 12 months and Long term Capital Gain would mean gain other than Short Term Capital Gain.

4. The tax rates will be increased by surcharge, education cess and secondary and higher secondary education cess as applicable.

5. The Finance Act, 2012 provides for tax on long-term capital gains in case of non-residents @ 10% on transfer of capital assets, being unlisted securities, computed without giving effect to first & second proviso to section 48 i.e. without taking benefit of foreign currency fluctuation and indexation benefit. Listed Securities mean securities defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (32 of 1956) and which are listed on any recognised stock exchange in India.

   Non Listed securities mean securities other than Listed Securities.

6. Reliance Mutual Fund is registered with SEBI and as such is eligible for benefits under Section 10 (23D) of the Income Tax Act 1961. Accordingly its entire income is exempt from tax.

7. As per provisions of Section 206AA of the Act, if there is default on the part of a non-resident investor (entitled to receive redemption proceeds from the Mutual Fund on which tax is deductible under Chapter XVII of the Act) to provide its Permanent Account Number ('PAN'), the tax shall be deducted at higher of the following rates: i) rates specified in relevant provisions of the Act; or ii) rate or rates in force; or iii) rate of 20%.

   For further details on Taxation please refer to the Clause on Taxation in the SAI.

<table>
<thead>
<tr>
<th>Investor services</th>
<th>Mr. Bhalchandra Joshi is the Investor Relations Officer for the Fund. All related queries should be addressed to him at the following address:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mr. Bhalchandra Joshi, Head – Service Delivery and Operations Excellence</td>
</tr>
<tr>
<td></td>
<td>Reliance Capital Asset Management Limited</td>
</tr>
<tr>
<td></td>
<td>12th floor, One Indiabulls Centre, Tower 1</td>
</tr>
<tr>
<td></td>
<td>Jupiter Mills Compound, 841, Senapati Bapat Marg.</td>
</tr>
<tr>
<td></td>
<td>Elphinstone Road, Mumbai – 400 013</td>
</tr>
<tr>
<td></td>
<td>Tel No. - 022-30994600</td>
</tr>
<tr>
<td></td>
<td>Fax No. - 022-30994699</td>
</tr>
<tr>
<td></td>
<td>Email: <a href="mailto:bhalchandra.y.joshi@relianceada.com">bhalchandra.y.joshi@relianceada.com</a></td>
</tr>
</tbody>
</table>

D. COMPUTATION OF NAV

The Net Asset Value (NAV) of the Units will be determined daily or as prescribed by the Regulations. The NAV shall be calculated in accordance with the following formula, or such other formula as may be prescribed by SEBI from time to time.

\[
\text{NAV} = \frac{\text{Market} / \text{Fair Value of Scheme's Investments} + \text{Receivables} + \text{Accrued Income} + \text{Other Assets} - \text{Accrued Expenses} - \text{Payables} - \text{Other Liabilities}}{\text{Number of Units Outstanding}}
\]

NAV will be computed upto four decimal places.
This section outlines the expenses that will be charged to the schemes.

**A. NEW FUND OFFER (NFO) EXPENSES**

The New Fund Offer expenses of the scheme shall be borne by the AMC from retained earnings.

**B. ANNUAL SCHEME RECURRING EXPENSES**

Expense Ratio: These are the fees and expenses for operating the scheme. These expenses include Investment Management and Advisory Fee charged by the AMC and other expenses as given in the table below:

In line with current regulatory requirements, AMC has estimated that following % of the daily net assets of the scheme will be charged to the scheme as expenses. For the actual current expenses being charged, the investor should refer to the website of the mutual fund.

<table>
<thead>
<tr>
<th>Particulars</th>
<th>For Growth Plan/Dividend Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Management and Advisory Fees</td>
<td></td>
</tr>
<tr>
<td>Trustee fee</td>
<td>Upto 2.25%</td>
</tr>
<tr>
<td>Audit fees</td>
<td></td>
</tr>
<tr>
<td>Custodian fees</td>
<td></td>
</tr>
<tr>
<td>RTA Fees</td>
<td></td>
</tr>
<tr>
<td>Marketing &amp; Selling expense incl. agent commission</td>
<td></td>
</tr>
<tr>
<td>Cost related to investor communications</td>
<td></td>
</tr>
<tr>
<td>Cost of fund transfer from location to location</td>
<td></td>
</tr>
<tr>
<td>Cost of providing account statements and dividend redemption cheques and warrants</td>
<td></td>
</tr>
<tr>
<td>Costs of statutory Advertisements</td>
<td></td>
</tr>
<tr>
<td>Cost towards investor education &amp; awareness (at least 2 bps)</td>
<td></td>
</tr>
<tr>
<td>Brokerage &amp; transaction cost over and above 12 bps and 5 bps for cash and derivative market trades resp.</td>
<td></td>
</tr>
<tr>
<td>Service tax on expenses other than investment and advisory fees</td>
<td></td>
</tr>
<tr>
<td>Service tax on brokerage and transaction cost</td>
<td></td>
</tr>
<tr>
<td>Other Expenses #</td>
<td></td>
</tr>
<tr>
<td><strong>Maximum total expense ratio (TER) permissible under Regulation 52 (6) (c) (i) and (6) (a)</strong></td>
<td><strong>Upto 2.25%</strong></td>
</tr>
<tr>
<td><strong>Additional expenses under regulation 52 (6A) (c)#</strong></td>
<td><strong>Upto 0.20%</strong></td>
</tr>
<tr>
<td><strong>Additional expenses for gross new inflows from specified cities</strong></td>
<td><strong>Upto 0.30%</strong></td>
</tr>
</tbody>
</table>

( # Expenses including listing expences charged under the said parameters shall be in line with the Regulation 52 of SEBI (MF) Regulations or such other basis as specified by SEBI from time to time.)

These estimates have been made in good faith as per the information available to the Investment Manager based on past experience but the total expenses shall not exceed the limits permitted by SEBI. Types of expenses charged shall be as per the SEBI (MF) Regulations. The purpose of the above table is to assist the investor in understanding the various costs and expenses that an investor in the scheme will bear directly or indirectly.

Mutual funds /AMCs may charge service tax on investment and advisory fees to the scheme in addition to the maximum limit as prescribed in regulation 52 of the SEBI Regulations.

Service tax on other than investment and advisory fees, if any, shall be borne by the scheme within the maximum limit as per regulation 52 of the SEBI Regulations.

Mutual Funds/AMCs will annually set apart at least 2 basis points on daily net assets within the maximum limit as per regulation 52 of the SEBI Regulations for investor education and awareness initiatives.

Service tax on brokerage and transaction cost paid for execution of trade, if any, shall be within the limit prescribed under regulation 52 of the SEBI Regulations.

“Direct Plan – Growth Plan” and “Direct Plan – Dividend Plan” shall have lower expense ratio to the extent of distribution expenses / commission, etc. and no commission for distribution of units will be paid / charged under “Direct Plan – Growth Plan” and “Direct Plan – Dividend Plan”. The Total Expense Ratio of “Direct Plan – Growth Plan” and “Direct Plan – Dividend Plan” will be less by at least 10 percent of the Total Expense Ratio of “Growth Plan” and “Dividend Plan”.

It may be please be noted that the said % is only for the current interval and it may vary for the subsequent intervals. Therefore the TER details for the every interval shall be published by the RCAM by way of an addendum when the intended portfolio is published. However, no Investment Management fees would be charged on RCAM's investment in the Scheme. The Trustee Company, shall be
entitled to receive a sum computed \( \times 0.05\% \) of the Unit Capital of all the Schemes of RMF on 1st April each year or a sum of Rs.5,00,000/- whichever is lower or such other sum as may be agreed from time to time in accordance with the SEBI Regulations or any other authority, from time to time.

The total expenses of the scheme including the investment management and advisory fee shall not exceed the limits stated in Regulation 52(6) which are as follows:

(i) On the first Rs. 100 crore of the daily net assets 2.25%;
(ii) On the next Rs. 300 crore of the daily net assets 2.00%;
(iii) On the next Rs. 300 crore of the daily net assets 1.75%;
(iv) On the balance of the assets 1.50%;

The above expenses are fungible within the overall maximum limit prescribed under SEBI (Mutual Funds) Regulations, 1996, which means there will be no internal sub-limits on expenses and AMC is free to allocate them within the overall TER.

In addition to the limits specified in regulation 52(6), the following costs or expenses may be charged to the scheme as per new sub regulation 6A, namely–

(a) Brokerage and Transaction costs incurred for the execution of trades may be capitalized to the extent of 0.12 per cent of the value of trades in case of cash market transactions and 0.05 per cent of the value of trades in case of derivatives transactions. Any payment towards brokerage and transaction costs incurred for the execution of trades, over and above the said 0.12 per cent and 0.05 per cent for cash market transactions and derivatives transactions respectively may be charged to the scheme within the maximum limit of Total Expense Ratio (TER) as prescribed under Regulation 52 of the SEBI (Mutual Funds) Regulations, 1996. Any expenditure in excess of the said prescribed limit (including brokerage and transaction costs, if any) shall be borne by the AMC or by the Trustee or Sponsors.;

(b) expenses not exceeding of 0.30 per cent of daily net assets, if the new inflows from such cities as specified by the Board from time to time are at least –

(i) 30 per cent of gross new inflows in the scheme, or;
(ii) 15 per cent of the average assets under management (year to date) of the scheme, whichever is higher:

Provided that if inflows from such cities is less than the higher of sub-clause (i) or sub-clause (ii), such expenses on daily net assets of the scheme shall be charged on proportionate basis:

Provided further that expenses charged under this clause shall be utilized for distribution expenses incurred for bringing inflows from such cities.

Provided further that amount incurred as expense on account of inflows from such cities shall be credited back to the scheme in case the said inflows are redeemed within a period of one year from the date of investment;

(c) additional expenses, incurred towards different heads mentioned under sub-regulations (2) and (4), not exceeding 0.20 per cent of daily net assets of the scheme.

The Fund will strive to reduce the level of these expenses so as to keep them well within the maximum limits allowed by SEBI.

Expenses on an ongoing basis will not exceed the percentage of the daily net assets or such maximum limits as may be specified by SEBI Regulations from time to time.

The recurring expenses incurred in excess of the limits specified by SEBI (MF) Regulations will be borne by the AMC or by the Trustee or the Sponsor.

C. LOAD STRUCTURE

Load is an amount which is paid by the investor to subscribe to the units or to redeem the units from the scheme. This amount is used by the AMC to pay commissions to the distributor and to take care of other marketing and selling expenses. For the current applicable structure, please refer to the website of the AMC www.reliancemutual.com or may call at 30301111 or on toll free no. 1800 300 11111 or your distributor.

Any imposition or enhancement in the load shall be applicable on prospective investments only. However, AMC shall not charge any load on issue of bonus units and units allotted on reinvestment of dividend for existing as well as prospective investors. At the time of changing the load structure, the mutual funds may consider the following measures to avoid complaints from investors about investment in the schemes without knowing the loads:

i. The addendum detailing the changes may be attached to Scheme Information Documents and key information memorandum. The addendum may be circulated to all the distributors/brokers so that the same can be attached to all Scheme Information Documents and key information memorandum already in stock.

ii. Arrangements may be made to display the addendum in the Scheme Information Document in the form of a notice in all the investor service centres and distributors/brokers office.

iii. The introduction of the exit load/ CDSC alongwith the details may be stamped in the acknowledgement slip issued to the investors on submission of the application form and may also be disclosed in the statement of accounts issued after the introduction of such load/CDSC.

iv. A public notice shall be given in respect of such changes in one English daily newspaper having nationwide circulation as well as in a
newspaper published in the language of region where the Head Office of the Mutual Fund is situated.

v. Any other measures which the mutual funds may feel necessary.

Applicable Load Structure

1. **Entry Load & Exit Load:**

<table>
<thead>
<tr>
<th>Entry Load</th>
<th>Exit Load</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Applicable</td>
<td>1. During Specified Transaction Period: Nil</td>
</tr>
<tr>
<td></td>
<td>2. During Non Specified Transaction Period: Not Applicable</td>
</tr>
</tbody>
</table>

The AMC reserves the right to change/alter the “Specified Transaction Period” and/or “Load Structure” depending upon the prevailing market conditions and in the interest of the unit holders.

2. Inter scheme Switch – Allowed only during the Specified Transaction Period at the applicable load in the respective Schemes.

3. Inter Plan/Inter Option Switch – Allowed only during the Specified Transaction Period.

**Entry Load – Not Applicable**

In accordance with the requirements specified by the SEBI circular 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 RMF with effect from August 01, 2009. The upfront commission on investment made by the investor, if any, will be paid to the ARN Holder (AMFI registered Distributor) directly by the investor, based on the investor’s assessment of various factors including service rendered by the ARN Holder.

**Exit Load – NIL**

Pursuant to SEBI circular No.SEBI/IMD/CIR No. 14/120784/08 dated March 18, 2008, with effect from April 1, 2008, no exit load or exit load shall be charged in respect of bonus units and of units allotted on reinvestment of dividend.

Exit load if charged, by RMF to the unitholders shall be credited to the scheme immediately net of service tax, if any.

The investor is requested to check the prevailing load structure of the scheme before investing. For any change in load structure RCAM will issue an addendum and display it on our website www.reliancemutual.com or Investor Service Centres.

The investor is requested to check the prevailing load structure of the scheme before investing.

For any change in load structure RCAM will issue an addendum and display it on the website/Investor Service Centres.

**D. WAIVER OF LOAD FOR DIRECT APPLICATIONS**

Pursuant to SEBI circular No. SEBI/IMD/CIR No. 4/ 168230/09 dated June 30, 2009, no entry load shall be charged for all the mutual fund schemes. Therefore the procedure for the waiver of load for direct application is no longer applicable.

**E. TRANSACTION CHARGES:**

In accordance with SEBI Circular No. IMD/ DF/13/ 2011 dated August 22, 2011, with effect from November 1, 2011, Reliance Capital Asset Management Limited (RCAM)/ RMF shall deduct a Transaction Charge on per purchase / subscription of Rs. 10,000/- and above, as may be received from new investors (an investor who invests for the first time in any mutual fund schemes) and existing investors. The distributors shall have an option to either “Opt-in / Opt-out” from levying transaction charge based on the type of product. Therefore, the “Opt-in / Opt-out” status shall be at distributor level, basis the product selected by the distributor at the Mutual Fund industry level. Such charges shall be deducted if the investments are being made through the distributor/agent and that distributor / agent has opted to receive the transaction charges as mentioned below:

- For the new investor a transaction charge of Rs 150/- shall be levied for per purchase / subscription of Rs 10,000 and above; and
- For the existing investor a transaction charge of Rs 100/- shall be levied for per purchase / subscription of Rs 10,000 and above.

The transaction charge shall be deducted from the subscription amount and paid to the distributor/agent, as the case may be and the balance shall be invested. The statement of account shall clearly state that the net investment as gross subscription less transaction charge and give the number of units allotted against the net investment.

Transaction charges shall not be deducted if:

(a) The amount per purchases /subscriptions is less than Rs. 10,000/–;
(b) The transaction pertains to other than purchases/ subscriptions relating to new inflows such as Switch/STP/ DTP, etc.
(c) Purchases/Subscriptions made directly with the Fund through any mode (i.e. not through any distributor/agent).
(d) Subscription made through Exchange Platform irrespective of investment amount.
VI - PENALTIES, PENDING LITIGATION OR PROCEEDINGS, FINDINGS OF INSPECTIONS OR INVESTIGATIONS FOR WHICH ACTION MAY HAVE BEEN TAKEN OR IS IN THE PROCESS OF BEING TAKEN BY ANY REGULATORY AUTHORITY

1. All disclosures regarding penalties and action(s) taken against foreign Sponsor(s) may be limited to the jurisdiction of the country where the principal activities (in terms of income / revenue) of the Sponsor(s) are carried out or where the headquarters of the Sponsor(s) is situated. Further, only top 10 monetary penalties during the last three years shall be disclosed.

   Not applicable

2. Details of all monetary penalties imposed and/or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/or the AMC and/or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law. Details of settlement, if any, arrived at with the aforesaid authorities during the last three years shall also be disclosed.

   There were no monetary penalties imposed and/or action taken during the last three years or pending with any financial regulatory body or governmental authority, against Sponsor(s) and/or the AMC and/or the Board of Trustees /Trustee Company; for irregularities or for violations in the financial services sector, or for defaults with respect to share holders or debenture holders and depositors, or for economic offences, or for violation of securities law. There were no settlement arrived at with the aforesaid authorities during the last three years.

3. Details of all enforcement actions taken by SEBI in the last three years and/or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/or suspension and/or cancellation and/or imposition of monetary penalty/adjudication/enquiry proceedings, if any, to which the Sponsor(s) and/or the AMC and/or the Board of Trustees /Trustee Company and/or any of the directors and/or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party. The details of the violation shall also be disclosed.

   There were no enforcement actions taken by SEBI in the last three years and/or pending with SEBI for the violation of SEBI Act, 1992 and Rules and Regulations framed there under including debarment and/or suspension and/or cancellation and/or imposition of monetary penalty/adjudication/enquiry proceedings, to which the Sponsor(s) and/or the AMC and/or the Board of Trustees /Trustee Company and/or any of the directors and/or key personnel (especially the fund managers) of the AMC and Trustee Company were/ are a party.

4. Any pending material civil or criminal litigation incidental to the business of the Mutual Fund to which the Sponsor(s) and/or the AMC and/or the Board of Trustees /Trustee Company and/or any of the directors and/or key personnel are a party should also be disclosed separately.

   In terms of the SEBI [Mutual Fund] Regulations, 1996 (as amended from time to time), the mutual fund schemes are permitted to invest in securitized debt. Accordingly, investments in certain Pass Through Certificates ("PTC’s") of a securitization trust ("the Trust") were made through some of schemes of Reliance Mutual Fund ("the Fund"). The returns filed by few of these securitisation Trusts whose PTCs were held by the Fund were taken up for scrutiny by the Income Tax Authorities which raised demand initially on the Trusts. However, on failure to recover, the Income Tax Authorities sent the demand notices to the Fund for Assessment Years 2009-10 and 2010-11. The Fund in consultation with its tax & legal advisors has contested the applicability of such demand and proceedings thereon are still pending. It may be noted that this is a matter, which is not restricted only to the Fund but is an Industry issue. Accordingly, through the Association of Mutual Funds in India (AMFI), the matter has also been appropriately escalated to the Ministry of Finance, in order to seek necessary clarifications, reliefs and if required, to carry out necessary amendments to the relevant provisions of the Income Tax Act, 1961.

5. Any deficiency in the systems and operations of the Sponsor(s) and/or the AMC and/or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency, shall be disclosed.

   There was no deficiency in the systems and operations of the Sponsor(s) and/or the AMC and/or the Board of Trustees/Trustee Company which SEBI has specifically advised to be disclosed in the SID, or which has been notified by any other regulatory agency.

Notwithstanding anything contained in this Scheme Information Document, the provisions of the SEBI (Mutual Funds) Regulations, 1996 and the guidelines there under shall be applicable.

For and behalf of the Board of Directors of

RELIANCE CAPITAL ASSET MANAGEMENT LIMITED

[Asset Management Company for Reliance Mutual Fund]

Mumbai (Sundeep Sikkha)
June 26, 2014
Chief Executive Officer

35